



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 27 NOVEMBER 2025
Subject	FINAL 2024/25 AUDIT FINDINGS REPORT (ISA260) AND STATEMENT OF ACCOUNTS FOR WEST OXFORDSHIRE DISTRICT COUNCIL
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	Georgina Dyer, Head of Finance Email: georgina.dyer@westoxon.gov.uk
Summary/Purpose	This report presents the Audit Findings Report and Audited Statement of Accounts for the period 1 April 2024 to 31 March 2025.
Annexes	Annex A: The Audit Findings for West Oxfordshire District Council including the Letter of Representation Annex B: Statement of Accounts including the Annual Governance Statement
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none">1. Note the contents of the report and annexes.2. Approve the Statement of Accounts 2024/25, including the Annual Governance Statement; and3. Authorise the Chief Finance Officer and the Chair of the Committee to write a Letter of Representation on behalf of the Committee and Council to Bishop Fleming to enable the opinion to be issued.
Corporate priorities	<ul style="list-style-type: none">• Putting Residents First• A Good Quality of Life for All

	<ul style="list-style-type: none"> • 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	No

1. BACKGROUND

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

2. MAIN POINTS

- 2.1** The Audit Findings Report (ISA260) for West Oxfordshire District Council is being presented to the Audit and Governance Committee on 27th November 2025.
- 2.2** The Auditors have completed their audit of the 2024/25 financial statements. Their testing and review have not identified any significant issues and they have given an unqualified opinion.
- 2.3** The 2024/25 audit will be signed off on 27th November 2025.
- 2.4** The annexes to this report contain the Audit Findings Report (ISA260) for West Oxfordshire District Council and the Statement of Accounts including the Annual Governance Statement.

2.5 STATEMENT OF ACCOUNTS

The four core statements within the Accounts are:

Comprehensive Income & Expenditure Statement:

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

Movement in Reserves Statement:

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

Balance Sheet:

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

Cash Flow Statement:

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

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

2.6 Revenue Outturn and Performance

The Council's approved revenue budget for 2024/25 was £15,674,657. The final outturn position saw the Council budget underspent by £6,345. The revenue outturn position was reported to Executive on 9th July 2025 (for a full breakdown of the outturn for the year, please refer to the Executive report, agenda item 363). At their meeting, Executive recommended to Council to transfer £1,731,426 to earmarked reserves. Council subsequently approved the appropriations on 16th July 2025.

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

The Comprehensive Income and Expenditure Statement (CI&ES) (page 9 of the Accounts) shows the accounting cost in the year of providing services. The statement is prepared based under International Financial Reporting Standards (IFRS) and therefore does not match the figure presented to Executive as part of the year-end outturn report, which is prepared on the basis of internal reporting practices.

To reconcile the figures, the CI&ES and Movement in Reserves Statement (MiRS) need to be read together as the MiRS reverses out or adjusts some Income and Expenditure items to make them compatible with the Code of Practice on Local Authority Accounting, and UK statutory requirements.

Note B1 “Expenditure and Funding Analysis” on page 14 of the Accounts reconciles the difference between statutory financial reporting and those figures reported internally to Executive. The CI&ES declares a surplus on the provision of services of £2,067,950. This figure includes changes in asset values and pension fund accounting which are not reported to Members as they are statutory accounting adjustments and do not impact upon council tax payers financing of the Council. These are set out in the column headed “Adjs. between accounting and funding basis” and amount to £503,577. Once adjustments to earmarked reserves of £1,558,027 are considered, the net contribution to the Council’s General Fund Balance is £6,345 (£503,577 - £2,067,950 + £1,558,027).

2.8 Key Balance Sheet Movements

The balance sheet represents the value or net worth of the Council as at 31st March 2025. The key movements in the balance sheet between 31st March 2024 and 31st March 2025 and the reasons for the largest changes are summarised below:

Property, Plant and Equipment

The value of Property, Plant and Equipment has increased by £1.679 million. This is in most part due to the inclusion on the balance sheet of Right of Use Assets following the adoption of IFRS 16. This new accounting standard removes the distinction between operational and finance leases and requires that all substantial leases must be recognised, (low value and very short term leases are excluded). This recognition has increased the value of property assets by £1.292m and also increased long term creditors by £0.92m to reflect the obligation of the Council to pay future lease payments.

Long Term Investments

Long term investments have decreased by £1.833m, which includes the closure of the UBS Pooled Fund. The proceeds of the fund repaid to the Council in September 2024 were not re-invested in a long term investment. Instead, this cash has increased our cash on hand balance and has been used for short term deposits in the Debt Management Office (DMO, part of HM Treasury) and the Money Market Funds to generate maximum interest returns.

Short Term Debtors and Creditors

Short term debtors have decreased by £1.274 m and short term creditors have increased by £5.045m, mainly due to Collection fund balances. Year on year fluctuations of this kind are normal and expected.

Cash and Cash Equivalents

Cash balances increased by £10.2m between 1st April 2024 and 31st March 2025. Part of this increase relates to the £4.9m slippage in the capital programme combined with £1.2m of Garden Waste licence income received in March 2025 for the 2025/26 financial year, Council Tax prepayments of £1.6m and £1.5m from the closure of the UBS pooled fund.

Pension Liability

The valuation of the pension fund fluctuates each year and is based upon a number of actuarial assumptions and a triennial revaluation cycle. At 31 March 2025, the Council's share of the Oxfordshire Pension Fund stands at a net liability of £3.907m (after the asset ceiling adjustment), a reduction of £1.063m on the previous year.

The return on scheme assets has benefited from high interest rates and higher than normal bond yields. The result, for the second year in a row, is the pension scheme showing as an asset rather than a liability.

Accounting standards only allow an asset to be recognised as far as the employer can gain an economic benefit i.e. through a reduction in future contributions. This limit is known as the asset ceiling. In practice, employers are bound by the contribution level set by the Pension Scheme Administrators every three years and the requirement to contribute enough to fund all future commitments, known as the Minimum Funding Requirement.

The Asset Ceiling charge, levied against the Pension Scheme to maintain the minimum future funding requirement has been calculated by the Actuaries, Hyman Robertson for 2024/25 as £20.682m.

The Council will continue to make sufficient contributions to cover liabilities accruing for all employees that are current members of the scheme.

General Fund

The general fund balance increased by £6,345 from 1st April 2024 to 31st March 2025. The movement represents the remaining underspend in the year (after transfers to earmarked reserves). The general fund balance represents the unallocated revenue reserves of the Council. At 31 March 2025, the General Fund balance stood at £12,257,908.

The Council's earmarked reserves represent resources that have been set-aside by the Council for specific projects or money to provide particular schemes in the future. Overall contributions to earmarked reserves amounted to £3.005m, including £1.989m to the Budget Deficit Reserve which will fund the revenue budget gap identified in the MTFS and £0.652m of grant funding that will be spent in 2025/26.

Transfers from earmarked reserves amounted to £1.446m. The most significant expenditure was £0.549m to fund the capital loss from the closing down of the UBS Pooled Fund and £0.2m to fund the one off costs of the Publica Review phase one. The value of earmarked reserves therefore increased by £1.558m in 2024/25.

The 'Net Assets' or 'Net Worth' of the Council has increased by £5.644m. The main contributing factors are the increase in Property Valuations of £1.679m, a decrease of £1.833m in Long Term Investments i.e. the closing of the UBS Pooled Fund, an increase of

£5.045m in short term creditors, a decrease of £1.274m in Short Term Debtors, an increase of £10.794m in cash and a £1.063m decrease in the Pension Liability.

Although the Council faces significant challenges over the short to medium term, the Council is in a stable position at the end of the 2024/25 financial year with a level of reserves to fund budget deficits until they are potentially exhausted in 2030/31 as per the MTFs, updated in November 2025.

3. Adjusted Items

During the Audit, an error was brought to light in relation to the valuation of the Chipping Norton Leisure Centre. Upon discovery, this error was corrected in the Statement of Accounts and is presented in the Auditor's findings report as an adjusted item.

4. ALTERNATIVE OPTIONS

4.1 None.

5. CONCLUSIONS

5.1 The Audit and Governance Committee are requested to note the report and annexes and approve the Statement of Accounts 2024/25, including the Annual Governance Statement. They are also requested to authorise the writing the Letter of Representation to the Chief Financial Officer and the Chair of the Committee.

6. FINANCIAL IMPLICATIONS

6.1 None.

7. LEGAL IMPLICATIONS

7.1 None.

8. RISK ASSESSMENT

8.1 None.

9. EQUALITIES IMPACT

9.1 None.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)