

Audit Completion Report

West Oxfordshire District Council

For the year ended 31 March 2025



Ref: 125947/CM
Date: 12 November 2025

Members of the Audit and Governance Committee
West Oxfordshire District Council
Woodgreen
Witney
OX28 1NB

Dear Members

West Oxfordshire District Council (the Council) – Audit Completion Report

We are pleased to attach our draft Audit Completion Report. This report summarises our audit conclusions, highlights the key findings arising from our work and details a number of points that we would like to discuss further with you.

We have initially discussed the contents of our report with management, and we incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Council. It should not be shared with anyone beyond the Council without our prior approval.

We would like to take this opportunity to thank the finance team for the co-operation and assistance afforded to us during the course of the audit.

Yours faithfully

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited

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1. Executive summary

Status of audit

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

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Our audit is largely complete. However, it is subject to the resolution of certain outstanding queries outlined in Section 2.

Subject to the satisfactory finalisation of these points, we anticipate issuing an unmodified audit report.

Key audit issues

Within our Audit Plan which was presented to the Audit and Governance Committee in March 2025, we outlined a number of risks that we considered to be of particular significance to the audit. Our plan also detailed our planned approach for addressing each of these risks.

The specific significant risks highlighted were as follows:

- Management override of controls;
- Valuation of land and buildings;
- Valuation of investment properties; and
- Valuation of the pension fund net liability.

Our audit work is mostly completed, with some ongoing on some of these areas at the time of writing this report. This is further detailed in Section 4 of this report.

Audit adjustments

During the course of our work, adjustments were identified and, on agreement of management, were adjusted in the financial statements.

Further adjustments were proposed but not made, as those charged with governance do not consider them to be material to the financial statements. We accept this explanation.

Full details of the adjustments identified are included in Section 5 to this report.

Management letter points and Internal control matters

A number of control points were identified during the course of our work, and these are further detailed in Section 6 to this report. Of the matters noted, none are considered to have an important effect on your system of internal control.

Value for Money

We are also required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. The Code requires us to report on the Council's arrangements under three specified reporting criteria:

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

Our work has not identified any significant weaknesses; see Section 7 for more details. The results of the Value for Money work are reported separately in our Auditor's Annual Report.

Independence

The FRC Ethical Standard and ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

We are not aware of any relationships that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, Bishop Fleming is independent within the meaning of regulatory and professional requirements, and the objectivity of the audit engagement partner and audit staff has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

2. Introduction

Responsibilities of the audited body

The audited body is responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that it confirms that our understanding of all matters referred to in this report are appropriate, having regard to its knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of West Oxfordshire District Council.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

Materiality

In carrying out our audit work we have considered whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in context of the financial statements as a whole.

In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements.

	Basis of materiality	Amount
West Oxfordshire District Council	2% of gross expenditure on provision of services	£1,284,000

The level of materiality has increased since our Audit Plan (Planning materiality: £1,158,000) to reflect the published unaudited 2024/25 financial statements and the increased level of expenditure in the current period compared to the prior period.

Anticipated audit report

Subject to the satisfactory resolution of the outstanding items, and to receiving all outstanding information set out below, we anticipate issuing an unmodified audit report on the financial statements of West Oxfordshire District Council for the year ended 31 March 2025.

Letter of representation

The draft letter of representation is attached at Appendix A.

Update on our planned approach

Our audit work was carried out in accordance with our Audit Plan in response to the perceived audit risks. No matters were identified which required us to change our approach and no additional risks were identified.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- Final senior review of workings papers and the accounts
- Review of the pension fund auditor's response on their work on the Oxfordshire County pension fund

We will also need to complete the following tasks as part of our usual completion procedures:

- Final review of the financial statements
- Consideration of any post balance sheet events prior to opinion being issued
- Confirmation of the approval of the financial statements by the Council
- Receipt of the signed management representation letter











Confidentiality

This document is strictly confidential and although it has been made available to those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Council arising under the Local Audit and Accountability Act 2014 (the Act) and from the Code. The contents of this report should not be disclosed to third parties without our prior written consent.

3. Accounts and audit process

The preparation of the financial statements is a vital process for the management of the Council and one which should be performed on a timely basis. We met with senior officers as part of our planning work to discuss how we would work together to make the audit process effective.

We discussed key accounting issues early, such as the entity's approach to adopting and assessing the impact of IFRS 16 and the approach to testing the collection fund, so they could be considered before the audit commenced.

	2025		2024	
Readiness for audit		(Green)		(Green)
Quality of financial statements		(Green)		(Green)
Accuracy of financial records		(Green)		(Green)
Quality of working papers		(Green)		(Green)
Availability of staff		(Green)		(Green)

Key (Impact on audit approach)

None or limited impact		(Green)
Some impact		(Amber)
Significant impact		(Red)

We invested significant time into the audit running as smoothly as possible. At the start of the audit, we held planning meetings with key management personnel and a meeting with the finance team to set expectations for the audit. During the final audit, we held bi-daily calls with the finance team, supported by a status list of ongoing requests. In addition to this, the team carried out testing onsite during the audit.

As a result of the investment made by both parties, we are pleased to say the audit has proceeded smoothly. We are keen to continually improve our service and the effectiveness of the process and, therefore, we will hold a debrief discussion with management to identify areas where this might be possible.

Readiness for audit

We were provided with a copy of the unaudited financial statements in line with the timetable agreed before the start of the audit and as outlined in our audit plan. Information requested during fieldwork was generally provided promptly to our staff. This made the core audit progress relatively smoothly, although there were some areas which naturally took longer considering their complexity such as the valuation work.

Quality of financial statements

Management have taken charge of preparing and preparing the financial statements. We have provided our comments on the financial statements. We raised several minor comments on the accounts to resolve rounding differences, wording and the consistency of balances recognised, as well as to ensure all of the proper disclosures are included. We have identified several immaterial unadjusted disclosure items, as detailed in Section 5. We are comfortable these are to be left as unadjusted as they are immaterial in their nature.

Accuracy of financial records

The majority of the underlying financial records were accurate, agreed to the information provided in the audit file and were easy to understand.

Quality of working papers

While the quality of the working papers and supporting evidence provided was generally good, there were some areas where the audit evidence provided was not appropriate leading to additional follow up queries being required. These included spreadsheets being provided rather than original source documentation in several areas. Once sorted, the working papers reconciled back to the trial balance. This made the core audit work progress smoothly and as planned.

Availability of staff

Key members of the finance team made themselves available to us throughout the audit where possible. We were kept informed of any instances when staff were not available.

4. Audit risks

Significant risks:

Management override of controls	
Significant Risk	Work done and conclusion
We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed.	<p>To address this risk, we have:</p> <ul style="list-style-type: none">• reviewed the reasonableness of accounting estimates and critical judgements made by management;• tested journals with a material impact on the results for the year; and• considered a sample of other journals with key risk attributes. <p>In testing journals, we used data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.</p> <p>We have not identified any material errors from our work carried out.</p>

Valuation of land and buildings

Significant Risk

There is a risk over the valuation of land and buildings due to the high degree of estimation uncertainty, and judgements involved in build valuations.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of land and buildings. For assets not formally revalued in the year we assessed how management has satisfied itself that these assets are not materially different from the current value at the year-end;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and
- formed our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.

We have not identified any material errors from our work carried out. We did identify an adjustment in relation to the Chipping Norton valuation. This has been corrected by management, see Section 5 for further details, and we have raised a recommendation in relation to this finding, see Section 6 for further details.

Valuation of investment properties

Significant Risk

There is a risk over the valuation of investment properties due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of investment properties;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and
- formed our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.

We have not identified any material errors from our work carried out.

Valuation of the pension fund net liability

Significant Risk

There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;
- considered the accuracy and completeness of the information provided to the actuary;
- ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Oxfordshire County Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our findings showed the assumptions used are consistent with our expectations and those used by other actuaries at 31 March 2025. The pension valuation has moved from a net deficit of £4.97m at 31 March 2024 to a net deficit position of £3.91m at 31 March 2025. This is inclusive of the liability for unfunded obligations of £0.40m (2023/24: £0.44m).

The key driver of that change was the increase in the discount rate used by the actuaries, which results in a decrease in the net present value of your share of the scheme liabilities.

Key assumptions	2023/24	2024/25
Discount rate	4.80%	5.80%
CPI / pension increase assumption	2.80%	2.80%
Salary increases	2.80%	2.80%

Under IFRS, additional guidance is provided in IFRIC 14 on the extent to which a defined benefit pension asset should be recognised. The actuary has produced an asset ceiling report that demonstrates that by following the guidance in IFRIC 14 none of this asset should be recognised and a liability of £3.51m is recognised instead. This adjustment effectively allows for ongoing commitments to contributions to the pension scheme into the future, over and above the expected service charge.

We have received the response from the pension fund auditor to our inquiries, which we are in the process of reviewing. However, we have not yet received the accompanying ISA260 report for the 2024/25 Pension Fund to complete our procedures.

We have not identified any material errors from our work carried out to date.

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

Other risks:

Implementation of IFRS 16 Leases

Other risk

2024/25 was the first year in which local government bodies were required to implement the provisions of IFRS 16 leases.

There is a risk that the Council has not appropriately complied with IFRS 16.

Work done and conclusion

To address this risk, we have:

- Documented our understanding of the processes and controls put in place by management for identifying lease contracts, including those not covered by the transitional arrangements, and evaluate the design of the controls;
- Reviewed the appropriateness of assumptions used in calculating the estimate;
- Reviewed the completeness and accuracy of the data gathering exercise;
- Confirmed the appropriateness of application of exemptions for existing contracts such as short term and low value leases;
- Reviewed the required transitional disclosures and the application of the adjustment to the opening balances; and,
- Tested a sample of leases for accuracy in calculating the right of use asset and lease liabilities.

We have concluded that the Council has appropriately implemented the provisions of IFRS 16 as required by the CIPFA Code of Practice.

We have not identified any material errors from our work. We identified immaterial adjustments in the calculations of the right of use assets and the lease liabilities, see Section 5 for further details, and we have raised a recommendation in relation to this in Section 6.

5. Audit adjustments

In accordance with the requirements of International Standards on Auditing, we must communicate all adjusted and unadjusted items identified during our audit work, other than those which we believe to be clearly insignificant.

Adjusted items

All adjusted items are set out in detail below along with the impact on the key statements for the year ended 31 March 2025:

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
1) Spreadsheet error in the valuation of Chipping Norton Leisure Centre		(506)	506	
Total		(506)	506	

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification / Disclosure change	Audit comment	Adjusted?
Depreciation policy	It is the Council's policy not to depreciate assets in the year of acquisition. This has not been disclosed in the Council's depreciation policy.	✗
Lease liabilities, initial application of IFRS 16	The initial calculation of the lease liabilities did not calculate the liabilities to the end of the lease terms, resulting in the disclosed initial application of IFRS 16 to be understated by a projected £145k.	✗

Unadjusted items

The table below provides details of adjustments identified during the 2024/25 audit which have not been made within the final set of financial statements. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below. (These are also set out in the Letter of Representation.)

<i>Factual (F), judgemental (J), Projected (P)</i>	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
1) IFRS 16 Right of Use Assets Management's calculations not going to the end of the lease terms (P)		(145)	145	
2) IFRS 16 Lease Liabilities Management's calculations not going to the end of the lease terms (P)	136			(136)
Total	136	(145)	145	(136)

Impact of prior year unadjusted items

The table below provides details of adjustments identified during the prior year which had not been made within the final set of 2023/24 financial statements. **We do not consider these to impact on the 2024/25 audit.**

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
1) Understatement of investment property valuation <i>Being a judgemental adjustment arising due to the methodology of the external valuer used by the Council, whereby they would round a valuation of an asset down to the nearest £'000. This adjustment reflects the actual valuation of all assets if no such rounding was applied.</i>		(188)	188	
2) Overstatement of investment income <i>Being balances that we could not evidence on account of sickness within the Council's team.</i>	121			(121)

6. Management letter points and internal control systems

The Council's management is responsible for the identification, assessment, and monitoring of risk, for developing, operating, and monitoring the systems of internal control and for providing assurance to the Audit and Governance Committee as 'Those Charged with Governance' that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit; none of which are considered significant.

KEY:



RED – Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.




AMBER – Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.



GREEN – Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Current Year Issues

Spreadsheet errors in valuations	
 <i>Amber</i>	
<p>As part of our valuation testing, we identified three separate spreadsheet errors within the calculations.</p> <p>The errors we noted were:</p> <ol style="list-style-type: none">1. There was an understatement of £506k due to the build cost rather than the total build cost being used to calculate the net replacement cost;2. There was an overstatement of £80k due to the affordable housing contribution being missed out of the calculation of the cost;3. There was an understatement of £12k due to the lower range of the adjusted value being selected rather than the mid-point. <p>Although the total errors are immaterial, due to the total value of the revalued assets, this suggests that there is an increased risk due to calculation errors</p> <p>Considering the significant values, it is important that there a rigorous process in place for reviewing valuations to ensure that they are accurate.</p> <p>Management have posted the correction for the first error noted above for £506k, see Section 5 for further details.</p>	<p><u>Recommendation</u> We recommend that the assets team ensures that there are processes in place to ensure the proper checking of valuation calculation and workings to ensure that spreadsheet errors are picked up before the fixed assets register is updated.</p> <p><u>Management comment</u> Recommendation accepted. Finance will work with the Valuer to make sure that the valuation spreadsheets are error free.</p>

Blank journal descriptions



Green

During our testing of journals, a number of journals with blank descriptions were identified.

If there is not a description on the journal, it makes it harder to identify the reason(s) for posting the journal. As a result, it means that there is not a clear audit trail.

Recommendation

We recommend that the finance team ensure that all journal lines include a description explaining the purpose of the journal to enable journals to be easily reviewed and the purpose of them understood.

Management comment

There were 7 journals in 2024/25 that had a blank text description. Best endeavours will be used to ensure that this issue is addressed.

Calculation of the NPV for IFRS 16 Leases and Right of Use assets



Green

During our testing of the right of use assets and lease liabilities for the recognition of IFRS 16 leases, we identified there were errors in the way that the net present value (NPV) was calculated.

Upon investigation, this was due to the incorrect rent being selected for two of the leases and the final half year of rent not being included in the calculation.


This resulted in an immaterial understatement of both the right of use asset and the lease liability, which is detailed in Section 5.

Recommendation


We recommend that when the Council recognises any new IFRS 16 leases in future that they ensure that the correct rental figure is discounted and ensures that the full length of the lease is discounted rather than just the full years of the lease.

Management comment

Recommendation accepted.

Finance leases	
 <i>Green</i>	
<p>As part of the finance lease testing, we identified that it is the Council's policy not to charge interest on finance lease assets in the year of acquisition.</p> <p>We also identified that the finance lease debtor did not include the interest payments and was not discounted by the present value of the future cashflows.</p> <p>However, the effect of none of these issues are material and no adjustments have been made to the financial statements.</p>	<p><u>Recommendation</u> We recommend that going forwards the Council changes their accounting policy to ensure that interest is charged on the finance lease assets in the year of acquisition and implements this for new finance leases acquired in future years.</p> <p>We also recommend that the finance team ensures that the value of the debtor is correctly calculated, including the interest, and then discounted by the present value of the future cashflows.</p> <p><u>Management comment</u> Recommendation not accepted. The Council has a consistent policy for non current assets in relation to the application of depreciation, interest and MRP – nothing is charged in the year of acquisition.</p> <p>The calculation of the debtor value will be reviewed for 2025/26 onwards.</p>

Prior Year Issues – Unresolved

Leases	
CY:  PY: 	
<p>The Council has a number of leases in place, both operating and finance leases. We sampled 42 leases as part of our work as the Council's new auditor. For several leases, it took a notable amount of time for the lease agreements to be located and shared with us.</p> <p>Upon receipt, for 12 leases, while we received the original lease agreement, we did receive evidence for the most recent rent figure that applied in 2023/24. We performed alternative procedures over these leases to ensure they have been recognised at the correct values.</p> <p><u>2024/25 update</u> In the current year we sampled 36 leases as part of our testing. Lease agreements were available for all of the requested leases. However, some leases were either not up to date or did not agree with the value on the Council's leases schedule.</p>	<p><u>2023/24 recommendation</u> We recommend the Council ensures it has easy access to its underlying leases and supporting documents if ever needed.</p> <p>It will also be important as part of the transition work required to be undertaken as the new accounting standard <i>IFRS 16 Leases</i> is adopted in the year ending 31 March 2025.</p> <p><u>2023/24 Management comment</u> Agreed.</p> <p><u>2024/25 recommendation</u> Our original recommendation applies.</p> <p><u>2024/25 Management comment</u> All the information requested by the Auditors was provided.</p>

Prior Year Issues – Resolved

Register of Interests	
<p>Two elected members were identified where their register of interests had not been updated due to no response being given by them in a timely manner.</p>	<p><u>2023/24 recommendation</u> We recommend the Council consider their monitoring process for responses to ensure timely response are being provided.</p> <p><u>2023/24 Management comment</u> Agreed.</p> <p><u>2024/25 update</u> No issues were identified during testing in the current year. We consider this matter closed.</p>

7. Other matters

Other information

We are required to give an opinion on whether the other information published with the audited financial statements (for example, the Narrative Statement and Annual Governance Statement) is materially inconsistent with the financial statement or our knowledge as obtained during the audit.

We have nothing to report in this respect.

Reporting by exception

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

- the Annual Governance Statement does not comply with “Delivering Good Governance in Local Government: Framework 2016 Edition” published by CIPFA/SOLACE; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report on these matters.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Going concern

Our work has not identified a material uncertainty related to going concern. We are satisfied that management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Value for money arrangements

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. The Code requires us to report on the Council’s arrangements under three specified reporting criteria:

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

We asked management to complete an evidenced self-assessment of the Council’s arrangements. We then reviewed the evidence provided and carried out follow-up work as appropriate to consider whether there are any significant weaknesses in the Council’s arrangements for securing economy, efficiency, and effectiveness in its use of resources.

We have not identified any significant weaknesses, and the results of the Value for Money work are reported separately in our Auditor’s Annual Report.

Whole of Government accounts work

Alongside our work on the financial statements, we also review and report to the National Audit Office on the Council's Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet completed the limited procedures required in the National Audit Office's group instructions in respect of our work on the Council's WGA submission. This will be done alongside issuing the audit opinion on the Council's accounts.

Audit certificate

We will be unable to issue our audit certificate alongside the auditor's opinion on the accounts until we have received confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

Audit fees

Our final fee (excl. VAT) for the 2024/25 audit is set out below:

	Fee proposed at planning stage (£)	Final fee (subject to approval by PSAA) (£)
PSAA scale fee 2024/25	153,844	153,844
Fee variation – Implementation of IFRS 16	TBC	4,982
Total	TBC	158,826

We can confirm that we have not undertaken any non-audit work at the Council during the year.

Appendices



Appendix A. Letter of representation

Bishop Fleming Audit Limited
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Dear Sirs and Madams

WEST OXFORDSHIRE DISTRICT COUNCIL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the West Oxfordshire District Council (the Council) financial statements for the year ended 31 March 2025. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the Council have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the Council. We have provided you with unrestricted access to all appropriate persons within the Council, and with all other records and related information requested, including minutes of all Council and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the Council involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Council's financial statements communicated by current or former employees, analysts, regulators, or others.

3. Assets and liabilities

The Council has satisfactory title to all assets and there are no liens or encumbrances on the Council's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE and investment property valuations, pension liability, and NNDR provisions.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the Council's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative, and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the Audit and Governance Committee of West Oxfordshire District Council

Date:

Appendix

Unadjusted items

<i>Factual (F), judgemental (J), Projected (P)</i>	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
<i>1) IFRS 16 Right of Use Assets Management's calculations not going to the end of the lease terms (P)</i>		(145)	145	
<i>2) IFRS 16 Lease Liabilities Management's calculations not going to the end of the lease terms (P)</i>	136			(136)
Total	136	(145)	145	(136)

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification / Disclosure change	Comment
Depreciation policy	It is the Council's policy not to depreciate assets in the year of acquisition. This has not been disclosed in the Council's depreciation policy.
Lease liabilities, initial application of IFRS 16	The initial calculation of the lease liabilities did not calculate the liabilities to the end of the lease terms, resulting in the disclosed initial application of IFRS 16 to be understated by a projected £145k.

Appendix B. Required communications with the Audit and Governance Committee

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

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



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