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DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Accounts, Audit and Risk Committee

Date: Wednesday 28 May 2025

Time: 6.30 pm

Venue: 39 Castle Quay, Banbury, OX16 5FD

Membership

Councillors will be appointed to the Committee at the Annual Council meeting on Wednesday 21 May 2025. The Chairman and Vice-Chairman will be appointed at the meeting of the Committee being held at the conclusion of the Annual Council meeting.

Sarah Thompson – Independent Person (no voting rights)

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Minutes (Pages 7 - 14)

To confirm as correct records the Minutes of the meetings of the Committee held on 19 March 2025 and 21 May 2025 (to follow as meeting held after agenda publication).

4. Chairman's Announcements

To receive communications from the Chairman.

5. Requests to Address the Meeting

The Chairman to report on any requests to address the meeting.

6. Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

7. Head of Internal Audit Annual Report 2024/25 (Pages 15 - 56)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

This report includes the Head of Internal Audit annual report (appendix 1), which summarises internal audit work undertaken in 2024/25 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

It also includes an updated internal audit charter (appendix 2), for the committee to approve. The charter has been updated to ensure that it reflects the requirements of the Global Internal Audit Standards in the UK Public Sector, which came into effect on 1 April 2025.

Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.
- 1.2 Note the outcome of Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.
- 1.3 Note that two significant control weaknesses have been identified by internal audit during the year which are considered relevant to the preparation of the Annual Governance Statement, these being: the council's health and safety management system and its handling of strategic site applications (pages 5-6, appendix 1).
- 1.4 Approve the draft internal audit charter.

8. Counter Fraud Annual Report (Pages 57 - 66)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

This report presents the counter fraud annual report for 2025/26.

Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the annual report.

9. Annual Health and Safety Report 2024-25 (Pages 67 - 78)

Report of Assistant Director of Human Resources

Purpose of report

To provide the Accounts, Audit and Risk Committee with the Council's Health and Safety performance over the 2023-24 year and its plan for the current year.

Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To review the content of the report.
- 1.2 To provide feedback if any further detail or additional information is required in future reports which will be submitted quarterly.

10. Treasury Management Report - Annual Performance Report 2024/25 (Pages 79 - 92)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide information on treasury management performance and compliance with treasury management policy for 2024-25 as required by the Treasury Management Code of Practice.

To demonstrate that all treasury management activities undertaken during the reporting period complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the contents of this Treasury Management Annual Performance Report.
- 1.2 To recommend the report to Council

11. Review of Committee Work Programme (Pages 93 - 94)

To consider and review the Work Programme.

12. Rutten Lane planning application: fact finding review outcomes and action plan (Pages 95 - 104)

Report of Assistant Director – Planning and Development

Purpose of report

This report presents the outcomes from Veritau's fact-finding review into the circumstances surrounding the handling of the Rutten Lane planning application and subsequent appeal.

It also provides the committee with information on the Development Management service's draft action plan, which has been prepared in response to Veritau's review and to a separate lessons learned exercise carried out by the service.

While this report is public, the three appendices have been exempted. This is on the grounds that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006). In addition, both exempt appendices 2 and 3 are working drafts. This includes an action plan for the management of strategic planning applications which will be developed further with the Portfolio Holder for Planning and Development.

Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the findings and conclusions from Veritau's fact-finding review, which have been summarised in this report and included in full in exempt appendix 1.
- 1.2 Note that a strategic planning applications action plan (exempt appendix 2) has been drafted by the council's Development Management service to help manage delivery of the identified improvements, and that this will be finalised in consultation with the Portfolio Holder for Planning and Development Management.

13. Exclusion of public and press

The following item contains exempt information as defined in the following paragraph of Part 1, Schedule 12A of Local Government Act 1972.

3– Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, Members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

14. **Rutten Lane planning application: fact-finding review outcomes and action plan - Exempt Appendices** (Pages 105 - 162)

Councillors are requested to collect any post from their pigeon hole in the Members Lounge at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221534 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

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Webcasting and Broadcasting Notice

The meeting will be recorded by the council for live and/or subsequent broadcast on the council's website. The whole of the meeting will be recorded, except when confidential or exempt items are being considered. The webcast will be retained on the website for 6 months.

If you make a representation to the meeting, you will be deemed by the council to have consented to being recorded. By entering the Council Chamber or joining virtually, you are consenting to being recorded and to the possible use of those images and sound recordings for webcasting and/or training purposes.

The council is obliged, by law, to allow members of the public to take photographs, film, audio-record, and report on proceedings. The council will only seek to prevent this should it be undertaken in a disruptive or otherwise inappropriate manner.

Queries Regarding this Agenda

Please contact Patrick Davis, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221534

Shiraz Sheikh
Monitoring Officer

Published on Monday 19 May 2025

Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 19 March 2025 at 6.30 pm

Present:

Councillor David Rogers (Vice-Chairman)
Councillor Frank Ideh
Councillor Nicholas Mawer
Councillor Ian Middleton
Councillor Robert Parkinson
Councillor Dom Vaitkus
Sarah Thompson, Independent Person

Apologies for absence:

Councillor Alisa Russell
Councillor Besmira Brasha

Also Present:

Connor Munro, Internal Audit, Veritau
Sarah Butler, Internal Audit, Veritau
Mark Bartlett, External Audit, Bishop Fleming

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
Jacey Scott, Head of Revenues and Benefits
Patrick Davis, Democratic and Elections Officer

Officers Attending Virtually:

Celia Prado-Teeling, Performance Team Leader
Ruth Wooldridge, Health and Safety Manager

70 Declarations of Interest

There were no declarations of interest.

71 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

72 **Minutes**

The Minutes of the meeting of the Committee held on 15 January 2025 were agreed as a correct record and signed by the Chairman.

73 **Chairman's Announcements**

There were no Chairman's announcements.

74 **Urgent Business**

There were no items of urgent business.

75 **Draft Annual Report of the Accounts, Audit and Risk Committee 2024-25**

The Assistant Director of Finance (Section 151 Officer) submitted the draft annual report of the Accounts, Audit and Risk Committee for the financial year 2024/25. It had been prepared to enable the Committee to demonstrate to Council how it had fulfilled its terms of reference.

In introducing the report, Connor Munro, Assistant Director – Audit Assurances at Veritau advised the Committee that the report summarised the work that had been undertaken by the Committee over the last twelve months. The report detailed how the Council had discharged its responsibility over the year at its meetings in line with its terms of reference as set out in the constitution. The Committee was advised that under accountability arrangements a self-assessment of its effectiveness needed to be undertaken in the next municipal year.

In response to a question regarding the PR9 planning appeal, the Committee was advised that a report was in the process of being drafted and it was the intention to bring this to the next meeting of the Committee on the 28 May 2025.

Resolved

- (1) That the draft annual report be finalised in preparation for the Accounts, Audit and Risk Committee Chair's presentation to Council.

76 **Internal Audit Work Programme 2025-26**

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided the Committee with the programme of internal audit work to be undertaken in 2025/26.

In introducing the report, Connor Munro, Assistant Director – Audit Assurances at Veritau advised the Committee that the work undertaken as

part of the annual report formed the basis of the internal auditor's opinion of the strength of the framework of the Council's risk management, governance and control. The Committee was advised that the work was carried out via a series of eight audits across eleven key assurance areas.

In response to a question regarding how the internal audit work programme would examine the amount of work being undertaken by officers in relation to local government reorganisation and the impact this may have on the day to day running of the council, the Committee was advised that this would be addressed through the internal audit process.

In response to a question regarding the assumptions made in the medium-term financial strategy that would move the Council in to a deficit position in 2026-27, the Committee was advised that the key driver in the forecast budget gap was the potential reduction in resources following the proposed business rates reset by Central Government along with other local government finance reforms.

Resolved

- (1) That the 2025/26 internal audit work programme be approved.

77

Counter Fraud Progress Report

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided an update on counter fraud work undertaken so far in 2024/25 (covering the period 1 May 2024 to 26 February 2025).

In introducing the report, Sarah Butler, Corporate Fraud Manager at Veritau gave an update on the work that had taken place over the last few months, which included training sessions with the Customer Services and Housing teams alongside ongoing work with Revenues and Benefits. The Committee was advised that the Counter Fraud Team had received 124 referred since 1 May 2024. As at the 26 February 2025, there were fourteen cases under active investigation. Since 1 May 2024, twelve investigations had been completed.

In response to a question regarding data matching between electoral registration data and council tax records, the Committee was advised that this information proved useful as it helped to flag issues that required further investigation.

In response to questions regarding the origins of the referrals and whether any patterns could be established, the Committee was advised that the referrals came from three main sources: members of the public, data matching and council officers. The unsuccessful referrals generally related to issues that did not affect the Council directly such as work undertaken by Oxfordshire County Council and the Department of Work and Pension, which were sent to the most appropriate organisation. There was not an obvious trend of unsuccessful referrals coming from any particular channel.

In response to a question regarding the process of dealing with referrals, the Committee was advised that the first stage was to triage each case and to undertake basic checks. Cases were then evaluated as to the risk they represented with the highest risk cases given the highest priority.

In response to a question regarding a bounced cheque, the Committee was advised that the details would be circulated following the meeting.

Resolved

- (1) That the update on the counter fraud work undertaken so far in 2024/25 be noted.

78 **2025-26 Counter Fraud Plan**

The Assistant Director of Finance (Section 151 Officer) submitted a report to update the Committee on the counter fraud plan for 2025/26.

In introducing the report, Sarah Butler, Corporate Fraud Manager at Veritau provided an overview of the strategy and advised that its structure was largely informed by the Fighting Fraud and Corruption Locally strategy for local authorities.

In response to a question regarding the way in which risk areas were assessed between the inherent risk and residual risk indicators, the Committee was advised that although the controls in place were considered to be appropriate, there would always be a risk and these would be mitigated as best they can.

Resolved

- (1) That the 2025/26 Counter Fraud Plan be approved.

79 **Risk Based Verification Policy**

The Assistant Director Finance submitted a report to seek approval of the reviewed Risk Based Verification (RBV) Policy for 2025/26.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration outlined the Risk Based Verification process. The aim was to reduce the burden on customers and enable low risk claims to be put into payment more quickly which allowed resources to be dedicated to higher risk claims.

In response to a question as to whether the risk assessment that was made in real time was undertaken by a person or by the software, the Head of Revenues and Benefits Services advised the Committee that after income and expenditure data had been received a risk score was assigned by the

software. The claim would then be processed by an officer. Risk scores were reviewed regularly by the Revenues and Benefits management team. It was agreed that updated information on the risk scores would be circulated to the Committee once it was ready.

In response to a question regarding the source of the data that was used to determine the risk score, the Committee was advised that this came from historical data built up over a period of time but was not specific to an individual.

In response to a question regarding the level of sampling that was undertaken to check the low risk scores it was agreed that additional information would be circulated to the Committee afterwards.

Resolved

- (1) That the report be noted.
- (2) That the Risk Based Verification policy for the financial year 2025/26 be approved.

80

Risk Monitoring Report Q3 2024-25

The Assistant Director Customer Focus submitted a report to update the Committee on how well the Council was managing its strategic risks.

In introducing the report, the Portfolio Holder for Corporate Services confirmed that there were no score changes in the Leadership Risk Register during the quarter. One risk had been added to the Risk Register which was in relation to the local government reorganisation and the likely impact of this on Cherwell District Council and its residents.

Resolved

- (1) That the Risk Monitoring Report for Quarter 3 2024-25 be noted.

81

Annual Health and Safety Report 2023-24

The Assistant Director of Human Resources submitted a report to provide the Committee with the Council's Health and Safety performance over the 2023-24 financial year and its plan for the current year.

In introducing the report, the Portfolio Holder for Corporate Services advised that the majority of incidents recorded involved Environmental Health, which was viewed as the highest risk area within the council due to the nature of the work undertaken by the department. The Committee was advised that the Annual Health and Safety report for 2024-25 would be submitted to the May

Committee meeting and thereafter reports would be submitted on a quarterly basis.

In response to a question regarding the reporting of near misses, the Committee was advised that the aim was to quantify these incidents going forward so that they were reported in a similar way to accidents.

In response to a question regarding the relationship between the number of accidents and the number of days lost, the Committee was advised that not all incidents resulted in time off work. It was dependent on the nature of the injury and any proposed return to work would only take place after discussions between the employee and their manager.

The Committee was advised the proactive health surveillance programme had been developed in consultation with the Council's Occupational Health Advisor and was tailored to the employee's role. This was currently under review to ensure that the suitable screening was taking place.

The Committee suggested that future reports include context to reflect the increase in the number of properties that had been built in the Cherwell district and the impact this may have had on the number of reported accidents.

Resolved

- (1) That the content of the Annual Health and Safety Report 2023-24 be noted.
- (2) That officers be requested to provide more context to the data in the reports.

82

2023-24 Final Statement of Accounts

The Assistant Director of Finance (S151 Officer) submitted a report to ask the Committee to note the final audit results and annual report of the council's external auditors in relation to the 2023/24 statement of accounts.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration advised the Committee that the 2023/24 statement of accounts had been published by the statutory deadline of the 28 February 2025 with a disclaimer opinion. The Committee was advised that there had been some changes from the draft accounts that had been presented at their 15 January meeting, these included a change in the pension liability which had increased by £7.65M to reflect the asset ceiling effect. The Committee was advised that none of the changes impacted on the general fund.

Resolved

- (1) That the final 2023/24 Statement of Accounts and the associated changes between the draft and final versions be noted.

- (2) That the final letter of representation for 2023/24 be noted.
- (3) That the final Auditor's Annual Report and Audit Completion Report from the council's external auditors, Bishop Fleming, be noted.

83 **External Audit Plan 2024/25**

The Assistant Director Finance submitted a report outlining the External Audit Plan for 2024/25 from the Council's external auditors, Bishop Fleming LLP

In response to a question regarding the implications of local government reorganisation on the external audit plan, the Committee was advised that there was no direct impact on the 2024/25 audit plan at this time.

Resolved

- (1) That the External Audit Plan for 2024/25 be noted.

84 **Accounting Policies 2024-25**

The Assistant Director Finance submitted which asked the Committee to review and approve the Accounting Policies for inclusion in the 2024/25 Statement of Accounts which were due to be published by 30 June 2025. The Council was required to set accounting policies which set out the specific principles, bases, conventions, rules, and practices applied by an authority in preparing and presenting financial statements

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration explained that the main change was the updated leasing section that reflected the new international financial reporting standard but this did not impact council tax payers. The new standard also required the Council to set a threshold of low value items that would not appear on the balance sheet, it was proposed that this should be set at £10K.

In response to a question regarding the transformation project currently being undertaken by the Council and how this might be impacted by local government reorganisation, the Committee was advised irrespective of any future changes to its structure, the Council still needed to set a balanced budget over the next three years.

Resolved

- (1) That the accounting policies as recommended by the Chief Finance Officer be approved.

Treasury Management Report Q3 2024-25

The Assistant Director Finance (S151 Officer) submitted a report which provided information on treasury management performance and compliance with treasury management policy for 2024-25 as required by the Treasury Management Code of Practice.

The Committee was advised that Council had operated within the Treasury and Prudential indicators as set out in the Treasury Management Strategy Statement 2024-25.

In response to questions regarding borrowing costs and investment income, the Committee was advised that the Council had locked in its borrowing at a lower rate and had been able to invest any surplus income from investments at a higher rate.

In response to a question regarding the management of a particular loan, the Committee was advised that there was currently little difference between the use of the overdraft compared to a loan. It was anticipated that the borrowing rate of the latter was expected to drop in the next couple of months and officers would then review the situation.

In response to a question regarding the investment of funds in green investments the Committee was advised that security, liquidity and yield remained the primary investment considerations as required by the Treasury Management Code. The Assistant Director of Finance explained that there were potentially times where investment offers were similar and in these situations the Council would always select the green option.

Resolved

- (1) That the Treasury Management Q3 2024/25 report be noted.

The meeting ended at 7.59 pm

Chairman:

Date:

This report is public.	
Head of Internal Audit annual report 2024/25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	28 May 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	14 May 2025
Report of	Assistant Director of Finance, (Section 151 Officer), Michael Furness

Purpose of report

This report includes the Head of Internal Audit annual report (appendix 1), which summarises internal audit work undertaken in 2024/25 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

It also includes an updated internal audit charter (appendix 2), for the committee to approve. The charter has been updated to ensure that it reflects the requirements of the Global Internal Audit Standards in the UK Public Sector, which came into effect on 1 April 2025.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.
- 1.2 To note the outcome of Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.
- 1.3 To note that two significant control weaknesses have been identified by internal audit during the year which are considered relevant to the preparation of the Annual Governance Statement, these being: the council's health and safety management system and its handling of strategic site applications (pages 5-6, appendix 1).
- 1.4 To approve the draft internal audit charter.

2. Executive Summary

- 2.1 The council's internal audit service must comply with professional standards and the internal audit charter.
- 2.2 The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the work carried out by internal audit during 2024/25.
- 2.3 The committee is expected to note the opinion for 2024/25, the outcomes from work which contributed to it, and any significant control weaknesses considered relevant to the preparation of the council's Annual Governance Statement. It is also expected to note the outcomes of Veritau's quality assurance and development arrangements, satisfying itself that reliance can be placed on the annual opinion.
- 2.4 Changes to the standards regime for internal audit have required the council's charter to be updated. The changes to the charter are minimal but are nonetheless essential for the committee to approve. This is so that there is an agreed-upon basis for the governance and delivery of the council's internal audit service.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report. Michael Furness, Assistant Director of Finance, 08/05/2025			
Legal	This forms part of the annual work programme and reporting. There are no legal implications. Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 14/05/2025			
Risk Management	This report provides a summary of internal audit work undertaken and thus aligns with the Council's risk management practices.			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with		X		N/A

protected characteristics, including employees and service users?				
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	This report cuts across a number of the council's priorities as expressed in its new internal perspectives strategy. The contribution that the council's internal audit service makes is to provide independent, risk-based, assurance, advice, and insight relating to the council's systems of governance, risk management, and internal control.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	<p>Internal audit has provided input to the council's Annual Governance Statement based on internal audit work completed during 2024/25. However, no consultation was required in the preparation of this report. Appendix 1 details the outcomes of work delivered independently by Veritau during 2024/25 in support of the council's framework of governance, risk management, and control.</p> <p>Internal audit has sought the views and input of the council's Assistant Director of Finance and Assistant Director of Law, Governance and Monitoring Officer in drafting the updated internal audit charter. The draft charter contained in appendix 2 is being presented to the committee for its views and input before it is approved.</p>			

Supporting Information

3. Background

- 3.1 Cherwell District Council's internal audit service is delivered by Veritau Public Sector Limited.
- 3.2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. Up until the end of 2024/25, these standards included the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on

the application of those standards in Local Government, and the CIPFA Statement on the role of the Head of Internal Audit.

- 3.3 These standards require the Head of Internal Audit to bring an annual report to the Accounts, Audit and Risk Committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. Internal audit work undertaken during 2024/25 is the main subject of this report, and the PSIAS apply to this work.
- 3.4 With effect from 1 April 2025, the PSIAS were replaced by what is known as the Global Internal Audit Standards in the UK Public Sector. This new regime is made up of the Institute of Internal Auditors' Global Internal Audit Standards (GIAS), and the Application Note: Global Internal Audit Standards in the UK Public Sector ('the Application Note').
- 3.5 The purpose of the Application Note is to set out interpretations and requirements which need to be applied to the GIAS so that they form a suitable basis for internal audit practice in the UK public sector. The 'relevant internal audit standard setter' for UK local government is the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.6 CIPFA has also produced a 'Code of Practice for the Governance of Internal Audit in UK Local Government' ('the Code'). The purpose of the Code is to ensure that the essential conditions for the governance of internal audit can be met in a local government context. The Code is intended for local authorities, being designed to support them in establishing effective internal audit arrangements and in providing oversight and support for internal audit.
- 3.7 The internal audit charter is a key document governing the council's internal audit service. In drafting the updated charter, the requirements and expectations of the GIAS, Application Note, and the Code have been considered and applied.

4. Details

Head of Internal Audit annual report 2024/25

- 4.1 To conform to professional standards and the council's internal audit charter, the Head of Internal Audit must provide an opinion on the strength of the council's framework of governance, risk management, and control. The annual opinion is a key source of independent assurance for the preparation of the council's Annual Governance Statement.
- 4.2 The basis for the annual opinion is the body of internal audit work performed during 2024/25. A summary of internal audit work undertaken during the year, and relevant to the opinion, is contained in appendix 1.
- 4.3 In addition to providing an opinion, the Head of Internal Audit is also required to report on the outcomes of the internal audit service's quality assurance and development arrangements. This is to provide the committee with reassurance that work continues to conform to professional standards. Appendix 1 provides details on Veritau's arrangements, confirming its conformance to the PSIAS during 2024/25 and to the new Global Internal Audit Standards in the UK Public Sector.

Draft internal audit charter

- 4.4 Professional standards for internal audit require that the Head of Internal Audit develops and maintains an internal audit charter.
- 4.5 An internal audit charter addresses the purpose, scope, positioning, and authority of internal audit, the support it can expect to receive from senior management, its interactions with the committee, its commitment to adhering to professional standards, and the arrangements for managing resources and quality.
- 4.6 The changes to the standards regime covered in paragraphs 3.4 to 3.6 have required Veritau to update the council's internal audit charter (the version approved by the committee in May 2024).
- 4.7 Very little change has been made to the council's internal audit charter. References to PSIAS have been removed and replaced with the Global Internal Audit Standards in the UK Public Sector. Some minor structural changes have also been made.
- 4.8 The updates made to the charter will result in no change to how the internal audit service is delivered to the council. The draft internal audit charter is contained in appendix 2.
- 4.9 The committee should also be aware that Veritau is currently supporting senior management in assessing its conformance with the Code of Practice for the Governance of Internal Audit in UK Local Government. This is being done to ensure that the council is sufficiently prepared to confirm its conformance when preparing its 2025/26 Annual Governance Statement (a requirement of the Code).

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. To discharge functions under the terms of reference for the Accounts, Audit and Risk Committee, it is required to note the Head of Internal Audit annual report and to approve the internal audit charter.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to note the opinion of the Head of Internal Audit, the outcomes from Veritau's quality assurance and development arrangements, and the two significant control weaknesses which should be considered for inclusion in the Annual Governance Statement.
- 6.2 The Accounts, Audit and Risk Committee is also recommended to approve the draft internal audit charter.
- 6.3 These recommendations are made so that the committee can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Head of Internal Audit annual report 2024/25
Appendix 2	Draft internal audit charter
Background Papers	None
Reference Papers	None
Report Author	Connor Munro, Assistant Director – Audit Assurance (Veritau)
Report Author contact details	Connor.Munro@veritau.co.uk 01904 553512
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Assistant Director of Finance (Section 151 Officer), 16 May 2025

HEAD OF INTERNAL AUDIT ANNUAL REPORT 2024/25

28 May 2025

APPENDIX 1

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2	Background
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3	Follow up of agreed actions
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11	Annex D - Follow up of agreed audit actions
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Connor Munro
Assistant Director - Audit
Assurance
Head of Internal Audit

Background



- 1 The work of internal audit is governed by the Global Internal Audit Standards in the UK Public Sector and the council's audit charter. These require the Head of Internal Audit to bring an annual report to the Accounts, Audit and Risk Committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management and control. The report should also include:
 - (a) any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to independence or objectivity)
 - (b) any particular control weakness judged to be relevant to the preparation of the annual governance statement
 - (c) a summary of work undertaken to support the opinion, including any reliance placed on the work of other assurance bodies
 - (d) an overall summary of internal audit performance and outcomes from the internal audit service's quality assurance arrangements, including a statement on conformance with professional standards.

Internal audit work carried out in 2024/25



- 2 Throughout 2024/25 audit work has continued to be prioritised based on risk and the need to provide sufficient coverage of the council's framework of governance, risk management and control. This has seen audits removed from the work programme and others added as risks and priorities have changed, and as our understanding of key systems of internal control has developed.
- 3 We have also continued to promote good governance, provide advice and support, and make recommendations to management to help improve controls. We have met with the Assistant Director of Finance, Assistant Director of Law, Governance and Monitoring Officer, the Corporate Leadership Team, and the Corporate Oversight Governance Group on a regular basis to help identify and address governance issues and concerns, and to ensure audit work has remained targeted towards key areas.
- 4 During the course of the year, the results of completed audit work have been reported to service managers, chief officers, and to Executive portfolio holders where relevant. In addition, summaries of finalised audit reports have been presented to this committee as part of regular progress reports.
- 5 A summary of internal audit work undertaken during the year, and relevant to the opinion, is contained in annex A. This annex also shows other work undertaken by the internal audit team to support the council during 2024/25.

- 6 At the time of writing, two fact-finding reviews have been finalised since the previous report to this committee. A further four audit reports have been issued to the responsible officers but remain in draft. We expect these audits to be finalised over the next 3-4 weeks.
- 7 One audit relating to the year just ended is ongoing. The majority of work on this audit is complete. We expect to report on outcomes at the next meeting of the committee.
- 8 More work is in progress at this stage in the year than would normally be expected. This is because Veritau is currently adjusting to preparing its annual reports in time for earlier committees during 2025. Annual reports have previously been presented in June or July across the client base. However, it is still possible to provide an annual opinion because the majority of the 2024/25 work programme has been substantially delivered.
- 9 Annex B provides details of the key findings arising from internal audit engagements completed which have not previously been reported to the committee.
- 10 Annex C provides an explanation of our assurance levels and priorities for management action.

Follow up of agreed actions

- 11 All actions agreed with services as a result of internal audit work are followed up to ensure that issues are addressed. Based on follow up work completed we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits. A summary of the current status of follow up activity is included at annex D.

Professional standards

- 12 In order to comply with professional standards, the Head of Internal Audit is required to develop and maintain ongoing quality assurance arrangements. The objective of these arrangements is to ensure that working practices continue to conform with the standards. A summary of quality assurance processes and any areas identified for development are reported to the committee each year as part of the annual report. The arrangements consist of various elements, including:
 - ▲ maintenance of a detailed audit procedures manual and standard operating practices
 - ▲ ongoing performance monitoring of internal audit activity
 - ▲ regular customer feedback
 - ▲ training plans and associated training and development activities

- ▲ periodic self-assessments of internal audit working practices (to evaluate conformance to the standards)

- 13 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. An external assessment of Veritau's internal audit working practices was undertaken between June and August 2023 by John Chesshire, an approved reviewer for the Chartered Institute of Internal Auditors (the UK and Ireland's local chapter).
- 14 The assessment involved a full independent validation of Veritau's own self-assessment of conformance to the Public Sector Internal Audit Standards (PSIAS), as well as to the wider International Professional Practices Framework which governed the performance of internal auditing globally at the time the assessment was undertaken. The report concluded that Veritau's internal audit activity generally conforms to the PSIAS¹ and, overall, the findings were very positive.
- 15 The feedback included comments that the internal audit service was highly valued by its clients. Key stakeholders felt confident in the way Veritau had established effective working relations, both in our approach to planning and the way in which we engage flexibly with our clients throughout the internal audit process, at the strategic and operational levels.
- 16 Effective 1 April 2025, the PSIAS were replaced by what are known as the Global Internal Audit Standards in the UK Public Sector. These standards are made up of the Institute of Internal Auditors' Global Internal Audit Standards (GIAS) and the Application Note: Global Internal Audit Standards in the UK Public Sector ('the Application Note'). The Application Note interprets the GIAS, clarifying how they should be applied in UK public sector organisations.
- 17 In the UK, the body responsible for interpreting the GIAS and setting expectations for the performance of internal audit in the public sector is known as the Internal Audit Standards Advisory Board (IASAB). The IASAB is made up of six 'Relevant Internal Audit Standard Setters' (RIASS) representing central and local government, and the health sector. The RIASS for UK local government is the Chartered Institute of Public Finance and Accountancy (CIPFA). The IASAB developed the Application Note, releasing it in the early part of 2025.
- 18 The Global Internal Audit Standards (from which the Application Note provides its local government interpretations) were launched on 9 January 2024 and became effective on 9 January 2025. Veritau has used a GIAS conformance readiness tool provided by the IIA, alongside the specific public sector interpretations and requirements of the Application Note to prepare for the introduction of the new standards.

¹ PSIAS guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating.

- 19 Our overall assessment is that Veritau conforms to the Global Internal Audit Standards in the UK Public Sector. However, we have identified a small number of actions to help strengthen our ability to demonstrate conformance. In addition, we have identified a further set of actions to continuously improve service delivery.
- 20 Details of Veritau's ongoing quality assurance arrangements and the outcomes from our conformance assessment are set out in annex E.
- 21 The internal audit charter sets out how internal audit at the council will be provided in accordance with professional standards. The charter is reviewed on an annual basis. Updates to the charter have been made to ensure that it meets the requirements of the Global Internal Audit Standards in the UK Public Sector. Very few changes have been made to the charter. Those changes which have been made will have no impact on how the service is delivered. The updated charter is contained in appendix 2 to this report.

Opinion of the Head of Internal Audit



- 22 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the council is that it provides **Reasonable Assurance**.
- 23 A Reasonable Assurance opinion means that, overall, there is satisfactory management of risk within the council but with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made².
- 24 The opinion given is based on work that has been undertaken directly by internal audit, and on the cumulative knowledge gained through our ongoing liaison and planning with officers. No reliance was placed on the work of other assurance providers in reaching this opinion.
- 25 In giving this opinion, there are two significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the council's annual governance statement:

1. Health and safety management system

An audit of compliance with the Corporate Health, Safety, and Wellbeing Policy identified several significant control weaknesses which, taken together, meant that we could only provide Limited Assurance that the council's health and safety objectives will be achieved. Accident and incident reporting and investigation requirements were not adequately met, nor were requirements linked to distributing service area risk assessments amongst staff or completion of mandatory training. These issues were particularly

² Please refer to annex C for the definitions of other opinions used by Veritau. Note that annual opinions use the same definitions as those given for individual audit engagements.

prevalent within the council's place-based services which also carry the greatest risk to officer and public safety. Veritau has worked with officers to support development of improvement actions. Action has already been taken in some areas, with the remaining actions expected to be completed by October 2025.

2. Management of strategic site applications (Rutten Lane)

In April 2024, the Planning Inspectorate found the council to be at fault for the non-determination of the Rutten Lane application (21/03522/OUT). The Inspectorate's decision was that costs be awarded to the appellant, with these settled at £400k. A fact-finding review undertaken by Veritau identified several significant control weaknesses which significantly contributed to the delays and non-determination of the application. The council has already been financially exposed as a result of these weaknesses and, if left unaddressed, there is a risk that the situation reoccurs with other strategic site applications it handles. In response, the Development Management service has drafted an improvement action plan which is expected to be mostly completed by the end of 2025.

ANNEX A: 2024/25 INTERNAL AUDIT WORK

Final reports issued

Audit	Reported to Committee	Opinion
Procurement compliance	January 2025	Reasonable Assurance
Corporate health and safety	January 2025	Limited Assurance
Use of fleet vehicles	May 2025	No Opinion Given
Rutten Lane	May 2025	No Opinion Given

Audits in progress

Audit	Status
Risk management	In draft
Cloud, network and security management and monitoring	In draft
ICT applications: third party assurance	In draft
Performance management	In draft
Governance and decision-making	In progress

Other work completed in 2024/25

Internal audit work has been undertaken in other areas during the year, including those listed below.

- ▲ Follow up of agreed actions, including preparation of regular reports to Corporate Leadership Team (CLT).
- ▲ A review of the use of the council's fleet vehicles.
- ▲ A review of circumstances surrounding the Rutten Lane planning application and subsequent appeal.
- ▲ Attendance at, and support to, CLT and Corporate Oversight Governance Group.
- ▲ Contribution to the council's governance dashboard.

ANNEX B: SUMMARY OF KEY ISSUES FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

System/area	Opinion	Area reviewed	Comments	Management actions agreed
Partial Review 9 (PR9): Rutten Lane planning application and Merton College appeal (March 2025)	No Opinion Given	The purpose of this fact-finding review was to evaluate the events and circumstances pertinent to the handling of the Rutten Lane planning application and subsequent appeal.	<p>Outcomes from the review are summarised in a report elsewhere on this committee's agenda. They are also provided in full in an exempt appendix. The key findings from Veritau's report were organised into six themes:</p> <ol style="list-style-type: none"> 1. The negative framing of officer recommendations 2. Weaknesses in strategic partnerships and stakeholder management 3. Resource and document management 4. Performance management 5. Management of planning performance agreements 6. Management of service improvement 	<p>It was not the purpose of this review to agree actions with management. Instead, the review was expected to feed into the Development Management service's own service improvement plan.</p> <p>A draft improvement plan has been developed (included as an exempt appendix elsewhere on this committee's agenda), based on the findings of the fact-finding review, the service's own lessons learned exercise, and the Inspectorate's judgement. This will be finalised in consultation with the Portfolio Holder for Planning and Development Management.</p>
Use of fleet vehicles	No Opinion Given	The purpose of this engagement was to undertake an independent	The absence of a policy for managing the use of vehicles, and of monitoring arrangements for assessing usage,	A policy for the management and use of the Council's fleet vehicles will be developed to address the

System/area	Opinion	Area reviewed	Comments	Management actions agreed
(February 2025)		review of the council's use of its fleet vehicles, assessing the various implications arising from this, to support senior management with their own evaluations and subsequent decision-making.	<p>means that assurance could not be provided that the council is satisfactorily controlling use of its fleet vehicles.</p> <p>Information to monitor vehicle usage is available to officers via the Quartix tracking system but the quality of data held presents limitations. This, coupled with the absence of documented vehicle allocations, makes it challenging to know which vehicle is being used by a given officer at any time. However, our analysis identified that at least nine officers routinely take vehicles home overnight. A further six to 14 officers either sporadically or infrequently took vehicles home overnight.</p> <p>There has not been a documented assessment of the risks, costs, and benefits associated with existing vehicle usage patterns where these involve regular commuting to and from home addresses and the council's depots.</p>	<p>conclusions of this engagement. The policy will be reviewed and agreed through the Corporate Leadership Team (CLT) by 31 March 2025. During the development of this policy, existing arrangements for officer's use of fleet vehicles will be reviewed and reassessed.</p> <p>The Assistant Director for Environmental Services will review the data quality issues identified in Quartix with the Fleet Manager by the 28 February 2025. As part of this review, alternative commercial vehicle tracking systems will be considered.</p>

ANNEX C: ASSURANCE AUDIT OPINIONS AND FINDING PRIORITIES

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

ANNEX D: FOLLOW UP OF AGREED AUDIT ACTIONS

Where weaknesses in systems are found by internal audit, the auditors agree actions with the responsible manager to address the issues. Agreed actions include target dates and internal audit carry out follow up work to check that the issue has been resolved once these target dates are reached. Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Accounts, Audit and Risk Committee.

A total of 61 actions have been followed up during 2024/25. A summary of the priority of these actions, and the outcome from the follow up activity, is shown in two tables on the following page. Table 1 shows follow-up activity relating to actions the council agreed with its previous internal audit provider. Table 2 shows follow-up activity relating to audits delivered by Veritau.

Actions are marked as superseded / redundant if circumstances have changed sufficiently that the action is no longer required. Actions are marked as follow-up in progress where they have only recently fallen due and Veritau is currently in correspondence with the action owner to establish whether the action can be closed or whether more time is required to complete it satisfactorily. Actions are marked as overdue where either the original or revised timescale has passed and we have had no response or received an unsatisfactory response to our enquiries.

Table 1: Follow-up activity and action status (inherited actions)

Follow-up activity		Action status			
Priority of actions ³	Number of actions followed up	Completed	Superseded / redundant	Follow-up in progress	Overdue
1	4	4	0	0	0
2	48	38	1	6	3
Total	52	42	1	6	3

Table 2: Follow-up activity and action status (actions agreed in Veritau audits)

Follow-up activity		Action status			
Priority of finding	Number of actions followed up	Completed	Superseded / redundant	Follow-up in progress	Overdue
Critical	0	0	0	0	0
Significant	6	4	0	0	2
Moderate	3	1	0	1	1
Opportunity	0	0	0	0	0
Total	9	5	0	1	3

³ Previous internal audit provider definitions for priority 1 and 2 actions: Priority 1: Major issue or exposure to a significant risk that requires immediate action or the attention of senior management; Priority 2: Significant issue that requires prompt action and improvement by the local manager.

At the time of reporting, a further 31 actions (i.e. in addition to the 61 across tables 1 and 2) are awaiting follow-up as their target implementation dates have not yet passed. This includes 19 actions (61%) where a revised date has been agreed with the responsible officer as part of the follow-up process. Revised dates are agreed where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable.

ANNEX E: INTERNAL AUDIT QUALITY ASSURANCE AND DEVELOPMENT ARRANGEMENTS

1.0 Background

Ongoing quality assurance arrangements

Veritau maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with relevant professional standards. From April 2025 those standards are the Global Internal Audit Standards in the UK Public Sector. Quality assurance arrangements include:

- ▲ the maintenance of a detailed audit procedures manual
- ▲ the requirement for all audit staff to conform to a Code of Ethics and Standards of Conduct Policy
- ▲ the requirement for all audit staff to complete annual declarations of interest
- ▲ detailed job descriptions and competency profiles for each internal audit post
- ▲ regular operational 121 meetings for all auditors, to review progress with audit engagements, and formal 121s that include discussion of overall performance
- ▲ induction programmes, training plans and associated training activities
- ▲ attendance on relevant courses and access to e-learning material
- ▲ the maintenance of training records and training evaluation procedures
- ▲ membership of professional networks
- ▲ agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification)
- ▲ the results of all audit testing and other associated work documented in a structured format using our audit management system – K10 Vision
- ▲ file review by senior auditors and audit managers and sign-off at each stage of the audit process
- ▲ the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software)
- ▲ post audit questionnaires (customer satisfaction surveys) issued following each audit engagement
- ▲ regular client liaison meetings to discuss progress, share information and evaluate performance.

On an ongoing basis, completed audit work is subject to internal peer review by a Quality Assurance group. The review process is designed to ensure audit work is completed consistently and to the required quality standards. The work of the Quality Assurance group is overseen by an Assistant Director. Any key learning points are shared with the relevant internal auditors and audit managers. The

Head of Internal Audit will also be informed of any general areas requiring improvement. Appropriate mitigating action will be taken where required (for example, increased supervision of individual internal auditors or further training).

Annual self-assessment

On an annual basis, the Head of Internal Audit will seek feedback from each client on the quality of the overall internal audit service. This includes surveys targeted at senior officers and chairs of audit committees. The Head of Internal Audit also undertakes an annual self-assessment against internal audit standards. A hybrid approach to self-assessment has been taken this year, as a result of the change in the internal audit standards regime from April 2025. Further information about this year's approach is set out below. As part of ongoing performance management arrangements, managers and auditors assess current skills and knowledge against the competency profiles for internal audit roles. Where necessary, further training or support will be provided to address any development needs.

The Head of Internal Audit and other members of the internal audit management team also participate in various professional networks and obtain information on operating arrangements and relevant best practice from other similar audit providers for comparison purposes.

The results of annual client surveys, self-assessment against the standards, professional networking, and ongoing quality assurance and performance management arrangements are used to identify any areas requiring further development or improvement. Actions required are reflected in Veritau business plans, the Veritau internal audit strategy, and individual personal development plans as appropriate. Any specific changes needed to address conformance with professional standards are reported to the Accounts, Audit and Risk Committee as part of the annual report of the Head of Internal Audit. The report also summarises other development activity planned to enhance the delivery of the service. Information gathered for quality assurance and development purposes is also used to evaluate overall conformance with internal audit standards.

External assessment

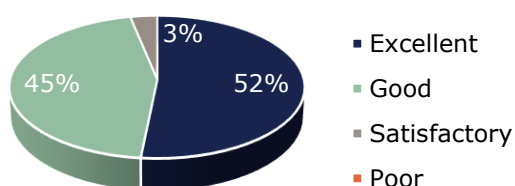
At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Head of Internal Audit. The outcome of the external assessment also forms part of the overall reporting process to each client. Any specific areas identified as requiring further development and/or improvement will be incorporated into current development plans.

2.0 Customer satisfaction survey 2025

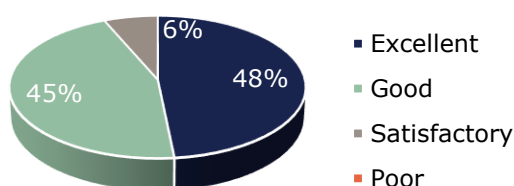
In March 2025 we asked clients for feedback on the overall quality of the internal audit service provided by Veritau during the preceding year. Where relevant, the survey also asked questions about counter fraud and information governance services. A total of 188 surveys (2024 – 173) were issued to senior managers in client organisations. A total of 32 responses were received representing a response rate of 17% (2024 – 10%). Respondents were asked to rate the different elements of the audit process as either excellent, good, satisfactory or poor.

Respondents were also asked to provide an overall rating for the service. The results of the survey are set out in the charts below. These are presented as percentages, for consistency with previous years. However, it is recognised that the relatively low number of respondents means that the percentage for each category is sensitive to small changes in actual responses (1 respondent represents about 3%).

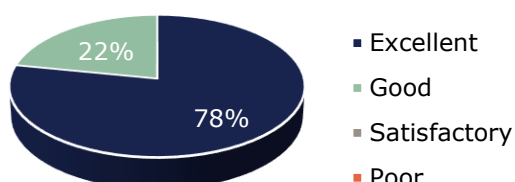
Quality of audit planning / coverage



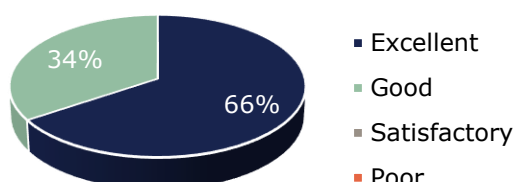
Provision of advice / guidance



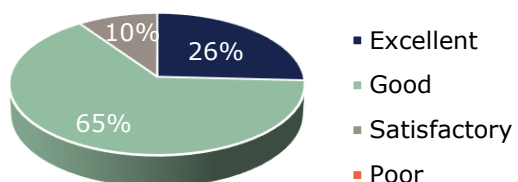
Staff conduct & professionalism



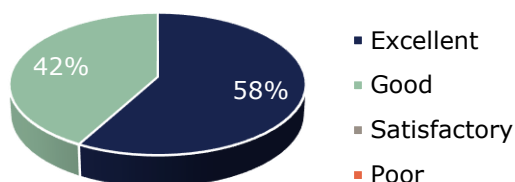
Ability to establish positive rapport



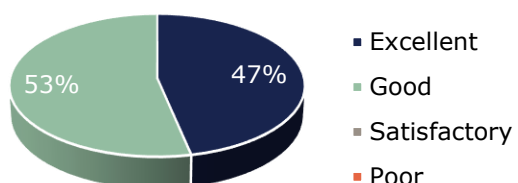
Knowledge of area being audited



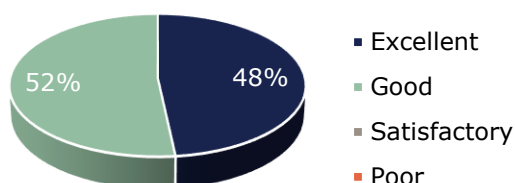
Minimising disruption for area being audited



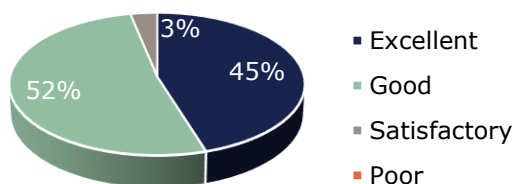
Communication of issues during audit



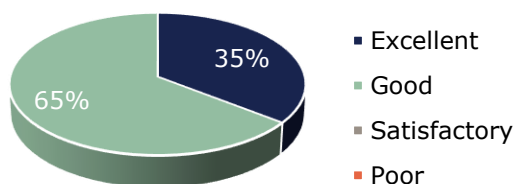
Quality of feedback at end of audit



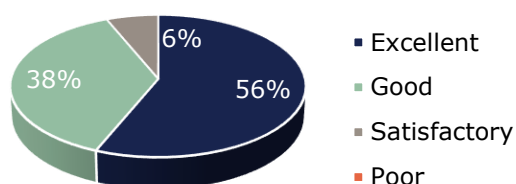
Accuracy / format / length / style of report



Relevance of audit opinions & conclusions



Overall rating for the Internal Audit service



The overall ratings in 2025 were:

	2025		2024	
Excellent	18	56%	7	44%
Good	12	38%	8	50%
Satisfactory	2	6%	1	6%
Poor	0	0%	0	0%

The feedback shows that the majority of respondents continue to value the service being delivered.

3.0 Self-assessment against audit standards 2025

The Accounts and Audit Regulations 2015 require internal auditors working in local government to take into account public sector internal auditing standards or guidance. Up to 31 March 2025, the relevant standards were the Public Sector Internal Audit Standards (PSIAS). CIPFA (who are responsible for setting internal audit standards for local government) have adopted new standards that apply from 1 April 2025. These are the Global Internal Audit Standards in the UK Public Sector – or GIAS (UK Public Sector)⁴. Internal auditors working in local government are expected to apply the new standards from April 2025.

In previous years Veritau has used a checklist published by CIPFA to assess conformance with the PSIAS. This is no longer appropriate following the change in standards. However, no equivalent checklist for assessment against the new standards has yet been published. For the self-assessment undertaken in April 2025, we have used documentation published by the Institute of Internal Auditors to prepare for the introduction of the new standards. This highlights areas of the GIAS that are changing and where updates to current arrangements may need to be made. We have also considered any changes required by the introduction of the new Application Note. We intend to undertake a further full

⁴ The GIAS (UK Public Sector) comprises the Institute of Internal Auditors' Global Internal Audit Standards (GIAS) and the Internal Audit Standards Advisory Board's Application Note: Global Internal Audit Standards in the UK Public Sector (referred to as the Application Note). The Application Note interprets the GIAS for the UK public sector.

assessment against the new standards later in 2025/26, once further guidance on assessing conformance is available.

The self-assessment has identified two actions required to address areas of partial conformance with the standards. These were:

- ▲ To update current internal audit charters to address various requirements of the new standards. For example, the need to set out the internal audit mandate and to clarify the roles of senior managers and the Accounts, Audit and Risk Committee in championing the role of internal audit.
- ▲ To introduce a new survey of chairs of audit committees (or equivalent) to address requirements for the committees to provide input on internal audit performance.

A new charter has been prepared and is included as part of the agenda for the current committee, for approval. A survey of chairs of audit committees has been issued. However, the survey is still open and responses are still being received. Once complete, the results will be analysed and any actions required will be addressed as part of ongoing development plans.

The self-assessment has highlighted a number of other actions that are not required to comply with the standards – but which will help to improve the service. These will be taken forward as part of our existing internal audit strategy. Further information on development activity is included below.

4.0 External Assessment

As noted above, the PSIAS required the Head of Internal Audit to arrange for an external assessment to be conducted at least once every five years to ensure the continued application of professional standards. This requirement continues under the GIAS (UK Public Sector). The assessment is intended to provide an independent and objective opinion on the quality of internal audit practices.

An external assessment of Veritau's internal audit working practices was undertaken in summer 2023, by John Chesshire, an approved reviewer for the Chartered Institute of Internal Auditors. The report concluded that Veritau internal audit activity 'generally conforms' to the PSIAS⁵ and, overall, the findings of the review were very positive. The feedback included comments that the internal audit service was highly valued by its member councils. Key stakeholders felt confident in the way Veritau had established effective working relations, both in our approach to planning, and the way we engage flexibly with our clients throughout the internal audit process, at both strategic and operational levels.

The external assessment report is available on request. The assessment was based on the PSIAS. Many of the requirements under the new standards are the same or similar, and we can therefore continue to place reliance on the previous

⁵ PSIAS guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating.

report. However, a further external assessment against the new standards will need to be carried out in the next three years.

5.0 Development plans

Overall, the internal audit services provided by Veritau continue to meet the requirements of professional standards. However, we recognise that the pace of change in local government and the wider public sector mean that there is a need to continually review and update aspects of our service to ensure it stays up to date and continues to deliver good value.

We first introduced an internal audit strategy in 2021. The strategy identified priorities for developing the service and actions to deliver continuous improvement. As a result of that we have changed many aspects of the service in the last four years. Key successes include:

- ▲ audit planning – we have become better at defining the areas we need to focus on (including council specific risks and objectives) and we’ve introduced new arrangements for capturing and assessing information on the council’s operations
- ▲ work planning – introducing flexible arrangements that help us focus upcoming audits on areas that are most important and allow us to change course quickly when priorities change
- ▲ reporting – ensuring that key information is available to clients to understand audit priorities and outcomes
- ▲ implementation of a new audit management system (K10) – the new system uses the latest technology, offers improved functionality, and is supporting development activity across a range of areas.

We have also tried a few things which did not deliver the expected outcomes. However, we have used the experience gained to improve core audit activities and ways of working.

The latest strategy (2025 to 2027) was adopted in January 2025. It sets out areas we are prioritising for development over the next three years. These include the following:

- ▲ focussing on the development of high value assurance techniques and expertise. For example, the use of data analytics to provide increased understanding of clients’ operations and the use of artificial intelligence tools to increase efficiency and insights. Developing our knowledge of opportunities and risks associated with AI will also help us to support client adoption of new technologies.
- ▲ further development of systems for planning, prioritising and reporting audit work to ensure work is targeted to the areas of highest importance for our clients, our internal processes are as efficient as they can be, and the clarity and usefulness of reports is maximised.

- ▲ use of the new K10 audit system to improve functionality for the delivery of audit work and the production of management information. We want to use the system to streamline follow up activity, and further develop internal management processes. This will help us to better understand and manage audit workflows, improve service delivery, and inform performance management arrangements.

To achieve these priorities, we have focused actions in the following key areas:

- ▲ embedding a strategic approach to work programme development and the use of the audit opinion framework
- ▲ redesigning and modernising our audit working practices (including assignment planning and reporting)
- ▲ further developing our use of data analytics
- ▲ developing our key performance indicators and the measures of added value

Quality assurance group

The internal audit quality assurance group has recently reported on their 2024/25 activities. They were aiming to assess how well core audit practices had been adopted and applied using the new K10 system by looking at a sample of completed audit files. They found that overall, core working practices had translated well to the new system. Strengths included the following:

- ▲ the completeness of files and file review processes – information expected to be on file was included and files had been signed off by relevant supervisors.
- ▲ good documentation of engagement with officers when planning individual audits and agreement of the scope and objectives of work.
- ▲ good use of new system functionality to record the systems audited and linked to this, the tests to be undertaken.
- ▲ assignment of the priorities to issues found and overall opinions were in line with expectations, and key findings were well documented.

A few areas requiring improvement were found. These included:

- ▲ the need to better document the analysis and conclusions reached during the planning stage of each audit, and discussions with clients at the end of each audit
- ▲ improvements needed to cross referencing documents within the system between related pieces of work – this may require a review of current system set up and training
- ▲ a need to better document conclusions directly within K10, to increase the efficiency of report generation from the system.

These issues have been flagged for further action through system development, whole team training and feedback to individual auditors where required.

Improvement actions identified during self-assessment

As noted above, we have identified a number of areas for improvement while undertaking the annual self-assessment. These do not represent non-conformance with standards but will help us to improve the service. Continuous improvement actions identified included the following:

- ▲ review existing auditor competency profiles to ensure adequate coverage of the auditor competencies identified in the GIAS
- ▲ strengthen the analysis of outcomes from routine training delivered, to ensure it met objectives and any further action or training required was identified
- ▲ undertake additional training for auditors on professional scepticism
- ▲ ensure routine training delivered clearly highlights links to the relevant professional standards being covered
- ▲ review coverage of value for money considerations in the audit manual, and ensure adequate coverage in routine training
- ▲ review the presentation of annual conclusions to assess whether different approaches could present clearer insights

These actions will be integrated into the internal audit strategy action plan.

6.0 Overall conformance with standards

Based on the overall outcomes from quality assurance and development planning arrangements, the Head of Internal Audit considers that the internal audit service conforms to Global Internal Audit Standards in the UK Public Sector.

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Cherwell District Council Internal Audit Charter

1 Purpose and commitment to professional standards

- 1.1 The purpose of the internal audit service is to strengthen Cherwell District Council's ability to create, protect, and sustain value by providing the Accounts, Audit & Risk Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.2 The internal audit service enhances Cherwell District Council's:
 - successful achievement of its objectives
 - governance, risk management, and control processes
 - decision-making and oversight
 - reputation and credibility with its stakeholders
 - ability to serve the public interest.
- 1.3 Cherwell District Council's internal audit service is most effective when:
 - Internal auditing is performed by competent professionals in conformance with The Institute of Internal Auditors' Global Internal Audit Standards (UK public sector).
 - The internal audit service is independently positioned, with direct accountability to the Accounts, Audit & Risk Committee.
 - Internal auditors are free from undue influence and committed to making objective assessments.
- 1.4 Cherwell District Council can expect to see its internal audit service demonstrate integrity, competence, and due professional care, align with its strategies, objectives, and risks, demonstrate quality and continuous improvement, be insightful, proactive, and future-focused, communicate effectively, and contribute to organisational improvement.
- 1.5 Cherwell District Council's internal audit service will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards in the UK Public Sector and Topical Requirements. The chief audit executive will report annually to the Accounts, Audit & Risk Committee and senior management regarding the internal audit service's conformance with the standards, which will be assessed through a quality assurance and improvement programme.

2 The internal audit mandate

- 2.1 There is a statutory duty on the council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes account of public sector internal auditing standards or guidance. The Chartered Institute of Public Finance and Accountancy (CIPFA) is responsible for setting standards for proper practice for local government internal audit.
- 2.2 CIPFA has determined that the Global Internal Audit Standards are a suitable basis for the practice of internal auditing in UK local government, subject to interpretations and

requirements set out in its application note¹. Taken together, the Global Internal Audit Standards and the application note represent proper practice for internal audit in local government. This charter sets out how internal audit at Cherwell District Council will be provided in accordance with this proper practice.

- 2.3 The charter should be read in the context of the wider legal and policy framework which sets requirements and standards for internal audit, including the Accounts and Audit Regulations, the application note, the code of practice², and the council's constitution, regulations, and governance arrangements.

3 Definitions

- 3.1 The Global Internal Audit Standards define internal auditing as follows:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

- 3.2 The Global Internal Audit Standards include reference to the roles and responsibilities of the "board" and "senior management" in relation to the governance of internal audit. Each organisation is required to define these terms in the context of its own governance arrangements. For the purposes of the Global Internal Audit Standards in the UK Public Sector (hereon in referred to as the "GIAS (UK public sector)") these terms are defined as follows at Cherwell District Council:

"Board" – the Accounts, Audit & Risk Committee fulfils the responsibilities of the board in relation to internal audit standards and activities.

"Senior management" – in the majority of cases, the term senior management in the GIAS (UK public sector) should be taken to refer to the Assistant Director of Finance in their role as Section 151 Officer. This includes all functions relating directly to overseeing the work of internal audit. In addition, senior management may also refer to any other assistant director, corporate director or head of service of the council, individually (including the Chief Executive and Head of Paid Service, and the Assistant Director of Law and Governance in their role as Monitoring Officer) or collectively, in relation to GIAS (UK public sector) requirements for:

- internal audit to have direct and unrestricted access to senior management for reporting purposes
- consulting on risks affecting the council for audit planning purposes
- approving the release of information arising from audit work to any third party.

- 3.3 The GIAS (UK public sector) also refer to the "chief audit executive". This is taken to be the Head of Internal Audit (Veritau).

¹ Application Note: Global Internal Audit Standards in the UK Public Sector

² CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government

4 Scope of internal audit activities

- 4.1 The scope of internal audit work will encompass the council's entire control environment³, comprising its systems of governance, risk management, and control.
- 4.2 The scope of audit work also extends to services provided through partnership arrangements, irrespective of what legal standing or particular form these may take. The Head of Internal Audit, in consultation with all relevant parties and taking account of audit risk assessment processes, will determine what work will be carried out by the internal audit service, and what reliance may be placed on the work of other internal and external providers of assurance and advisory services auditors.

5 Responsibilities and objectives

- 5.1 The Head of Internal Audit has the responsibility to:
- At least annually, develop a risk-based internal audit work programme that considers the input of the Accounts, Audit & Risk Committee and senior management. Discuss the work programme with the Accounts, Audit & Risk Committee and senior management and submit the programme to the Accounts, Audit & Risk Committee for review and approval.
 - Communicate the impact of resource limitations on the internal audit work programme to the Accounts, Audit & Risk Committee and senior management.
 - Review and adjust the internal audit work programme, as necessary, in response to changes in Cherwell District Council's business, risks, operations, programs, systems, and controls.
 - Communicate with the Accounts, Audit & Risk Committee and senior management if there are significant interim changes to the internal audit work programme.
 - Ensure internal audit engagements are performed, documented, and communicated in accordance with the GIAS (UK public sector) and relevant laws and/or regulations.
 - Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Accounts, Audit & Risk Committee and senior management periodically, and for each engagement, as appropriate.
 - Ensure the internal audit service collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the GIAS (UK public sector) and to fulfil the internal audit mandate.
 - Develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit service. The programme will include external and internal assessments of the internal audit service's conformance with the GIAS (UK public sector), as well as performance measurement to assess the internal audit service's progress toward the achievement of its objectives and promotion of continuous improvement.

³ For example, the work of internal audit is not limited to the review of financial controls only.

- Communicate with the Accounts, Audit & Risk Committee and senior management about the internal audit service's quality assurance and improvement programme, including the outcomes of internal assessments and external assessments.
- Identify and consider trends and emerging issues that could impact Cherwell District Council and communicate to the Accounts, Audit & Risk Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit service.
- Ensure adherence to Cherwell District Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the GIAS (UK public sector). Any such conflicts will be resolved or documented and communicated to the Accounts, Audit & Risk Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of Internal Audit cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and, if necessary, escalated to the Accounts, Audit & Risk Committee.

5.2 In addition to the responsibilities set out above to meet the requirements for the practice of internal auditing in local government, the Head of Internal Audit is also required to provide an annual report to the Accounts, Audit & Risk Committee. The report will be used by the committee to inform its consideration of the council's annual governance statement. The report will include:

- the Head of Internal Audit's opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control
- any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to independence or objectivity)
- any particular control weakness judged to be relevant to the preparation of the annual governance statement
- a summary of work undertaken to support the opinion, including any reliance placed on the work of other assurance providers
- an overall summary of internal audit performance and the results of the internal audit service's quality assurance and improvement programme
- a statement on conformance with the GIAS (UK public sector).

5.2 To support the opinion, the Head of Internal Audit will ensure that an appropriate programme of audit work is undertaken. In determining what work to undertake, the internal audit service should:

- adopt an overall strategy, setting out how the service will be delivered in accordance with this charter
- draw up an indicative risk-based programme of work on an annual basis following consultation with the Accounts, Audit & Risk Committee and senior management. The programme of work will also reflect the requirements of the charter, the strategy, and proper practice

- update the programme of work throughout the year to reflect emerging risks, changes to priorities and the need to appropriately schedule work
- consider trends and emerging issues that may impact the organisation.

5.3 In undertaking this work, the responsibilities of the internal audit service will include:

- providing assurance to the Accounts, Audit & Risk Committee and senior management on the effective operation of governance arrangements and the internal control environment operating at the council⁴
- objectively examining, evaluating, and reporting on the probity, legality and value for money of the council's arrangements for service delivery
- reviewing the council's financial arrangements to ensure that proper accounting controls, systems, and procedures are maintained and, where necessary, make recommendations for improvement
- helping to secure the effective operation of proper controls to minimise the risk of loss, the inefficient use of resources, and the potential for fraud and other wrongdoing
- acting as a means of deterring all fraudulent activity, corruption and other wrongdoing; this includes conducting investigations into matters referred by councillors, officers, and the public, and reporting findings of those investigations to the relevant officers and councillors, as appropriate, for action
- advising the council on relevant counter fraud and corruption policies and measures.

5.4 The Head of Internal Audit will ensure that the service is provided in accordance with proper practice as set out above and in accordance with any other relevant standards – for example, council policy and legal or professional standards and guidance.

5.5 In undertaking their work, internal auditors should have regard to:

- the purpose of internal auditing, and standards as set out in the GIAS (UK public sector) and reflected in this charter
- the codes of any professional bodies of which they are members
- standards of conduct expected by the council
- the Committee on Standards in Public Life's *Seven Principles of Public Life*.

6 Organisational independence

6.1 It is the responsibility of corporate directors, assistant directors, heads of service, and service managers to maintain effective systems of risk management, internal control, and governance. Auditors will have no responsibility for the implementation or operation of systems of control and will remain sufficiently independent of the activities audited to enable them to exercise objective professional judgement.

⁴ Where third parties place reliance on the assurance provided then they do so at their own risk.

- 6.2 Audit advice and recommendations will be made without prejudice to the rights of internal audit to review and make further recommendations on relevant policies, procedures, controls and operations at a later date.
- 6.3 The Head of Internal Audit will put in place measures to ensure that individual auditors remain independent of areas they are auditing for example by:
- rotation of audit staff
 - ensuring staff are not involved in auditing areas where they have recently been involved in operational management, or in providing consultancy and advice⁵.

7 Accountability, reporting lines, and relationships

- 7.1 Internal audit services are provided under contract to the council by Veritau⁶. Staff undertaking internal audit work are employed directly by Veritau. The Assistant Director of Finance (Section 151 Officer) acts as client officer for the contract and is responsible for overall monitoring of the service.
- 7.2 In its role in providing an independent assurance service, Veritau has direct access to councillors and senior managers and can report uncensored to them as considered necessary. Such reports may be made to:
- Council, Executive, or any committee (including the Accounts, Audit & Risk Committee)
 - Chief Executive and Head of Paid Service
 - Assistant Director of Finance (Section 151 Officer)
 - Assistant Director of Law and Governance (Monitoring Officer)
 - Other corporate directors, assistant directors, heads of service, and service managers.
- 7.3 The Assistant Director of Finance (Section 151 Officer) has specific responsibilities for ensuring that the council has effective systems of risk management and internal control. The role includes a responsibility to ensure that the council has put in place arrangements for effective internal audit. In recognition of the importance of the relationship between the Assistant Director of Finance (Section 151 Officer) and internal audit (recognised in the standards), a protocol has been drawn up setting out the relationship between them. This is included in Appendix 1.
- 7.4 The Head of Internal Audit will report independently to the Accounts, Audit & Risk Committee on:
- the proposed allocation of audit resources
 - any significant risks and control issues identified through audit work

⁵ Auditors will not be used on internal audit engagements where they have had direct involvement in the area within the previous 12 months.

⁶ The contract is with Veritau Public Sector Limited who provide assurance services to Cherwell District Council and to other councils and public sector organisations.

- their annual opinion on the council’s control environment.
- 7.5 The Head of Internal Audit will informally meet in private with the chair of the Accounts, Audit & Risk Committee, or the committee as a whole, as required. Meetings may be requested by committee members or the Head of Internal Audit.
- 7.6 The Accounts, Audit & Risk Committee will oversee (but not direct) the work of internal audit. This includes commenting on the scope of internal audit work and approving the internal audit work programme. The committee will also protect and promote the independence and rights of internal audit to enable it to conduct its work and report on its findings as necessary⁷.

8 Fraud, consultancy services and non-audit services

- 8.1 The primary role of internal audit is to provide assurance services to the council. However, the service is also required to undertake fraud investigation and other consultancy work to add value and help improve governance, risk management and control arrangements.
- 8.2 The prevention and detection of fraud and corruption is the responsibility of corporate directors, assistant directors, heads of service, and service managers. However, all instances of suspected fraud and corruption must be notified to the Head of Internal Audit, who will decide on the course of action to be taken in consultation with relevant service managers and/or other advisors (for example human resources). Where appropriate, cases of suspected fraud or corruption will be investigated by Veritau.
- 8.3 Where appropriate, Veritau may carry out other consultancy related work, for example specific studies to assess the economy, efficiency, and effectiveness of elements of service provision. The scope of such work will be determined in conjunction with service managers. Such work will only be carried out where there are sufficient resources and skills within Veritau and where the work will not compromise the assurance role or the independence of internal audit.
- 8.4 Where Veritau provides non-audit services, appropriate safeguards will be put in place to ensure audit independence and objectivity are not compromised. These safeguards include the work being performed by a separate team with different line management arrangements. Separate reporting arrangements will also be maintained. The Head of Internal Audit will report any instances where audit independence or objectivity may be compromised to the Assistant Director of Finance and the Accounts, Audit & Risk Committee. The Head of Internal Audit will also take steps to limit any actual or perceived impairment that might occur (for example by arranging for the audit of these services or functional activities to be overseen externally).

9 Resourcing

- 9.1 As part of the audit planning process the Head of Internal Audit will review the resources available to internal audit, to ensure that they are appropriate and sufficient to meet the requirement to provide an opinion on the council’s control environment. Where resources are judged to be inadequate or insufficient, recommendations to

⁷ The relationship between internal audit and the Governance & Audit Committee is set out in more detail in appendix 2.

address the shortfall will be made to the Assistant Director of Finance (Section 151 Officer) and to the Accounts, Audit & Risk Committee.

10 Rights of access

- 10.1 To enable it to fulfil its responsibilities, the council gives internal auditors employed by Veritau the authority to:
- enter all council premises or land, at any reasonable time
 - have access to all data, records, documents, correspondence, or other information - in whatever form - relating to the activities of the council
 - have access to any assets of the council and to require any employee of the council to produce any assets under their control
 - be able to require from any employee or councillor any information or explanation necessary for the purposes of audit.
- 10.2 Corporate directors, assistant directors, heads of service, and service managers are responsible for ensuring that the rights of Veritau to access premises, records, and personnel are preserved, including where the council's services are provided through partnership arrangements, contracts or other means.

11 Review

- 11.1 This charter will be reviewed periodically by the Head of Internal Audit. Any recommendations for change will be made to the Assistant Director of Finance (Section 151 Officer) and the Accounts, Audit & Risk Committee, for approval.

Relationship between the Assistant Director of Finance (Section 151 Officer) and internal audit

- 1 In recognition of the statutory duties of the council's Assistant Director of Finance in their role as Section 151 Officer, this protocol has been adopted to form the basis for a sound and effective working relationship between the Assistant Director of Finance (ADoF) and internal audit.
 - (i) The Head of Internal Audit (HoIA) will seek to maintain a positive and effective working relationship with the Assistant Director of Finance (ADoF).
 - (ii) Internal audit will review the effectiveness of the council's systems of control, governance, and risk management and report its findings to the ADoF (in addition to the Accounts, Audit & Risk Committee).
 - (iii) The ADoF will be asked to comment on those elements of internal audit's programme of work that relate to the discharge of their statutory duties. In developing the internal audit work programme and in carrying out internal audit work, the HoIA will give full regard to the comments of the ADoF.
 - (iv) The HoIA will notify the ADoF of any matter that in the HoIA's professional judgement may have implications for the ADoF in discharging their statutory responsibilities.
 - (v) The ADoF will notify the HoIA of any concerns that they may have about control, governance, or suspected fraud and corruption and may require internal audit to undertake further investigation or review.
 - (vi) The HoIA will be responsible for ensuring that internal audit is provided in accordance with proper practice.
 - (vii) If the HoIA identifies any shortfall in resources which may jeopardise the ability to provide an opinion on the council's control environment, then they will make representations to the ADoF and the Accounts, Audit & Risk Committee.
 - (viii) The HoIA will report to the ADoF (and to the Accounts, Audit & Risk Committee) any instances where internal audit independence or objectivity is likely to be compromised, together with any planned remedial action.
 - (ix) The HoIA will report to the ADoF (and to the Accounts, Audit & Risk Committee) any instances where audit work has not conformed to the GIAS (UK public sector). This includes the reasons for non-conformance and the possible impact on the audit opinion.
 - (x) The ADoF will champion the role of internal audit in providing independent, risk-based assurance on the operation of the council's systems of governance, risk management, and internal control, and in helping the council to achieve its objectives. The ADoF will also protect and promote the independence and rights of internal audit to enable it to conduct its work effectively and to report as necessary.

Relationship between the Accounts, Audit & Risk Committee and internal audit

- 1 The Accounts, Audit & Risk Committee plays a key role in ensuring the council maintains a robust internal audit service and it is therefore essential that there is an effective working relationship between the committee and internal audit. This protocol sets out some of the key responsibilities of internal audit and the committee.
- 2 The Accounts, Audit & Risk Committee will seek to:
 - (i) raise awareness of key aspects of good governance across the organisation, including the role of internal audit and risk management
 - (ii) ensure that adequate resources are provided by the council so as to ensure that internal audit can satisfactorily discharge its responsibilities
 - (iii) protect and promote the independence and rights of internal audit to conduct its work properly and to report on its findings as necessary.
- 3 Specific responsibilities in respect of internal audit include the following.
 - (i) oversight of, and involvement in, decisions relating to how internal audit is provided
 - (ii) approval of the internal audit charter
 - (iii) consideration of the annual report and opinion of the Head of Internal Audit (HoIA) on the council's control environment
 - (iv) consideration of other specific reports detailing the outcomes of internal audit work
 - (v) consideration of reports dealing with the performance of internal audit, and the results of its quality assurance and improvement programme
 - (vi) consideration of reports on the implementation of actions agreed as a result of audit work, and outstanding actions escalated to the committee in accordance with the approved escalation policy
 - (vii) approval (but not direction) of the annual internal audit work programme.
- 4 In relation to the Accounts, Audit & Risk Committee, the HoIA will:
 - (i) attend its meetings and contribute to the agenda, as necessary
 - (ii) ensure that overall internal audit objectives, work programmes, and performance are communicated to, and understood by, the committee
 - (iii) provide an annual summary of internal audit work, and an opinion on the council's control environment, including details of unmitigated risks or other issues that need to be considered by the committee
 - (iv) establish whether anything arising from the work of the committee requires consideration of the need to change the internal audit work programme or vice versa
 - (v) highlight any shortfall in the resources available to internal audit or any instances where the independence or objectivity of internal audit work may be

compromised (and to make recommendations to address these to the committee)

- (vi) report any significant risks or control issues identified through audit work which the HoIA feels necessary to specifically report to the committee. This includes risks which management are failing to address but which the HoIA considers are unacceptable for the council
- (vii) report any actual or attempted interference in the performance or reporting of internal audit work
- (viii) participate in the committee's review of its own remit and effectiveness
- (ix) discuss the outcomes of the quality assurance and improvement programme and consult with the committee on how external assessment of the internal audit service will be conducted (required once every five years).

- 5 The Head of Internal Audit will informally meet in private with the chair of the Accounts, Audit & Risk Committee, or the committee as a whole, as required. Meetings may be requested by committee members or the HoIA.

This report is public	
Counter Fraud Annual Report 2024/25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	28 May 2025
Portfolio Holder presenting the report	Deputy Leader of the Council and Portfolio Holder for Finance and Resources, Councillor Lesley McLean.
Date Portfolio Holder agreed report	16 May 2025
Report of	Assistant Director of Finance, (Section 151 Officer), Michael Furness

Purpose of report

This report presents the counter fraud annual report for 2025/26.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the annual report.

2. Executive Summary

- 2.1 The council's counter fraud service has been delivered by Veritau since 1 May 2024. The annual report provides detail of all areas of work undertaken in the 2024/25 year, including fraud management, fraud awareness training, multi-agency work, referral and investigation outcomes.
- 2.2 The annual report, contained in Appendix 1, should be noted by this committee as part of its responsibility for monitoring the counter fraud strategy, actions and resources, and reviewing the assessment of fraud risks and potential harm to the council from fraud and corruption.

Implications & Impact Assessments

Implications	Commentary
Finance	The are no financial implications arising directly from this report Michael Furness, Assistant Director of Finance, 15 May 2025
Legal	This forms part of the annual work programme and reporting. There are no legal implications.

	Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 14/05/2025			
Risk Management	There are no risk implications arising directly from this report.			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		X		
ICT & Digital Impact		X		
Data Impact		X		
Procurement & subsidy		X		
Council Priorities	This report supports the priorities set out in the 2024/25 business plan. The counter fraud team seeks to protect council income and assets so they can help fund the objectives of the business plan. The team also supports the council's specific goal to reduce crime which forms part of its overall goal to promote healthy, resilient, and engaged communities.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	No consultation has been required in the preparation of this report.			

Supporting Information

3. Background

- 3.1 Fraud is a significant risk to the public sector, and the estimated annual losses in the United Kingdom are as high as £81 billion. Veritau delivers the Council's counter fraud service, which helps mitigate fraud risk by investigating allegations of fraud and taking appropriate action where necessary. The service also supports the Council through preventative measures such as staff training and awareness campaigns.

4. Details

- 4.1 The Counter Fraud Annual Report, contained in appendix 1, provides the summary of work undertaken by the Veritau Counter Fraud Team in 2024/25.

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to note the Counter Fraud Annual Report. This is so that it can fulfil its responsibility for monitoring the counter fraud strategy, actions and resources, and reviewing the assessment of fraud risks and potential harm to the council from fraud and corruption. This responsibility is defined in the committee's terms of reference.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Counter Fraud Annual Report 2024/25

Background Papers	None
Reference Papers	None
Report Author	Sarah Butler, Corporate Fraud Manager (Veritau)
Report Author contact details	Sarah.Butler@veritau.co.uk 01904 554627
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Report of Assistant Director of Finance (Section 151 Officer) 15 May 2025

COUNTER FRAUD ANNUAL REPORT 2024/25

Date: 28 May 2025

APPENDIX 1

CONTENTS

- 3** Background
- 3** Counter Fraud Management
- 4** Summary of Investigative Work



Sarah Butler
Corporate Fraud Manager



Connor Munro
Assistant Director - Audit Assurance
Head of Internal Audit



BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to Cherwell District Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 This report provides the Accounts, Audit and Risk Committee with a summary of counter fraud activity completed by Veritau in 2024/25.



COUNTER FRAUD MANAGEMENT

- 5 Since commencing work with Cherwell on 1 May 2024, the counter fraud team has focused on establishing strong working relationships with Council teams. The team has reviewed and updated relevant policies, provided fraud awareness training, and set up investigative procedures.
- 6 The Council's website and intranet has been updated, to reflect the new counter fraud arrangements. Residents also received the team's contact details, via an anti-fraud message in their council tax bills³.
- 7 In November 2024, the updated Counter Fraud and Corruption and Anti-Money Laundering Policies were presented to the committee. These policy changes helped provide updated information regarding reporting arrangements and national best practice, as well as providing information on the decision-making outcomes following the completion of fraud investigations. In March 2025, the fraud risk assessment and the annual Counter Fraud Plan were also presented to the committee.
- 8 Veritau provided fraud awareness training to council teams throughout the year including: Customer Services, Finance, Housing, and Revenues and Benefits. This training helped provide Council officers with insight into how

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

² [An overview of the impact of fraud and error on public funds](#), National Audit Office, published November 2024.

³ Members of the public can report fraud on 0800 9179247, counter.fraud@veritau.co.uk and www.cherwell.gov.uk/info/27/housing-benefits/22/report-fraud.

frauds can manifest and how they can spot and refer issues to the counter fraud team.

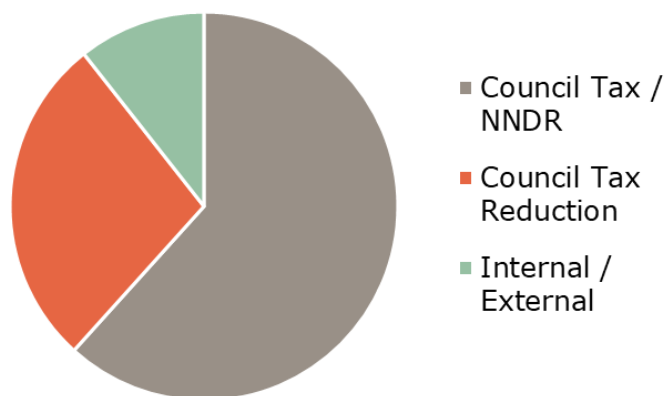
- 9 Regular liaison meetings have also been set up with the Revenues and Benefits team managers to share information and discuss ongoing investigations in the service area.
- 10 In May 2024, Veritau represented council partners, including Cherwell District Council, in a meeting that brought together large Local Authority counter fraud service providers and the Cabinet Office's Public Sector Fraud Authority (PSFA) leadership team. Cherwell District Council was named in the Government's press release as one of its "trailblazing" local authorities who are "who are leading the way in countering frauds"⁴.
- 11 The counter fraud team regularly meets with counter fraud colleagues in other Local Authority teams in Oxfordshire, and as part of the Midland Counties Fraud Group. These forums provide the opportunity to discuss regional issues and share best practice.



SUMMARY OF INVESTIGATIVE WORK

- 12 Veritau receive referrals of suspected fraud from Council officers, external agencies, data matches, and members of the public. Each referral is reviewed to determine if an investigation is necessary. Following this triaging process, 47 referrals were assessed as requiring further investigation by the counter fraud team. Cases are allocated in order of urgency, including consideration of the potential financial impact on the local authority, should the allegation be proven.

Referrals by Case Type

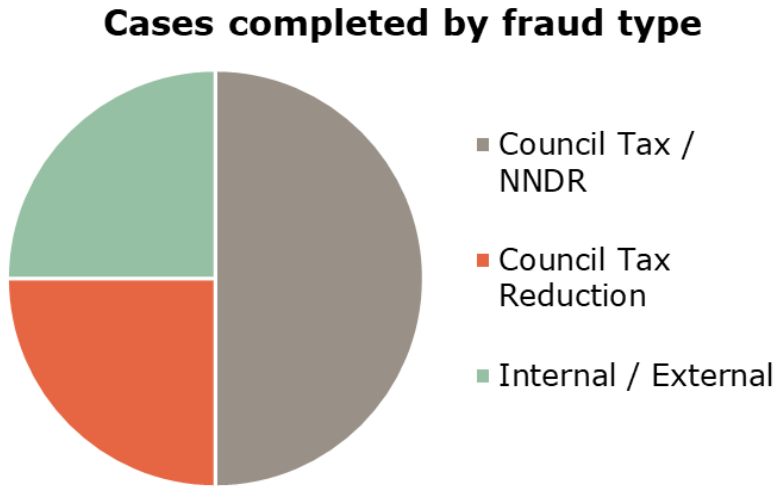


- 13 In 2024/25, the counter fraud team completed 12 investigations. Successful outcomes were achieved in 66% of cases⁵. Investigative work identified £10,500 for recovery via council tax underpayments, following

⁴ ["Trailblazing" councils save millions working with government counter fraud squad](#), HM Government, published May 2024.

⁵ Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, or warning issued in writing.

investigations into Empty homes Council Tax Premium, Single person discount and Council Tax Reduction.



- 14 Veritau coordinates the Council’s participation in the National Fraud Initiative (NFI) exercises. The 2024/25 bi-annual exercise began in Autumn 2024; data privacy notices held by relevant departments were reviewed, to ensure they are compliant with government guidance. Datasets were then collated and securely provided to the PSFA. Following this, the PSFA conducted the data-match, comparing data held by Cherwell District Council to other Local Authorities and Government Departments. In December 2024, over 1,000 data matches were sent to the counter fraud team for triaging. The matches cover Council areas including Council Tax Reduction, Housing Benefits, Housing Allocations, Payroll and Creditors. Work is ongoing to review the matches and identify those where further fraud investigation is required.
- 15 In December 2024, data was also supplied to the NFI for the annual Single person discount review. This data match compared council tax records to other datasets, including the electoral roll, to identify properties which receive Single person discount, but where there may be other adults resident at the address. Triaging work is ongoing to assess these matches.
- 16 As part of the Department for Work and Pension’s (DWP) arrangements for investigating Housing Benefit offences, the counter fraud team regularly responds to DWP information requests, known as LAIEFs. In 2024/25, the team responded to 16 LAIEF requests.
- 17 Joint-working procedures have also been reinforced following productive discussions with the DWP. The purpose of joint-working ensures that in situations where a resident receives benefits from both the Council and the DWP, and where the fraud allegation affects both claims, then a single fraud investigation can be undertaken. This reduces duplication for the investigation teams and also for the members of public who are under investigation.

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This report is public	
Annual Health and Safety Report 2024-25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	28 May 2025
Portfolio Holder presenting the report	Portfolio Holder for Corporate Services, Councillor Chirs Brant
Date Portfolio Holder agreed report	13 May 2025
Report of	Assistant Director of Human Resources, Claire Cox

Purpose of report

To provide the Accounts, Audit and Risk Committee with the Council's Health and Safety performance over the 2024-25 year and its plan for the current year.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To review the content of the report.
- 1.2 To provide feedback if any further detail or additional information is required in future reports which will be submitted quarterly.

2. Executive Summary

- 2.1 This report is a statement of Cherwell District Council's health and safety performance to the end of the financial year 2024/2025. It demonstrates that Cherwell District Council shows strong commitment to the health and safety of its workforce of 626 employees (full and part-time, as of 31 March 2025) and to others who may be affected by its activities. Environmental Services teams are our highest risk area due to the nature of the work undertaken.
- 2.2 There have been no regulatory interventions or enforcement action taken against the council during this reporting period.
- 2.3 The Corporate health and safety team continue to provide professional health and safety support and guidance to the council fulfilling the role of health and safety competent assistance as required by statutory health and safety legislation.
- 2.4 The number of reported accidents/incidents in council services have increased over the past 12 months possibly due to improved reporting measures being implemented. Work is ongoing to identify causes and look at actions required where necessary in a bid to reduce the rate.

- 2.5 The Corporate Health and Safety (H&S) Team were subject to an Audit by Veritau in the Summer of 2024. The final report was released on 16 December 2024. Since then, the team have been working through the actions with the service areas affected. Detailed in this report is progress so far.
- 2.6 Staff are continuing to work in an agile way with a mix of office and home working. Staff are required to undertake a DSE (Display Screen Equipment) Assessment for home as well as the office which should be undertaken annually, where they work in both locations.
- 2.7 The H&S Team will continue to report monthly to the Corporate Leadership Team (CLT) and attend Directorate Leadership Teams (DLT) where possible across all areas of the business.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising from this report Kelly Wheeler, Finance Business Partner, 29 April 2025.			
Legal	There are no legal implications arising from this report Denzil – John Turbervill, Head of Legal Services, 7 May 2025			
Risk Management	There are no risk implications arising directly from this report Shona Ware, Assistant Director of Customer Focus, 6 May 2025.			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				N/A
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A

Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	N/A			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 The Health and Safety at Work etc. Act 1974 places a legal duty on the Council as an employer to take all reasonable steps to protect the health, safety and welfare of its employees at work and other persons affected by their activities.
- 3.2 The Chief Executive has overall responsibility for health and safety within the Council and leads in setting corporate policy and direction. Corporate Directors and Assistant Directors support the Chief Executive; however, they are also responsible for ensuring that robust health and safety management systems exist in their respective directorates.
- 3.3 To manage occupational health and safety risks, the Council has documented management arrangements, including a Corporate Health and Safety Policy and a range of supporting corporate arrangements. The Council has a Health, Safety Manager and a Health and Safety Supervisor to provide competent advice, guidance, support and assistance to the workforce on all health and safety related matters, fulfilling their employer responsibilities under the Management of Health and Safety at Work Regulations.
- 3.4 As a minimum, the Council has put in place processes and procedures required to meet the legal requirements, including:
- The Health, Safety and Wellbeing Policy which was reviewed in May 2024 following the arrival of Gordon Stewart and the change in administration and will be reviewed over the next 12 months as per the schedule.
 - Managers assessing the risks to employees, contractors, customers, partners, and any other people who could be affected by their activities. Risk assessments must be “suitable and sufficient” and record significant risks.
 - Arrangements for the effective planning, organisation, control, monitoring, and review of the preventive and protective measures that come from risk assessment. The Corporate arrangements expand on the health and safety

arrangements outlined in the council's health and safety policies and provide the framework for the council's health and safety management system.

4. Details

Risk Management

- 4.1 All employees working at home have been asked to complete a DSE/homeworking risk assessment and, where needs have been identified, have been provided with appropriate equipment to allow them to work safely. Any such additional equipment has to be funded from the service budget.
- 4.2 Each service area is responsible for ensuring that all activities that their team undertake is appropriately risk assessed, and suitable control measures are put in place. The Corporate Health and Safety team are available to assist and advise where necessary.
- 4.3 The Health and Safety Team continue to work with the Performance team to ensure that all services have suitable and sufficient "Risk Registers" in place which address all the risks that are posed including health and safety. This had previously been highlighted as a deficiency.
- 4.4 The Health and Safety Team have reviewed and continue to review the corporate arrangements to ensure they are in line with current best practice. This is an ongoing piece of work to ensure that we as an employer continue to remain compliant with health and safety legislation and guidance.

Legislation Changes

- 4.5 No changes of legislation have been made in the last year that affect our services.

HSE Intervention

- 4.6 There have been no HSE interventions during 2024/25.

Policy & Procedure Update

- 4.7 The H&S Team maintains a large number of corporate arrangements which can all be found in an accessible format on the council's intranet. All Corporate Arrangements are available for staff to access on the Intranet and are subject to review every 2-3 years or if new or revised legislation is put in place.

Health and Safety Communications

- 4.8 The following Health and Safety Communications have been released during 2024-2025 via Chief Executive weekly updates, scrolling news on our intranet, all staff briefings and quarterly managers briefings:

- Lone workers and the Peoplesafe App
- Health & Wellbeing Day promotion event for employees to attend

- DSE Assessments for home and office working following the release of the new form.
- Reminder of the need to report accidents, incidents etc at work.
- A contribution in all Managers briefings on the latest news and updates on health and safety

4.9 The team continue to report monthly to CLT and to the Extended Leadership Team (ELT) and DLT meetings as required.

The Lone Worker App

4.10 Peoplesafe, the lone worker app, has been available for staff who complete lone working to use for a number of years. Currently approx. 110 employees have access to the app. Access to and usage of the app costs approximately £5 per month per person whether they use it or not. This is paid for out of the central health and safety budget and is not charged back to service areas.

Health and Safety Training

4.11 Most of the H&S training is provided through the i-HASCO online training portal. This portal provides an array of training packages not just for health and safety. Each member of staff is allocated a standard package of courses to complete with Managers having additional ones to staff, depending on their role and additional courses can be added as and when required.

4.12 However, Environmental Services staff are unable to access these training courses, so they continue to receive face to face training as required from their own Training Supervisor with the support of the Corporate Health and Safety team as necessary.

4.13 Following an update to iHASCO, Managers can now access the system and see if their direct reports have completed the training for themselves.

4.14 Table 1 shows the percentage of people who have completed the mandatory modules in iHASCO as of 31 March 2025. This does not include operational staff. They are given more specialist training particularly in manual handling, accident reporting and health and safety at work. We are working with managers to ensure that staff complete the training within a reasonable timeframe, but this continues to be a challenge for staff to complete.

Course	% Completed	Course	% completed
Accident Reporting	83.8	H&S Essentials	76
DSE	65.5	Lone working	68.1
First Aid & RIDDOR	79.5	Manual Handling	81.8
Fire Awareness	82.2	Risk Assessment	79.1

Table 1: Completion Rates on 6 April 2025 of iHASCO Mandatory Training

First Aid and Training

4.15 The Health and Safety (First Aid) Regulations 1981 require employers to provide adequate and appropriate equipment, facilities and personnel to ensure their employees receive immediate attention if they are injured or taken ill at work.

- 4.16 As part of this requirement, the Council provides two levels of first aid trained staff in its buildings. The numbers of first aid trained staff is set out at Table 2.
- 4.17 Employees have been identified and trained across the organisation in emergency first aid and first aid at work by an external training provider sourced by our Learning and Development Manager.
- 4.18 Environmental Services LGV Drivers also have an element of first aid training as part of their CPC training that they are required to complete 5 days over a 5-year period to maintain their LGV licence.
- 4.19 Following a review of the numbers of first aiders within the organisation we will be recruiting additional staff over the next few months.
- 4.20 The numbers have been assessed through a First Aid Risk Assessment for each of the premises. For example, Bodicote House is identified as low risk but the Depots, due to the nature of the work is identified as higher risk. The new offices at Castle Quay will remain the same as Bodicote House and there will be a second defibrillator available in the Council Chamber part of the offices.
- 4.21 All first aid staff have been defib trained. We have defibs readily available at Bodicote House and the depots. Maintenance and upkeep of the equipment is managed by the facilities management team.

Table 2: Numbers of First Aid Trained Staff

Location	First Aider Qualified	Emergency First Aid at Work Qualified
Bodicote House	4	7
Thorpe Lane Depot	3	3
Highfield Depot	3	0

Fire Safety and Fire Warden Training

- 4.22 The Regulatory Reform (Fire Safety) Order 2005 requires employers to have a strategy to evacuate all occupants within a building. As part of the Council's fire safety arrangements nominated staff are trained either as Fire Wardens or in the use of fire extinguishers. They perform essentially two roles, ongoing assessment of fire hazards and risks during their normal daily work tasks, and in the event of an evacuation conduct a sweep of their allocated fire zone to ensure all persons have safely evacuated.
- 4.23 All Council occupied buildings undergo a six-monthly no-notice fire evacuation drill to test response and procedures.
- 4.24 Fire Wardens have been identified for all of our buildings and have been provided with suitable E-Learning training. Their main purpose is to ensure that if there is an incident all members of staff and visitors can be safely evacuated from the premises

in question. The numbers have been assessed through looking at the layout and distribution of staff across each site and their availability. This is under constant review by the team and certainly following any fire evacuations. The current number of Fire Wardens is set out at Table 3.

- 4.25 In addition, at Bodicote House due to its size we have five “Fire Brigade Liaison Officers (FBLO)” who will coordinate an incident on site and liaise with the emergency services where appropriate.

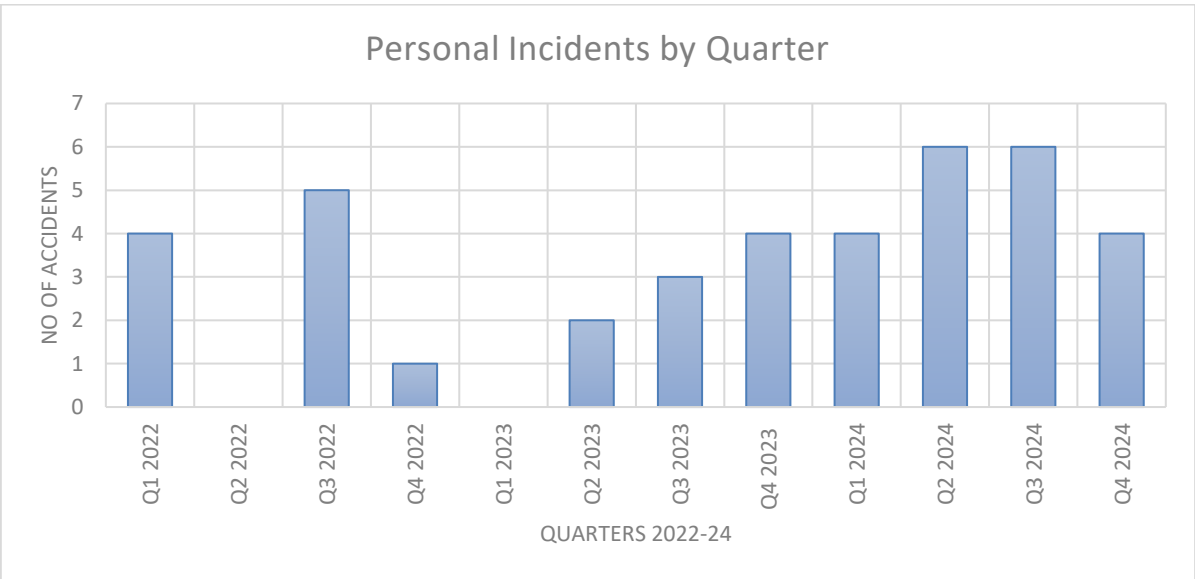
Table 3: Fire Wardens

Location	Fire Wardens	Fire Brigade Liaison Officer
Bodicote House	12	4
Thorpe Lane Depot	7	Not required
Highfield Depot	4	Not required

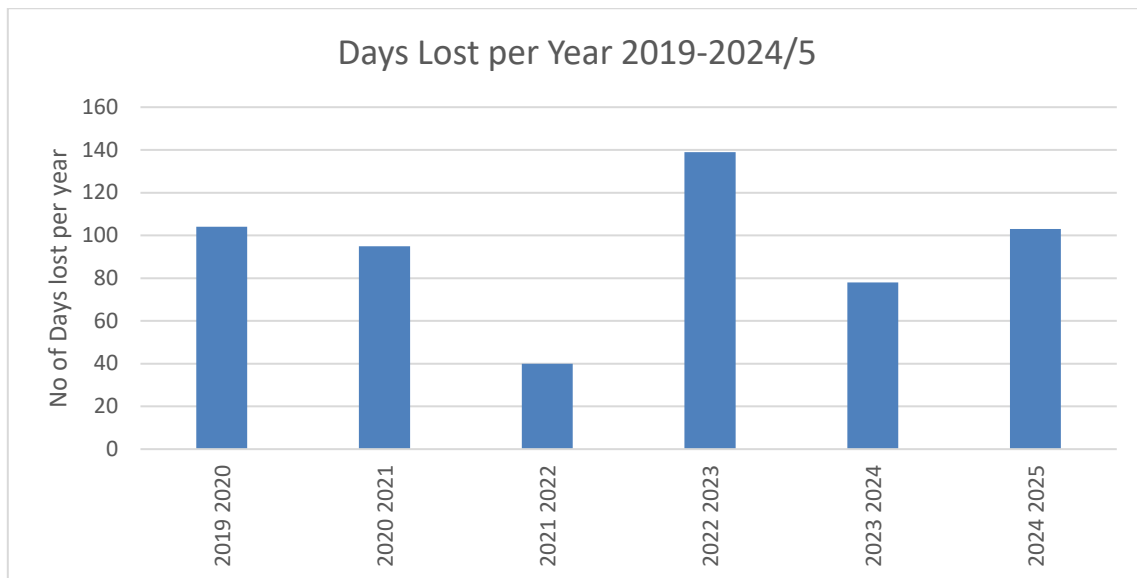
- 4.26 Following the move to Castle Quay these numbers are being reviewed to ensure sufficient coverage each workday.

Safety Event Statistics

- 4.27 Due to the size of the organisation the number of accidents and incidents remains low in comparison with other local authorities. This could be for any number of reasons but if they are not reported they cannot be investigated. There has been an effort to raise the profile of health and safety within Environmental Services though due to the nature of their work activities. As expected, most of the accidents are involving members of staff from Environmental Services due to the nature of their roles.



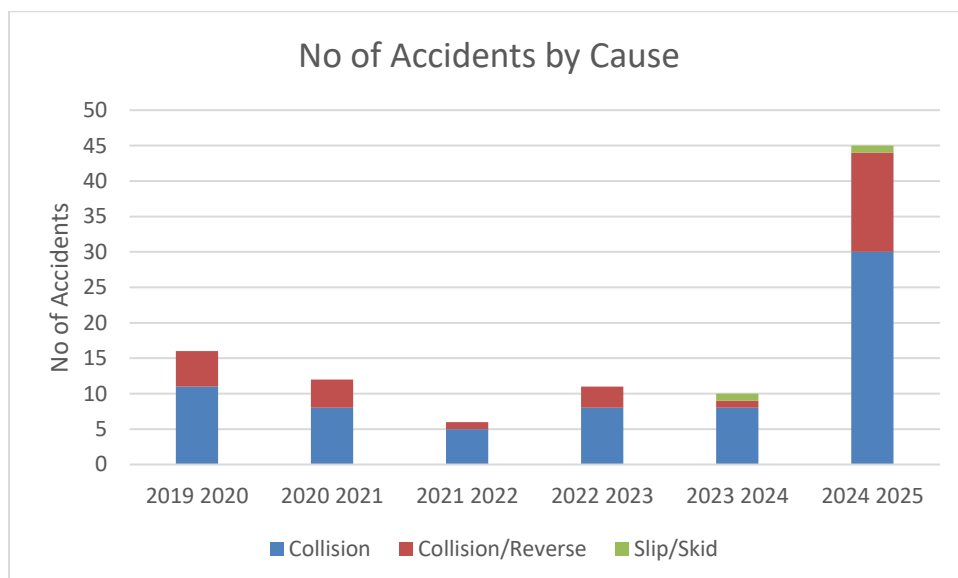
Graph 1: Number of Accidents involving staff per Quarter 2022-24



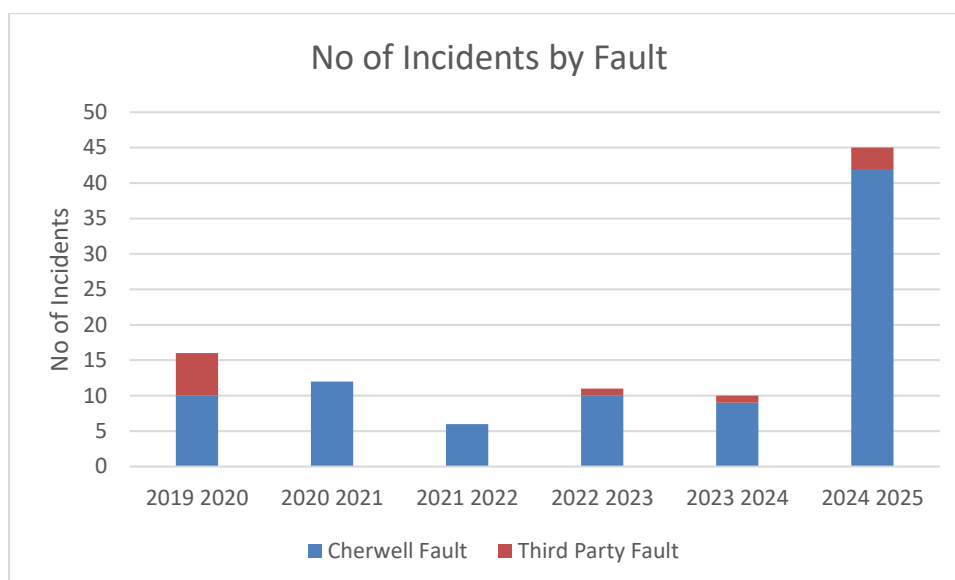
Graph 2: Numbers of Days lost following accidents at work by year.

Vehicle Accidents

- 4.28 As can be seen in the graph below, there has been a downward trend in the number of vehicle accidents reported irrespective of who is at fault. The Pandemic has had an effect on these figures also so we shall see going forward if there is a trend in the other direction.



Graph 3: Number of Vehicle Accidents by Cause per Year



Graph 4: Number of at fault incidents per Year

- 4.29 Vehicle incidents predominantly occur within the Environmental Services area due to the nature of their work. During the period 2024-25 a comparison has been made as to the number of miles driven against the number of vehicle and person incidents reported. This can be seen in Table 4 below.

Table 4: Number of Incidents compared to miles driven⁴

Month	No Days	Mileage	Vehicle Incidents	Personal Accidents
April	17	42500	3	1
May	19	47500	6	2
June	16	40000	4	1
July	18	45000	5	1
August	18	45000	4	3
September	16	40000	4	2
October	19	47500	5	1
November	18	45000	4	4
December	17	42500	2	1
January	19	47500	5	0
February	20	50000	1	1
March	21	52500	2	0

- 4.30 During the first two quarters of this reporting year, it can be seen that there were a large number of incidents as the average mileage remains fairly consistent. However, over the last quarter there has been a significant drop in the number of incidents hence the larger numbers of miles driven per incident.

RIDDOR Reports

- 4.31 There have been three RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 2013) reports over the past 12 months all of which have involved Environmental Services. These are set out in Table 5.

- 4.32 It is vital that reports are completed and filed as soon as possible after the event. This is so that we can keep accurate records and report to the authorities where necessary within required timescales. This has been brought to the attention of staff and management at staff briefings and all staff emails over the past few months.
- 4.33 It also helps in the event of an investigation being required so this can be completed while events are still fresh in people's minds.

Table 5: RIDDOR Accidents 2023-2024

Job Title	Submission of RIDDOR Date	Incident	Days lost due to sickness absence
Driver	May 2024	Driver stepped out of the vehicle and lost his footing in a pothole causing discomfort.	7
Loader	August 2024	Caught hand between two wheelie bins, carried on working for the day and then hand swelled up	7
Loader	September 2024	Two loaders were operating at the back of a lorry, one was operating the tail-lift and the other bent down to pick up rubbish and the bin was lowered on top of him	9
Loader	September 2024	Slipped on a patch of grass whilst handling a garden waste bin causing an ankle sprain.	30
Loader	November 2024	The IP was having pain in his shoulder prior to incident (cause unknown). As a bin was being lowered off the tail-lift the vehicle pulled away causing a pull to the shoulder, exacerbating the injury.	14
Loader	March 2024	The IP failed to report an incident in February until March 2024 whereby he twisted his ankle carried on working and then at a later date went off sick.	24

Occupational Health

- 4.34 The external Occupational Health provider has continued to meet the organisation's requirements for dealing with and promoting health at work issues. The core functions of Occupational Health are work-health assessment screening, sickness absence management and health promotion.
- 4.35 We work closely with the Occupational Health Advisor to provide a proactive health surveillance programme to required staff following the risk assessment process. This is based on a two-yearly programme of health surveillance checks, consisting of skin surveillance, hand-arm vibration, audiometry, vision screening and general life-style well-being checks. The services that are part of the health surveillance checks are set out at Table 6.

Table 6: Occupational Health Surveillance

Team	Number of Staff Assessed	
	Completed	Due at a future date
Environmental Services (drivers)	17	32
Environmental Services (Loaders	25	21
Street Cleansing & Street Scene	20	15
Vehicle Workshop	6	5

Looking forward to 2025-2026

4.36 Over the next 12 months we will also be focusing on the following:

- Completing the outstanding actions from the Veritau health and safety audit.
- Updating corporate arrangements to ensure that they reflect best practice.
- Continuing with the annual audit and inspection schedule as programmed under our key performance indicators.
- Ensuring that the council maintains compliance against health and safety legislation.
- Ensuring that the move to Castle Quay runs smoothly and all appropriate documents etc are updated accordingly.
- Providing support and assistance across the organisation where required.
- Working with Environmental Services to ensure that they maintain compliance with the Health & Safety Supervisor spending one day per week with the service.

5. Alternative Options and Reasons for Rejection

The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report is provided for information only. There are no other options required as CDC must ensure compliance with Health and Safety Legislation

6 Conclusion and Reasons for Recommendations

This report is a statement of Cherwell District Council's health and safety performance to the end of the financial year 2024/2025. The Committee is requested to consider the report and provide any feedback on the content of the future quarterly reports. The quarterly progress reports and include updates on the Veritau audit actions.

Decision Information

Key Decision	N/A
Subject to Call in	N/A

If not, why not subject to call in	N/A
Ward(s) Affected	N/A

Document Information

Appendices	
Appendix 1	None
Background Papers	None
Reference Papers	None
Report Author	Ruth Wooldridge, Health and Safety Manager
Report Author contact details	Ruth.wooldridge@cherwell-dc.gov.uk
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Corporate Director for Resources and Transformation, Stephen Hinds approved 16 April 2025

This report is public	
Treasury Management Report – Annual Performance Report 2024/25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	28 May 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	7 May 2025
Report of	Assistant Director of Finance (S151), Michael Furness

Purpose of report

To provide information on treasury management performance and compliance with treasury management policy for 2024-25 as required by the Treasury Management Code of Practice.

To demonstrate that all treasury management activities undertaken during the reporting period complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the contents of this Treasury Management Annual Performance Report.
- 1.2 To recommend the report to Council.

2. Executive Summary

- 2.1 The council complies with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires scrutiny of the quarterly Treasury Management reports.
- 2.2 The council's Treasury Management Strategy for 2024-25 was approved by Council on 26 February 2024. The Treasury indicators have been included in this report as per the 2021 CIPFA Treasury Management in the Public Services Code of Practice requirements.
- 2.3 The council's Capital Strategy covering capital expenditure and non-treasury investments, complying with CIPFA's requirement, was approved by full Council on 26 February 2024. As per 2021 CIPFA Prudential Code for Capital Finance in Local Authorities the Prudential indicators have been attached in Appendix 1.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from any outcome of this report. Joanne Kaye, Head of Finance, 8 May 2025			
Legal	The presentation of the report is required by regulations issued under the Local Government Act 2003 - to review the treasury management activities, the actual prudential indicators and the treasury related indicators. Shiraz Sheikh, Assistant Director Law and Governance and Monitoring Office, 8 May 2025			
Risk Management	It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the council's Treasury Management Policy has been avoided. This and any other risks related to this report will be managed through the service operational risk and escalated to the leadership risk register as and when necessary. Shona Ware, Assistant Director of Customer Focus, 9 May 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		Not applicable
Climate & Environmental Impact		X		Investments made in line with approved Treasury Strategy
ICT & Digital Impact				Not applicable
Data Impact				Not applicable

Procurement & subsidy				Not applicable
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Not applicable			

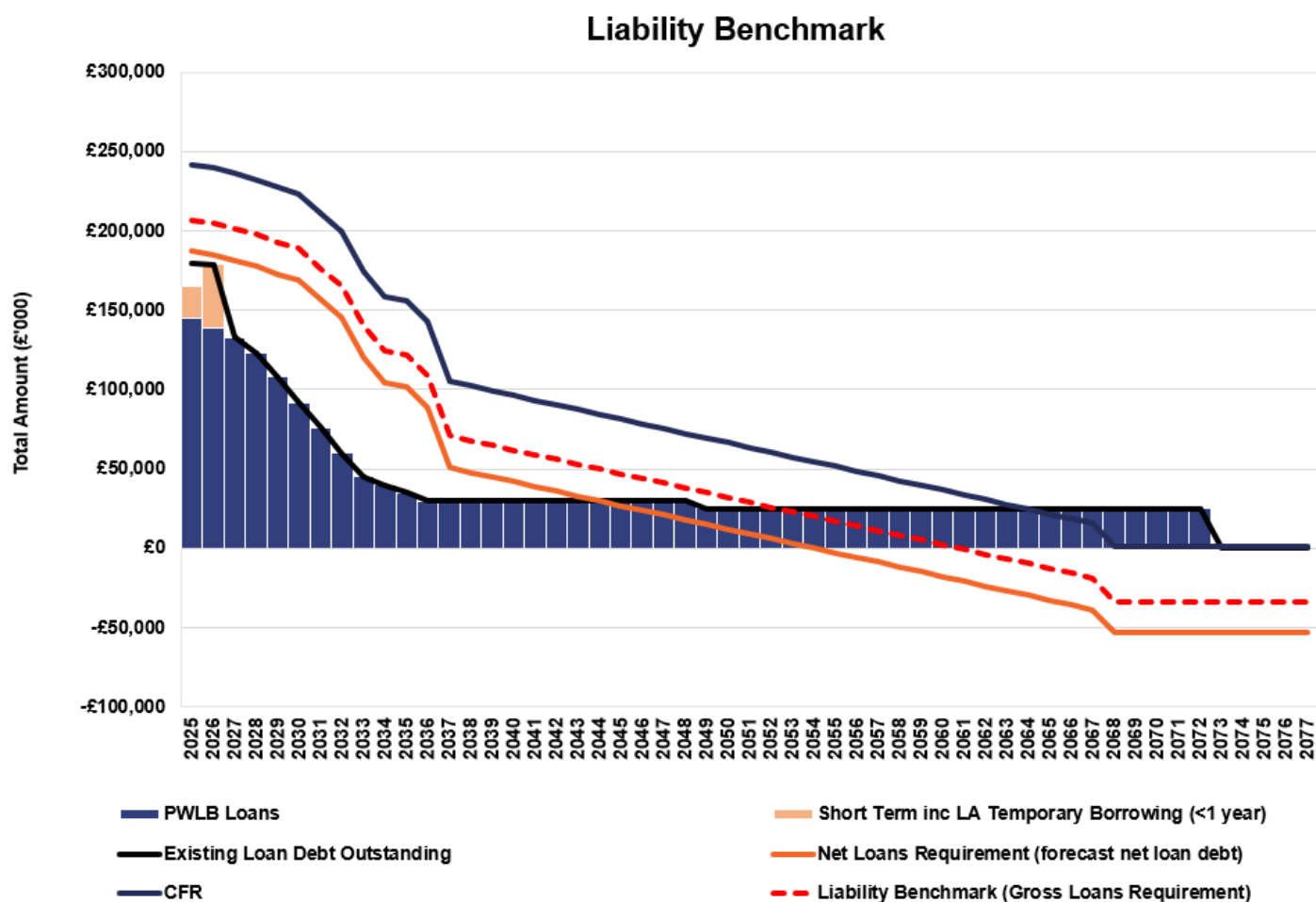
Supporting Information

3. Background

- 3.1 It is a statutory duty for the council to determine and keep under review its affordable borrowing limits. During 2024/25, the council has operated within the treasury and prudential indicators set out in the council's Treasury Management Strategy Statement for 2024/25. The Assistant Director of Finance reports that no difficulties are envisaged for future years in complying with these indicators.
- 3.2 As at the end of March 2025 the council had borrowing of £165m, with an arranged overdraft of £15m while investments were reduced to £5m – a net borrowing position of £160m.
- 3.3 An in-year contribution of £0.522m has been made to the Interest rate equalisation reserve, to ensure that the council has reserves should interest rates remain higher than forecast for refinancing maturing loans. This contribution was approved by Exec. Details are included in table 12.
- 3.4 The Liability benchmark is a prudential indicator which shows the Capital Financing Requirement, loan requirements and committed loans in a 50-year forecast. The graph below demonstrates that the council is expecting its loans to decrease in line with the Capital Financing Requirement. It also demonstrates that the council is not in an overborrowed position.

This graph shows, that with the approved Capital programme, that there will be no loan requirement by 2053. The shortfall between the Capital Financing Requirement and net loan requirement is made up of internal borrowing from reserves and working capital.

Table 1: Liability benchmark



4. Details

Borrowing performance for year ending 31 March 2025

- 4.1 The council continues to pursue its strategy of keeping borrowing below its Capital Financing requirements, this is referred to as internal borrowing, in order to reduce risk and borrowing costs.
- 4.2 The council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.

Table 2: Borrowing Position for year ended 31 March 2025

	Borrowing Amount £m	Average Interest Rate	Interest Paid Budget £m	Interest Paid Actual £m	Variance to Date £m
April 2024 to March 2025	178 (average)	2.59%	4.520	4.370	(0.150)
As at 31/03/25	165	2.57%	-	-	-

* Interest payable relates to external loans only, excluding finance lease and other interest

- 4.3 As a comparison, the table below shows average borrowing rates.

Table 3: High / Low / Average PWLB Rates for 01/04/2024 – 31/03/2025

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.77%	4.31%	4.52%	5.08%	4.88%
Date	26/02/2025	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.34%	5.71%	6.18%	5.88%
Date	29/05/2024	13/01/2025	13/01/2025	13/01/2025	09/01/2025
Average	5.14%	4.86%	5.07%	5.56%	5.32%
Spread	0.84%	1.03%	1.19%	1.10%	1.00%

Source: Link

- 4.4 Interest payable for the full year is below the budget. Due to the interest rates remaining higher than forecast when the 24/25 budget was set, the refinancing of the £15m loan that matured in February 2025, has been delayed until May 2025 as officers anticipate being able to secure better rates then. To ensure that the council had enough funds over year end an overdraft facility was arranged with NatWest which has resulted in a saving compared to the cost of carry on refinancing the loan in February at high interest rates.

A full list of current borrowing as at 31 March 2025 is shown in table 4:

Table 4: Borrowing

Lender	Principal Borrowed £m	Maturity Date
Cornwall Council 6-month maturity	10	22/04/2025
Cornwall Council 9-month maturity	10	18/07/2025
PWLB 6-year maturity	6	25/09/2025
PWLB 7-year maturity	6	19/09/2026
PWLB 5-year maturity	10	26/07/2027
PWLB 10-year maturity	10	31/05/2028
PWLB 6-year maturity	5	26/07/2028
PWLB 7-year maturity	10	26/07/2029
PWLB 10-year maturity	6	25/09/2029
PWLB 8-year maturity	10	26/07/2030
PWLB 11-year maturity	6	19/09/2030
PWLB 9-year maturity	16	26/07/2031
PWLB 10-year maturity	15	26/07/2032
PWLB 15-year maturity	5	31/05/2033
PWLB 15-year maturity	5	25/09/2034
PWLB 16-year maturity	5	19/09/2035
PWLB 30-year maturity	5	31/05/2048
PWLB 50-year maturity	25	10/11/2071
TOTAL	165	

- 4.5 The council monitors its exposure to refinancing risk with the maturity structure of borrowing indicator. While it is important to have flexibility to navigate changing market conditions is it critical that loan repayments are spread appropriately. The lower limit has been considered but kept at zero to ensure that the council is not forced into taking borrowings in a particular category that would lock it into an unfavourable borrowing situation. Borrowing has been kept as short term as

possible while the interest rates have been at record highs. Refinancing for up to two years will increase once the interest rates have reduced.

Table 5: Maturity structure of borrowing

Refinancing rate risk indicator	Upper limit	Lower limit	Actual structure
Under 12 months	50%	0%	15.76%
12 months and within 24 months	50%	0%	3.64%
24 months and within 5 years	60%	0%	30.91%
5 years and within 10 years	70%	0%	28.48%
10 years and above	80%	0%	21.21%

Investment performance for year as of 31 March 2025

- 4.6 Funds available for investment are on a temporary basis because the council prioritises keeping borrowing to a minimum and only invests surplus funds retained to meet its commitments. The level of funds available is mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 4.7 Treasury income from investments have earned more interest than expected due to interest rates reducing more slowly than forecast and active investment management. The short-dated money market investments have also performed better than budgeted throughout this year. Table 6 below shows the investment position during and at the end of the reporting period.

Table 6: Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April 24 to March 2025	27 (average)	5.09%	(1.482)	(1.704)	(0.222)
As at 31/03/25	5	4.56%	-	-	-

- 4.8 As a comparison Table 7 below shows average money-market rates keeping in mind that the council has an average investment period of 30 days.

Table 7: Average Investment Rates for the reporting period

FINANCIAL YEAR TO QUARTER ENDED 31/03/2025							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.20	5.20	5.21	5.23	5.26	5.33
High Date	02/04/2024	03/05/2024	13/05/2024	26/06/2024	26/07/2024	26/07/2024	01/08/2024
Low	4.50	4.45	4.46	4.46	4.58	4.73	5.02
Low Date	06/02/2025	12/02/2025	13/02/2025	12/03/2025	31/03/2025	31/03/2025	31/03/2025
Average	4.95	4.90	4.91	4.94	5.02	5.11	5.22
Spread	0.75	0.75	0.75	0.75	0.65	0.53	0.30

*SONIA (Sterling Overnight Index Average) is an interest rate benchmark published by the Bank of England.
Source: [Link](#)

- 4.9 While maintaining a balance between security, liquidity and yield the council is always looking for ways to invest sustainably (or green investments). However Environmental, Social and Governance (ESG) is the fourth priority of Treasury Management after security, liquidity and yield.

While the council does not currently have any fixed deposits, three of the Money Market funds meet the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088). These are highlighted in green in Table 8. A full list of current investments is shown in Table 8.

Table 8: Investments

Counterparty	Principal Deposited £m	Maturity Date / Notice period
<u>Fixed Term Deposits</u>		
Nil		
<u>Money Market Funds</u>		
Legal & General Investment Management	5.00	Same day
Federated Investors UK	0.02	Same day
Northern Trust Asset Managements	0.02	Same day
CCLA Investment Management Limited	0.02	Same day
Goldman Sachs Asset Management	0.14	Same day
TOTAL	5.20	

- 4.10 Compliance with investment limits are detailed in Table 9 below:

Table 9: Investment Limits

Counterparty	2024/25 Limit £m	Complied?
UK Central Government	Unlimited	Yes
Other Local Authorities	5 each	Yes
Any group of organisations under the same ownership	5 per group	Yes
Approved counterparties – Banks/Building Societies	3 each	Yes
Any group of pooled funds under the same management	5 per manager	Yes
Money Market Funds total	15 in total	Yes

- 4.11 The council has set limits for long term Treasury Management Investments in its strategy. This indicator seeks to support control of liquidity risk and reduce the potential need to have to make an early exit from an investment in order to recover funds. The indicator relates solely to the council's investments for treasury management purposes.

Table 10: Limits for Long Term Treasury Management Investments

	2024/25 Limit set £m	Complied?
Limit on principal invested beyond year end	5	Yes

Non-treasury investment activity

- 4.12 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council. This is replicated in the government's Statutory Guidance on Local Government Investments, in which the definition of investments is further broadened to also include all such assets that provide a financial return.
- 4.13 As of 31 March 2025, the council holds £102.8m of investments that qualify under the code in the form of shares (£35.6m) and loans (£67.2m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 4.14 This year the council received its second dividend from Graven Hill of £0.5m. This has resulted in a net surplus on non-treasury investments of (£0.429m).
- 4.15 The loan elements of these non-treasury investments can generate a higher rate of return than that earned on treasury investments due to the commercial nature of the loans issued. Table 11 below shows the investment position for this reporting period.

Table 11: Non-treasury Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April 24 to March 2025	66.65 (average)	6.76%	(4.487)	(4.916)	(0.429)
As at 31/03/25	67.20	5.99%	-	-	-

Overall performance

- 4.16 The overall performance for the 2024/25 financial year is:

Table 12: Overall Treasury Position

	Budget 24/25 £m	Actual 24/25 £m	Variance to date £m
Borrowing costs	4.520	4.370	(0.150)
Other interest paid	0.769	(0.001)	(0.770)
Treasury income	(1.482)	(1.704)	(0.222)
Non-treasury income	(4.487)	(4.916)	(0.429)
Transferred to Reserves	0.522	0.522	0
Total cost/(income)	(0.158)	(1.729)	(1.571)

- 4.17 The largest budget variance is for other interest paid. Historically the council has ringfenced interest of funding on receipts received in advance and set this aside in case the funding was recalled. However, following a review, the council now feels

that it has set aside sufficient funding and levels are prudent. As such, further interest on balances received in advance will be retained within the general fund.

This approach will be kept under review by finance to consider whether sufficient resources are available should any funding need to be returned.

- 4.18 The surplus has been increased by the unbudgeted dividend from Graven Hill of £0.500m within Non-treasury income.
- 4.19 While the Treasury budget has delivered a surplus of £1.571m for the year, this includes £0.522m which was transferred to the Market Risk and Interest Rate Equalisation Reserves during the course of 2024/25. This means there was a total surplus before approved in-year transfers to reserves of £2.093m.

Interest rate forecast

- 4.20 The council has appointed MUFG Corporate Markets (previously known as Link Group) as its treasury advisors and part of their service is to assist the council to formulate a view on interest rates. The latest forecast sets out a view that short, medium and long-dated interest rates are expected to slowly reduce over the next year until settling at 3.50% in December 2026.

Table 13: Link Forecast Rates published on 31 March 2025

Interest Rate Forecasts								
Bank Rate	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
MUFG CM	4.50%	4.25%	4.25%	4.00%	3.75%	3.75%	3.75%	3.50%
Cap Econ	4.50%	4.25%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%
5Y PWLB RATE								
MUFG CM	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.40%
Cap Econ	5.20%	4.90%	4.70%	4.50%	4.50%	4.50%	4.40%	4.40%
10Y PWLB RATE								
MUFG CM	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.70%
Cap Econ	5.50%	5.30%	5.00%	4.80%	4.80%	4.70%	4.60%	4.60%
25Y PWLB RATE								
MUFG CM	5.80%	5.70%	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%
Cap Econ	6.00%	5.70%	5.40%	5.10%	5.00%	4.90%	4.90%	4.80%
50Y PWLB RATE								
MUFG CM	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%
Cap Econ	5.60%	5.40%	5.20%	5.00%	4.90%	4.80%	4.70%	4.70%

*Cap Econ is an abbreviation for Capital Economics who provide macroeconomic insight, analysis and data.
Source: Link

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. It is an option to request further information on the performance reported.

6 Conclusion and Reasons for Recommendations

- 6.1 This report details the Treasury Performance for the council for the year ending 31 March 2025. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Prudential Indicators
Background Papers	None
Reference Papers	<p>Treasury Management Report – Midyear review Performance Report 2024/25 with Capital Prudential indicators</p> <p>https://modgov.cherwell.gov.uk/documents/s57458/Treasury%20Management%20report.pdf</p> <p>https://modgov.cherwell.gov.uk/documents/s57436/Appendix%201%20-%20Capital%20Prudential%20Indicators.pdf</p>
Report Author	Janet du Preez – Finance Business Partner – Treasury and Insurance
Contact details	janet.du-preez@cherwell-dc.gov.uk 01295 221606
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	S151 Officer, Michael Furness, 7 May 2025

Appendix 1 – Capital Prudential Indicators 2024/25

1. Introduction

In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

The indicators laid out in this appendix are required to help Members understand and evaluate the prudence and affordability of the Authority's capital expenditure plans and the borrowing and investment activities undertaken in support of this.

Please note that all balances for 2024/25 are subject to change pending the publication of the draft Statement of Accounts.

2. Capital Expenditure

This provides a summary of the Authority's capital expenditure. It reflects matters previously agreed and those proposed for the forthcoming financial periods. The extent to which such expenditure is to be financed will influence how the council's Capital Financing Requirement Indicator (see point 3 below) will change.

Table A1: Capital Expenditure

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
Service Loans				
Capital Projects	18.6	13.8	13.6	7.9
New Finance Lease and PFI				
New Projects (not yet approved by Full Council)				
Total Capital Expenditure	18.6	13.8	13.8	7.9
Financed by:				
Capital Receipts (Asset Disposals)			(5.1)	
Capital Receipts (Loan Principal)				
Revenue Contributions				
Grants and other contributions (existing projects)	(4.5)	(2.7)	(5.8)	(6.4)
Grants and other contributions (new projects)				
Finance Lease and PFI liabilities				
Total financing	(4.5)	(2.7)	(10.9)	(6.4)
Net financing need for year*	14.1	11.1	2.9	1.5

* Subject to change pending draft Statement of Accounts

The following indicators show that the council's capital expenditure is supported by capital receipts or grants and that the amounts that require financing from the revenue budget are proportionate and affordable.

3. Capital Financing Requirement

The Capital Financing Requirement (CFR) shows the difference between the Authority's capital expenditure and the revenue or capital resources set aside to finance that spend.

The CFR will increase where capital expenditure takes place and will reduce as the Authority makes Minimum Revenue Provision (MRP) or otherwise sets aside revenue or capital resources to finance expenditure.

Table A2: Capital Financing Requirement

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
Opening CFR	234.4	234.4	241.6	239.7
Capital Spend	18.6	13.8	13.6	7.9
Resources used	(4.5)	(2.7)	(10.9)	(6.4)
MRP	(3.9)	(3.9)	(4.6)	(4.9)
Closing CFR	244.6	241.6	239.7	236.3

* Subject to change pending draft Statement of Accounts

This indicator shows that the total financing requirement is estimated to reduce over the next three years. Each year the council sets a prudent MRP policy that will set aside revenue resources to finance capital expenditure over the life of the assets.

4. Gross Debt and the Capital Financing Requirement

An authority should only borrow to support a capital purpose, and borrowing should not be undertaken for revenue or speculative purposes.

The Authority should ensure that gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and the next two financial years. If the level of gross borrowing is below the Authority's capital borrowing need – the CFR – it demonstrates compliance with the requirement of this Indicator.

Table A3: Gross Debt & Capital Financing Requirement

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
CFR	244.6	241.6	239.7	236.3
Gross borrowing (including overdraft)	180.0	180.0	179.0	178.0
Under / (over) borrowing	64.6	61.6	60.7	58.3

* Subject to change pending draft Statement of Accounts

This indicator shows that the council is under borrowed, and so that debt is only being used to support capital expenditure. Under borrowing indicates that the council has been prudent and used internal borrowing to reduce the interest cost that is associated with external borrowing.

5. Operational Boundary and Authorised Limit

The Operational Boundary is the limit beyond which external debt is not normally expected to exceed.

Unlike the Authorised Limit, the Operational Boundary is not an absolute limit, but it reflects the Authority's expectations of the level at which external debt would not ordinarily be expected to exceed.

Table A4: Estimated Debt, Operational Boundary and Authorised Limit

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
External Borrowings	180.0	180.0	179.0	178.0
Operational Boundary	290	290	200	199
Authorised Limit	310	310	310	310

* Subject to change pending draft Statement of Accounts

The council continues to have debt below its operational boundary, indicating that the council is effectively managing its debt and cashflows.

6. Financing cost to Net Revenue Stream

This Indicator shows the trend in the cost of capital (borrowing and other long-term obligation costs) against the net revenue stream. Funding includes income such as Council tax, Business Rates as well as new homes bonus and revenue support government grants but excludes income from investments.

The forecast is in line with the approved Capital Strategy.

Table A5: Ratio of Financing costs to Net Revenue stream

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
Interest costs on existing borrowing	4.7	4.6	4.5	4.4
MRP	3.9	3.9	4.7	4.9
Total Financing Costs	8.6	8.5	9.2	9.3
Funding	27.0	27.0	26.2	23.2
Non-specific grant income	3.5	3.5	5.5	2.1
Net Revenue Stream	30.5	30.5	31.7	25.3
Ratio of Financing costs	28.2%	27.9%	29.0%	36.8%

* Subject to change pending draft Statement of Accounts

This indicator shows that the ratio of financing costs to net revenue streams is high, however what this doesn't consider is that a large proportion of the council's financing costs are offset by the interest from on-lending to the Council's subsidiaries, and income generated by the commercial assets acquired as part of the regeneration programme. See item 7 below for detail on this.

7. Net Income from Service Investment Income to Net Revenue Stream

The next indicator is the Net income from Commercial and Service investments Income to Net Revenue Stream. This Indicator shows the financial exposure of the Authority to the loss of its non-treasury investment income.

The Council does not hold any commercial investments. All investments that are not treasury related are service investments, the majority relating to housing and regeneration.

Table A6: Ratio of Investment Income to Net Revenue stream

	Revised Forecast 24/25 £m	Actual 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
Income from long term investments	4.5	4.4	4.0	4.4
Income from assets	5.3	5.4	6.9	7.0
Total Investment income	9.8	9.8	10.9	11.4
Funding	27.0	27.0	26.2	23.2
Non-specific grant income	3.5	3.5	5.5	2.1
Net Revenue Stream	30.5	30.5	31.7	25.3
Ratio of investment income	32.1%	32.1%	34.4%	45.1%

* Subject to change pending draft Statement of Accounts

The last two ratios dovetail, as much of the debt was incurred with the expectation of non-treasury investment income that would in part offset the financing costs. Deducting the Ratio of net income from Service Investments from the Ratio of Financing costs reveals the affordability ratio.

Table A7: Affordability Ratio

	Revised Forecast 24/25	Actual 24/25	Estimate 25/26	Estimate 26/27
Ratio of Financing costs	28.2%	27.9%	29.0%	36.8%
Ratio of Investment income	32.1%	32.1%	34.4%	45.1%
Affordability ratio	(3.9%)	(4.2%)	(5.4%)	(8.3%)

* Subject to change pending draft Statement of Accounts

There is no established Local Authorities benchmark for this ratio as activities differ widely. Interest earned on Treasury investment is not taken into account in either of the calculations.

The affordability ratio shows that the Council is receiving a small return on its investments in 24/25. In the next two financial years the return is forecast to increase based on assumptions around reducing void tenant costs.

Accounts, Audit and Risk Committee

Work Programme 2025/26

	Agenda Items
16-Jul-25	Risk Monitoring Report - Q4 - March 2025 Treasury Management Q1 Report 2025/26 Support to Subsidiaries Draft Statement of Accounts 2024/25 Housing Benefit Subsidy Audit 2021/22 Housing Ombudsman Complaint Handling Code Counter Fraud Update Internal Audit Progress Update Annual Governance Statement 2024/25 Environmental, Social and Governance considerations Work Programme Update
24-Sep-25	Risk Monitoring Report - Q1 2025/26 Health & Safety Q1 report External Audit 2024/25 Update (verbal) Counter Fraud Update Internal Audit Progress Update Monitoring Officer report, including LGSCO Ombudsman Annual Report Work Programme Update
19-Nov-25	Risk Monitoring Report - Q2 2025/26 Counter Fraud Update Internal Audit Progress Update Health & Safety Q2 report Final Accounts 2024/25 External Audit final report Financial Management Code Update Treasury Management Q2 Update Work Programme Update
14-Jan-26	Internal Audit Progress Update Counter Fraud Update Treasury Management Q3 Update Capital and Investment Strategy and Draft Treasury Management Strategy 2024/25 AGS 2024/25 Actions Update Local Code of Corporate Governance Housing Benefit Subsidy Audit 2022/23 Work Programme Update
18-Mar-26	Counter Fraud Update Housing Benefit Risk Based Verification Policy Counter Fraud Work Programme 2026/26 Internal Audit Work Programme 2026/27 AGS 2025/26 Annual Report of AARC Accounting Policies 2025/26 Health & Safety Q3 report External Audit Plan 2025/26 Risk Monitoring Report Q3 Work Programme Update

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This report is public; Appendices are exempt from publication by virtue of paragraph 3 of Schedule 12A Local Government Act 1972	
Rutten Lane planning application: fact-finding review outcomes and action plan	
Committee	Accounts, Audit and Risk Committee
Date of Committee	28 May 2025
Portfolio Holder presenting the report	Portfolio Holder for Planning and Development Management, Councillor Jean Conway
Date Portfolio Holder agreed report	16 May 2025
Report of	Assistant Director – Planning and Development, David Peckford

Purpose of report

This report presents the outcomes from Veritau's fact-finding review into the circumstances surrounding the handling of the Rutten Lane planning application and subsequent appeal.

It also provides the committee with information on the Development Management service's draft action plan, which has been prepared in response to Veritau's review and to a separate lessons learned exercise carried out by the service.

While this report is public, the three appendices have been exempted. This is on the grounds that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006). In addition, both exempt appendices 2 and 3 are working drafts. This includes an action plan for the management of strategic planning applications which will be developed further with the Portfolio Holder for Planning and Development.

1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the findings and conclusions from Veritau's fact-finding review, which have been summarised in this report and included in full in exempt appendix 1.
- 1.2 Note that a strategic planning applications action plan (exempt appendix 2) has been drafted by the council's Development Management service to help manage delivery of the identified improvements, and that this will be finalised in consultation with the Portfolio Holder for Planning and Development Management.

2. Executive Summary

- 2.1 In April 2024, the council was notified that the Planning Inspectorate had found in favour of Merton College and that full costs were to be awarded in relation to the Rutten Lane planning application. Veritau was then engaged to undertake an independent fact-finding review into the circumstances surrounding the handling of the application and its non-determination.
- 2.2 The report provides details on the outcomes from Veritau's fact-finding review, following finalisation of the report in March 2025. It also informs the committee of the Development Management service's draft action plan which has been prepared following the Inspectorate's judgement, a lessons learned exercise and the Veritau review.
- 2.3 This report has been prepared to enable to committee to fulfil its governance, risk and control responsibilities set out in its terms of reference. In particular, the report addresses a matter which is considered a significant risk-related issue and a weakness in the council's governance arrangements.

Implications & Impact Assessments

Implications	Commentary
Finance	<p>The review of the costs decision and the development of the draft action plan have been undertaken within existing budgets. The resource implications of the lessons learned and the actions required to minimise the risk of such cost awards in the future are in the main to be met from existing budgets. However, there are related wider demands on the planning service which affect the time/capacity for improvement work generally which are being considered by the Corporate Leadership Team. Any cost arising from that consideration would be met from within the Communities Directorate. The lesser impact of required actions on other services (principally staff time) would be met within existing budgets but kept under review. Any resource proposals made as a result of the action plan that cannot be met within existing budgets will need to be approved by Executive.</p> <p>Joanne Kaye, Head of Finance, 19 May 2025</p>
Legal	<p>There are no direct legal implications arising from the report. In terms of the action plan and various roles contained therein, it is necessary that they are properly coordinated between departments. The decision to implement the action plan sits with the Executive or under delegated decision (to be determined).</p> <p>Shiraz Sheikh, Assistant Director - Law, Governance and Monitoring Officer, 19 May 2025</p>
Risk Management	<p>The Veritau review of the award of costs against the Council and the preparation of an action plan, have been undertaken in the interest of minimising the risk of such an award of costs being made against the Council in the future. Once finalised, implementation of the action plan will be overseen by the Strategic Programmes Board / CLT.</p> <p>Julie Miles, Performance Analyst and Developer, 19 May 2025</p>

Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	The subject of this report relates to the council's quality housing and place making priority, and related goals, as set out in its Corporate Plan.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	No consultation has been required in the preparation of this report. However, committee members should be aware that the Portfolio Holder for Planning and Development Management will be consulted before the strategic planning applications action plan is finalised.			

Supporting Information

3. Background

- 3.1 Merton College submitted a planning application to Cherwell District Council on 14 October 2021 (reference 21/03522/OUT). This application was for up to 540 new

homes at land to the west of Yarnton, Rutten Lane (also referred to as PR9), a site allocated in the Local Plan for housing development.

- 3.2 By September 2023, the application had still not been determined. Merton College then lodged an appeal to the Planning Inspectorate on 15th September 2023, citing, '*...the Appellant is ... not convinced that the current trajectory of progress will deliver a planning permission, and has therefore determined that an Appeal is now the most appropriate route to secure determination of the application.*'
- 3.3 Following a local inquiry and a site visit in February 2024, the Inspectorate found in favour of Merton College and awarded them full costs on 2 April 2024 (appeal Ref: APP/C3105/W/23/3329587 [PM-AC.FID3635931]).
- 3.4 In July 2024, the Chief Executive and the Assistant Director of Finance requested that Veritau undertake an independent fact-finding review into the circumstances of the application. The council's chief officers wanted to establish the key events and reasons leading to the delay, non-determination, and resultant appeal.
- 3.5 The purpose of the fact-finding review was to evaluate the events and circumstances pertinent to the handling of the application by the council's Development Management service.
- 3.6 It was not the purpose of the review to make recommendations or to agree management actions. A lessons learned exercise was carried out by the Development Management service following the appeal. This has already identified actions (and has partly informed the action plan described later in this report). The Inspectorate's costs decision also goes into some detail regarding the chronology of events and covers technical planning matters which were not appropriate for internal audit to evaluate.
- 3.7 Veritau commenced the fact-finding review in August 2024. In completing the review, discussions were held with management and senior officers from the Development Management service, and with those involved in application 21/03522/OUT. In addition, the work involved a desktop review of supporting documentation relating to the application which was provided to Veritau by the service.
- 3.8 The fact-finding review (exempt appendix 1) was completed in February 2025, and a final report was agreed and shared with senior management on 19th March 2025, incorporating a management response from the Assistant Director – Planning and Development. The portfolio holder was also provided with a copy of the report in March 2025.
- 3.9 In April 2025, the Development Management service drafted an action plan (exempt appendix 2). The plan is designed to govern and manage the implementation of improvements the service has identified arising from the handling of the Rutten Lane application and other strategic site applications. The aim of the plan is to minimise the risk of costs being awarded against the council in future.

4. Details

Findings and conclusions from Veritau's fact-finding review

- 4.1 The work undertaken on the fact-finding review identified five ‘thematic areas’ which combined to form the most significant contributing factors to the non-determination of the Rutten Lane application. Each thematic area is explored later in this report but, to summarise, they are:
1. Planning officer recommendations
 2. Strategic partnerships and stakeholder management
 3. Resource and document management
 4. Internal performance management
 5. Management of Planning Performance Agreements
- 4.2 A sixth thematic area of ‘service improvement’ was also identified. However, this is not explored in this report as it has been superseded by the action plan prepared by the Development Management service. To summarise, this part of the fact-finding review report commented on the fact that the initial lessons learned exercise, completed in July 2024 after the appeal was lodged, had not yet been developed into a formal improvement action plan. It was our view that more clarity and corporate oversight was needed to ensure the required improvements were made, and in good time. The Development Management service understood that actions would follow, and be informed by, Veritau’s fact-finding review.
- 4.3 Before addressing the remaining thematic areas, it is important that the committee is aware of a factor which Veritau concluded had the most significant impact on the duration and non-determination of the application. This was the strategic transport modelling.
- 4.4 Oxfordshire County Council (OCC / the County Council) required additional transport modelling to be carried out for all partial review (PR) sites and that all parties agreed to this modelling for the Rutten Lane site. This modelling was only concluded by all PR contributors in September 2023. OCC maintained its objection to the transport issues for the duration of the application and appeal, from June 2022 until October 2023.
- 4.5 On conclusion of the transport modelling in September 2023, Merton College’s developers then informed the council that they could no longer afford to continue with the development and submitted a further viability assessment. It is relevant to note that an application for costs was also lodged against OCC, with the Planning Inspectorate finding in the appellant’s favour. However, the Planning Inspectorate was critical of this Council’s management of consultation with the County Council as Local Planning Authority which is reflected in the costs decision.
- 4.6 Notwithstanding the transport objection by OCC, and its contributions to the delay, the review by Veritau identified and confirmed wider themes within the council that also contributed to delays in the determination process.
- 4.7 The first of these themes relates to the framing of officer recommendations following the lodging of the appeal by Merton College for non-determination..
- 4.8 The application was presented to the Planning Committee on 2 November 2023 to seek the committee’s view had the Council continued to determine the application. This was to inform the Council’s appeal position for this major development. The officer recommendation presented to the Committee was , ‘...members are requested to resolve...that permission would have been refused...but...that officers continue to

seek to [r]esolve the outstanding issues prior to the appeal inquiry...' This was rather than recommending that permission would have been granted subject to resolving outstanding matters.

4.9 This recommendation was made, and the practice emerged, because of the Northwest Bicester development (21/01630/OUT, known as the 'Firethorn case'). The Firethorn application had been recommended for approval, subject to some matters being resolved. However, this recommendation led to significant external criticism and accusations of corruption against the council's Development Management service from a section of the local community affected by the proposed development; an allegation that the council's then Interim Head of Legal Services concluded had *"no basis whatsoever, and is a bare allegation, levelled unfairly at officers, without a fair and proper consideration of the facts or the planning process."*

4.10 The 'legacy' of the Firethorn case is that it has gone on to impact decision making and reporting practices, including the handling of the Rutten Lane application.

4.11 In undertaking the review, it was clear that officers considered the negative framing of the recommendations to the Planning Committee was likely to have been a factor in the Inspector's 'weighing-up'. There is some suggestion of this in the Inspector's costs decision:

"44. The alacrity which these matters were eventually dealt with by the Council when faced with the inquiry throws into relief the unreasonably slow and over-zealous approach it had taken until then towards the planning application and the putative reasons for refusal...."

4.12 The second theme relates to how the council managed and engaged with the applicant and its consultees in handling the application.

4.13 Several issues were identified which combined to demonstrate weaknesses in how the consultation and stakeholder management processes are designed and how they were carried out. These are too detailed to reflect fully in this report but, in summary, they were:

- a five-month delay in receiving a response to consultation from the council's Housing service
- an over-reliance on informal working relationships and an expectation of cooperation from other service areas, with no formal processes for escalation and resolution
- weaknesses in the process of engaging colleagues in legal services in drawing up Section 106 agreements
- the County Council's objection in relation to transport infrastructure being upheld for the duration of the application
- an overreliance on emailing consultees for responses, rather than taking more proactive steps or firmer action where responses were not forthcoming
- the failure of both strategic site meetings (i.e. with OCC) and internal PR site meetings to provide a resolution to outstanding matters.

4.14 The third thematic area relates to resource and document management.

- 4.15 During the first 10 months of the Rutten Lane application, the case was assigned to a planning officer who is no longer employed by the council. Another planning officer was assigned to the case in August 2022.
- 4.16 At the time the Merton College application was submitted in October 2021, planning officers had higher workloads than usual, pressures from staff departures, backlogs, and difficulties in recruitment. The Development Management (Major Developments) service comprised one team overseeing all major applications across the district. Towards the beginning of 2022, the service underwent a reorganisation. The service was divided into two groups covering specific localities: North Area Group (Banbury incl. Heyford) and South Area Group (Bicester and Kidlington) with two team leaders for major developments and two team leader for general developments. The result of this reorganisation was that the service advertised for a new team leader role (i.e. for two rather than one major developments teams). This reorganisation was done to improve resilience, recognising the risk this posed to delivery of the service.
- 4.17 The council's Housing service was also reducing in size at the time the application was being considered. There was only one full-time strategic housing officer responding to all planning applications and their related Section 106 agreements (for major applications). Since that time the service has been strengthened with a new team leader.
- 4.18 The Inspectorate's costs decision report specifically cites staff turnover as a key factor causing significant delays but does not consider it mitigation.
- 4.19 The issues with the management of the application in its first 10 months meant that, the service's IT database system was not kept up to date with all documentation pertaining to the case. For example, when the replacement planning officer was assigned to the case, the Merton College Planning Performance Agreement (PPA), a key document in project managing the application, could not be located on the council's system. The officer had to approach the applicant directly to obtain a copy of the PPA. It was very challenging for the newly assigned planning officer to determine the status of the planning application owing to the poor maintenance of the case file.
- 4.20 The fourth thematic area relates to the arrangements the service had in place to monitor and manage its performance.
- 4.21 Using the Development Management database to provide the information needed to manage the service at an operational level (i.e. on a case-by case basis) is a manual process. It is linked to the Council's public access system which comprises the Council's statutory Planning Register and from which the public can view documents associated with individual planning applications. It should also be used by officers in storing all relevant working documents. The system records when applications are registered, when consultations take place, when applications are due to be determined and when decision notices are issued. It is also used to extract information for government returns on development management performance. The Planning and IT teams are developing a dashboard tool to use the system more proactively for performance management and Veritau also identified that more use of the system should be made for as a management information tool.
- 4.22 Given the lack of management information available in that system, the service developed two offline Strategic Site Programme Overview spreadsheets, one for

each area group, which track the progress of all active major applications. However, the North district group's spreadsheet had not been maintained and was not made available during the Veritau review.

- 4.23 At the time of the application, planning officers held 1:1 meetings with their supervisors. Process checklists were in place and included sections for both officers to complete, assisting with the monitoring of applications and officer performance. However, while 1:1s were held, they were not especially organised or completed consistently. This was not helped by the fact that the accompanying 1:1 practice note was outdated and did not provide sufficiently clear instruction on how to conduct 1:1s.
- 4.24 The fifth thematic area relates to the management of the Planning Performance Agreement (PPA) signed, alongside OCC, with Merton College.
- 4.25 PPAs are not legal agreements but do commit the council to providing the developer a higher level of service, for a fee. The primary purpose of a PPA is to set a clear framework, which is agreed by both the applicant and the local planning authority, for considering and progressing a major development proposal to determination (including the setting of milestones and timescales). Where the application is expected to take longer than the target timescales, extensions can be put in place between developers and the council. However, developers do not have to agree to the extensions.
- 4.26 The statutory limit for an appeal against non-determination is six months from when the determination should have been made. It is important that the council monitors the progress of planning applications against expected determination dates having regard to any agreed extensions of time and commitments within PPAs. Monitoring should lead to response and there should be mechanisms for escalation. It was not clear from the review that the service had the capacity or agreed-upon procedures for handling these situations at the time of the Merton College appeal. It also did not have means of tracking performance against its active PPAs.
- 4.27 The council and OCC jointly entered into a PPA on 13 July 2021 relating to the Rutten Lane application, with determination initially expected by May 2022 and then, following agreed extension, by April 2023. In the early stages of the PPA, despite regular meetings with the applicant, the council did not deliver to agreed timescales. This necessitated the extension. When the council, together with OCC, sought to extend for a further time in September 2023, this was refused by the applicant as they had lost confidence in the ability for their application to be determined favourably.
- 4.28 If an extension of time is agreed, the applicant cannot appeal until that extended period has expired. Retaining the option of appealing against non-determination is generally a low risk for developers and the prospect of an appeal can be highlighted in seeking a Council decision as soon as possible. If an extension of time is not agreed, officers can continue to proceed with an application with the on-going risk of an appeal for non-determination or take a recommendation of refusal to committee due to a lack of information. However, an applicant can submit an appeal against the refusal of planning permission and apply for appeal costs if it considers the Council has been unreasonable.
- 4.29 The Veritau report was concluded by stating that, unless and until identified improvements in the Development Management service's lessons learned exercise are made and tracked to completion, and the other matters raised in the fact-finding

review are resolved, Veritau could not provide a reasonable level of assurance that the events of the Rutten Lane application will not reoccur in future.

- 4.30 Members of this committee will appreciate that both Cherwell District Council and Oxfordshire County Council had roles to play in the application: the council as the local planning authority and the County Council as a statutory consultee. A summary of the findings made in the report which were relevant to the County Council was shared in April 2025 to help encourage stronger collaboration.

Management of strategic planning applications: action plan

- 4.31 The service has prepared a draft action plan (exempt appendix 2) to respond to both Veritau's fact-finding review and its own 'lessons learned' exercise. It recognises it is essential to minimise the risks of costs that might be awarded against the council following appeal decisions. It also recognises the importance of maximising the opportunity for sustainable developments to commence as promptly as possible.
- 4.32 The draft action plan contains 106 actions, largely related to the themes of Veritau's fact-finding review:
- a. service improvement
 - b. applicant engagement
 - c. strategic partnerships and stakeholder management
 - d. committee
 - e. performance management (internal)
 - f. planning officer recommendations
 - g. planning performance agreements
 - h. resource and document management
- 4.33 It is supported by an audit schedule (exempt appendix 3) to ensure that all recommendations are addressed.
- 4.34 The draft plan includes timed milestones for the completion of the actions by the end of the calendar year; albeit with two actions for longer-term consideration through the corporate transformation programme.
- 4.35 A project board and project team are proposed, with reporting to the Corporate Director – Communities and Portfolio Holder, to the Strategic Programmes Board, and to the Corporate Leadership Team.
- 4.36 The draft plan is being reviewed within the directorate and will be finalised in consultation with the Portfolio Holder for Planning and Development Management.

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. The report is for noting and not for a decision. It is intended to inform the committee of the outcomes from Veritau's fact-finding review, and of the Development Management service's action plan prepared following the Veritau review and its own lessons learned exercise.

6 Conclusion and Reasons for Recommendations

- 6.1 This report has been prepared to inform the committee of what is considered to be a significant risk-related issue and weakness in governance arrangements. Committee members are asked to consider the content of the report and to note both the outcomes from Veritau's review and the development of the draft action plan before this is finalised in consultation with the Portfolio Holder for Planning and Development Management.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Exempt appendix 1	Veritau Fact Finding Review - Partial Review 9 (PR9): Rutten Lane planning application and Merton College appeal
Exempt appendix 2	Draft Action Plan – Management of Strategic Planning Applications
Exempt appendix 3	Audit Schedule of Recommendations
Background Papers	None
Reference Papers	None
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Ian Boll, Corporate Director – Communities 13 May 2025

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