WEST OXFORDSHIRE DISTRICT COUNCIL

Wednesday, 16 September 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, 24 September 2026 at 6.00 pm.**

Phil Martin
Chief Executive

To: Members of the Audit and Governance Committee

Councillors: Nigel Ridpath (Chair), Sandra Simpson (Vice-Chair), Joy Aitman, Edward James, David Melvin, Elizabeth Poskitt, Alex Wilson, Adam Clements, Dan Levy, Andrew Lyon, and Toby Morris.

Independent Members: 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 - 16)
To approve the minutes of the meeting held on 25 June 2026.

4. **Internal Audit Progress Report** (Pages 17 - 32)
<u>Purpose:</u>
To present a summary of the audit work concluded since the last meeting of this Committee.

<u>Recommendation:</u>
That the Audit and Governance Committee resolves to:
    1. Note the report

5. **Treasury Management Q1 Report** (Pages 33 - 50)
<u>Purpose:</u>
To report to the Audit and Governance Committee the Quarter One (Q1) Treasury Management Indicators as required by the CIPFA Treasury Management Code.

<u>Recommendation:</u>
That the Committee Resolves to:
    1. Note the contents of the report

6. **CFEU Update Report and Risk and Equalities Impact Assessments** (Pages 51 - 66)
<u>Purpose:</u>
To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.

To present the Committee with a reviewed Fraud Compliance Checklist and general update, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership as the body charged with governance in this area.

To provide assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.

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

7. **Audit and Governance Committee Work Programme** (Pages 67 - 70)
Purpose
For the Committee to review and note its work programme.

(END).

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WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
Audit and Governance Committee
Held in the Committee Room 1, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB at 6.00 pm on **Thursday, 25 June 2026**

PRESENT

Councillors: Nigel Ridpath (Chair), Sandra Simpson (Vice-Chair), Joy Aitman, Elizabeth Poskitt, Adam Clements, Toby Morris and Carl Rylett

Independent Member: Victoria Field

Officers: Madhu Richards (Director of Finance), Phil Martin (Chief Executive and Head of Paid Service), Mathew Taylor (Democratic Services Officer), Georgina Dyer (Head of Finance), Sandrine Mangin (Governance and Risk Officer) and Cheryl Sloan (Assistant Director)

Other Councillors in attendance: Alaric Smith.

131 Apologies for Absence

Councillor Nigel Ridpath, Chair of the Audit and Governance Committee, reminded members of the Committee that a training session was being held on Thursday 9 July at 2.00pm on Audit, Fraud and Risk Awareness. As part of the session, a representative from Arlingclose, the Council's treasury advisors, would be attending in order to brief members on investment practices. Councillor Ridpath encouraged all members of the Committee to attend.

Apologies for absence were received from Councillors David Melvin, Dan Levy, Andrew Lyon and Alex Wilson.

Councillor Carl Rylett substituted for Councillor Melvin.

132 Declarations of Interest

There were no declarations of interest received.

133 Minutes of Previous Meeting

There were no comments or amendments required to the minutes of the meeting held on 20 May 2026.

Councillor Carl Rylett proposed that the minutes of the meeting held on 20 May 2026 be approved.

The proposal was seconded by Councillor Joy Aitman, put to the vote and agreed by the Committee.

Audit and Governance Committee

25/June2026

The Audit and Governance Committee Resolved to:

1. Approve the minutes of the meeting held on 20 May 2026.

134 Information Governance update and Senior Information Risk Owner (SIRO) Annual Highlight report 2025/26

Phil Martin, Chief Executive, presented the item the purpose of which was to provide the Committee with the Information Governance & SIRO report, which summarised the Council's key actions and progress in reducing information risk and strengthening data and information management controls during the 2025/26 financial year.

In his presentation the Chief Executive made the following points:

- The report was the first of its kind presented to the Committee. It was considered best practice for the report to be brought annually to Committee.
- The key areas for managing information and risk were outlined in section 2.2 of the report and were aligned with the Committee's responsibilities to ensure that the Council's control framework remained robust.
- The report was a backward-looking document which had highlighted actions, plans, opportunities and challenges related to information risk and governance for the 2025/26 year.
- There had been good progress in the past year in response times to subject access requests, freedom of information requests and limiting information risk.
- The report showed that there was an upward curve over the last three years in subject access requests.
- The Council itself had 22 subject access requests and 14 data breaches. These numbers were considered relatively low in comparison to partner councils.
- Section 3.6 gave information related to freedom of information requests. In quarter one of 25/26, information management targets had been hit in relation to these, despite request volume increasing. This was due to increased resources and improved processes that had ensured increased efficiency.

In the discussion the following points were raised:

- Clarification was sought on the meaning of the star in the table at 3.2 of the report adjacent to "requests open/on hold". The Chief Executive advised that clarification would be sent on this matter.
- Regarding automated decision making, further elaboration on the advantages and disadvantages of its use was requested. The Chief Executive responded by affirming the mindful approach that the Council was taking in this area. He noted that automation could improve the ease of subject access and freedom of information requests.

- Further information was requested on the Council's Cyber Security Team, and the omission of cyber security from the list of key areas of focus was queried. The Chief Executive responded by detailing the expertise, training and investment in the Council's Cyber Security Team. It was also noted that access to resources from partner councils had put the Council in a strong position. The Chief Executive advised that cyber security could be included in key focus areas in future.
- It was suggested that it would be useful to show the time limit data for subject access requests referred to in section 2.1 of the report, in a similar manner to the freedom of information requests data at 3.6. The Chief Executive assured the Chair that the requests included were made in the relevant time frame and agreed that the data could be presented in this way in the future.

Councillor Elizabeth Poskitt proposed the recommendations of the report. This proposal was seconded by Councillor Sandra Simpson. This was voted on and unanimously agreed.

That the Audit and Governance Committee resolved to:

1. Note the report of the Senior Information Risk Owner (SIRO) on Information Governance for the 2025/26 period
2. Approve the future inclusion of the SIRO's Annual Report within the Annual Governance Statement for reporting purposes

135 **Internal Audit Annual Opinion 2025/26**

Jaina Mistry, Senior Auditor (SWAP Internal Audit Services), presented the item, the purpose of which was to present a summary of the work undertaken by Internal Audit during 2025/26 and to give an overall annual opinion on levels of assurance resulting from this work.

In her presentation the Officer made the following points:

- SWAP had issued an annual opinion of "reasonable assurance" from the audits on the Council undertaken in 25/26.
- Page 30 of the pack gave a summary of the audits completed with a more detailed version of this shown on page 42.
- Page 46 of the report showed the audits that had been completed since the last report to the Committee in March 2026.
- Page 52 of the report showed the open agreed actions of which there were nine. The S106 2023/24 open action, which had a target date of February 2026, had been followed up and was with the legal service.

In the discussion the Committee made the following points:

- Members focused on the S106 2023/24 open action and requested more detail on the improvements that were being made. The Officer advised that further information on this would be provided to the Committee following the meeting.
- Members asked for more clarification on what a suspense account was. Officers advised that these accounts can be credits or debits. Where bank transactions cannot be allocated to a specific location by the Bank Reconciliation Team, due to a lack of a reference number for example, monies may sit in such accounts while attempts were being made to clear them. Increased management and automation had meant that the number of transactions in suspense accounts had decreased.
- The Committee questioned how many recommendations from Internal Audit had not been accepted by the Council. The Director of Finance confirmed that all actions had been taken on board however some had not been implemented at that point. All priority one actions had been implemented.
- Members noted that the Council had been given a "reasonable" assurance, however the report noted seven audits which had been given "substantial" assurance and questioned the methodology around this. Officers noted that the opinion was not solely based on audits completed but also advisory work and conversations with the senior leadership team and reiterated that "reasonable" was a good opinion.
- Members noted the significant weakness that had been identified in data retention. Officers advised that this weakness had been identified around procedures not being followed in the transfer from Publica services back to the Council. In some cases documentation had been retained where it was not correct to do so. Furthermore, Officers noted that a new Data Retention Policy had been introduced and rolled out to teams through the management team and this would address the historic weakness in this area.
- Members asked for more information on the Grant Certification audit carbon data 2023/24 that was shown as in progress. Officers would return more information to the Committee.

Councillor Nigel Ridpath, Chair of the Audit and Governance Committee, revisited the Committees discussion on the outstanding agreed action on S106 and voiced the Committees wish to see more urgent progress on this matter. The Chief Executive agreed to look into the matter and report back.

Councillor Carl Rylett proposed that the Committee note the report.

Councillor Toby Morris seconded the proposal, this was put to the vote and agreed by the Committee.

The Audit and Governance Committee resolved to:

1. Note the report.

136 Statement of Accounts 2025/26 - Update and Accounting Policies

Madhu Richards, Director of Finance, presented the item, the purpose of which was to present the accounting policies to be included in the 2025/26 Statement of Accounts. The report provided Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2025/26. Approving the accounting policies in advance of the preparation of the accounts represented best practice.

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

- The first draft of the 2025/26 accounts had been published.
- The accounts were based on the policies included in the report to be approved by the Committee.

In the discussion the Committee noted that the accounts were for 2025/26 and included a statement that the Council did not currently charge CIL. However, the collection of CIL had begun before the financial year. Officers acknowledged that this was incorrect and needed modification.

Councillor Sandra Simpson proposed that the Committee accept the recommendations in the report.

Councillor Adam Clements seconded the proposal, this was put to the vote and agreed by the Committee.

The Audit and Governance Committee resolved to:

1. Approve the draft accounting policies for 2025/26 included at Annex A;
2. Agree that further necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) would be included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to the Committee.

137 25/26 Treasury Outturn

Madhu Richards, Director of Finance, presented the report, the purpose of which was to advise members of treasury management activity and the performance of internal and external fund managers for 2025/26

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

- The Council was in a very strong financial position in challenging times.
- Returns were significantly above budget.

- The Council were compliant with all prudential indicators with the exception of interest rate exposure. However, this position was favourable for the Council.
- It was brought to the Committees attention that there were a few errors in the report and these were detailed.

There were no questions from the Committee, however Members congratulated the team on the result given the challenging times.

Councillor Elizabeth Poskitt proposed that the Committee accept the recommendation in the report, subject to the corrections to the report detailed by the officers.

Councillor Joy Aitman seconded the proposal, this was put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:

1. Note the Treasury Management and performance of internal and external funds for 2025/26.

138 **Strategic Risk Register**

Cheryl Sloan, Executive Director, Workforce Strategy & Transformation, presented the item, 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 were being managed and appropriate actions were being taken to mitigate risk.

In her presentation the Executive Director, Workforce Strategy & Transformation, made the following points:

- The Strategic Risk Register was a dynamic document that was reviewed by the senior leadership team each month and quarterly by Members of the Executive.
- There were no major changes in the report, however three changes were proposed: Removal of embedding of services under phase two of the Publica transition, which were considered to be fully embedded at this stage; refugee/asylum seekers where, following closure of the refugee hotel, responsibilities for this had shifted back to the Home Office; consolidation of two risks (Global Pandemic and Major Civil Emergency) to one entitled “Global Events”.

In the discussion the Committee made the following points:

- Officers confirmed that extreme weather was covered under the Global Events risk. With the recent extreme weather systems had already been stood up around emergency planning. The Chief Executive gave a practical example of the work that been undertaken with Ubico around employee wellbeing in the extreme heat.

- Members queried how cultural change was measured. Officers advised that surveys were in place and a cultural working group had been formed.

Councillor Adam Clements proposed that the Committee accept the recommendations in the report.

Councillor Elizabeth Poskitt seconded the proposal, this was put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:

1. Approve the changes made to the Risk Register as outlined in section 2 of this report.
2. Note the contents of the report and annex.

139 Annual Governance Statement for 2025/26, Action Plan for 2026/27 & Local Code of Corporate Governance Report for 2026/27

Cheryl Sloan, Executive Director, Workforce Strategy & Transformation, presented the item, the purpose of which was to provide the Audit and Governance Committee with an updated Annual Governance Statement for 2025/26 incorporating the Annual Action Plan for 2025/26, an Annual

Governance Action plan for 2026/27 and the Local Code of Corporate Governance 2026/27.

In her presentation the Executive Director, Workforce Strategy & Transformation, made the following points:

- The Local Code of Corporate Governance set out the governance arrangements for the Council.
- The Annual Governance Statement was a backward-looking document that looked at how the Council had complied with Local Code of Corporate Governance in the 2025/26 year.
- The Annual Governance Action Plan was a forward-looking document embedded within the Annual Governance Statement and identified what improvements will be made to governance arrangements.
- The Annual Governance Statement formed part of the Annual Accounts submission.

In the discussion the Committee made the following points:

- An Independent Member queried if "people" should be included in the key areas of focus. Officers commented that this could be included, however there was a separate People Action Plan being worked on at present.

Councillor Sandra Simpson proposed that the Committee accept the recommendations in the report.

Councillor Joy Aitman seconded the proposal, this was put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:

1. Approve the 2025/26 Annual Governance Statement incorporating the Annual Action Plan for 2025/26 and the Action Plan 2026/27 for sign off by the Chief Executive Officer and the Leader of the Council.
2. Adopt the latest version of the Local Code of Corporate Governance 2026/27 for sign off by the Chief Executive Officer and the Leader of the Council.
3. Agree to receive updates on progress against the key actions in the Action Plan 2026/27 at future meetings.

140 **Annual Summary of Member Conduct Complaints**

Andrew Brown, Head of Democratic and Electoral Services, presented the report, the purpose of which was to advise the Committee of the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer, in consultation with the Independent Person, in the period from 1 April 2025 to 31 March 2026 and any learnings.

In his presentation the Head of Democratic and Electoral Services made the following points:

- The Committee had a role in overseeing code of conduct complaints.
- Complaints could be received about District as well as Town and Parish Councillors.
- In the year to 31 March 2026, 16 code of conduct complaints had been received.
- All complaints go through a set process. The complaint handling process had been reviewed and gone through Full Council in November 2024 and was considered to be working well.
- The aim was to deal with complaints at the lowest possible level with only serious complaints progressing to the investigation stage. At each stage of the process there was consultation with one of the three Independent Members.
- The table at paragraph 2.4 showed that no complaints had gone to the investigation stage. All complaints were either informally resolved or dismissed with recommendations for further action. An example of such recommendations was consultation with Oxfordshire Association of Local Councils (OALC).

- The report included a summary of the subject matter of the complaints
- The report included a summary of learnings from complaints.

There were no comments or questions from the Committee.

Councillor Elizabeth Poskitt proposed that the Committee accept the recommendation in the report.

Councillor Adam Clements seconded the proposal, this was put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:
1. Note the report.

141 Annual Complaints Performance and Service Improvement Report, including the Annual Summary of Complaints Statistics from the Local Government and Social Care Ombudsman - Year Ending 31 March 2026

Cheryl Sloan, Executive Director, Workforce Strategy & Transformation, presented the item, the purpose of which was to provide a review of the organisation's complaints handling performance and service improvement over the financial year 1 April 2025 – 31 March 2026.

The report had been written in line with the Council's Complaints Policy and Procedure ('the Policy') which was introduced on 1 April 2025. The Policy met the requirements of the Local Government and Social Care Ombudsman's Complaint Handling Code.

The report also presented the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman ('the LGO') letter for the year 1 April 2025 – 31 March 2026.

The report outlined some proposed changes to the Policy for Committee approval.

In her presentation the Executive Director Workforce Strategy and Transformation made the following points:

- The Council was required to self-assess its compliance with the Ombudsman's Complaint Handling Code. The Council was compliant. However, it was acknowledged that improvements were required in how the Council recording complaints that were deemed exempt.
- The Council intended to increase its use of exemptions, in particular to ensure the correct use of the route of complaints was used.

- 97% of stage one complaints had been dealt with in the 10-day target and 100% of stage two complaints had been dealt with in required timescales.
- The Council had intended to utilise allowable extensions to ensure compliance with timescales.
- The report contained a summary of the learning from the complaint handling process..
- 13 complaints had been referred to the Ombudsman. Of these, one complaint did not relate to the Council, eleven were closed with no action and one was investigated and upheld. The upheld complaint led to improvements in the disabled facility grant process and learnings had been taken and additional processes implemented as a result.
- The changes to the Complaints Policy were in the area of artificial intelligence (AI) and included sections on Officer use of AI and tips to complainants on how to make effective submissions using AI.

In the discussion the Committee made the following points:

- A Member focussed the discussion on the changes to policies around AI and queried how the Council is learning how to identify submission being made to them using AI and what training was being given to staff. Officers advised that it was becoming obvious when submissions had been made using AI. No training had taken place on how to identify AI however officers had received training on general use of AI.
- The Chair of the Committee, Councillor Nigel Ridpath, highlighted the proposal in section 8.3 of the report which was to provide guidance to users to help produce their complaints effectively. Councillor Ridpath stated that he considered this valuable and forward thinking and showed that the Council valued its residents. Other Members suggested that additional thought may need to be given to the suggestion that complainants ask AI to include a closing paragraph which could result in wording that was not suitable for the Council or reflective of what the complainant wanted to convey.

Councillor Adam Clements proposed that the Committee accept the recommendations in the report.

Councillor Sandra Simpson seconded the proposal, this was put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:

1. Note the content of the report and the Local Government and Social Care Ombudsman's Annual Letter for 2025/26 attached at Annex A
2. Approve the recommended changes to the Complaints Policy and Procedure in relation to the use and response to Artificial Intelligence generated complaints attached at Annex B.

142 Audit and Governance Committee Work Programme

The Committee were presented with the Committee Work Programme for 2026/27.

A Member noted that there was a duplication of the Annual Local Government Ombudsman Letter 2025/26, which had been included in both the June and September 2026 meetings. Democratic Services would remove the item from September as it had been considered as part of the June meeting.

Councillor Joy Aitman proposed that the Committee noted the work plan for the 2026/27 municipal year.

This proposal was seconded by Councillor Sandra Simpson, was put to the vote and agreed by the Committee.

The Audit and Governance Committee Resolved to:

1. Note the work programme for 2026/27.

The Meeting closed at 6.58 pm

CHAIR

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WEST OXFORDSHIRE DISTRICT COUNCIL	**WEST OXFORDSHIRE DISTRICT COUNCIL**
Name and date of Committee	**AUDIT AND GOVERNANCE COMMITTEE – 24 SEPTEMBER 2026.**
Subject	**INTERNAL AUDIT PROGRESS REPORT 2025/26**
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 a summary of the audit work concluded since the last meeting of this Committee.
Annexes	Annex A – Report of Internal Audit Activity 2026/27 Annex B – Agreed Actions
Recommendation(s)	That the Audit and Governance Committee resolves to: 1. Note the report
Corporate priorities	(Internal Audit supports all Council Corporate Priorities • 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

1. BACKGROUND

The Internal Audit Service is provided to this Council by SWAP Internal Audit Services (SWAP). SWAP is a local authority-controlled company.

The report attached at Annex A sets out the work undertaken by SWAP for the Council. It follows the risk-based auditing principles and, therefore, this is an opportunity for the Audit and Governance Committee to be aware of emerging issues which have resulted from SWAP involvement.

Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

2. MAIN POINTS

The progress report (Annex A) enables the Audit and Governance Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.

Our plan remains flexible to respond to requests for audits or ad hoc reviews.

We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions has been included for Members information.

3. ALTERNATIVE OPTIONS

Not applicable

4. FINANCIAL IMPLICATIONS

The Internal Audit Service is operating within the contract sum.

5. LEGAL IMPLICATIONS

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

6. RISK ASSESSMENT

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

7. EQUALITIES IMPACT

Not applicable

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 Not applicable

9. BACKGROUND PAPERS

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

- Internal Audit Reports

9.2 These documents will be available for inspection online at www.westoxon.gov.uk 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

September 2026

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Contents

The contacts at SWAP in connection with this report are:

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- Contents:

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.

Internal Audit Definitions

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

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Climate Change	Final Report	Mid Substantial	1	0	1	0	Report Included
Operational	Bio-Diversity Net Gain	Draft Report						
ICT	CFEU Access to Systems	Draft Report						
Operational	Building Control Regulatory Compliance – Site Inspection Process	Draft Report						
Core Financial	Procurement	In Progress						
Operational	Health and Safety	In Progress						
Operational	Safeguarding	In Progress						
Core Financial	Revenues and Benefits	Ready to Start						
Core Financial	Payroll - Manual Calculations							
Follow-Up	Leisure Facilities	Ready to Start						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority 1	Priority 2	Priority 3	Comments
Operational	Accounts Payable – Quarterly Review 2026/27	On Going						
Grant Certification	Carbon Data 2023/24	Complete						
Grant Certification	Carbon Data 2024/25	Ready to Start						
Support	Business Grant Funding – Aged Debt	On Going						Ad-hoc review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS
Support	LGR	On-Going						
Support / Advisory	Oxfordshire Waste Partnership	On Going						
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						
Advisory	Management Team Meetings	On Going						

Audit Plan Progress

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

Climate Change Operational – Final Report – July 2026

Audit Objective — To evaluate and provide assurance regarding the operational management of WODC's 2030 carbon neutral commitment across all council services.

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

Management Actions	
Priority 1	0
Priority 2	1
Priority 3	0
Total	1

Organisational Risk Assessment: Low

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

Key Conclusions

Performance Metrics – Carbon Action Plan KPI Reporting

Climate performance metrics are in place with detailed actions included within WODC's Carbon Action Plan. Annual carbon accounts report emissions reductions and regular project updates are provided; however, KPI progress has not yet been formally reported in a consolidated format. A formal reporting mechanism for progress on the Carbon Action Plan KPIs will support the Council's carbon neutral targets by improving transparency and ensuring clearer access to progress information for officers, members and the public.

Climate Change Survey

Survey responses indicate that there has been great progress in embedding the Council's climate priority, most notably, with carbon literacy training and the use of the SIAT. Respondents have indicated that there is potential for the priority to be further embedded, particularly around data sets available to service areas to calculate and reduce their carbon emissions. This information has been passed onto the Climate Team who will work with the service areas to assess whether additional data will benefit WODC in achieving their climate priority. The Climate Change Operations Audit Survey data is shared at Appendix A.

Sustainability Impact Assessment Tool (SIAT)

Sustainability Impact Assessments (previously known as the Climate Impact Assessments) are usually required for projects, policies and proposals and completed examples are available online. However, there are circumstances (e.g. budget reports) where this would not be required. The SIAT template has been tested and works as intended. The completed examples online only show the front page with some commentary but we have taken assurance from the template and guidance available via the WODC portal.

Audit Scope

This audit focused on assessing the operational processes supporting WODC's carbon neutral commitment. This included:

- A survey to service area managers to assess how their services are preparing for the 2030 deadline.
- Review of Sustainability Impact Assessment Tool usage.
- A review of the adequacy of governance arrangements to enable service areas to report and deliver against climate commitments.
- Evaluation of the adequacy and relevance of performance metrics and targets related to climate change.
- Assessment of the accuracy, reliability, and timeliness of climate-related data collection and reporting processes.
- Evaluate the adequacy of training and awareness programs related to climate change for staff and management.

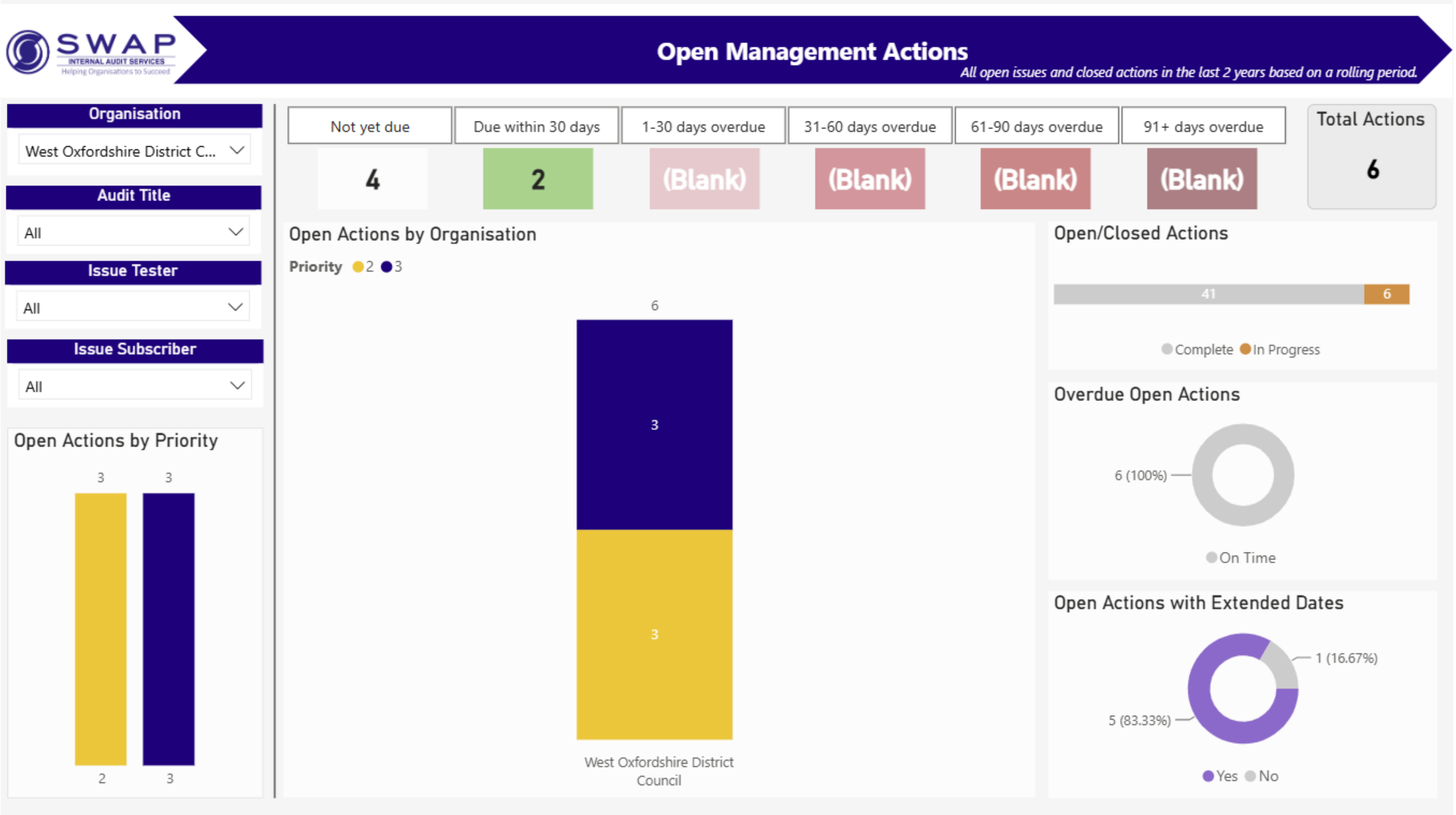
Scope Exclusions: Climate Change Strategy.

	Adequacy of Governance Arrangements Survey responses suggest there is a mixed understanding of climate related governance arrangements. The details of these arrangements are stated on the Council's website with the plan and strategy and as part of published priority reports to the Executive. WODC has issued comms on the Publica portal to remind users of the WODC SIAT requirement. However, governance arrangements could be improved by implementing formal reporting of Carbon Action Plan KPIs as referenced above.	
	Carbon Data The latest annual carbon emission data published online is from 2022/23. Internal Audit collaborate with the climate and data teams to review carbon data. We have been provided with 2023/24 data which will be subject to our assessment process.	
	Climate Training The majority (66%) of WODC survey respondents stated that they had completed Carbon Literacy training. Training material and detailed guidance is available to all officers via the intranet.	

Other Relevant Information
WODC has made a commitment to becoming carbon neutral by 2030. Although Local Government Reorganisation (LGR) for Oxfordshire is likely to be completed before this deadline, it's important to continue to track and reduce carbon emissions as any new authority will want to do. We note significant improvements to the latest published Climate Scorecard result which ranks WODC has the highest performing district council in the UK for climate action, and this has helped to form our assurance opinion.

Agreed Actions – September 2026

SWAP Action Tracker - Cotswold and Cheltenham Team Analytics DB Access



OPEN AGREED ACTIONS - SEPTEMBER 2026

ID (Action)	ID (Issue)	Audit Title	Title	Issue Status	Period	Priority Score	Original Timescale	Timescale	Follow-Up Assessment
8062	7554	PUB - Revenues and Benefits 2025/26	NDR Long Term Empty Property Monitoring	Pending Remediation	2025/26	3	30/06/2026	31/12/2026	August 2026: This will be followed up in this years Revenues and Benefits review in Q3.
8164	7651	PUB - Revenues and Benefits 2025/26	Civica Open Revenues Supporting Evidence	Pending Remediation	2025/26	3	30/06/2026	31/12/2026	August 2026: This will be followed up in this years Revenues and Benefits review in Q3.
8182	7669	PUB - Revenues and Benefits 2025/26	Publica Benefits Business Continuity Plan.	Pending Remediation	2025/26	3	30/06/2026	31/12/2026	August 2026: This will be followed up in this years Revenues and Benefits review in Q3.
5930	5564	WODC - CT/NNDR 2024/25	WODC Historical Revenues and Benefits Suspense Account Entries.	Pending Remediation	2024/25	2	31/03/2025	31/12/2026	August 2026: Historical values are still in suspense. This will be followed up in this years audit in Q3
5938	5572	WODC - Taxi Licensing Safeguarding Follow Up	WODC Taxi Licensing Income Reconciliation.	Pending Remediation	2024/25	2	30/06/2025	30/09/2026	August 2026: To be followed up in our licensing income audit.
8940	8383	WODC - Climate Change - Operational	Carbon Action Plan KPI Reporting	Pending Remediation	2025/26	2	30/09/2026		September 2026: In progress. Officers have advised that an internal document has been created and is pending ELT review.

WEST OXFORDSHIRE DISTRICT COUNCIL	**WEST OXFORDSHIRE DISTRICT COUNCIL**
Name and date of Committee	**AUDIT AND GOVERNANCE COMMITTEE – 24 SEPTEMBER 2026.**
Subject	**2026/27 TREASURY MANAGEMENT INDICATORS – QUARTER ONE**
Wards affected	All
Accountable member	Cllr 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	Sian Hannam, Business Partner – Treasury Management Email: sian.hannam@publicagroup.uk
Summary/Purpose	To report to the Audit and Governance Committee the Quarter One (Q1) Treasury Management Indicators as required by the CIPFA Treasury Management Code.
Annexes	A. Glossary of Treasury Management Terms
Recommendation(s)	That the Committee Resolves to: 1. 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 3 months to 30th June 2026 was positive, returning interest of £364,790 or 4.13% against a quarter of the annual revenue budget of £289,057 and generating an unrealised capital gain of 3.72% or £425,405 in the year to date.

1.2 The capital value of pooled funds continues to be influenced by global economic conditions and market volatility. As these investments are intended to be held over the long-term, short-term fluctuations in value are expected. The funds are being closely monitored by the Council's Treasury Management Adviser, Arlingclose, which continues to forecast a recovery in capital values as gilt yields and bond income rates begin to fall.

1.3 The Council has continued to benefit from higher revenue returns due to the Bank of England reducing Bank Rate more slowly than previously predicted. The Bank of England's Monetary Policy Committee (MPC) has maintained the Bank Rate at 3.75% since December 2025.

1.4 The Council complied with the Prudential Indicators for Q1 2026/27 as set out in the budget approved by full Council in February 2026. Further details can be found in section 8 of this report.

2. ECONOMIC & FINANCIAL MARKETS BACKGROUND

2.1 The main story for the quarter was the continuation of the Middle East conflict, started on 28th February with strikes by Israel and the US on Iran. The conflict led to the closure of the Hormuz Strait, a waterway through which around 20% of the world's oil and liquified natural gas flows, resulting in sharp rises in energy and other commodity prices. Towards the end of the quarter, the US and Iran came to an agreement to negotiate a peace settlement, which prompted a reduction in energy commodity prices, albeit remaining higher than before the war.

2.2 Following the energy price shock of 2022, which resulted from Russia's invasion of Ukraine, central banks and financial markets quickly adjusted their expectations for monetary policy. In the UK, headline Consumer Price Index (CPI) inflation was widely expected to fall back to the Bank of England's 2% target in April, supported by government energy policy changes announced in the Budget that reduced household energy bills. However, petrol prices linked to the ongoing conflict kept inflation above target, with the CPI rate remaining at 2.8%.

2.3 The Bank of England's Monetary Policy Committee (MPC) was widely expected to reduce Bank Rate from 3.75% during the quarter. However, it chose to keep rates unchanged at each meeting. While the MPC continued to adopt a cautious stance, the voting split shifted from a unanimous 9-0 decision to hold rates in March to a 7-2 vote in June, indicating growing support for a rate cut. The majority of members appear to believe that the UK economy and labour market are sufficiently resilient to absorb current price pressures without triggering the persistent inflation seen in 2022, which led to Bank Rate increasing to

5.25%. This view is supported by business surveys published towards the end of the quarter, which suggest that although pricing pressures remain elevated, they are beginning to ease.

2.4 Contrary to expectations, UK headline CPI inflation fell during the quarter, from 3.3% in March to 2.8% in May. Although fuel prices remained a source of inflationary pressure, weaker price growth elsewhere more than offset this effect.

2.5 However, it remained above the Bank of England's 2% target. Core CPI inflation, which excludes more volatile items such as energy and food, also declined from 3.1% to 2.6% over the same period. While higher fuel prices continued to exert upward pressure on inflation, many other categories experienced slower price growth, indicating that rising energy costs had not yet fed through more broadly to the wider economy.

2.6 Inflation is expected to rise from July following a 13% increase in the retail energy price cap. Forecasts suggest that CPI inflation could increase to between 3.5% and 4.0%. If these expectations are realised, the Monetary Policy Committee's (MPC) decision to maintain Bank Rate at 3.75% is likely to come under greater scrutiny and may test its resolve to keep rates unchanged.

2.7 Arlingclose, the Authority's Treasury Management Adviser, maintained its central forecast that Bank Rate would remain at 3.75%. It expects the Bank of England to place greater emphasis on spare capacity within the economy, particularly in the labour market, rather than on the risk of persistently higher inflation. In the short term, however, risks are considered to be weighted to the upside, as evidence of second-round inflationary effects could prompt policymakers to increase interest rates further. Over the medium term, the balance of risks shifts to the downside, with tighter monetary policy, elevated prices and weaker economic growth expected to reduce inflationary pressures and support lower interest rates.

2.8 **Financial markets:** Following a sharp deterioration in sentiment earlier in the quarter, financial markets showed signs of improvement as expectations grew that the conflict involving the US, Israel and Iran could de-escalate. Despite this, both bond and equity markets remained volatile.

Bond yields rose sharply at the start of the period as investors anticipated tighter monetary policy. However, yields gradually declined as it became clearer that central banks, including the Bank of England, were unlikely to raise interest rates in the short term.

Equity markets also experienced significant falls earlier in the quarter but recovered some of these losses as sentiment improved. The recovery was particularly strong in US markets, where continued optimism surrounding artificial intelligence (AI) supported investor confidence.

2.9 **Credit review:** Arlingclose maintained its recommended maximum unsecured investment duration limit of six months for the majority of banks on its approved counterparty list. For other counterparties, the recommended maximum duration remained at 100 days.

2.10 Financial market volatility is expected to persist in the short term, and credit default swap (CDS) levels will continue to be monitored for signs of increasing credit risk. As part of its ongoing treasury management oversight, Arlingclose regularly reviews the institutions and investment duration limits included on the Council's approved counterparty list.

3. LOCAL CONTEXT

3.1 On 31st March 2026, the Council had net investments of £24.097m 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

	31.3.26 Actual £m	**31.3.27 Forecast £m**
General Fund CFR	29.36	31.46
External borrowing	0.00.	0.00.
Internal borrowing	29.36	31.46
Less: Balance sheet resources	(41.45)	(36.42)
Net investments	**(12.09)**	**(4.96)**

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

Table 2: Treasury Management Summary

	31.3.26 Balance £m	**Movement £m**	**30.06.26 Balance £m**	**30.06.26 Rate %**
Total borrowing	0	0	0	0
Long-term investments	12.087	0.406	12.493	4.61
Short-term investments	0.063	3.332	3.395	4.02
Cash and cash equivalents	11.947	8.113	20.060	3.87

Total investments	24.097	11.851	35.948	4.13
Net investments	24.097	11.851	35.948	

4. BORROWING STRATEGY AND ACTIVITY

4.1 As outlined in the Treasury Management Strategy, the Council's chief objective when borrowing has been to strike a low-risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required. Flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy thus far has maintained borrowing and investments below their underlying levels, known as internal borrowing.

4.2 CIPFA's 2021 Prudential Code is clear that local Council's must not borrow to invest primarily for financial return and that it is not prudent for local Council's to make any investment or spending decisions that will increase the CFR and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. Public Works Loan Board (PWLB) loans are no longer available to local Council's planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

4.3 At 30th June, the Council had no loans outstanding.

5. TREASURY INVESTMENT ACTIVITY

5.1 Each month, the Council Treasury team receives a list of approved investment options from its treasury advisers, Arlingclose. Investment decisions are made in accordance with the approved counterparty list they provide.

5.2 Most approved institutions currently have a 6-month investment limit, reflecting ongoing market uncertainty. The Council keeps its funds in easy-access accounts like Money Market Funds (MMF) and Call Accounts and also makes short-term deposits with the UK Debt Management Office (DMO). This approach helps ensure there is enough cash available to support public services and fund capital projects—without needing to borrow.

5.3 The Council holds a large amount of invested funds. These come from income received before it is spent, along with reserves and balances that are set aside. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

	31.3.26 Balance £m	Net Movement £m	30.06.26 Balance £m	30.06.26 Income Return %
Banks & building societies (unsecured)	0.051	2.009	2.060	3.905
Bank of England DMADF	0.000	1.395	1.395	3.73
Money Market Funds	11.888	8.112	20.000	3.87
Other Pooled Funds				
- *Equity & Multi Asset income funds*	7.886	0.322	8.208	4.61
- Bond income funds	3.624	0.041	3.665	4.61
- *Real Estate Investment Trusts*	0.648	(0.028)	0.620	2.85
Total investments	**24.097**	**11.851**	**35.948**	**4.13**

5.4 The Council follows rules from CIPFA and the government that require it to invest money carefully. The main priorities are keeping investments safe and easy to access, rather than chasing high returns. The goal is to find a good balance between risk and reward—avoiding losses and ensuring a reasonable level of income.

5.5 As shown in the liability benchmark, the Council expects to need long-term borrowing. For now, most new investments are short-term and low risk, helping manage daily cash needs. The Council also keeps its existing investments in strategic pooled funds to spread risk across different types of assets and improve returns.

5.6 Bank Rate started the period at 3.75% and held steady at 3.75% throughout the quarter. The rates on DMADF deposits ranged between 3.71% and 3.73% and money market rates between 3.76% and 3.84%.

5.7 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 %

30.06.2026	4.84	A+	94%	14	4.13
Similar LAs	**4.61**	**A+**	**65%**	**47**	**3.97**
All LAs	**4.59**	**A+**	**66%**	**11**	**3.95**

5.8 **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 £152,241 which is used to support services in year, and £425,405 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 2026	Value 30th June	3 Month Dividend 2026/27	2026/27 Capital Gain/ (Loss)	Capital Gain/(Loss) vs Original Investment
	£	£	£	£	£	£
M&G Strategic (B)	2,000,000	1,741,637	1,778,762	22,065	37,125	- 221,238
Royal London (L)	2,000,000	1,860,031	1,886,011	22,670	25,980	- 113,989
Schroders €	1,000,000	1,021,944	1,054,157	24,159	32,213	54,157
Threadneedle UK €	1,000,000	1,221,704	1,288,135	12,248	66,431	288,135
CCLA Diversfied Fund (B/E)	3,000,000	2,594,603	2,712,057	30,190	117,454	- 287,943
Aegon/Kames (L)	3,000,000	3,007,460	3,153,662	40,908	146,202	153,662
Total - Current funds	**12,000,000**	**11,447,379**	**11,872,784**	**152,241**	**425,405**	**- 127,216**

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

5.9 All asset classes delivered positive returns during the first quarter of 2026/27, despite markets remaining volatile and sensitive to geopolitical events, energy prices and changing expectations for interest rates. The quarter largely marked a recovery from the weakness experienced towards the end of 2025/26, when investor confidence was affected by the escalation of tensions involving the US, Israel and Iran. As conditions in the Middle East stabilised and oil prices eased, market sentiment improved, supporting a broad recovery across most asset classes.

5.10 Equity markets generally performed strongly over the quarter, supported by improving risk appetite, resilient corporate earnings and continued enthusiasm for technology and AI-related investment. Emerging markets performed most strongly, with UK equities also delivering positive returns, although lagging overseas markets.

5.11 UK commercial property delivered broadly flat to slightly negative capital returns during the quarter, with overall performance continuing to be driven mainly by income rather than capital appreciation. While market conditions have stabilised compared with the challenges experienced in recent years, investor sentiment remained cautious due to ongoing economic uncertainty, higher financing costs and fluctuations in gilt yields.

5.12 The change in the Council's funds' capital values and income return over the 3-month period to 30th June 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

	Q1 Actual £m	2026_27 Profiled Budget £m	Over/ under	Actual %	LA's Average Benchmark %	Over/ under
Short-term investments	0.021	0	0.021	3.87	3.89	-0.02
MMF & Call Accounts	0.177	0.087	0.090	3.87	3.89	-0.02
Strategic Funds	0.152	0.126	0.026	4.61	4.11	0.5
Long Term Loans	0.006	0.069	-0.063	2.84	N/A	N/A
REIT	0.008	0.007	0.001	3.00	N/A	N/A
Total treasury investments	**0.364**	**0.289**	**0.073**	**4.13**	**3.95**	**0.46**

7. COMPLIANCE

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

Table 7: Investment Limits

	2026/27 Maximum £m	30.06.26 Actual £m	2026/27 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	9.211	9.136	10	YES
Unsecured investments with banks	3	2.06	5	YES
Money Market Funds	20	20	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

	Q1 2026/27 Maximum	30.06.26 Actual	2026/27 Operational Boundary	2026/27 Authorised Limit	Complied? Yes/No
	£m	**£m**	**£m**	**£m**	
Borrowing	0	0	35.46	40.46	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.

	31.3.26 Actual	**31.3.27 Forecast**	**31.3.28 Forecast**
Capital Financing Requirement (CFR)	29.36	31.46	33.53
Less: usable reserves Less: working capital	(41.45) (13.59)	(36.42) (14.02)	(28.19) (12.62)
Net loans requirement	**(25.68)**	**(18.98)**	**(7.28)**
Plus: Liquidity allowance	14.00	14.00	14.00
Liability benchmark	(11.68)	(4.98)	**6.72**
Existing borrowing	**0.00**	**0.00**	**2.75**

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:

	2026/27	**2027/28**	**2028/29**	**No fixed date**
Limit on principal invested beyond year end	£15m	£15m	£15m	£15m
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.

	2026/27 Target	30.06.2026	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	2026/27 Target	30.06.26 Actual	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	344,000	81,984	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	-344,000	- 81,984	Yes

9. NON TREASURY MANAGEMENT PRUDENTIAL INDICATORS

9.1 The Council measures and manages its capital expenditure, borrowing and service investments with references to the following indicators.

9.2 It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

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

	2025/26 Actual £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
General Fund services	8.25	11.21	5.52	2.42

9.4 At the end of Q1 capital expenditure is £1.064m against an approved Capital Programme for the year of £13.46m, which includes slippage from 2025/26 of £4.4m related to Waste Vehicle replacement, repairs to our buildings and renovation of the newly acquired temporary accommodation properties. The bulk of capital expenditure this quarter is £443,032 relating to the replacement roof at Units 1-3 Carterton Industrial Estate and £252,000 for the deposit payment for four electric food waste vehicles due for delivery in Q3.

9.5 <u>Capital Financing Requirement:</u> 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 MRP / loans fund repayments and capital receipts used to replace debt.

	2025/26 actual £m	**2026/27 forecast £m**	**2027/28 forecast £m**	**2028/29 forecast £m**
General Fund services	29.36	31.46	33.50	33.53
TOTAL CFR	**29.36**	**31.46**	**33.50**	**33.53**

9.6 <u>Gross Debt and the Capital Financing Requirement:</u> 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.

	2025/26 actual £m	**2026/27 forecast £m**	**2027/28 forecast £m**	**2028/29 forecast £m**	**Debt at 30.06.26**
Debt (Incl.PFI & leases)	0.00	0.0	3.85	0.00	0
Capital Financing Requirement	29.36	31.46	33.50	33.53	

9.7 <u>Net Income from Commercial and Service Investments to Net Revenue Stream:</u> 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 actual £m	**2026/27 forecast £m**	**2027/28 forecast £m**	**2028/29 forecast £m**
Investment Property Investments Service Investments	3.41 1.33	3.20 1.22	3.27 1.22	3.27 1.22
 Net Revenue Stream	4.74 19.26	4.42 17.96	4.49 16.84	4.49 16.77
Proportion of Net Revenue Stream	24.6%	24.6%	26.66%	26.77%

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

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

	2025/26 actual £m	2026/27 forecast £m	2027/28 forecast £m	2028/29 forecast £m
Interest Payable – Finance Leases	0.135	0.135	0.135	0.135
MRP	0.563	0.635	0.635	0.635
Total borrowing costs	0.698	0.770	0.770	0.770
Net Revenue Stream	19.26	17.96	16.84	16.77
Proportion of Net Revenue Stream	3.62%	4.28%	4.57%	4.59%

10. Conclusion

Q1 is in a positive position, achieving above budget returns on investment income and the pooled fund capital values recovering by 3.72%. The Bank of England Base Rate has remained at 3.75% throughout this period.

Despite ongoing geopolitical and inflationary risks, treasury performance remained strong during the quarter and all prudential indicators were met.

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

The report itself introduces no new risks; treasury risks are managed through the approved Treasury Management Strategy.

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.

Glossary

Arlingclose: The Council's independent Treasury Management Adviser providing advice on investments, borrowing, economic forecasts and treasury strategy.

Authorised Limit: Maximum amount of external debt the Council is legally permitted to have outstanding.

Bank Rate: Official interest rate set by the Bank of England.

Bail-in: Process whereby investors or large depositors may bear losses if a bank fails.

Capital Financing Requirement (CFR): The Council's underlying need to borrow for capital purposes.

Call Account: An instant access bank account used for short term cash management.

CIPFA: Chartered Institute of Public Finance and Accountancy.

Consumer Price Index (CPI): UK measure of inflation.

Core CPI: Inflation measure excluding volatile items such as food and energy.

Counterparty: Institution with which the Council places investments or undertakes financial transactions.

Credit Default Swap (CDS): Market indicator used to assess perceived default risk.

Credit Rating: Assessment of financial strength and ability to repay obligations.

Credit Risk: Risk of counterparty failure to repay principal or interest.

Debt Management Account Deposit Facility (DMADF): Government-operated investment facility for local authorities.

Debt Rescheduling: Replacing existing debt to improve cost or risk profile.

Diversification: Spreading investments to reduce risk.

Duration: Measure of sensitivity to interest rate changes.

Equity Fund: Fund primarily invested in company shares.

External Borrowing: Loans obtained from external lenders.

Gilt: Bond issued by the UK Government.

Gilt Yield: Return available on UK Government bonds.

Internal Borrowing: Use of the Council's own cash balances instead of external loans.

Interest Rate Risk: Risk arising from changes in interest rates.

Liability Benchmark: Indicator assessing long-term borrowing or investment position.

Liquidity: Ability to access cash quickly.

Long-Term Investment: Investment intended to be held for more than one year.

Market Volatility: Extent to which market prices fluctuate.

Maturity: Date on which an investment or loan ends.

Money Market Fund (MMF): Low-risk pooled investment fund providing daily liquidity.

Monetary Policy Committee (MPC): Committee responsible for setting Bank Rate.

Minimum Revenue Provision (MRP): Annual charge made to repay capital financing debt.

Net Investments: Total investments less outstanding borrowing.

Operational Boundary: Expected maximum debt level used for monitoring.

Portfolio: The Council's entire collection of investments.

Pooled Fund: Collective investment vehicle investing across multiple assets.

Prudential Code: CIPFA framework ensuring borrowing and investment decisions are prudent.

Prudential Indicators: Measures used to assess affordability, sustainability and prudence.

Public Works Loan Board (PWLB): Government lending facility for local authorities.

Real Estate Investment Trust (REIT): Property investment company distributing most income to investors.

Refinancing Risk: Risk of being unable to replace maturing debt on acceptable terms.

Revenue Return: Income earned from treasury investments.

Risk Management: Process of identifying, assessing and controlling financial risks.

Security: Protection of invested capital from loss.

Strategic Pooled Funds: Long-term investments held for income and growth.

Treasury Management: Management of cash, investments, borrowing and financial risks.

Treasury Management Code: CIPFA Code of Practice for treasury management in local authorities.

Treasury Management Indicators: Performance and risk measures reported during the year.

Treasury Strategy: Annual strategy setting borrowing, investment and risk policies.

Unrealised Capital Gain/Loss: Change in investment value not yet realised through sale.

Usable Reserves: Resources available to support future spending.

Weighted Average Maturity (WAM): Average time until investments mature.

Working Capital: Resources needed to meet day-to-day operating costs.

Yield: Annual income generated by an investment expressed as a percentage.

Yield Curve: Graph showing interest rates across different maturities.

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WEST OXFORDSHIRE DISTRICT COUNCIL	**WEST OXFORDSHIRE DISTRICT COUNCIL**
Name and date of Committee	**AUDIT AND GOVERNANCE COMMITTEE – 24 SEPTEMBER 2026.**
Subject	**COUNTER FRAUD AND ENFORCEMENT UNIT REPORT**
Wards affected	All indirectly
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	Emma Cathcart, Assistant Director Counter Fraud and Enforcement Unit Email: emma.cathcart@cotswold.gov.uk
Summary/Purpose	To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually. To present the Committee with a reviewed Fraud Compliance Checklist and general update, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership as the body charged with governance in this area. To provide assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.
Annexes	Annex A – Fraud Compliance Checklist Annex B – CFEU Service Equality Impact Assessment
Recommendation(s)	That the Audit and Governance Committee resolves to: 1. Note the contents of the report
Corporate priorities	• Working Together for West Oxfordshire
Key Decision	NO

Exempt	NO
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Director of Finance. Any risk mitigation workstreams are provided to the relevant Senior Officers, Governance Group and Corporate Management for comment.

1. EXECUTIVE SUMMARY

1.1. Risk Management is used to identify, evaluate and manage the range of risks facing an organisation. This includes consideration relating to the risk of fraud. Risk management and being 'risk aware' are vital to ensure the effective operation of the Council.

1.2. Fraud is the most common crime in the UK and internationally, accounting for almost 44% of reported crime however it is also still the most under-reported crime. It is estimated that it costs the UK economy £219 billion each year and the public sector in the region of £81 billion per year; money that could otherwise be spent on the provision of public services.

1.3. The risk of fraud is ever present, and it is impossible to identify or mitigate against all risks, however by being risk aware the Council is in a better position to avoid threats, develop processes that reduce the loss or impact, and increase its ability to recover.

1.4. In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.

1.5. As the body charged with governance in this area, the Audit and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.

2. BACKGROUND

2.1 Fraud is an intentional, deliberate act which is committed by the submission of a false statement, or by failing to provide or omitting information. The act must be for the purpose of gaining for themselves or another, or of causing loss to another. Crucially, the fraudster does not have to achieve their aim for it to be fraud, if they are caught before they obtain the 'benefit', the offence is complete; it is the false statement or the intention that is the act of fraud.

2.2 Local Authorities have a responsibility to promote and develop high standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

2.3 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.

2.4 An updated Fraud Risk Strategy was presented to the Committee last year which set out the definitions and motivations for fraud and the principles of risk management. The Strategy identifies the high-risk areas that Local Government is susceptible to, both internally and externally. It also details the types of response methods and refers to the specific fraud response recommended for Local Government. These principles underpin the Council's Strategy.

2.5 As part of the ongoing approach, the Counter Fraud and Enforcement Unit (CFEU) monitors and adheres to the Local Government Association Fighting Fraud and Corruption Locally (FFCL) checklist which sets out best practice recommendations. Adherence to the checklist confirms compliance and identifies any areas of non-compliance or improvement.

2.6 Attached at Annex A is the reviewed FFCL checklist which summarises any updates since last year regarding areas that were partially or non-compliant. All compliant areas have been reviewed and remain compliant.

2.7 The CFEU Partnership is now benefitting from the Public Sector Fraud Authority's (Cabinet Office) Fraud Accelerator AI Tool which has been designed to support public bodies in their identification of fraud risks in their schemes, policies and programmes. This is used to undertake fraud risk assessments for all our partner Councils in relation to projects such as grant schemes. The tool is free for Local Authorities to use and does not allow submission of personal data, reviewing only processes and systems, and guidance documents to evaluate fraud risks. Work with the Public Sector Fraud Authority continues to ensure the promotion of the benefits and necessity of Local Government counter fraud provision.

2.8 Work has now been completed in relation to three fraud risk assurance registers relating to Procurement, Human Resources (Vetting and Recruitment), and Revenues and Benefits. A Housing register is in development.

2.9 The registers consider national and local emerging fraud risks, good practice in processes and procedure, and possible areas of risk mitigation. Rather than a traditional risk register with scores, they show areas of compliance, partial compliance, and non-compliance for consideration by Governance Officers and Corporate Management.

2.10 The CFEU work plan for 2025/26 included a focus on procurement, following the introduction of the new legislation, as a high-risk area. The assurance register in this area supports this workstream. Additionally, a simple reference guide highlighting 'Red Flags' during the procurement process has been completed and will be included on the procurement pages on the intranet.

2.11 The CFEU work plan for 2024/25 included a focus on fraud risk mitigation regarding polygamous working as an emerging high-risk area. As previously reported to the Committee and in the press, the CFEU undertook an investigation regarding a former employee who held multiple contracts of employment simultaneously. He was found guilty of committing fraud against Tewkesbury Borough Council, South Gloucestershire Council, and Publica Group Ltd.

2.12 The investigation informed a fraud risks and mitigations report which made 16 recommendations including suggestions for wording in employment contracts, the requirement for employees to regularly sign and agree to Code of Conduct documents, declaration of interest processes and how the Council manages secondary employment permissions and monitoring. These recommendations have been actioned and were captured within the Human Resources (Vetting and Recruitment) fraud assurance register.

2.13 Additionally, the CFEU Work Plan for 2024/25 included a commitment to support work relating to grant schemes due to the increased number that the Council oversees. A Grant Management Policy was adopted by Executive Committee in July 2026. The Policy sets out the processes to be followed by employees when managing all grants, applying for external funding, developing a new grant scheme and the distribution of funds.

2.14 A supporting Grant Management Toolkit detailing fraud risk areas, mitigation and suggestions relating to application drafting and verification activities has been in circulation for some time, and this is being reviewed and developed following approval of the Policy.

2.15 The focus of this year's work plan 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.

2.16 Detail relating to the Economic Crime and Corporate Transparency Act 'failure to prevent fraud' offence has been issued to Corporate Management, Councillors and is included within the fraud awareness training being delivered to staff across the CFEU Partnership. The staff sessions also include detail regarding whistle-blowing legislation to support referrals from colleagues to ensure awareness of the associated protections. Annual whistleblowing communications were issued to all staff in April.

2.17 Councillors were invited to attend a fraud awareness session on 9 July 2026 – a recording can be found on the Member Portal.

2.18 In relation to residents, the Gloucestershire MAAF webpage has now been launched and is a simple and effective way to raise awareness and stop people failing foul of scams or 'put a lid on fraud'.

GLASSJAR
PUT A LID ON IT

Gloucestershire Against Scams Joint Agency Response

Working together to put a lid on fraud www.cfeu.org.uk/glassjar

2.19 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. Much of the information is generic and not limited geographically, so may benefit residents and colleagues of the West Oxfordshire district.

2.20 In terms of larger scale fraud risk mitigation activities, 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.

2.21 The CFEU reviews the majority of the matches generated by the National Fraud Initiative, with some data set anomalies being reviewed by other teams in the Council. Outcomes are reported to the Committee annually. The CFEU ensures representation at consultation groups recommending new areas of risk to be targeted by the Cabinet Office, Business

Rates Fraud is a current example of this. Additionally, the CFEU ensures that the Council are part of any pilot activities, for example new workstreams are expected in early 2027 relating to subletting of social housing.

2.22 For information, a revised Counter Fraud and Anti-Corruption Policy and an updated Proceeds of Crime and Anti-Money Laundering Policy were adopted by Executive Committee in July 2026.

2.23 A general Equalities Impact Assessment has been produced in relation to the CFEU activities, and this is attached at Annex B for reference. This provides assurance regarding decision making and legislative responsibilities when undertaking enforcement.

2.24 Finally, as referred to in the Audit and Governance Committee report in March 2026, the Council was inspected in the summer by the Investigatory Powers Commissioner's Office, regarding its compliance with the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016. The Commissioner has confirmed that the responses provided to the Inspector's letter provided assurance that the Council was fully compliant.

3. ALTERNATIVE OPTIONS

3.1 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.

3.2 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.

4. FINANCIAL IMPLICATIONS

4.1 The implementation of the work streams associated with the Fraud Risk Strategy will help identify loss avoidance measures and any costs associated with implementation will be contained within existing budgets.

5. LEGAL IMPLICATIONS

5.1 In general terms, the existence and application of an effective fraud risk management regime assist the Council in effective financial governance which is less susceptible to legal challenge.

6. RISK ASSESSMENT

6.1 The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. 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.

6.2 Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.

6.3 If the Council does not have effective counter fraud and anti-corruption controls, it risks both assets and reputation.

7. EQUALITIES IMPACT

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

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

8. SUSTAINABILITY IMPLICATIONS

8.1 None that are directly applicable.

9. BACKGROUND PAPERS

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

- None.

(END)

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COUNTER FRAUD AND ENFORCEMENT UNIT

Fighting Fraud and Corruption Locally – Checklist 2026/27

Appendix 1

Senior Stakeholder Responsibilities			
The Chief Executive	**Compliance**	**Comments**	
Section fully compliant as per FFCL 2025/26	Compliant	No change	
The Section 151 Officer	**Compliance**	**Comments**	
Section fully compliant as per FFCL 2025/26	Compliant	No change	
The Monitoring officer	**Compliance**	**Comments**	
Section fully compliant as per FFCL 2025/26	Compliant	No change	
The Audit Committee	**Compliance 2025**	**Compliance 2026**	**Comments**
Should receive a report from the fraud leads on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured.	Partially Compliant	Compliant	2025 - The recent introduction of the Counter Fraud Partnership Risk Strategy has outlined a clear commitment to developing service-specific fraud risk registers. These registers are designed to more effectively identify, assess, and mitigate fraud risks across all areas of service delivery, ensuring a comprehensive approach to fraud management. 2026 – Fraud Risk Assurance Registers have been completed for Procurement, Human Resources and Revenues and Benefits. These identify areas of risk and best practice mitigation. Officers have been consulted to confirm compliance, partial compliance and non-compliance. Where partial or non-compliance is identified, Governance Officers will consider appropriate next steps and mitigation options. This detail will be reported to Audit Committees across the CFEU Partnership.
The Portfolio Lead	**Compliance 2025**	**Compliance 2026**	**Comments**
Receives a regular report that includes information, progress and barriers on the assessment against the FFCL checklist Fraud risk assessment and horizon scanning.	Partially Compliant	Partially Compliant	2025 - This is an area that may benefit from further consideration, considering the existing arrangements and their effectiveness. 2026 – No direct meetings are held with Portfolio Leads however, Audit Committee reports reference lead Members so that they may review activities and actions. Policies are presented to lead Members for approval at the appropriate Council meeting ensuring an awareness of activities, risks and responsibilities.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance 2025	Compliance 2026	Comments
The Local Authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	Partially Compliant	Partially Compliant	2025 - This area presents an opportunity for expansion, enabling the CFEU to adopt a more proactive approach in identifying and mitigating emerging threats, allowing for a better balance with reactive investigations. 2026 – Resourcing in relation to direct CFEU fraud risk management remains under-staffed due to other pressures and work streams. The CFEU does benefit from assistance and updates from the larger counter fraud community across local and central government. This is an area under review for consideration in relation to the opportunities afforded by LGR.
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 checklist.	Partially Compliant	Compliant	2025 - Audit Committees receive direct reports from the CFEU during the year outlining all activities and work streams. The Fraud Risk Strategy was also presented to Audit Committees. This referenced the FFCL checklist, and a summary of the checklist and associated compliance report will be reported in due course. 2026 – Report received in 2025/26 and update in 2026/27.
The relevant portfolio holder has been briefed on the fraud risks and mitigation.	Partially Compliant	Partially Compliant	2025 - This is an area that warrants further consideration, taking into account the existing arrangements and their effectiveness. The proposed fraud risk register will identify any gaps or areas for improvement, ensuring that current measures are fully aligned with best practice. 2026 – No direct meetings are held with Portfolio Leads however, Audit Committee reports reference lead Members so that they may review activities and actions. Policies are presented to lead Members for approval at the appropriate Council meeting ensuring an awareness of activities, risks and responsibilities.
The risks of fraud and corruption are specifically considered in the Local Authority's overall risk management process.	Partially Compliant	Partially Compliant	2025 - This is an area for expansion. The CFEU attends corporate governance groups across the partnership, ensuring that key governance officers consider the risks associated with fraud and corruption. Through the creation and implementation of service-specific fraud risk registers, there will be an increase in overall awareness of fraud risks and a greater focus on effective fraud risk management across the partnership. 2026 – Through the introduction of the fraud risk assurance registers which are service specific, risk consideration is more relatable and effective. All staff across the partnership are currently attending fraud awareness sessions to raise awareness generally. This is still an area which could be improved.
Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	Partially Compliant	Partially Compliant	2025 - This is an area for improvement to ensure counter fraud staff are consistently involved in fraud-proofing new policies, strategies, and initiatives. 2026 – This is a significant undertaking in relation to the size and delivery of the CFEU Partnership however there is wider understanding which does initiate better fraud risk considerations and consultation.
The Local Authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	Partially Compliant	Partially Compliant	2025 - This is an area that requirements further development for 2025/2026. The aim is to enhance recruitment procedures/process by ensuring appropriate measures are in place prevent the appointment of potentially dishonest employees. 2026 – The introduction of the Human Resources Fraud Rish Assurance Register addresses any areas of risk in this area. Where non-compliance is identified, Governance Officers will be notified to discuss improvements.

Checklist	Compliance 2025	Compliance 2026	Comments
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	Partially Compliant	Compliant	2025 - The CFEU supports all service areas and staff across the Councils. Reminders regarding areas of risk and whistleblowing are issued to all staff on an annual basis. Whilst there is a programme of fraud awareness training, this is under review and could be improved. 2026 – The focus of this year's CFEU Partnership work plan included fraud awareness for staff, Members and residents.
Contractors and third parties sign up to the whistleblowing policy. There should be no discrimination against whistleblowers.	Not Compliant	Not Compliant	2025 - Area to be reviewed 2025/2026. 2026 – To be addressed as part of the Human Resources Fraud Risk Assurance Register work stream.
Prevention measures and projects are undertaken using data analytics where possible.	Not Compliant	Partially Compliant	2025 - The CFEU does not currently utilise data analytics due to concerns around cost and its overall effectiveness. However, this decision is regularly reviewed to assess the balance between available resources, budget constraints, and the necessity of implementing such tools for enhanced fraud detection. 2026 – The CFEU is now utilising a Fraud Risk Accelerator Tool commissioned from the Public Sector Fraud Authority, Cabinet Office as a prevention tool however this is still an area which would benefit from further consideration.

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COUNTER FRAUD AND ENFORCEMENT UNIT

Equality Impact Assessment

Introduction

An Equality Impact Assessment (EqIA) is a tool to help local authorities ensure their policies, and the ways they carry out their functions, do what they are intended to do and for everybody.

The Equality Act 2010 includes a Public Sector Equality Duty (PSED) which requires public authorities to try and eliminate discrimination; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it and promote equality and good relations across a range of protected characteristics.

The protected characteristics are:

Age	Disability	Gender Reassignment
Marriage and civil partnership	Pregnancy and maternity	Race
Religion or belief (including lack of belief)	Sex	Sexual orientation

The council also considers specific protected groups to ensure they are reflected in strategic decision-making. These include:

Armed forces personnel and Veterans	Carers	Care leavers
Socio-economically disadvantaged	Rural communities	

An EqIA should be completed with the full range of protected characteristics considered during the initial stages of developing new strategies, policies, functions or services, prior to starting a procurement exercise and before decisions are made, e.g. at committee or council meetings.

Examples of when an EqIA should be completed are:

• Any proposals to introduce or add to a service	• Any proposals to adopt policy priorities, legislation, strategies and plans
• Any proposals to remove, reduce or alter a service	• Changes to staffing structure where groups of employees are likely to be negatively affected
• Any new policies or changes to policies	• Any proposals in relation to procured or commissioned services

Person(s) responsible for this EqIA	
Officer responsible: Emma Cathcart	Service area: Counter Fraud and Enforcement Unit
Job title: Assistant Director	Date of assessment: September 2026

This assessment considers and sets out the general activities of the Counter Fraud and Enforcement Unit. Any activities adhere to legislation and Policies which set out the Council's enforcement tools and the considerations adopted when determining whether enforcement action should be taken and if so, what that action should be.

This activity is applicable to investigation and enforcement and can impact staff across the Council and residents / members of the public. Prosecutions will only be considered where the evidential and public interest tests are met with due consideration to the welfare of individuals. Appropriate enforcement activity acts as a deterrent and benefits the public.

Policies set out the councils' legislative obligations when carrying out enforcement and the associated impact. Some Policies have no direct impact, they ensure due diligence that the council fulfils them and is not complicit in criminal activity.

Legislation which is considered is various and wide ranging as the council has various enforcement responsibilities.

Assessment of impacts

For each protected characteristic or protected group, please indicate the type of impact:

- Positive – contributes to promoting equality or improving relations between people with protected characteristics and protected groups
- Neutral – no impact
- Negative – could disadvantage them.

Protected characteristic or group	**Impact**	**Description of impact**	**Mitigating action (if negatively impacted)**
AGE	Positive	Enforcement action may not be appropriate in relation to older offenders	
DISABILITY A definition of disability under the Equality Act 2010 is available here.	Positive and negative	Enforcement action may not be appropriate in cases where the offender has a disability particularly where an offender lacks mental capacity. Activity relating to the reduction of blue badge misuse and subsequent campaigns regarding correct use will impact positively. Those that have used their badge incorrectly or are party to misuse could be impacted in terms of enforcement which could be seen negatively.	Where an offender lacks mental capacity or has a relevant disability, adjustments will be made to support the individual through the process and enforcement action will not be taken where it is not appropriate to do so. Where necessary, individuals may request documentation or explanation that would assist them to understand/read inforation related to the enforcement activity being undertaken To reduce blue badge misuse, media campaigns will seek to raise awareness to maximise correct use of a blue badge and limit 'accidental' misuse.

GENDER REASSIGNMENT	Neutral		
MARRIAGE & CIVIL PARTNERSHIPI	Neutral		
PREGNANCY & MATERNITY	Neutral		
RACE* Further information on the breakdown below each of these headings, is available here. For example, Asian, includes Chinese, Pakistani and Indian etc.	Neutral	N.B - Interpreters and translation of documents are provided where necessaary	
RELIGION & BELIEF** A list of religions used in the Census is available here	Neutral		
SEX	Neutral		
SEXUAL ORIENTATION	Neutral		
Socio-economically disadvantaged The term socio-economic refers to the differences between groups of people caused mainly by their financial situation. These include factors like employment, education, health, income, living environment, crime, and access to housing.	Positive and negative	Individuals experiencing disadvantage in this area are impacted more by Policies associated with Council Tax Reduction Scheme awards. The work being undertaken to ensure the housing waiting lists are correct impacts positively by ensuring those who are eligible have an increased chance of being housed.	Considerations regarding financial impact form part of any decision making where individuals are from low-income households.
Rural communities Considerations include how people who live in rural parts of the district can access council services, transport, education, employment, and internet and broadband.	Neutral		
Carers A carer is anyone, including children and adults, who looks after a family member, partner or friend who needs help because of their illness, frailty, disability, a mental health problem or an addiction and cannot cope without their support. The care	Neutral		

they give is unpaid.[1] Please see guidance for considering care experience in EqIAs here.			
Care Leavers A care leaver is defined in law as someone over the age of 16 who has been in the care of the local authority and/or Health and Social Care Trust for a period of at least 13 weeks or more. Please see guidance for considering care experience in EqIAs here.	Neutral		
Other protected groups if applicable (e.g. refugees or asylum seekers, homeless people)	Neutral		

[1] NHS commissioning » Who is considered a carer?

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME
1 JUNE 2026 – 18 MARCH 2027

WEST OXFORDSHIRE DISTRICT COUNCIL

The Audit and Governance Committee responsible for monitoring the adequacy and effectiveness of the Council's governance arrangements. This includes overseeing the audit function, annual accounts and the work of the internal auditors, promoting and maintaining high standards of conduct of members and, through its Standards Sub-Committee, determining standards matters.

The Committee has the following powers under the Council's Constitution:

- To require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration;
- To review any issues referred to it by the Chief Executive, other statutory officer or any Council body;
- To report and make recommendations to Council;
- To call expert witnesses from outside the Council to give advice on matters under review or discussion;
- The ability to raise issues at a meeting of the Executive; and
- The power to establish Sub-Committees.

This work programme sets out the expected business for meetings of the Audit and Governance Committee.

Item	Meeting Date	Lead Officer
Thursday 24 September 2026		
Internal Audit Progress Report	24 Sep 2026	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
CFEU Update Report and Risk and Equalities Impact Assessments	24 Sep 2026	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Treasury Management Q1 Report	24 Sep 2026	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk
Thursday 26 November 2026		
2025/26 Audit Completion Report and Auditor's Annual Report	26 Nov 2026	Director of Finance - Madhu Richards
Internal Audit Progress Report	26 Nov 2026	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Treasury Management Mid-Term Report	26 Nov 2026	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk
Thursday 28 January 2027		
Budget Strategy Papers	28 Jan 2027	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk

Internal Audit Progress Report	28 Jan 2027	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Strategic Risk Register	28 Jan 2027	Cheryl Sloan, Assistant Director cheryl.sloan@publicagroup.uk, Sandrine Mangin, Governance and Risk Officer Sandrine.Mangin@westoxon.gov.uk
Thursday 18 March 2027		
Internal Audit Progress Report	18 Mar 2027	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Internal Audit Plan 2027/28	18 Mar 2027	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Statement of Accounts 2026/27 - Update and Accounting Policies	18 Mar 2027	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk
External Audit Plan 2026/27	18 Mar 2027	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
CFEU Update Report (RIPA and IPA annual update)	18 Mar 2027	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Annual Governance Statement Action Plan for 2026/27 Update	18 Mar 2027	Cheryl Sloan, Assistant Director cheryl.sloan@publicagroup.uk, Sandrine Mangin, Governance and Risk Officer Sandrine.Mangin@westoxon.gov.uk
Quarter 3 Treasury Management Performance	18 Mar 2027	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk
Provisional Member Induction and Training Programme	18 Mar 2027	Andrew Brown, Head of Democratic and Electoral Services andrew.brown@westoxon.gov.uk

Audit and Governance Committee Annual Council Report	18 Mar 2027	Mathew Taylor, Democratic Services Officer Mathew.Taylor@Westoxon.gov.uk