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DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**Committee:** Accounts, Audit and Risk Committee

**Date:** Wednesday 19 November 2025

**Time:** 6.30 pm

**Venue:** 39 Castle Quay, Banbury, OX16 5FD

## Membership

**Councillor Simon Lytton  
(Chair)**

Councillor Besmira Brasha  
Councillor Nicholas Mawer  
Councillor Robert Parkinson  
Sarah Thompson

**Councillor David Rogers (Vice-Chair)**

Councillor Frank Ideh  
Councillor Ian Middleton  
Councillor Dom Vaitkus  
Independent Person, no voting rights

**Substitutes** Any member of the relevant political group.

## 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 - 12)

To confirm as a correct record the Minutes of the meeting of the Committee held on 24 September 2025.

### 4. Chair's Announcements

To receive communications from the Chair.

**5. Requests to Address the Meeting**

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

**6. Urgent Business**

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

**7. Internal Audit Progress Report 2025/26 (Pages 13 - 30)**

Report of the Assistant Director of Finance (Section 151 officer).

**Purpose of report**

This report provides the Accounts, Audit and Risk Committee with an update on delivery of the internal audit work programme for 2025/26.

**Recommendations**

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the progress made in delivering the 2025/26 internal audit work programme.

**8. Counter Fraud Progress Report (Pages 31 - 38)**

Report of Assistant Director Finance (Section 151 Officer)

**Purpose of report**

This report presents an update on counter fraud work undertaken so far in 2025/26

**Recommendations**

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the counter fraud progress report.

**9. External Audit Reports 2024/25 (Pages 39 - 78)**

Report of Assistant Director of Finance (Section 151 Officer)

**Purpose of report**

To receive two reports setting out the auditors' Audit Completion Report for 2024/25, the draft Annual Auditor's Report and a draft Letter of Representation.

## **Recommendations**

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the contents of the Audit Completion Report for 2024/25 from our external auditors, Bishop Fleming (Appendix 1 - to follow).
- 1.2 Note the contents of the draft Auditor's Annual Report for 2024/25 (Appendix 2)
- 1.3 Note the draft Letter of Representation for 2024/25 (Appendix 3)
- 1.4 Agree that, once the final audit opinion for 2024/25 is received, the Assistant Director Finance (S151 Officer), in consultation with the Chair of the Accounts, Audit and Risk Committee (or Deputy Chair in their absence), be authorised to make any further changes to the accounts agreed with the auditors and sign the accounts. Any further changes will be brought to the Committee's attention at its next meeting following the signing.
- 1.5 Agree that the Assistant Director of Finance, in consultation with the Chair of the Committee (or Deputy Chair in their absence), be authorised to make any further changes to the letter of representation agreed with the auditors that may arise during completion of the audit. Any further changes will be brought to the Committee's attention at its next meeting following the signing.

## **10. Risk Monitoring Report Quarter 2 2025-26 (Pages 79 - 90)**

Report of Assistant Director Finance (Section 151 Officer)

### **Purpose of report**

To update the committee on how well the council is managing its Strategic Risks.

### **Recommendations**

The Accounts, Audit & Risk Committee resolves:

- 1.1 To note the Risk Monitoring Report for Quarter 1 2025 – 26

## **11. Risk Management Strategy and Guidance (Pages 91 - 116)**

Report of Assistant Director Finance (S151 Officer)

### **Purpose of report**

To propose a new Risk Management Strategy and Guidance, aiming to ensure the council's effective and compliant risk management.

## **Recommendations**

The Accounts, Audit and Risk Committee resolves:

- 1.1 To consider and endorse the proposed Risk Management Strategy and Guidance

### **12. Health and Safety Report Quarter 2 Report (Pages 117 - 128)**

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 for Quarter 2 of the 2025/26 financial year.

## **Recommendations**

The Accounts, Audit and Risk Committee resolves:

- 1.1 To review and note the content of the report

### **13. Treasury Management Report - Mid-year review 2025/26 (September 2025) (Pages 129 - 144)**

Report of Assistant Director of Finance (Section 151 Officer)

#### **Purpose of report**

To provide information on treasury management performance and compliance with treasury management strategy 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 mid-year review and recommend it be received by Council.

### **14. Financial Management Code - Forecast Self-Assessment Update 2025/26 (Pages 145 - 160)**

Report of Assistant Director of Finance (Section 151 Officer)



## **Purpose of report**

To update the Committee that the results of the Council's forecast self-assessment position at February 2025 against the requirements of CIPFA's Financial Management Code show continued strong compliance, demonstrating a resilient and sustainable approach to managing the Council's funds.

## **Recommendations**

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the Council's forecast self-assessment position of strong compliance at February 2025 against the requirements of CIPFA's Financial Management Code.

## **15. Review of Committee Work Programme (Pages 161 - 162)**

To consider and review the Work Programme.

**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](mailto: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.

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**Queries Regarding this Agenda**

Please contact Patrick Davis, Democratic and Elections [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk), 01295 221534

**Shiraz Sheikh**  
**Monitoring Officer**

Published on Tuesday 11 November 2025

## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

Minutes of a meeting of the Accounts, Audit and Risk Committee held at 39 Castle Quay, Banbury, OX16 5FD, on 24 September 2025 at 6.30 pm

#### **Present:**

Councillor Simon Lytton (Chair)  
Councillor David Rogers (Vice-Chair)  
Councillor Frank Ideh  
Councillor Ian Middleton  
Councillor Robert Parkinson  
Councillor Dom Vaitkus  
Sarah Thompson, Independent Person, no voting rights

#### **Apologies for absence:**

Councillor Besmira Brasha  
Councillor Nicholas Mawer

#### **Also Present:**

Councillor Chris Brant, Portfolio Holder for Corporate Services  
Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Property and Regeneration

#### **Also Present Virtually:**

Mark Bartlett, External Audit, Bishop Fleming

#### **Officers:**

Joanne Kaye, Head of Finance and Deputy Section 151 Officer  
Natasha Clark, Governance and Elections Manager  
Patrick Davis, Democratic and Elections Officer

#### **Officers Attending Virtually:**

Shiraz Sheikh, Assistant Director Law & Governance and Monitoring Officer  
Ed Potter, Assistant Director Environmental Services  
Claire Cox, Assistant Director Human Resources

## **32 Declarations of Interest**

There were no declarations of interest.

33 **Minutes**

The Minutes of the meeting of the Committee held on 16 July 2025 were agreed as a correct record and signed by the Chair.

34 **Chair's Announcements**

The Chair advised the Committee that he had agreed to amend the order of the agenda. Item 10, Monitoring Officers' Annual Report 2024/25 – Complaints, Conduct & Ethics would be the first report.

35 **Requests to Address the Meeting**

There were no requests to address the meeting.

36 **Urgent Business**

There were no items of urgent business.

37 **Monitoring Officer's Annual Report 2024/25 - Complaints, Conduct & Ethics**

The Assistant Director Law and Governance and Monitoring Officer submitted an annual report on matters relating to the standards and conduct of Members within the Cherwell District at District and parish level and information in respect of complaints made to the Local Government Ombudsman in the 2024/25 municipal year.

In introducing the report, the Assistant Director Law and Governance and Monitoring Officer explained that it was incumbent on the Monitoring Officer to report on the functions for which he was responsible, including Code of Conduct matters. The standards of ethical conduct of Members at both District and Town and Parish level remained good.

With regard to the Local Government and Social Care Ombudsman Annual Report, the Committee was advised only one complaint had been upheld by the Ombudsman but overall, there were no serious concerns raised by the report.

**Resolved**

- (1) That the Monitoring Officer report including the Local Government and Social Care Ombudsman Annual Report be noted and it be noted it would be circulated to all Town and Parish Councils in the district for information.

38 **External Audit Update 2024/25**

Mark Bartlett, Director at Bishop Fleming, the Council's external auditors, reported that the External Audit 2024/25 was in its final stages and there were no issues to report to date. The value for money audit was progressing well and that there were no items of concern to raise at this stage.

**Resolved**

- (1) That the verbal update on the External Audit 2024/25 be noted.

39 **Risk Monitoring Report - Quarter 1 2025-2026**

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 explained the Council's overall risk profile remained stable and there were no changes to the residual risk score in the corporate risk register. The Portfolio Holder for Corporate Services highlighted a change to the risk numbering of items between the current report and previous versions which meant that the risk scores would not be directly comparable.

In response to a Committee question asking for more details regarding risk L04 – Five year housing land supply and a query regarding why there had been no change to risk L10 – Cyber Security and what the council was doing to address potential cyber attacks, the Head of Finance undertook to liaise with the risk owners and provide a written response.

**Resolved**

- (1) That the Risk Monitoring Report for Quarter 1 2025 – 26 be noted.

40 **Health and Safety Report Quarter 1 2025/2026**

The Assistant Director Human Resources submitted a report that provided the Committee with the Council's Health and Safety performance for Quarter 1 of the 2025/26 financial year.

In introducing the report, the Portfolio Holder for Corporate Services explained that there had been no regulatory interventions or enforcement action taken against the council during this reporting period. The Health and Safety Supervisor was supporting Environmental Services teams to address actions that had arisen following the Internal Audit carried out by Veritau, the Council's Internal Auditors, in December 2024.

In response to a question regarding the impact of the introduction of kerbside glass collection on the health and safety of waste collection staff, the Assistant Director Environmental Services explained that due to the proposed

collection method, there would be a noise and weight impact for staff. Waste collection was an extremely dangerous industry. Health and safety was paramount to keep staff and the public safe. Training was extremely important with safety embedded in the workforce

In his capacity as Portfolio Holder for Neighbourhood Services, Councillor Middleton highlighted the importance of investing in the council's depots to maintain employee safety, future proof the service and provide services required by residents.

In considering the report, the Committee noted that the council had begun looking at properties in its portfolio to establish whether the Terrorism (Protection of Premises) Act 2025 (Martyn's Law) would have an impact on each property and requested that an update be included in a future report

### **Resolved**

- (1) That the Health and Safety Report performance for Quarter 1 of the 2025/26 financial year be noted.

41

### **Environmental, Social and Governance considerations**

The Assistant Director Finance (S151 Officer) submitted a report to update the Committee on the Council's position on Environmental, Social and Governance (ESG) considerations in relation to its investments and line with CIPFA recommendations.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration explained that whilst the Council looked to invest sustainably, security, liquidity and yield remained the primary investment considerations as required by the Treasury Management Code and there was no requirement currently to audit organisation's ESG.

In response to a question regarding the investments held by the council, the Head of Finance confirmed that the council only held funds in Article 8 (funds that promoted, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices) and Article 9 (funds that had sustainable investment as their objective) categories. There were no funds currently held in the Article 6 category (funds that do not integrate sustainability into the investment process).

### **Resolved**

- (1) That the contents of the Environmental, Social and Governance (ESG) considerations report be noted.

42 **Support to Subsidiaries**

The Assistant Director Finance (S151 Officer) submitted a report to inform the Committee of the overall level of support provided to the council's subsidiaries and how this was considered as part of the external audit.

43 **Exclusion of Press and Public**

**Resolved**

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.

44 **Support to Subsidiaries - Exempt Appendix**

The Committee considered the exempt appendix to the report on Support to Subsidiaries which summarised the support the council had extended to its subsidiaries.

In introducing the exempt appendix, the Portfolio Holder for Finance, Property and Regeneration advised that it was important for the Committee to be aware of the level of support extended in order to ensure good governance, manage risk and to inform decision making.

45 **Readmittance of the Press and Public**

**Resolved**

That the press and public be readmitted to the meeting.

46 **Support to Subsidiaries**

Having considered the exempt appendix, the Committee considered the public report.

**Resolved**

- (1) That the report and exempt appendix be noted.

## **Review of Committee Work Programme**

The Committee considered its work plan and had no queries or additional items for the Committee Work Plan.

### **Resolved**

- (1) That the work programme update be noted.

The meeting ended at 7.50 pm

Chair:

Date:



This report is public.	
Internal Audit Progress Report 2025/26	
Committee	Accounts, Audit and Risk Committee
Date of Committee	19 November 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	11 November 2025
Report of	Assistant Director Finance (S151 Officer), Michael Furness

## Purpose of report

This report provides the Accounts, Audit and Risk Committee with an update on delivery of the internal audit work programme for 2025/26.

## 1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the progress made in delivering the 2025/26 internal audit work programme.

## 2. Executive Summary

- 2.1 The work of internal audit in local government is governed by the Global Internal Audit Standards in the UK Public Sector. This regime, which came into effect on 1 April 2025, is made up of the Institute of Internal Auditors' Global Internal Audit Standards (including Topical Requirements), and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 2.2 In accordance with these standards, periodic reports on internal audit work are presented to this committee.
- 2.3 The committee is required to consider the progress and outcomes of internal audit work as part of its responsibility for overseeing the internal audit service. The report (contained in appendix 1) provides the information required by the committee to fulfil its oversight role.
- 2.4 Overall, the report shows that good progress is being made in delivering the 2025/26 work programme. It includes outcomes from four audits which have been finalised since the July meeting of this committee, updates the committee on the status of ongoing work, and sets out clear priorities for the remainder of the year. It also shows that a generally good level of progress is being made by the council to implement actions agreed in previous audit reports.

## Implications & Impact Assessments

Implications		Commentary		
<b>Finance</b>		This is an information report on the progress made in delivering the 2025/26 internal audit work programme and does not have any financial implications. The work carried out by Veritau is within budget. Kelly Wheeler, Finance Business Partner, 5 November 2025		
<b>Legal</b>		There are no legal implications associated with this report. Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 4 November 2025		
<b>Risk Management</b>		The council will be non-compliant with the GIAS if the performance of the internal audit function, and the results of its work, are not reported to the committee. This could result in external scrutiny and challenge. Celia Prado-Teeling, Performance & Insight Team Leader, 7 November 2025		
Impact Assessments		Positive	Neutral	Negative
<b>Equality Impact</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?			X	
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?			X	
<b>Climate &amp; Environmental Impact</b>			X	
<b>ICT &amp; Digital Impact</b>			X	
<b>Data Impact</b>			X	
<b>Procurement &amp; subsidy</b>			X	
<b>Council Priorities</b>		This report cuts across all four of the council's priorities, as set out in its 2025-30 corporate strategy. Internal audit's contribution		

	to these priorities is to provide independent, risk-based, assurance, advice, and insight relating to the council's systems of governance, risk management, and internal control. By doing so, internal audit supports the organisation to create the conditions to become a modern council inspiring and enabling positive, lasting change.
<b>Human Resources</b>	N/A
<b>Property</b>	N/A
<b>Consultation &amp; Engagement</b>	No consultation has been required in the preparation of this report. The internal audit work programme, on which this report is based, was itself subject to consultation with senior management and with members of the Accounts, Audit and Risk Committee.

## Supporting Information

### 3. Background

- 3.1 The 2025/26 internal audit work programme was approved by the Accounts, Audit and Risk Committee at its 19 March 2025 meeting.
- 3.2 To conform with professional standards, and the council's audit charter, the Head of Internal Audit must report periodically to this committee on the progress made against the internal audit work programme, and on the results of audit activities undertaken.
- 3.3 Appendix 1 to this report provides an update on progress made in delivering the 2025/26 internal audit work programme. This includes a summary of completed work, work currently in progress, and work scheduled for the remainder of the year. It also reports on outcomes from the follow-up of actions agreed in previous audit reports.

### 4. Details

- 4.1 The detailed progress report is included in appendix 1 – Internal Audit Progress Report 2025/26.

### 5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. To discharge its internal audit functions under the terms of reference for the Accounts, Audit and Risk Committee, it is required to note the progress made in delivering the 2025/26 internal audit work programme.

## 6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to note the progress made in delivering the council's internal audit work programme. This is so that it can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference.

### Decision Information

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

### Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Internal Audit Progress Report 2025/26
<b>Background Papers</b>	None
<b>Reference Papers</b>	Internal Audit Work Programme 2025/26
<b>Report Author</b>	Connor Munro, Assistant Director – Audit Assurance (Veritau)
<b>Report Author contact details</b>	<a href="mailto:Connor.Munro@veritau.co.uk">Connor.Munro@veritau.co.uk</a> 01904 553512
<b>Executive Director Approval (unless Corporate Director or Statutory Officer report)</b>	Assistant Director of Finance (Section 151 Officer), 7 November 2025

# Internal Audit Progress Report 2025/26

Date: 19 November 2025

APPENDIX 1

## CONTENTS

<b>3</b>	Background
<b>3</b>	Internal audit progress
<b>4</b>	Follow up
<b>5</b>	Annex A: Internal audit work in 2025/26
<b>6</b>	Annex B: Current audit priorities
<b>7</b>	Annex C: Summary of key issues from finalised audits
<b>11</b>	Annex D: Assurance engagement opinions and finding priorities
<b>12</b>	Annex E: Follow up of agreed audit actions



## BACKGROUND

- 1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3 In accordance with the Global Internal Audit Standards (UK Public Sector) the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Accounts, Audit & Risk Committee, and to identify any emerging issues which need to be brought to the attention of the committee.
- 4 The internal audit work programme was agreed by this committee in March 2025.
- 5 Veritau has adopted a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.
- 6 The purpose of this report is to update the committee on internal activity up to 31 October 2025.



## INTERNAL AUDIT PROGRESS

- 7 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in annex A. Annex A also details other work completed by internal audit during the year.
- 8 Since our last report to this committee, four audits have been finalised. These were risk management (Reasonable Assurance), governance and decision making (Substantial Assurance), performance management framework (Reasonable Assurance), and treasury management (Substantial Assurance).
- 9 Three audits from the 2025/26 work programme are in progress. Fieldwork for the cybersecurity: user awareness audit, is nearing completion. Fieldwork for the licensing audit and utilities management follow-up audit is ongoing.
- 10 The 2025/26 audits of LATCO governance and section 106 agreements are in the planning stage. Contact will be made with officers over the coming weeks to agree specifications and begin fieldwork. It is possible that the

LATCO governance audit will be delayed until quarter four due to key officers' involvement in preparing its LGR proposal.

- 11 The work programme, showing current priorities for internal audit work, is included at annex B.
- 12 The four audits that have been finalised since the last report to this committee are included in annex C. The annex summarises the key findings from these audits, and includes actions agreed with officers to address identified control weaknesses.
- 13 Annex D lists our current definitions for finding priorities and overall assurance levels.

## FOLLOW UP

- 14 All actions agreed with services as a result of internal audit work are followed up to ensure that underlying control weaknesses have been addressed. As a result of this work, we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits.
- 15 A summary of the current status of follow up activity is included at annex E.



## ANNEX A: INTERNAL AUDIT WORK IN 2025/26

### Final reports issued

Audit	Reported to Committee	Opinion
Risk management	November 2025	Reasonable Assurance
Performance Management Framework	November 2025	Reasonable Assurance
Governance and decision making	November 2025	Substantial Assurance
Treasury management	November 2025	Substantial Assurance

### Audits in progress

Audit	Status
Cybersecurity: user awareness and training	In progress
Licensing	In progress
Utilities management: follow-up audit	In progress
LATCO governance: Crown House and Graven Hill	Planning
Section 106 agreements	Planning

### Other work completed in 2025/26

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).
- ▲ Development of follow-up and escalation procedure
- ▲ Attendance at, and support to, CLT, Corporate Oversight Governance Group, and the Statutory Officers' Group.
- ▲ Contribution to the council's governance dashboard.
- ▲ Contribution to the council's annual governance statement.

Audit / Engagement	Rationale
<b>Category 1 (do now)</b>	
Cybersecurity: user awareness and training	Provides coverage of key assurance area.
Licensing	Key operational system with no recent coverage.
Utilities management	Being undertaken as a follow-up audit, in response to the identification of significant control weaknesses in a previous audit.
Section 106 agreements	Risks and controls are changing.
<b>Category 2 (do next)</b>	
ICT asset management	Provides coverage of key assurance area.
LATCO governance: Crown House and Graven Hill	Provides coverage of key assurance area. Being undertaken following a request from senior management.
<b>Category 3 (do later)</b>	
Procurement Act compliance	-

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

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Risk Management (July 2025)	Reasonable Assurance	Strategies, policies and processes for risk management; oversight of risk management to monitor and manage risks.	<p>Risk management processes, roles and responsibilities and risk appetite are defined in the risk management strategy. Development of the strategy could be improved.</p> <p>The council's leadership risk register (LRR) is presented regularly and in detail. The monitoring report could be more effective if it included action plans or the key exposures the committee needs to be aware of.</p> <p>There is a framework for risk review at strategic and operational levels. However, evidence of consistent application of this framework was not readily available.</p> <p>During the audit, a new project risk management system was introduced. The availability of risk information and reporting functionality offered by this system represents an opportunity to strengthen the council's risk management framework.</p>	<p>Evidence requirements for operation of the risk framework will be strengthened.</p> <p>Risk register consistency and oversight will be improved.</p> <p>Risk reporting arrangements will be reviewed and improved.</p> <p>Guidance information and training record retention will be improved.</p> <p>An improved scoring matrix will be introduced and a process for reviewing the effectiveness of the risk strategy introduced.</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Performance management framework (July 2025)	Reasonable Assurance	Validating, monitoring and reporting performance data; alignment of performance measures to council priorities; identifying under performance and taking action.	<p>The corporate priorities detailed in the Council's Business Plan and the Annual Delivery Plan (ADP) are cascaded down through service plans to individual performance objectives. However, the framework supporting this has not been documented in a formal policy.</p> <p>ADP milestones and Business Plan KPIs are appropriately aligned with the strategic priorities. However, some quarterly milestones would benefit from additional detail on how progress can be measured.</p> <p>Controls are effective in ensuring performance measures are accurate and consistent. However, the Unity system is not currently used in a manner that sufficiently supports the performance management framework.</p> <p>Processes are in place to ensure that any identified under-performance at corporate level is reported to stakeholders but could be strengthened.</p>	<p>The development of the Performance Management Framework will be completed and will set out processes and expectations to ensure consistency.</p> <p>The Unity system is due for renewal and council will review what system will best support its needs.</p> <p>Officers will be reminded of the requirements for developing and reporting milestones and action plans. Budgetary information will be considered for inclusion in the performance management framework.</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Governance and decision making (October 2025)	Substantial Assurance	Design and operation of processes in accordance with the constitution; review of committee papers; decision making and documentation of decisions made under delegated powers.	<p>Decision-making follows the council's governance framework, including compliance with relevant protocols, the scheme of delegation, and legal requirements.</p> <p>All delegated decisions and decision reports to committees and portfolio holders were subject to scrutiny by appropriate officers in finance, legal and risk. Delegated decisions and decision reports are published on the council's website, with a decision note signed by the Monitoring Officer.</p> <p>The CLT terms of reference lack clarity on the necessary attendance for specific decisions, such as those related to budgeting. Improvements could also be made to the record keeping of information delivered verbally to CLT.</p> <p>The scheme of delegation was last reviewed in February 2023. The council plans to review the Constitution once the LGR process has concluded.</p>	<p>Terms of reference will be drawn up to indicate who should be in attendance at CLT meetings before decisions can be taken.</p> <p>CLT discussions that lead into future decisions will be formally recorded and circulated for agreement.</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Treasury management (October 2025)	Substantial Assurance		<p>The council's Treasury Management Strategy (TMS) and Capital and Investments Strategy, comply with the CIPFA Prudential and Treasury Management Codes. Treasury activity is appropriately reported to councillors, using expected prudential indicators.</p> <p>Investing and borrowing is undertaken in accordance with the TMS and supporting procedures, with suitable segregation of duties in place in preparing and approving transactions. There is also good monitoring and forecasting of cashflow, loans and investments.</p> <p>Due diligence checks and considerations are documented in approval forms. However, in two instances of borrowing, approval forms were not completed. We therefore could not confirm that the required checks took place.</p>	The approval form templates will be reshared with officers, accompanied by a reminder to complete the forms and store them in the relevant shared folder when deputising for colleagues.

## ANNEX D: ASSURANCE ENGAGEMENT 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.

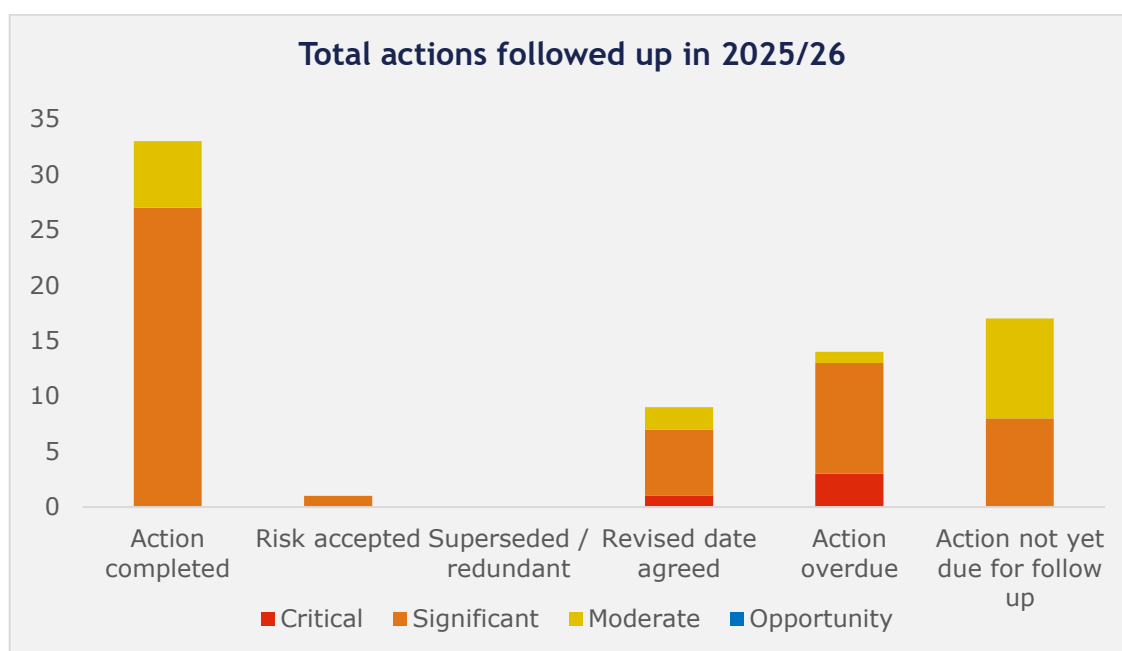
### Finding ratings

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 E: FOLLOW UP OF AGREED AUDIT ACTIONS

- 1 In figure 1, below, the status of agreed actions from follow-up activity undertaken up to 31 October 2025 is shown. Actions have been categorised by the rating of the finding from which they were raised (i.e. from a scale of opportunity to critical – see annex D for definitions).
- 2 For clarity, figure 1 is showing the results of all actions followed up between 1 April 2025 and 31 October 2025, regardless of when they were originally due (i.e. it may also include actions which fell due prior to the reporting period but which are still being followed up). For completeness, it also shows the number of actions which have been agreed in finalised audits but which have either (a) not yet fallen due and so have not been followed up or (b) which have been followed up and a revised completion date has been agreed.

Figure 1: Total actions followed up in 2025/26



- 3 A total of 57 agreed actions have required follow up this year<sup>1</sup>. Of these, 33 (58%) have been satisfactorily implemented.
- 4 One action has been marked as risk accepted<sup>2</sup>. The risk accepted status is used when senior management has decided to accept the risk of not completing the action. This action was to consider whether more frequent monitoring of emissions could be done but the responsible officer has

<sup>1</sup> For information, a further 17 actions have been agreed which are not due for follow up at the time of reporting.

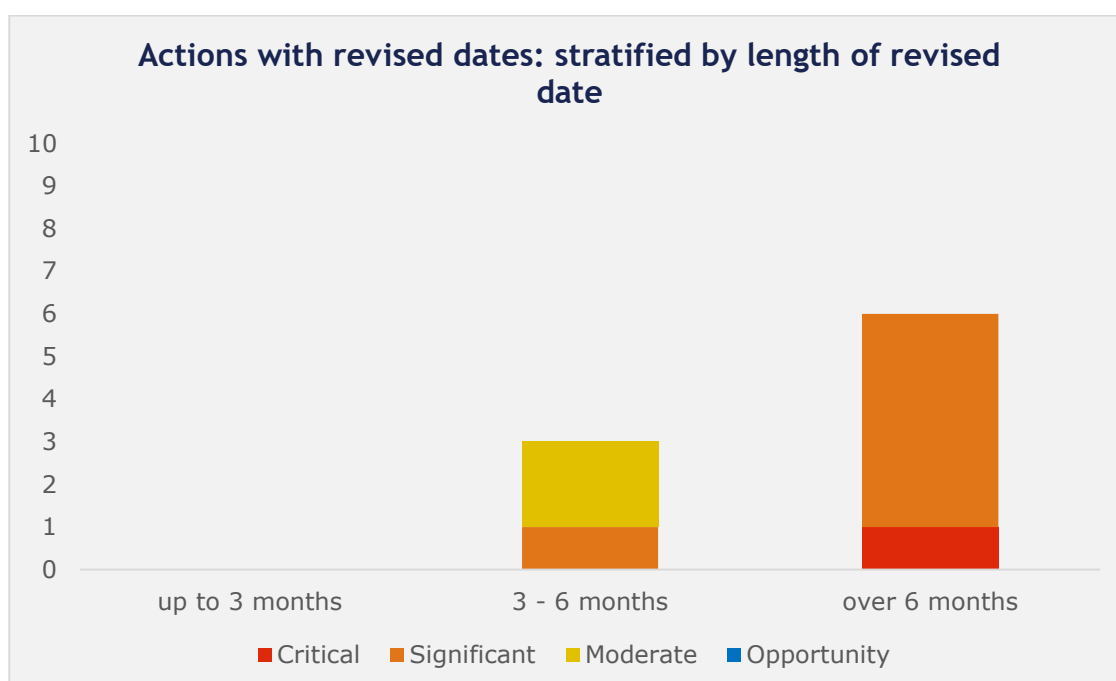
<sup>2</sup> This relates to frequent emissions monitoring and reporting from the 2022/23 Climate audit which officers have identified as not being in line with standard practice or being realistic to implement.



determined that annual monitoring is standard practice and a proportionate and cost effective management of risk.

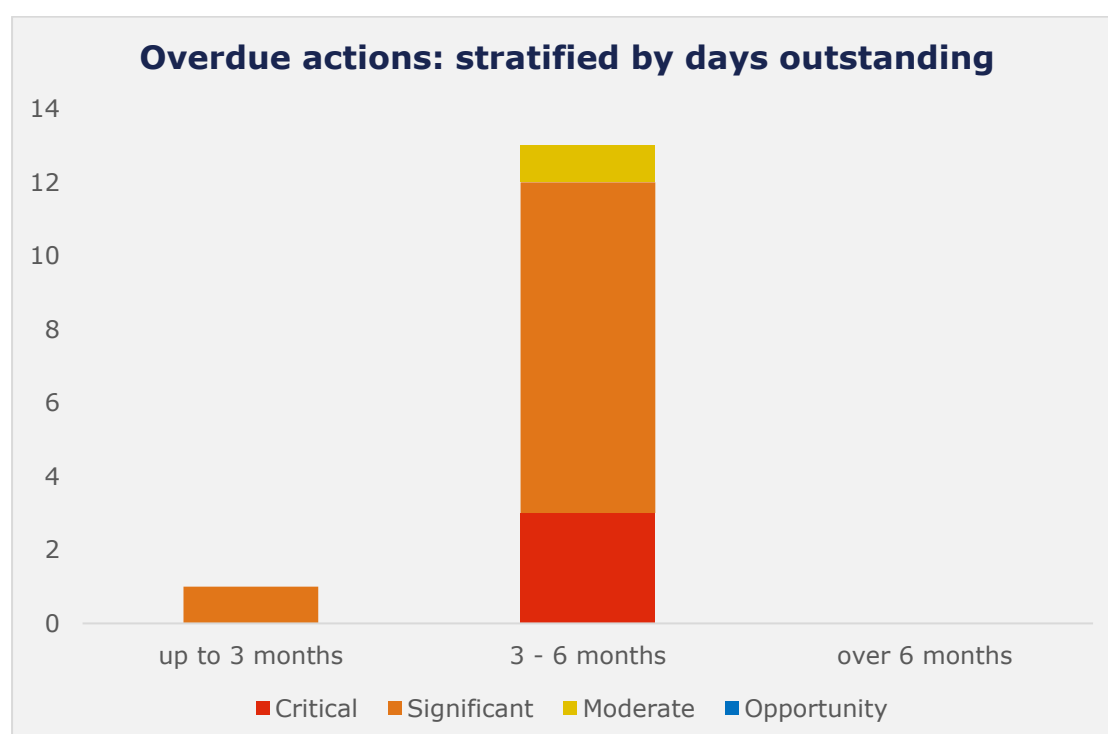
- 5 A total of nine actions have had their original implementation timescale extended (i.e. a revised date has been agreed with the action owner). These relate to the following audits:
  - ▲ HR
  - ▲ Revenues and benefits IT application
  - ▲ PCI DSS
  - ▲ Corporate health and safety
  - ▲ Procurement compliance
  - ▲ Performance management framework
- 6 Figure 2, below, groups agreed actions by how far from the original implementation date the revised date has been set, and the priority of the action.
- 7 We agree revised dates where the delay in addressing an issue will not lead to unacceptable exposure to risk and where the delays may be unavoidable. However, the committee should be aware that lengthy or continued revised dates do inevitably lead to a degree of risk exposure to the council.
- 8 From figure 2, the committee can see that three actions have been revised between three to six months from the original implementation date. In addition, 5 actions linked to 'significant' rated findings and one action linked to 'critical' rated findings have been revised by over six months from the original implementation date.

*Figure 2: Length of revised dates for action implementation*



- 9 At the time of reporting, 14 agreed actions are overdue. These relate to the following audits:
- ▲ Corporate health and safety
  - ▲ Climate
  - ▲ GDPR
  - ▲ Procurement compliance
  - ▲ Utilities management
- 10 Actions are categorised as overdue when the implementation date (either original or revised) has passed, and we have not had an adequate response from the action owner to confirm completion.
- 11 In our 16 July 2025 report to the committee, there were only three overdue actions. The main reason for the increase in overdue actions is that the revised implementation timescales for nine actions from the 2023/24 utilities management audit have now passed. These actions have been categorised as overdue until Veritau completes its follow-up audit in this area. For four of the overdue actions, the agreed timescales recently passed and responses have been received from officers but the follow up is in progress to clarify action taken addresses the risks or to obtain evidence before the action can be confirmed to be completed.
- 12 Figure 3, below, demonstrates that one action is overdue by up to three months from the agreed implementation date. The remaining 13 actions are overdue by between three and six months.

*Figure 3: Length of time actions have been overdue*



This report is public	
Counter Fraud Progress Report	
Committee	Accounts, Audit and Risk Committee
Date of Committee	19 November 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	10 November 2025
Report of	Assistant Director Finance (S151 Officer), Michael Furness

## Purpose of report

This report presents an update on counter fraud work undertaken so far in 2025/26.

### 1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the counter fraud progress report.

### 2. Executive Summary

- 2.1 The council's counter fraud service is delivered by Veritau. The counter fraud progress 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.

## Implications & Impact Assessments

Implications	Commentary
Finance	This is an information report on the progress of counter fraud activity between April and October 2025 and does not have any financial implications. The work carried out by Veritau is within budget. Kelly Wheeler, Finance Business Partner, 4 November 2025
Legal	There are no legal implications arising directly as a result of this report. The Appendix notes that active training is being provided and refers to our requirements under the Local Government Transparency Code 2015 to publish annual data in relation to counter fraud work. This report helps us to comply with these requirements. The report notes that the Council is actively pursuing measures to investigate and counter fraud and lists the number of incidents which have been reported.

	Denzil – John Turbervill Head of Legal Services, 10 November 2025			
<b>Risk Management</b>	There are no risk implications rising directly from this report. Celia Prado-Teeling Celia Prado-Teeling, Performance Team Leader 7 November 2025			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>				N/A
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Climate &amp; Environmental Impact</b>		X		
<b>ICT &amp; Digital Impact</b>		X		
<b>Data Impact</b>		X		
<b>Procurement &amp; subsidy</b>		X		
<b>Council Priorities</b>	This report supports the priorities set out in the 2025/26 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.			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	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 progress report in appendix 1 details counter fraud work undertaken between 1 April 2025 and 28 October 2025.

### 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 progress report. This is so that it can fulfil its responsibility for monitoring the counter fraud strategy, actions and resources. 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 Progress Report
Background Papers	None
Reference Papers	None
Report Author	Sarah Butler, Corporate Fraud Manager (Veritau)
Report Author contact details	<a href="mailto:Sarah.Butler@veritau.co.uk">Sarah.Butler@veritau.co.uk</a> 01904 554627

<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	Assistant Director Finance (Section 151 Officer) 10 November 2025
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# Counter Fraud Progress Report 2025/26

Date: 19 November 2025

APPENDIX 1

## CONTENTS

- 3 Background
- 3 Counter Fraud Management
- 4 Multi-Agency Work
- 4 Investigative Work





## 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 crime<sup>1</sup>. 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 detected<sup>2</sup>. Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 The Council engages Veritau to undertake counter fraud work on its behalf. We employ qualified criminal investigators to deliver a range of work that helps the authority prevent, detect, and deter fraud and related criminality. This includes officer training to help prevent fraud, proactive identification of issues through data matching exercises, and investigation of suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 This report provides the Accounts, Audit and Risk Committee with a summary of counter fraud activity undertaken by Veritau in 2025/26.



## COUNTER FRAUD MANAGEMENT

- 4 Veritau has continued to provide fraud awareness training across Cherwell District Council. Training was provided for all Members in September 2025. Fraud Awareness sessions have also been held with Revenues and Benefits officers, and HR colleagues. All staff have a responsibility to be aware of fraud and report any suspicion to the fraud team.
- 5 Veritau also liaised with colleagues in Parking Services, to share information about current scams. In mid-September, a member of the public contacted the fraud team as they had received a text message informing them that they had an unpaid Penalty Charge Notice (PCN) to pay. This is a national scam affecting all the councils Veritau works with. Cherwell, like other councils, does not issue PCNs via text message. The resident checked the Council's website and found information informing them that this was a scam, and so subsequently did not fall victim to it. Where our team becomes aware of these issues, we speak to relevant departments and provide information for the council's websites and communications teams.
- 6 The National Anti-Fraud Network (NAFN) shares fraud alerts across the local government counter-fraud community. Veritau ensures relevant council departments receive this critical information. Recent alerts from NAFN have included details of two bank accounts used by fraudsters who

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

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

impersonate trusted council suppliers to divert payments, and an individual using false documents to apply for Discretionary Housing Payments.

- 7 The Local Government Transparency Code 2015 requires councils to publish annual data on counter fraud work. Veritau provided officers with the relevant data for work completed in 2024/25 which the Council is required to publish.



## MULTI-AGENCY WORK

- 8 In May and July, the team represented the Council at liaison meetings between councils, the Public Sector Fraud Authority (PSFA), and Tom Hayhoe, the recently appointed Covid Counter-Fraud Commissioner. The government has now opened a voluntary repayment amnesty scheme, for those who fraudulently obtained Covid-19 business grant funding.<sup>3</sup> The counter fraud team is also working with the National Investigation Service (NATIS) who are continuing to investigate Covid-19 business grant scams which affected multiple local authorities during 2020-2022.
- 9 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. Since April 2025, the team has responded to 11 LAIEF requests.
- 10 In circumstances where a resident is awarded support by both the Council and DWP, the counter fraud team can jointly investigate fraud cases. One joint-investigation is in progress. This concerns an allegation that a resident has undeclared income and employment.



## INVESTIGATIVE WORK

- 11 The counter fraud team has received 88 referrals since 1 April 2025. These were received from sources including members of the public, council officers and data matching from the National Fraud Initiative (NFI).
- 12 Since 1 April, 16 investigations have been completed. This includes an investigation into a nine-year Single Person Discount claim. A resident had declared that they lived alone, however investigations showed that another adult had also been living at the address during this period. The counter fraud team has supported the council with two internal cases, where large datasets had to be reviewed, for example timesheet data. In both cases, investigation work identified no evidence of fraud or criminality.
- 13 Since 1 April 2025, the Council has raised overpayments of £25,750 to residents following fraud investigations. These were in respect of Council Tax Reduction and Council Tax discount investigations. This includes the outcome of a joint-working investigation with the DWP, where a resident had failed to declare that they had received a large inheritance.

<sup>3</sup> [www.gov.uk/government/news/covid-repayment-window-opens](https://www.gov.uk/government/news/covid-repayment-window-opens), HM Treasury, published 12 September 2025

This report is public	
External Audit Reports 2024/25	
<b>Committee</b>	Accounts, Audit and Risk Committee
<b>Date of Committee</b>	19 November 2025
<b>Portfolio Holder presenting the report</b>	Deputy Leader of the Council and Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
<b>Date Portfolio Holder agreed report</b>	6 November 2025
<b>Report of</b>	Assistant Director of Finance (Section 151 officer), Michael Furness

## Purpose of report

To receive two reports setting out the auditors' Audit Completion Report for 2024/25, the draft Annual Auditor's Report and a draft Letter of Representation.

## 1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the contents of the Audit Completion Report for 2024/25 from our external auditors, Bishop Fleming (Appendix 1 – to follow).
- 1.2 Note the contents of the draft Auditor's Annual Report for 2024/25 (Appendix 2)
- 1.3 Note the draft Letter of Representation for 2024/25 (Appendix 3)
- 1.4 Agree that, once the final audit opinion for 2024/25 is received, the Assistant Director Finance (S151 Officer), in consultation with the Chair of the Accounts, Audit and Risk Committee (or Deputy Chair in their absence), be authorised to make any further changes to the accounts agreed with the auditors and sign the accounts. Any further changes will be brought to the Committee's attention at its next meeting following the signing.
- 1.5 Agree that the Assistant Director of Finance, in consultation with the Chair of the Committee (or Deputy Chair in their absence), be authorised to make any further changes to the letter of representation agreed with the auditors that may arise during completion of the audit. Any further changes will be brought to the Committee's attention at its next meeting following the signing.

## 2. Executive Summary

- 2.1 The draft 2024/25 accounts were published in June 2025 and reported to the committee at its meeting in July 2025. The audit of the 2024/25 statement of accounts by the council's auditors, Bishop Fleming, began in August. The auditors, with the support of officers, have made good progress and both are confident that the accounts will be finalised by the backstop date for 2024/25 accounts stipulated by government of 27 February 2026 (please see Appendix 4 for frequently asked questions about the audit backlog and backstop dates).
- 2.2 The Letter of Representation is an important part of the audit process whereby the Council, via the Section 151 Officer provides representations around the operation of the Council that allows and helps the auditors to form their opinion as to whether the financial statements give a true and fair view. A draft of the letter for 2024/25 has been provided by the auditors and is found at Appendix 3.
- 2.3 The next meeting of the Accounts Audit and Risk Committee is in January 2026 but, as audit of the 2024/25 statement of accounts is very nearly ready to be finalised, the committee is asked to delegate authority to the S151 Officer and the Chair of the committee (or the Deputy Chair in the Chair's absence) to do so rather than wait until very near the backstop deadline.

## Implications & Impact Assessments

Implications	Commentary			
<b>Finance</b>	There are no finance implications arising directly from this report. Mary Denedo, Strategic Finance Business Partner, 11 November 2025			
<b>Legal</b>	The obligations in law are as set out in the report and there are no legal implications in connection with this report. Denzil Turbervill, Head of Legal Services 7 November 2025			
<b>Risk Management</b>	There are no risk implications arising directly from this report. Celia Prado-Teeling, Performance Team Leader, 6 November 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>		x		There is no impact to equality as a direct consequence of this report. Celia Prado-Teeling, Performance Team Leader, 6 November 2025
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that		x		N/A

could impact on inequality?				
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		N/A
<b>Climate &amp; Environmental Impact</b>				N/A
<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				N/A
<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>	N/A			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			

## Supporting Information

### 3. Background

- 3.1 The draft statement of accounts for 2024/25 were noted by the committee at its meeting in July 2025. At the September 2025 meeting the auditors gave a verbal update on the progress of the audit which had begun in August 2025 and was progressing well with no issues to report.

### 4. Details

- 4.1 External Audit undertakes its work in line with the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments Ltd and auditing standards.

- 4.2 The Audit Completion Report (Appendix 1 – to follow) summarises the audit conclusions, highlights the key findings arising from the auditors' work and details a number of points that they would like to discuss further with council officers. It sets out the methodology, approach and timescales that Bishop Fleming have taken in relation to undertaking the work required for the audit of the Statement of Accounts 2024/25.
- 4.3 Section 4 covers the areas of audit risk that were identified in the Audit Plan presented to the committee at its meeting in March 2025. There are currently no issues to report.
- 4.4 Section 5 covers audit adjustments between the published draft accounts and the expected final statement of accounts. Audit adjustments fall into three categories:
- Adjusted – currently none
  - Misclassifications – currently none
  - Unadjusted - There are currently two unadjusted items
  - Prior year unadjusted misstatements – listed but no impact on the 24/25 audit
- 4.5 The first Unadjusted item relates to a net understatement of the council's share of the Oxfordshire Pension Fund. This understatement was discovered during the audit of the Fund but has not been adjusted for in the council's accounts as it is not material.
- 4.6 The second Unadjusted item relates to the extrapolation of an error found during sampling of Housing Benefits. The value of the error is extrapolated across the entire Housing Benefits population and results in an indicative figure for potential error if the rate of error in the sample was consistent across the population. Because this is an indication of potential error and not actual error, no adjustment will be made, but it allows officers to review this area to ensure errors are minimised.
- 4.7 Section 6 covers internal controls. Several issues were raised with officers, all of which have now been resolved as confirmed by Section 8 of the Annual Report (Appendix 2).
- 4.8 The draft Auditor's Annual Report (appendix 2) summarises the work that they have completed for the council for the year ended 31 March 2025. The Draft Audit Opinion sets out the overall assessment of the Statement of Accounts produced. The draft opinion is a modified disclaimed opinion, which was expected due to the issues discussed in Appendix 2 in relation to the audit backlog. This opinion is not a reflection on the quality of the council's accounts but has arisen due to the auditors' inability to rely upon opening balances following the lack of substantial audit work undertaken on the 2022/23 accounts. This draft opinion is subject to completion of the outstanding matters laid out in Section 3.
- 4.9 Appendix 2 includes the auditor's assessment of our value for money in Sections 4 to 7 and is a positive opinion that Cherwell does deliver value for money. Section 8, as mentioned above, does not contain any management actions the auditors would like the council to address.

## **5. Alternative Options and Reasons for Rejection**

5.1 None.

## 6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is invited to note the two reports provided by the council's auditors as we approach the end of the audit. They are also invited to note the draft letter of representation and approve delegated authority to the S151 Officer and Chair of the committee to finalise the accounts as soon as possible.

### Decision Information

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

### Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Audit Completion Report 2024/25 (to follow)
<b>Appendix 2</b>	Draft Auditor's Annual Report 2024/25
<b>Appendix 3</b>	Draft Letter of Representation 2024/25
<b>Appendix 4</b>	Audit Backlog FAQ
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Joanne Kaye, Head of Finance (D151)
<b>Report Author contact details</b>	<a href="mailto:joanne.kaye@cherwell-dc.gov.uk">joanne.kaye@cherwell-dc.gov.uk</a> , 012952 21545
<b>Executive Director Approval (unless Corporate Director or Statutory Officer report)</b>	Report of Statutory Officer, Section 151 Officer

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## For the year ended 31 March 2025



Date: 11 November 2025

Members of the Accounts, Audit and Risk Committee  
Cherwell District Council  
39 Castle Quay  
Banbury  
OX16 5FD

Dear Sirs and Madams

**Cherwell District Council – Auditor's Annual Report 2024/25**

We are pleased to attach our draft Auditor's Annual Report for the financial year 2024/25. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

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

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

We would like to take this opportunity to thank the Council's officers for the co-operation and assistance afforded to us during the course of the audit.

Yours faithfully

**Bishop Fleming Audit Limited**

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DRAFT

# 1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Cherwell District Council (the Council) for the year ended 31 March 2025.

The Council is responsible for:

- keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control;
- the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them; and
- putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding and securing value for money from the public funds at its disposal.

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

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

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

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

In addition, we are also responsible for reviewing the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code requires us to report on the Council's arrangements under three specified reporting criteria:

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

We carried out our work in accordance with our Audit Plan which we issued to the Council in March 2025.

## 2. Executive summary

### Results from the audit of the financial statements

Our audit of the financial statements is currently in progress. We anticipate issuing a modified disclaimed opinion due to due to the lack of assurance over opening balances in 2023/24, resulting from the opinion on the 2022/23 financial statement being disclaimed by the previous auditor. See section 3 for more details.

On finalisation of the external audit, we will also complete the component auditor procedures, in line with the National Audit Office group auditor instructions for the work required on the Whole of Government Accounts return.

We have issued this report as draft as these procedures have not been finalised. We will issue a final version to confirm when both of these matters have been resolved.







### Results on our work on other matters

We completed our review of other matters and have no issues to report. See section 3 for more details.




### Results from our work on VFM arrangements

Under the Code, we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

Our conclusions are summarised below. See sections 4-8 for more details.

	2023/24	2024/25	
<b>Financial sustainability</b>			We did not identify any significant weaknesses in the Council's arrangements for financial sustainability.  We identified one improvement recommendation in 2023/24, which has now been resolved. See section 8 for details
<b>Governance</b>			We did not identify any significant weaknesses in the Council's governance arrangements.  We have also not made any recommendations.
<b>Improving economy, efficiency and effectiveness</b>			We did not identify any significant weaknesses in the Council's arrangements for improving efficiency, economy and effectiveness.  We have also not made any recommendations.

#### Key:

	Green - No significant weaknesses in arrangements identified and no recommendations made
	Amber - No significant weaknesses in arrangements identified but recommendations made
	Red - Significant weaknesses in arrangements identified and recommendations made

### 3. Audit of the financial statements

#### Audit opinion on the financial statements

The scope of our work is set in accordance with the Code and the International Standards on Auditing (ISAs) (UK). As stated in section 1 of this report, we are required to provide an independent opinion as to whether the financial statements:

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

Our audit is currently in progress. Subject to the satisfactory finalisation of the work, we anticipate issuing a disclaimed audit opinion due to the lack of assurance over opening balances in 2023/24, resulting from the opinion on the 2022/23 financial statement being disclaimed by the previous auditor.

#### Key issues arising from the accounts audit

The Council have reduced the interest rate on the loan to its subsidiary, Crown House Banbury. The Council needs to account for the below market rate element on the loan separately. This issue is still in progress at the time of drafting this report.

#### Other matters

As stated in section 1 of this report, we are also required to report to the Council, by exception, the following matters, if:

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

We concluded that there were no matters to bring to the Council’s attention in respect of these matters.

#### Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor’s responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We cannot formally conclude the audit and issue an audit certificate for Cherwell District Council for the year ended 31 March 2025 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code until we have confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

More detailed findings can be found in our Audit Completion Report which was reported to the Accounts, Audit and Risk Committee on 19 November 2025.

## 4. Value for Money

Under the Code, we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

The Code requires us to report our commentary on the Council's arrangements under three specified reporting criteria:

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

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criterion for the auditor to assess those arrangements.

Our initial risk assessment did not identify any potential risks of significant weakness.

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

Our commentary on the Council's arrangements in each of these three areas is set out in sections 5, 6 and 7 of this report. Our recommendations for improvement are included in section 8.



## 5. Financial sustainability

We considered how the Council plans and manages its resources to ensure it can continue to deliver its services, including how it:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

### Overview and 2024/25 outturn

The Council reported a surplus of £0.162m on the general fund in its 2024/25 outturn report to the Executive on 10 June 2025. This position was after a transfer to reserves of £2.020m, demonstrating a larger surplus having been achieved before the reserve transfers.

### Financial planning and monitoring

The Council maintains close oversight of its projected financial position throughout the financial year. Monthly monitoring reports are submitted to the Executive, providing updates on both revenue and capital performance. These reports draw attention to significant budget variances, offering clear explanations for the causes of these deviations and, when necessary, recommending actions to address any emerging issues.

The Medium-Term Financial Strategy (MTFS) was presented to the Council on 24 February 2024. This strategy outlined anticipated year-on-year funding shortfalls of £6.909 million in 2025/26, £4.924 million in 2026/27, £3.198 million in 2027/28, and a surplus of £0.862 million in 2028/29. Collectively, these figures represent a total funding gap of £14.137 million across the MTFS period.

When the budget for 2025/26 was set in February 2025, the MTFS was updated to reflect revised funding gaps of £4.946 million in 2026/27, £5.162 million in 2027/28, £5.325 million in 2028/29, and £0.937 million in 2029/30. The cumulative funding gap for this updated period stands at £16.370 million.

At present, the Council holds sufficient reserves to offset any projected future deficits. Work continues to identify and implement options that will close the budget gaps anticipated in the coming years, with opportunities for further income and efficiencies of an estimated £5.67m being refined and developed.

### Achieving efficiency savings

The Council's Budget Setting Report for 2024/25 included detailed plans to achieve savings totalling £1.807 million across its various directorates. A comprehensive breakdown of these savings schemes was appended to the main report, providing transparency and clarity regarding the specific measures proposed to deliver the required efficiencies.

To ensure effective oversight, the Council produces monthly monitoring reports which highlight, at the directorate level, any instances of non-delivery of planned savings where this has contributed to variances from the agreed budget. These reports serve as an early warning system, enabling prompt identification of issues and supporting timely intervention. In addition, a more in-depth report is submitted to the Corporate Leadership Team. This report includes a RAG (Red, Amber, Green) rating for each directorate, assessing the status of savings delivery and further strengthening the Council's monitoring arrangements.



In its Finance and Performance Monitoring end of year report, the Council recorded a shortfall in the delivery of planned savings amounting to £0.629 million for 2024/25. Notably, this non-delivery did not adversely affect the overall outturn position, as underspends in base budgets were sufficient to offset the shortfall. However, the failure to realise ongoing savings increases pressure on future years and may exacerbate the funding challenges outlined in the Medium-Term Financial Strategy.

In 2023/24 we reported that, while we felt the Council's arrangements for the monitoring of savings during the year were further developed than many other councils, they could be further enhanced if the savings achieved in the year were reported against the original detailed proposals. We included an improvement recommendation in respect of this, which the Council has actioned within its year end Finance and Performance Monitoring Report.

## **2025/26 financial planning**

The budget setting process commences with budget holders at the service level conducting a review of their performance in the preceding financial year. This reflective exercise enables each service area to assess its outcomes and identify any areas requiring adjustment or improvement.

Following this, budget challenge meetings are convened, where Finance and Human Resources (HR) staff collaborate closely with budget holders. These sessions are designed to rigorously examine service-level proposals and spending plans, ensuring that all assumptions and projections are robust and realistic.

A balanced budget for 2025/26 was formally approved by the Council on 24 February 2025. This budget incorporates planned savings and operational efficiencies totalling £1.375 million.

The financial planning assumptions underpinning the 2025/26 budget are directly informed by those set out in the Medium-Term Financial Strategy (MTFS). These assumptions, and any associated risks, are subject to thorough scrutiny as part of the financial planning process. Specifically, the Business Planning Meeting of the Executive and the Budget Planning Committee both consider these factors in detail, ensuring that the approach remains prudent and well-governed.

The Council ensures that its financial plans are fully aligned with its capital plans, fostering a joined-up approach to resource allocation and investment. Furthermore, workforce considerations are integrated throughout the process, with representation from Human Resources at budget challenge meetings. This ensures that staffing implications are given due regard and that the Council's workforce strategy is coherent with its financial objectives.

***Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's financial sustainability arrangements.***

## 6. Governance

We considered how the Council ensures that it makes informed decisions and properly manages its risks, including how it:

- monitors and assesses risk and how it gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

### Risk management

The Council's Risk Strategy clearly defines how risks are managed and reported within the Council. The current strategy dates from 2023/24 and was scheduled for review in 2024/25. Although this did not take place, we have noted that it is on the Accounts, Audit and Risk Committee work programme for the November 2025 meeting.

### Risk Reporting and Governance Structure

The Council has established a comprehensive system for risk reporting, which addresses strategic risks by clearly identifying the lead member, risk owner, and risk manager for each risk. Every risk is assessed and reported with a RAG (Red, Amber, Green) rating, indicating the level of concern or urgency. The reports also detail the inherent risk, describe the controls currently in place to mitigate those risks, and include any further commentary regarding ongoing risk management efforts.

To ensure timely oversight, the Performance, Risk and Financial Monitoring Report is submitted on a quarterly basis to the Executive and senior management. In addition, the Accounts, Audit and Risk Committee receives this report quarterly. As part of this process, any comments or updates relating to each risk are documented, with regular updates made to the risk register before a formal update is provided to the Council.

The Council's governance framework is structured around the Full Council and the Executive, with support from a range of Committees that each hold delegated responsibility for specific areas. This arrangement facilitates robust and direct channels of communication, ensuring that risks are reported efficiently and reliably to the appropriate bodies within the Council.

### Internal control

The Council's Internal Audit was provided by Veritau Limited in 2024/25, replacing Oxfordshire County Council. Veritau Limited were engaged from 1 May 2024 on an initial 6-month contract. On 1 November 2024 the Council became a member of Veritau Public Sector Limited (VPS) and entered into a long term contract for the delivery of internal audit services. VPS have a representative at each of the Accounts, Audit and Risk Committee meetings to present any findings. The Committee approves the Annual Internal Audit Work Plan and is provided with a progress report against the plan at each meeting.

Our review of the Internal Audit reports, along with review of the Accounts, Audit and Risk Committee minutes and supporting documents, has not identified any significant gaps in the assurance the Council receives over matters in the work programme.

Internal Audit reported their completed Head of Internal Audit opinion for 2024/25 to the Accounts, Audit and Risk Committee meeting on 28 May 2025. This concluded that the framework of governance, risk management and control at the Council provides reasonable assurance. The report noted two significant control weaknesses for consideration for inclusion in the Council's Annual Governance Statement (AGS). These related to the health and safety management system and the management of strategic site applications (Rutten Lane). We have confirmed that both of these issues are referenced in the AGS and are included in the action plan.

The Council's counter fraud was provided by Veritau Limited in 2024/25, under an initial 6-month contract from 1 May 2024, in line with their provision of internal audit services. On 1 November 2024 the Council became a member of Veritau Public Sector Limited (VPS) and entered into a long term contract for the delivery of counter fraud services. The Counter Fraud Work Programme was presented to the Accounts, Audit and Risk Committee in July 2024. There is a named Counter-Fraud lead for the Council who reports progress against the plan to the Committee.

The Accounts, Audit and Risk Committee's role is fundamental to how the Council ensures the overall effectiveness of internal controls. The Committee discharges this function appropriately by adhering to its terms of reference and challenging officers in relation to internal and external audit findings.

### **Budget setting and budgetary control**

Budgets are developed by identifying significant pressures, changes in funding, and expenditure anticipated by the Council. When developing the budgets, the most likely scenarios are used as the assumptions whilst alternative options are also considered and presented to the business planning meeting of the Executive. Proposed savings go out to a public consultation, with the Budget Planning Committee feeding back on the budget proposals, before the Executive propose the budget to Full Council. Once the budget has been set, budget holders sign up to accept responsibility of the budgets they are responsible for.

Monthly budget monitoring takes place, with budget holders being held responsible for their budgets providing mitigations for any variances. The monthly reports also contain relevant non-financial information to help to support any variances that are reported.

### **Decision making**

All reports presented to Council members undergo a rigorous approval process. Each report is reviewed and authorised by the Finance, Legal, Risk, and Sustainability departments, ensuring comprehensive oversight. The reports are prepared by the appropriate Directorate pertaining to their subject matter, and they include alternative options that have been considered as part of the decision-making process. This structured approach guarantees that formal decisions are subject to review by the Executive Committee prior to presentation to the full Council, thus aligning with recognised best practice.

We are satisfied that appropriate arrangements are in place to ensure that all relevant information is provided to decision makers before major decisions are made. In addition, there are established procedures that enable challenges to decisions before they are finalised, supporting transparency and accountability.

Senior officers foster an appropriate organisational culture, guided by the Council's constitution and the Employee Code of Conduct. These frameworks articulate the standards expected of officers, encouraging adherence to best practice principles. Notably, they require compliance with Nolan's Seven Principles of Public Life, which underpin ethical behaviour within the Council.

Attendance at the Accounts, Audit and Risk Committee meetings, as well as reviews of meeting minutes, have confirmed that the Committee actively holds officers and the Executive to account. The Committee provides robust and effective challenge, thereby reinforcing governance and strengthening accountability within the Council.

### **Ensuring appropriate standards**

We have been informed that there have been no instances of significant non-compliance within the year. Our review has corroborated this position, as we have not identified any matters that would suggest otherwise.

Treasury management decisions are made in accordance with the Treasury Management Strategy. This strategy undergoes an annual review by the Accounts, Audit and Risk Committee to ensure it remains robust and fit for purpose. Our work has not identified any evidence of non-compliance with capital or other statutory requirements.

The Council's Employee Code of Conduct, along with other specific policies, clearly sets out the expected standards of behaviour for all Council employees. Non-compliance with these standards is closely monitored by the Statutory Officers. In addition, the completion of mandatory training across relevant topics is enforced to ensure that all employees are fully aware of their responsibilities.

The Council has implemented a range of appropriate policies and procedures aimed at maintaining high standards of conduct. These include, but are not limited to, the Counter Fraud and Corruption Policy, as well as the Gifts and Hospitality Policy.

Elected Members' declarations of interest are made publicly available alongside each member's contact details. These declarations comply with all relevant regulations and are aligned with the expectations set out in the Local Government Association (LGA) model Code of Conduct. Furthermore, arrangements are in place for declarations of interest to be made at the commencement of all formal Council and Committee meetings.

We are satisfied that the Council has appropriate arrangements in place to monitor compliance with legislation and regulatory requirements.

***Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's governance arrangements.***

## 7. Improving economy, efficiency and effectiveness

We considered how the Council uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

### Assessing performance and evaluating service delivery

The Council systematically reports its performance against established priorities to the Executive on a quarterly basis. This is achieved through the Finance, Performance and Risk Monitoring Report, which provides the Executive with a comprehensive assessment of progress in delivering key priorities, proactive risk management, and financial stewardship. The report closely monitors the underlying reasons for any movements in performance, enabling the identification of areas requiring improvement. Where necessary, recommendations are made to support continuous enhancement.

To ensure robust performance evaluation, the Council utilises a range of local benchmarking tools, including the LGA's LG Inform and the Local Insight platform. The Council also use local networks to benchmark their performance against local councils to identify key areas of focus for the improvement of services. The Council demonstrates clear collaboration with neighbouring councils, working collectively to raise overall performance standards.

The most recent LGA Corporate Peer Challenge, conducted in December 2022, identified several areas for improvement and provided guidance on the strategic approach to be adopted. A follow-up progress review by the LGA in February 2023 recognised the positive progress made by the Council, confirming its active engagement in the improvement process.

There is evidence that the Council reviews and challenges the cost effectiveness of activities through its performance management framework. It has started a transformation process, with a review of Environmental Services taking place in 2023. The review considered the current service delivery, including the cost, productivity and performance and then provided alternative delivery models. Some recommendations coming out of the review were included in the 2024/25 budget consultation, with others being consulted on for implementation during the Medium-Term Financial Strategy period. The Council is working with West Oxfordshire District Council, Oxford City Council and Oxfordshire County Council to develop a joint waste approach to bring down the cost of waste collection.

For the 2025/26 budget setting process, the Council introduced a systematic approach to assessing possible alternative service levels and their associated costs. These ranged from the statutory minimum to current and enhanced service options. Each alternative was reviewed and discussed by dedicated panels to determine the most appropriate service level moving forward.

The Accounts, Audit and Risk Committee receives regular recommendations from Internal Audit via progress reports. These reports include tracking the target implementation dates for outstanding recommendations. Internal Audit maintains ongoing communication with Assistant and Corporate Directors through monthly email updates, detailing all open recommendations to ensure timely follow-up on any delays in implementation. The Council has demonstrated strong evidence of effectively implementing both internal and external audit recommendations.

### Partnership working

The Council has implemented robust governance structures to ensure effective oversight and management of its principal partnership initiatives. Among these, the Bicester Garden Town project stands out as a significant collaborative endeavour involving Oxfordshire County Council, Homes England, developers, and a range of other stakeholders. This partnership is tasked with the coordinated development of the Garden Town area.

To maintain consistent and strategic direction, a monthly Officer Programme Board (OPB) has been established. This board comprises officers from both Cherwell District Council and Oxfordshire County Council who work together to manage the progress of the project. In addition to this, the Strategic Oversight Partnership (SOP) provides a further layer of governance and scrutiny. The SOP includes elected members from Cherwell District Council, Bicester Town Council, and the County Council, as well as representatives from stakeholder organisations such as Homes England and the Oxford Local Enterprise Partnership. Officers involved in the delivery aspects of the project also attend these meetings, ensuring that operational perspectives inform strategic decisions. These arrangements collectively demonstrate the Council's commitment to closely monitoring and managing its partnership work.

The Council also oversees subsidiary companies, namely Graven Hill Village Holdings Ltd and Crown House Banbury Ltd, each of which maintains its own associated subsidiaries. These companies are required to report on a quarterly basis to the Shareholder Committee. Through these regular reports, members of the Committee are kept informed about the performance of the companies, specifically regarding their progress against the objectives set out in their respective business plans. This process ensures transparency and alignment with the Council's strategic aims.

### **Commissioning and procuring services**

The Council's Procurement Strategy was approved in October 2023. To support officers in carrying out procurement activities effectively and in compliance with legal and policy standards, comprehensive guidance, procedures, and templates are readily available. These resources ensure that all procurement processes are conducted to a high standard. In May 2025, the Contract Procedures Rules were updated to maintain alignment with current policies and new legislative requirements.

Oversight of procurement activities is jointly managed by the Council's legal services and procurement teams. This collaborative approach ensures that all procurement exercises adhere strictly to the relevant laws and established procedures. Officers undertaking procurement activities have access to a dedicated SharePoint site, which serves as a central repository for guidance, procedures, and templates. This resource is utilised across the organisation to support consistent and compliant procurement practices.

There have been no identified instances, nor have any been reported, of the Council failing to conduct a fair procurement exercise in relation to significant contracts.

The Council has robust arrangements in place for monitoring the performance of its service providers, taking prompt action to resolve any issues as they arise. This commitment to active contract management is exemplified by the oversight of the leisure centre operating contract with Parkwood Leisure.

Performance monitoring for this contract includes monthly reporting and regular meetings between the Council and the service provider. These meetings involve the review of key performance indicators, discussion of any construction-related matters, and consideration of customer feedback. This process ensures that the service provided meets the required standards and that any areas of concern are addressed proactively.

***Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's arrangements for improving economy, efficiency and effectiveness.***



## 8. Recommendations

### KEY:



Red - Recommendations that refer to issues that have resulted in a significant weakness in the Council's arrangements.



Amber - Recommendations that should improve the arrangements in place at the Council but are not as a result of identifying a significant weakness.

### Current Year Issues

No current year issues were identified.

### Prior Year Issues – Resolved

Reporting of financial savings	
<p>The supporting papers for the 2023/24 budget included a schedule detailing the proposed saving schemes. The monitoring and reporting of savings achieved are at Directorate level and do not set out the details of which savings were achieved compared to the budget.</p>	<p><b><u>Recommendation</u></b></p> <p>The reporting of savings achieved in the year could be further enhanced by reporting the outturn position against the original proposed savings schemes within each directorate that were included in the budget.</p> <p><b><u>Management comment</u></b></p> <p>The council does currently include high level reporting on savings delivery/non-delivery in the monthly finance reports to Executive at the directorate level and, where relevant, in the detailed revenue narratives explaining forecast variance to budget. However, we recognise that there is room to improve the clarity and granularity that is reported to members and will explore how the reporting could be improved.</p> <p><b><u>2024/25 update</u></b></p> <p>The Finance and Performance Monitoring Report for the 2024/25 outturn included details of the savings achieved against the previously approved position, with a detailed appendix setting out the reasons for any savings that were not achieved.</p>



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Our Ref: Audit 2024/25

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Dear Sirs

**Cherwell District Council**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

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

**1. General**

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

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

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

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

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

## **2. Internal control and fraud**

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

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

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

## **3. Assets and liabilities**

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

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

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

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

## **4. Accounting estimates**

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

## **5. Legal claims**

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

## **6. Laws and regulations**

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

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

## **7. Related parties**

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

## **8. Subsequent events**

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

## **9. Going concern**

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

## **10. Annual Governance Statement**

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

## **11. Narrative Report**

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

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

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

Yours faithfully

.....  
Signed on behalf of the Accounts, Audit and Risk Committee of Cherwell District Council

[Date]

## Appendix

### Unadjusted items

The table below provides details of adjustments identified during the 2024/25 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Cherwell District Council's share of the net understatement of pension fund assets reported by the auditor of Oxfordshire Pension Fund.			245	245
Extrapolated error – Our testing identified one housing benefit case where full benefit had been awarded, which was not supported by the evidence held by the Council.		687		687
<b>Total</b>				

# Audit Committee Update

Helping audit committees to be effective

**Issue 41**  
**December 2024**

**The local audit backstop – key questions answered for audit committee members**

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## Introduction

Dear audit committee member,

Welcome to the latest issue of Audit Committee Update from the [CIPFA Better Governance Forum](#). This resource aims to support audit committee members in their role by helping to keep them up to date.

In this issue, we consider the local audit backstop arrangements for English authorities. We explain key terms, what is happening and when, and how audit committees can help.

I hope you will find this issue interesting and helpful in your work on the committee.

Best wishes.

**Diana Melville**

CIPFA Better Governance Forum

## Sharing this document

Please circulate this briefing widely to your organisation's audit committee members and colleagues. It can also be placed on an intranet.

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This issue is open to all, but other issues of Audit Committee Update are restricted to the organisations that subscribe to the Better Governance Forum.

## Receive our briefings directly

A link to this briefing will be included in the CIPFA Better Governance Forum subscribers' newsletter. It can then be shared with that organisation's audit committee members.

If you have an organisational email address (for example, [jsmith@mycouncil.gov.uk](mailto:jsmith@mycouncil.gov.uk)), then you will also be able to register on our website and download any of our guides and briefings directly. To register, please visit [cipfa.org/register](https://cipfa.org/register).

# Local audit backstop

## Frequently asked questions

This article will help audit committee members understand the changes to internal audit standards and the transition your team will be making.

### What are the key facts we need to know?

The backstop dates are a nationwide measure to address the backlog of incomplete audits of financial statements across local government in England.

They have been introduced as a way to reset the system and assist a return to a regular process of timely audit and publication of financial statements.

How your authority is affected depends on how many financial years' statements are outstanding.

The key dates are as follows:

Financial year	Statutory backstop date
2022/23 and before	13 December 2024
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

### As an audit committee what should we be doing?

Understand the current position and how it affects your authority, including:

- How many years' statements are affected?
- What is the current position for each one?
  - Has the unaudited (draft) statement been signed off by your CFO as ready for audit?
  - Are there other matters to take into consideration – for example, an unresolved legal case?
  - What does the auditor plan to do and when?

Then see what this means for the audit committee in reviewing the accounts, receiving the audit report and discussing progress with the finance team and the auditors.



## What do our finance teams need to be doing?

The finance team's primary responsibility is to prepare the financial statements in accordance with professional standards to meet the deadlines. As a part of this process, it is important for them to prepare the necessary working papers to support the statements, as these will be needed as evidence by the auditors.

If the team has prepared financial statements to the required standards, meeting the deadline and ready for audit, then they have achieved one key responsibility. They will then need to support the audit by answering questions and providing evidence to the auditor.

## What do your auditors need to do?

Auditors are contracted to undertake the audit to professional audit standards and in accordance with the Code of Audit Practice. That will not change, but there have been some revisions made to the code to accommodate the backstop dates.

The auditor will set out the plans and timetable – critically, can they complete the audit in time for the backstop date? This will depend to some extent on how ready the organisation is for the audit and to some extent on the resources available within the audit firm, but largely it will be constrained by the tight deadlines imposed by the statutory backstop dates. These factors will vary from firm to firm and from organisation to organisation, and it may change as the audit progresses. Regular communication is essential, so you know the up-to-date position.

## What happens at the backstop date?

By this date at the latest, the accounts must be published with the opinion of the auditor. Ideally the audit will be completed and an unmodified opinion provided, but if this cannot be achieved in time, the auditor will issue a modified opinion.

## What does a modified opinion mean?

Audit opinion	Description
Unmodified	This is the best possible outcome. It means the auditor obtains sufficient evidence to support a view that the financial statements are materially accurate and fairly represent the audited body's financial situation.
Qualified	This is problematic. The auditor has material concerns either because of not being able to gather sufficient evidence or finding evidence that suggests material error. However, the effect on the financial statements is contained in specific areas and is not widespread.
Disclaimer of opinion	This is more problematic than being qualified, reflecting a larger-scale lack of evidence – for example, due to time constraints imposed by the backstop dates – which means that the auditor

	cannot provide an opinion. The possible effects on the financial statements of undetected misstatements could be both material and widespread.
Adverse opinion	Normally considered the worst-case scenario. The auditor does have sufficient evidence, but it suggests that material misstatements exist that undermine the reliability of the financial statements as a whole.

## Will we still get a proper audit of the financial statements?

Auditors must still follow the professional standards and deliver good audit quality, so the work they undertake will still be to those standards. However, if the full audit is not completed, then some areas may not be fully audited. When the auditor issues the opinion, they must provide an explanation for why a modified opinion has been issued.

## Will it damage our ability to borrow or invest?

It is difficult to say for sure, but CIPFA are aware that this is a concern of many authorities. As we expect a large majority of English councils to be affected, the matter should be understood by stakeholders as a widespread issue.

## How do we explain to the public or our stakeholders why we have received a modified opinion?

A local authority is accountable to its local community and its stakeholders, so it is right that it takes steps to explain how it is affected by the backstop and why.

Audit committees should encourage clear accountability and communications.

Authorities should explain the national position but also be clear about any local issues that have contributed. The auditor's report should explain clearly the reasons – this provides some independent assurance to the public.

## We are concerned that our auditors will issue a modified opinion – what can we do about it?

Talk to your audit engagement lead to understand why they think the auditors will be issuing a modified opinion. If it is because of delays that your organisation is responsible for, then you can speak to your finance teams to try and resolve the issues. If it is due to factors at the firm, or that the backstop dates are simply too close to allow the audit to be completed to the required standard, then that may be more difficult to resolve.

## Who can we go to nationally with our concerns?

It is unlikely that the system partners will be able to resolve individual cases, but they are monitoring the national system and will raise concerns with firms.

- Public Sector Audit Appointments (PSAA) is responsible for monitoring audit contracts.
- Financial Reporting Council (FRC) is responsible overall for audit quality.
- MHCLG is the sponsoring department for local government and has introduced the backstop dates.

## Will we get a reduction in fees?

[PSAA](#) set the fees nationally and have a national process to deal with audits under the backstop. It is not possible to say what the impact on fees is for each authority, as any variation in fees will take into account actual audit work completed. Over the whole period, more audit work might be needed by the auditors to restore assurance.

PSAA is responsible for setting audit fees and agreeing fee variations for authorities opted in to the appointment of their auditors.

## What does a modified opinion mean for the audit of 2024/25 financial statements?

Financial year	Opinion on the statements	Basis
2023/24	Disclaimer	<p>The auditor has begun limited work to rebuild assurance ahead of the 2023/24 backstop date. They have not obtained sufficient evidence to have reasonable assurance over closing balances.</p> <p>The auditor does not have assurance over the brought forward balances from 2022/23 (the opening balances). This means they do not have assurance over the in-year movements. They also do not have assurance over the comparative prior year movements.</p> <p>The auditor judges the lack of evidence over these movements and balances and so cannot conclude that the accounts are free from material and pervasive misstatement of the financial statements. Therefore, they disclaim their audit opinion at the backstop date.</p>
2024/25	Disclaimer or qualified (except for)	<p>The auditor has obtained sufficient evidence to have assurance over closing balances in 2024/25.</p> <p>The auditor does not have assurance over brought forward balances that were deprioritised on the 2023/24 audit. This means they do not have assurance over all in-year movements. They also do not have assurance over the comparative prior year movements.</p>

		The auditor judges the lack of evidence over these movements and balances and so cannot conclude that the accounts are free from material and pervasive misstatement of the financial statements. Therefore, they disclaim their audit opinion at the backstop date.
2025/26	Qualified (except for)	The auditor has assurance over the opening and closing balances plus in-year movements.  The auditor does not have assurance over the comparative figures. The auditor judges that this means there could be material but not pervasive misstatement and will need to qualify their opinion for 2025/26 by limiting its scope to not provide assurance over the comparative figures.
2026/27	Unqualified	The auditor has assurance over opening balances, closing balances, in-year movements and prior year comparatives. The auditor can therefore issue an unmodified opinion.

While the table sets out how auditors might approach the rebuilding of assurance, all audit engagements are different, and local circumstances will influence the extent to which the aspiration can be met. This means that while rebuilding may happen faster in some cases if circumstances allow, it may also take longer. Additionally, the recovery to an unmodified opinion may follow a different trajectory in some cases – for example, where modified opinions or disclaimers are not solely as a result of backstop date publication requirements, where disclaimers have been issued for several years, or where there are complex technical accounting issues to resolve.

The audit committee should ask their auditor to explain the work they will be doing during the recovery and what steps the finance team can take to play their part.

Does a modified opinion mean that we have less assurance over the robustness of our financial systems and the management of our finances?

The audit opinion is an important source of assurance. It is issued in accordance with professional standards and is independent, so a modified opinion does provide less assurance. However, the audit report should highlight causes of concern to you. Auditors are also recommended to issue recommendations at an early stage, so if they find weaknesses in your financial systems, they must highlight these to you.

You will also have other sources of assurance:

- Has internal audit provided assurance over financial systems?
- Does the organisation comply with CIPFA's Financial Management Code?
- What assurance does the CFO provide in the narrative report?

If there are areas of concern, ask how these are being addressed.

## What about the annual governance statement (AGS)?

The AGS must follow the same timetable as the financial statements and so must be published by the backstop date. This should still be a key source of assurance to you on the strength of your internal control arrangements.

Ask about the assurance that underpins it and if it contains any actions to improve internal control.

## What about the auditors work on value for money? Will we still receive a report from them?

Yes, auditors must still consider the authority's arrangements for value for money and report their conclusions to the authority. Reporting may be slightly changed during the backstop period, but this source of assurance will still be in place.

## Given this is a national problem, what is being done to sort it out? Who is being held to account?

Nationally, the Public Accounts Committee is monitoring the situation and has already issued reports. They hold MHCLG to account and have heard evidence from FRC, PSAA, the National Audit Office, CIPFA, the LGA, and local audit firms.

The FRC will monitor the work of audit firms as part of their audit quality role. They may censure firms who are not working appropriately to restore assurance and a return to normal.

The system partners are also taking steps to reform the local audit system. CIPFA has developed its Diploma in Local Audit to support the training of auditors in local audit. Other work is underway by the FRC as system leader to encourage firms to expand their local audit workforce and address the shortfall in auditors. CIPFA is also working to help ensure there is no return to the backlog. We have also established the Better Reporting Group to recommend practical measures that improve the value of local authority accounts to users.

MHCLG will also be monitoring whether both audit firms and authorities meet the backstop requirements and will publish any concerns. They have indicated they will post a list of any authorities that have not complied with these backstops, and which are not eligible for the limited list of exemptions.

## What implications does this have for our authority?

While finance teams are working on the statements and liaising with auditors, their resources aren't available for other work such as budget preparations and working with service teams, so this issue needs to be resolved for everyone's benefit.

Until the backlog of financial statements is resolved and recovery achieved, there will be an additional draw on the finance team's resources, and expected assurance from the financial statements will not be in place.

## Accessing training and networking opportunities

CIPFA would encourage audit committee members to access any available training and networking opportunities. Regional forums for audit committee chairs have been established with assistance from the Local Government Association (LGA) and Welsh Local Government Association (WLGA), and each of these is running a programme of meetings and training events. CIPFA has been happy to speak at a number of these sessions already, and we will support where we can.

CIPFA's training webinars are listed below, and in-house training delivered locally or by webinar is also available.

### Webinars and training for audit committee members from CIPFA

#### Introduction to the knowledge and skills of the audit committee

The role and responsibilities of the audit committee and key aspects of the terms of reference.

#### Understanding local authority accounts for councillors

A webinar to support the review of the financial statements.

#### Update for police audit committee members

This webinar is suitable for members of the joint audit committees supporting police and crime commissioners (PCCs) and chief constables.

#### Update for local authority audit committee members

Full programme details and booking information for webinars will be [available on the CIPFA website](#). Webinars are usually published about eight weeks in advance, but enquiries can be sent to [customerservices@cipfa.org](mailto:customerservices@cipfa.org) at any time.

### In-house training for your audit committee

In-house training, webinars and guidance tailored to your needs are available. Options include:

- key roles and responsibilities of the committee
- effective chairing and support for the committee
- working with internal and external auditors
- Internal audit standards and the governance of internal audit (Code)
- corporate governance
- strategic risk management
- value for money
- fraud risks and counter fraud arrangements

- reviewing the financial statements
- assurance arrangements
- improving impact and effectiveness.

## Assessing the effectiveness of the audit committee

We can also undertake an effectiveness review of the committee, providing feedback on areas the committee can improve on and supporting the development of an action plan.

For further information, email [diana.melville@cipfa.org](mailto:diana.melville@cipfa.org) or visit the CIPFA website for [further details on our support for audit committees](#).


## Previous issues of Audit Committee Update

Subscribing organisations can download all the previous issues from the [CIPFA Better Governance Forum](#) website. Click on the links below to find what you need.

Principal content	Link
<b>Please note the content from some earlier issues has been replaced by more recent issues and so they are not listed below.</b>	
<b>Issues from 2012</b>	
Commissioning, procurement and contracting risks	<a href="#">Issue 8</a>
Reviewing assurance over value for money	<a href="#">Issue 9</a>
<b>Issues from 2015</b>	
What makes a good audit committee chair?	<a href="#">Issue 16</a>
The audit committee role in reviewing the financial statements	<a href="#">Issue 17</a>
<b>Issues from 2016</b>	
Delivering good governance in local government: framework (2016), appointing local auditors	<a href="#">Issue 19</a>
CIPFA survey on audit committees (2016)	<a href="#">Issue 20</a>
The audit committee and internal audit quality	<a href="#">Issue 21</a>
<b>Issues from 2017</b>	
Developing an effective annual governance statement	<a href="#">Issue 22</a>
<b>Issues from 2018</b>	
Developing an effective annual governance statement	<a href="#">Issue 25</a>
<b>Issues from 2019</b>	
Focus on local audit, National Audit Office report on local authority governance	<a href="#">Issue 27</a>
The audit committee role in supporting counter fraud and anti-corruption	<a href="#">Issue 28</a>
CIPFA statement on the role of the head of internal audit, external audit arrangements for English local government bodies	<a href="#">Issue 29</a>
<b>Issues from 2020</b>	
CIPFA Financial Management Code, responding to the Redmond Review: results of CIPFA's survey on audit committees	<a href="#">Issue 30</a>



Compendium edition: reviewing the audit plan, self-assessment and improving effectiveness, developing an effective annual governance statement and focus on local audit	<a href="#">Issue 31</a>
The head of internal audit annual opinion for 2020/21, the Redmond Review: issues for English audit committees	<a href="#">Issue 33</a>
<a href="#">Issues from 2021</a>	
The annual governance statement for 2020/21, local auditors and internal audit working together	<a href="#">Issue 34</a>
Supporting improvements to risk management arrangements, defining the relationship between the audit committee and the scrutiny function, new consultation on local audit and audit committee arrangements	<a href="#">Issue 35</a>
<a href="#">Issues from 2022</a>	
New CIPFA guidance on audit committees in local authorities and police, Internal audit: untapped potential	<a href="#">Issue 36</a>
<a href="#">Issues from 2023</a>	
Assessing audit committee effectiveness	<a href="#">Issue 37</a>
Financial risk and the audit committee, the audit committee role in internal audit standards	<a href="#">Issue 38</a>
<a href="#">Issues from 2024</a>	
Assurance and the audit committee	<a href="#">Issue 39</a>
Oversight and support of internal audit – the role of the audit committee	<a href="#">Issue 40</a>



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12/2024

This report is public	
Risk Monitoring Report Quarter 2 2025-26	
<b>Committee</b>	Accounts, Audit & Risk Committee
<b>Date of Committee</b>	19 November 2025
<b>Portfolio Holder presenting the report</b>	Portfolio Holder for Corporate Services, Councillor Chris Brant
<b>Date Portfolio Holder agreed report</b>	20 October 2025
<b>Report of</b>	Assistant Director Finance (S151 Officer), Michael Furness

## Purpose of report

To update the committee on how well the council is managing its Strategic Risks.

## 1. Recommendations

The Accounts, Audit & Risk Committee resolves:

- 1.1 To note the Risk Monitoring Report for Quarter 2 2025-26.

## 2. Executive Summary

- 2.1 The Leadership Risk Register is reviewed by the Corporate Leadership Team and Executive Committees every quarter; however, this is a live document and therefore is updated as and when required, to manage risk effectively.

## Implications & Impact Assessments

Implications	Commentary
<b>Finance</b>	There are no financial and resource implications arising directly from this report. Michael Furness, Assistant Director of Finance, 23 October 2025
<b>Legal</b>	Appendix 1 to this report highlights identified areas of legal and governance risk which are monitored on an on-going basis. There are no legal implications arising directly from this report. Denzil – John Turbervill, Head of Legal Services, 23 October 2025
<b>Risk Management</b>	This report contains a full update with regards to the council's risk position at the end of Quarter 2 2025-26. Celia Prado-Teeling, Performance Team Leader, 6 October 2025

<b>Impact Assessments</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equality Impact</b>		x		There are no direct equalities and inclusion implications because of this report.  Celia Prado-Teeling, Performance Team Leader, 06 October 2025
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
<b>B</b> Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?		x		
<b>Climate &amp; Environmental Impact</b>		x		
<b>ICT &amp; Digital Impact</b>		x		
<b>Data Impact</b>		x		
<b>Procurement &amp; subsidy</b>		x		
<b>Council Priorities</b>	Not applicable			
<b>Human Resources</b>	Not applicable			
<b>Property</b>	Not applicable			
<b>Consultation &amp; Engagement</b>	Not applicable			

## Supporting Information

### 3. Background

- 3.1 The Council conducts regular reviews to identify risks at the earliest opportunity so that it can assess and mitigate them as soon as possible.
- 3.2 Risks that may affect the Council's performance, and particularly, in its ability to deliver its corporate priorities, are captured in its Leadership Risk Register.

### 4. Details

- 4.1 The Council maintains a Leadership Risk Register, which contains Strategic risks that could be significant in size and duration and could potentially impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities. The Leadership Risk Register is reviewed quarterly by the Corporate Leadership Team; however, this is a live document that gets updated as and when required.
- 4.2 Please note risk deemed as high (L01) and medium (L03, L04, L05, L09, L10, L13, L14, L16 and L17) present higher scores, mostly due to the magnitude of the impact these events could have for the organisation, mitigating actions are in place across them all to reduce the potential severity of the impact, and controls are established to prevent the probability of the risk event happening.
- 4.3 There was one score change within the Leadership Risk Register during Quarter 2, L05 - Planning Applications for Major Development decreased its score from 16 (high) to 12 (medium). The overall position at the time of running this report (06/10/2025) of all Leadership risks is as follows:

		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L10		
	4 - Major		L08-L11	L03-L09-L13-L14-L16	L01	
	3 - Moderate		L06-L07-L12	L02-L15	L05-L17	L04
	2 - Minor					
	1 - Insignificant					

Figure 1: Risk scorecard showing the risk scores in the Leadership Risk Register for Quarter 2 2025-26

The full Leadership Risk Register is attached in Appendix 1.

### 5. Alternative Options and Reasons for Rejection

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

Option 1: No alternative options have been identified as this report is for information only.

## 6 Conclusion and Reasons for Recommendations

- 6.1 This report provides an update on how well the council is managing its Strategic Risks as at the end of Quarter 2 of financial year 2025-26.

### Decision Information

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

### Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Leadership Risk Register Quarter 2 2025-26
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Celia Prado-Teeling, Performance Team Leader
<b>Report Author contact details</b>	<a href="mailto:celia.prado-teeling@Cherwell-dc.gov.uk">celia.prado-teeling@Cherwell-dc.gov.uk</a>
<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	Michael Furness, Assistant Director – Finance, on behalf of Stephen Hinds, Executive Director- Resources, 23 October 2025

Appendix 1 – Leadership Risk Register as at 06/10/2025

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	Good Housekeeping - may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L10		
	4 - Major		L08-L11	L03-L09-L13-L14-L16	L01	
	3 - Moderate		L06-L07-L12	L02-L15	L05-L17	L04
	2 - Minor					
	1 - Insignificant					

Risk Definition	
Leadership	Strategic risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities
Operational	Risks to systems or processes that underpin the organisation’s governance, operation and ability to deliver services

Name and Description of risk	Potential impact	Inherent (gross) risk level (before)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
<b>L01 - Financial resilience</b> – Failure to plan for and/or react to external financial impacts, new policy and increased service demand. Poor investment and asset management decisions.	Reduced medium and long term financial viability	4	4	16	Medium Term Revenue Plan updated and reported regularly to members.	Fully	Councillor L.McLean	Michael Furness	Joanne Kaye	4	4	16	↔	This continuous process will include reviewing budget monitoring, active budget management, and reflection of economic and Local Government sector trends in the MTFS. Wherever possible, policy decisions impacting on the MTFS will be taken as soon as possible, rather than waiting until the February Council meeting which sets the annual budget. This will allow officers to be ready to implement, or have implemented, policy decisions which will maximise positive impacts on the budget.	Full risk review carried out, controls and mitigating actions updated	Risk reviewed on 30/09/2025
	Reduction in services to customers				Planning for balanced medium term and dynamic ability to prioritise resources.	Fully								The budget for 2025/26 was agreed with savings proposals identified to contribute to addressing forecast reductions in funding. Close monitoring of the delivery of the savings programme will take place throughout 2025/26 with mitigations required if slippage is identified. The budget and transformation process for 2026/27 began in May 2025 and has involved a robust review of current budgets, how those link to activity supporting the corporate priorities, and services level options to allow for prioritisation of resources. Consultation on Fairer Funding 2.0 was launched in July 2025. This provided some indications of the potential impact on the council, but the full impact will not be known until late November 2025. In the meantime the council continues to lobby the government, contribute to the District Council Network's response and to work with government as part of the MHCLG Implementation Working Group.		
	Increased volatility and inability to manage and respond to changes in funding levels				Finance team made up of highly professional, competent, qualified staff.	Partially								Integration and continued development of Performance, Finance and Risk reporting.		
	Reduced financial returns (or losses) on investments/assets such as in subsidiaries.				Good networks established locally, regionally and nationally to ensure officer are aware of developments across the sector which could impact on the council.	Fully								Internal Audits being undertaken for core financial activity and capital as well as service activity.		
	Inability to deliver financial efficiencies.				Strong shareholder function and relationships with subsidiaries to manage investment risk.	Fully								Introduction and implementation of an Asset Management Strategy.		
	Exposure to commercial pressures in relation to regeneration projects.				To be prudent, financial returns from the subsidiaries are not included in the MTFS until they are reasonably assured to materialise.	Partially								Capital & Investment Strategy agreed annually.		
	Poor customer service and satisfaction.				National guidance interpreting legislation available and used regularly.	Fully								Posts are filled by appropriately qualified individuals.		
	Increased complexity in governance arrangements.				Progress regeneration plans in a coordinated manner. Participate in Oxfordshire Treasurers' Association's work streams.	Fully								Regular involvement and engagement with colleagues across the county and nationally. The potential for local government reorganisation (devolution/unitarization) has been noted but as yet the potential impact on the council is unknown. Officers will continue to monitor the discussions at local and national levels. The council has submitted its response to the long awaited consultation on Fairer Funding 2.0. The governments response to the consultation is expected late November 2025.		
	Lack of officer capacity to meet service demand.				Review of best practice guidance from bodies such as CIPFA, LGA, SDCT, DCN and NAO.	Fully								Regular member training and support.		
	Lack of financial awareness and understanding throughout the council.				Treasury management and capital & Investment strategies in place and updated at least annually. Regular financial and performance monitoring in place.	Fully								Regular utilisation of advisors as appropriate.		
	Increased inflation in the costs of capital schemes.				Independent third party advisers in place. Regular bulletins and advice received from advisers. Property portfolio income monitored through financial management arrangements on a regular basis.	Fully								Summarise and distribute announcements to CLT and members.		
	Increased inflation in revenue costs.				Asset Management Strategy in place and embedded.	Fully								Timely and good quality budget management reports, particularly property income and capital.		
					Transformation Programme in place to deliver efficiencies, prioritise resources, link to strategic priorities and increased income in the future.	Partially								Work is underway to maximise the impact of the available space in Banbury town centre.		
<b>L02 - Statutory functions</b> – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	Legal challenge	3	4	12	Embedded system of legislation and policy tracking In place, with clear accountabilities, reviewed regularly by Directors.	Partially	Councillor Brant	Stephen Hinds	Shiraz Sheikh	3	3	9	↔	Ensure Committee forward plans are reviewed regularly by senior officers.	No change as at Q1 25/26	Risk reviewed on 28/07/2025
	Loss of opportunity to influence national policy / legislation				Clear accountability for responding to consultations with defined process to ensure Member engagement	Fully								Ensure Internal Audit plan focusses on key leadership risks.		
	Financial penalties				National guidance interpreting legislation available and used regularly	Fully								Senior Officers are aware of key policy/legislative changes taking into consideration all of the Council's functions and duties arising as a result.		
	Reduced service to customers				Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed.	Fully								External support secured for key corporate projects including Growth Deal and IT Transformation Programme.		
	Inability to deliver council's plans				Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place	Partially								Learning and development opportunities identified and promoted by the Chief Executive and Directors. Staff briefings on rules and procedures by MO		
	Exposure to commercial pressures				Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit	Fully								Review Directorate/Service risk registers.		
	Reduced resilience and business continuity				Internal Audit Plan risk based to provide necessary assurances	Fully								Ensure Committee forward plans are reviewed regularly by senior officers.		
	Reduced staff morale, increased workload and uncertainty may lead to loss of good people				Strong networks established locally, regionally and nationally to ensure influence on policy issues. In addition two Directors hold leading national roles	Fully								Ensure Internal Audit plan focusses on key leadership risks.		
					Senior Members aware and briefed regularly in 1:1s by Directors	Partially								Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions.		
					Arrangements in place to source appropriate interim resource if needed									Project Management Methodology to be established with appropriate oversight. Programme Office with the appropriate capabilities to monitor deliver projects.		
					Ongoing programme of internal communication	Fully								Review Directorate/Service risk registers.		
					Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required.	Partially										
					Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including resourcing.	Fully										



Name and Description of risk	Potential impact	Inherent (gross) risk level (before)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating						Probability	Impact	Rating				
<b>L03 - CDC Local Plan</b> - Failure to have an up to date Local Plan could result in poor planning decisions such as development in inappropriate locations. It could also make it more difficult to demonstrate an adequate supply of land for housing which could lead to more planning by appeal and decisions that are contrary to the Council's wishes. The Plan requires approval by Council to be submitted for examination.	Poor planning decisions leading to inappropriate growth in inappropriate place.	4	4	16	The statutory Local Development Scheme (LDS) is actively managed and reviewed, built into Service Plan, and integral to staff appraisals of all those significantly involved in Plan preparation and review	Partially	Councillor J. Conway	Ian Boll	David Peckford	3	4	12	↔	Annual (Authority) Monitoring Reports presented to the Executive on plan making and policy effectiveness.	The submission version of the emerging Local Plan was approved by Council on 21 July. It was submitted to the Secretary of State for Housing, Communities and Local Government for independent Examination on 31 July at which point the Examination commenced. Officers await details of questions and public hearings from the appointed Planning Inspectors. Officers are preparing and considering a letter sent by the Planning Inspectorate to South Oxfordshire and Vale of White Horse Councils in relation to their Local Plan Examination.	Risk reviewed on 03/10/25
	Failure to have up to date policies that meet the District's requirements.				Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity.	Partially								An updated LDS presented to the Executive when there is a significant change in the circumstances for the Local Plan timetable.		
	Negative impact on the council's ability to deliver its strategic objectives, including for minimising carbon emissions.													Programme built into Directorate level objectives (e.g. via Service Plans) and staff appraisals; on-going preparation of the Local Plan is a service priority.		
	A higher number of planning appeals with associated increased costs													Project management of the Local Plan process continues.		
	Reputational damage with our local communities through not having up to date policies to meet needs and protect the environment				On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies	Partially								Regular Corporate Director, Portfolio Holder and Members Advisory Group briefings		
	Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/lack of policy clarity.				Regular Councillor briefings to ensure all timescale requirements are understood. Ensuring that staff and consultancy resourcing is maintained	Partially								Continuance of internal Members' Advisory Group meetings.		
	Failure to submit Plan for Examination would mean that the Council would need to prepare a Local Plan under a new plan-making system on which further Gov't guidance is awaited. This would significantly delay having a new, up-to-date Plan.				Political consensus - building	Partially								Political consensus building through Chief Executive briefings and the Local Plan's Members Advisory Group.		
<b>L04 - Five Year Housing Land Supply</b> - Failure to maintain a five year housing land supply provides more opportunity for unplanned housing developments to receive planning permission	More housing development in locations not preferred by the Council and in potentially less sustainable locations with more environmental impact.	4	4	16	A new Local Plan provides the opportunity to review the allocation of land for housing. Planning decisions are taken in the context of the five year housing land supply position and are a means by which additional housing can be approved for delivery within a five year period. Housing land supply is reviewed on at least an annual basis. An action plan can be prepared to identify measures to help facilitate the delivery of approved housing. The rate of housing delivery is ultimately a matter for the developer.	Partially	Councillor J. Conway	Ian Boll	David Peckford	5	3	15	↔	Regular monitoring and review  Preparation & adoption of a new Local Plan  Regular Briefings for the Chair of Planning Committee and the Portfolio Holder.  Member awareness of the implications of not having a five year land supply  Preparation of an Action Plan	The 2024 Annual Monitoring Report (AMR) was approved by the Council's Executive in February 2025 and included a review of the district's housing land supply position. It was resolved to prepare a Housing Delivery Action Plan (HDAP). An HDAP was considered by the Overview & Scrutiny Committee on 3 June, approved by the Executive on 10 June, subsequently published and is being implemented by the Planning and Growth and Economy teams. The next review of the five year land supply position will be presented in the 2025 AMR. A new Local Plan, which needs to demonstrate adequate land supply, is presently being examined by the Planning Inspectorate.	Risk reviewed 03/10/25
<b>L05 - Planning Applications for Major Development</b> - The need to reduce the percentage of planning decisions for major development overturned at appeal	Over the period April 2022 to March 2024, and allowing for appeal decisions to December 2024, 10.4% of decisions on major applications were overturned at appeal (12 out of 115 decisions). Consequently, the Council has been under ministerial review for potential designation for the quality of its decisions on applications for major development.	5	4	20	A review of the Council's decision making processes by the Planning Advisory Service.  Entering into an improvement plan to address issues identified in the review.  Ensuring full, timely and successful implementation of the improvement plan.	Fully	Councillor J. Conway	Ian Boll	David Peckford	4	3	12	↓	Discussion with the Planning Advisory Service about the review of decision-making  Corporate oversight	On 29 May 2025 a review of the Council's decision making processes for major developments was undertaken by the Planning Advisory Service (PAS). A report has been received and is being taken through the Council's internal governance process prior to publication.  Officers are continuing to pursue a reduction in the number of decisions on major developments overturned at appeal through improvement work.	Risk reviewed 03/10/25
<b>L06 - Business Continuity</b> - Failure to ensure that critical services can be maintained in the event of a short or long term incident impacting on the delivery of the Council's operation	Inability to deliver critical services to customers/residents	4	4	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group	Fully	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	3	6	↔	BCSG meeting routinely and corporate refresh across all areas completed. BC programme is in place and timescales for review/update/test are being followed.	Full corporate-wide exercise took place as planned and draft debrief report produced for 25/26. will feed into cycle of review and update in Q3 of 25/26.	Risk reviewed on 03/10/2025
	Financial loss/ increased costs				Services prioritised and ICT recovery plans reflect those priorities and the requirements of critical services	Fully										
	Loss of important data				ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss	Fully								BC Impact Assessments and BCPs being updated and reviewed by Emergency Planning Team with supporting document management system having been implemented.		
	Inability to recover sufficiently to restore non-critical services before they become critical				Incident management team identified in Business Continuity Framework	Fully								Business Continuity Statement of Intent and Framework reviewed and updated to align with new incident management framework		
	Loss of reputation				All services undertake annual business impact assessments and updates of business continuity plans	Partially								Cross-council BC Steering Group meets regularly to identify BC improvements needed; BC Steering Group engagement is being achieved across all service areas.		
	Reduced service delivery capacity in medium term due to recovery activity				Cross-council Business Continuity Steering Group meets regularly to identify Business Continuity improvements needed	Partially								Plans tested and annual cycle clearly sets out the test/review/improve process and expectations		
<b>L07 - Emergency Planning (EP)</b> - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency	4	4	16	Incident Management Framework in place and key contact lists updated monthly.	Fully	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	3	6	↔	IMF reviewed and updated. Training schedule in place and being delivered including training for new ADs/CEx and refresh for existing duty directors. Emergency plan contacts list updated monthly and reassued to all duty directors periodically. Available on ELT Teams channel.	OCC Joint resilience Team arrangements to be continued into 25/26	Risk reviewed on 03/10/2025
	Unnecessary hardship to residents and/or communities				Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered	Fully								Supporting officers for incident response reviewed and identified across some areas, to ensure they are reviewed and updated across all service areas.		
	Risk to human welfare and the environment				Expert advice and support provided by Oxfordshire County Council's Emergency Planning Team under partnership arrangements.	Fully										
	Legal challenge				Council Duty Directors attend training relating to role prior to joining duty director rota and have refresh training annually	Fully										
	Potential financial loss through compensation claims				CEx and Corporate Directors have received Strategic Co-ordinating Group (SCG) Training.	Partially										
	Ineffective Cat 1 partnership relationships				Multi agency emergency exercises conducted to ensure readiness	Fully										
					Active participation in Local Resilience Forum (LRF) activities											
	Reputational damage				On-call rota being maintained and updated to reflect recent staffing changes	Fully										

Name and Description of risk	Potential impact	Inherent (gross) risk level (before)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
<b>L08 - Safeguarding the Vulnerable – Operational and partnership actions-</b> Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt	Increased harm and distress caused to vulnerable individuals and their families.	4	4	16	Continue in linking in with Oxfordshire partnerships protocol review to ensure outcomes relevant to CDC are understood and implemented as necessary	Partially	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	4	8	↔	Continue in linking in with Safer Oxfordshire partnership and contributing towards partnership activity to ensure safeguarding responsibilities are met.	Full risk review carried out. Risk controls updated	Risk reviewed on 03/10/2025
	Council subject to external reviews				Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis	Fully								Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis		
	Criminal investigations potentially compromised															
	Potential financial liability if council deemed to be negligent.															
	Reputational damage to the council.															
<b>L09 - Health and safety</b> Failure to ensure effective arrangements are in place for Health and Safety.	Unsafe services leading to fatality, serious injury & ill health to employees, service users or members of the public	5	4	20	Corporate H&S governance arrangements and policies are regularly reviewed and updated by the Corporate H&S Team and monitored by the H&S Assurance Board.	Fully	Councillor C. Brant	Claire Cox	Ruth Wooldridge	3	4	12	↔	Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion. Work ongoing with 2 audits per calendar month.	Full risk review carried out. Risk reviewed and mitigation actions updated.  These are ongoing risks which cannot be removed only reduce the likelihood of these happening.  The final Veritau report was presented to AARC on 15 January 2025. Work is almost complete with 2 minor actions due to be closed end September 2025 which sit with Environmental Services.	Risk reviewed on 30/09/2025
	Criminal prosecution for failings Breach of legislation and potential for enforcement action.				Directors and service leads are responsible for ensuring H&S arrangements are in place within their areas or responsibility. Managers are responsible for ensuring operational health and safety risks are assessed and effective control measures implemented.	Fully								Work still in progress with service areas around the corporate H&S register, which will be managed and monitored with a focus on the depots as our highest risk areas.		
	Financial impact (compensation or improvement actions)				Consultation with employee representatives via employer and union consultative committees (Unison)	Fully								Relevant and required policies and procedures are regularly reviewed.		
	Reputational Impact				Corporate H&S Training provided via corporate learning and development programme. Training for operational risks may be organised by services.	Fully								Working with service areas to ensure that suitable risk assessments are in place.		
					H&S performance monitored by accident and incident reports and corporate H&S auditing and inspection programme.	Fully								Working with service areas and providing training to staff where necessary.		
					H&S information is disseminated via internal communications and updates to ELT and other relevant meetings.	Fully										
<b>L10 - Cyber Security</b> If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, or a loss of service.	Financial loss / fine	4	5	20	Intrusion prevention and detection monitoring and regular actions are implemented from the resulting reports	Fully	Councillor C.Brant	Stephen Hinds	David Spilsbury	3	5	15	↔	All staff reminded to be vigilant to unexpected emails due to the heightened risk of cyber-attack due to escalating worldwide tensions and at critical periods such as the run up to Elections.	Full risk review carried out. Impacts, controls and mitigating actions updated	26/09/2025
	Prosecution – penalties imposed				Additional 3rd party monitoring in place using a SIEM tool and 24/7 monitoring via a SOC	Fully										
	Individuals could be placed at risk of harm				A zero trust VPN model.	Fully								Cyber Security advice and guidance regularly highlighted to all staff.		
	Reduced capability to deliver services				Schedule of regular security patching	Fully										
	Unlawful disclosure of sensitive information				Vulnerability scanning	Fully										
	Inability to share services or work with partners				Malware protection and detection	Fully								Cyber Security is mandatory e-learning for all staff to be completed annually and is part of new starters induction training. Additionally regular Mimecast videos sent to all users for bitesize regular training		
	Loss of reputation				File and data encryption on computer devices	Fully								External Health Check undertaken each year and Cabinet Office PSN compliance reviewed and certified each year to ensure the infrastructure is secure to connect to the PSN.		
					Managing access permissions and privileged users controls.	Fully										
					Effective information management and security training and awareness programme for staff	Fully								Internal Audits complete regular cyber audits.		
					Password and Multi Factor Authentication security controls in place.	Fully										
					Robust information and data related incident management procedures in place	Fully										
					Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services	Fully										
					Appropriate plans in place to ensure ongoing PSN compliance	Fully										
					Preventative measures in place to mitigate insider threat, including physical and system security	Fully										
					Advice received from NCSC on specific activity alerts, the increased threat of globalised ransomware and malware attacks	Fully										
					Mimecast awareness training and comprehensive defence system deployed to improve email security	Fully										

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		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
<b>L11 - Safeguarding the vulnerable - Internal procedures-</b>  Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt exploitation leaving vulnerable people at risk or subject to exploitation.	Increased harm and distress caused to vulnerable individuals and their families	4	4	16	Safeguarding lead in place and clear lines of responsibility established	Fully	Councillor R. Pattenden	Ian Boll	Nicola Riley	2	4	8	↔	Action plan acted upon and shared with Overview and scrutiny committee once a year	Mitigations refreshed	Risk reviewed 01/10/2025 No changes
	Council subject to external reviews				Safeguarding Policy and procedures in place	Fully								Comprehensive on line training available for all staff and members		
	Criminal investigations potentially compromised				Information on the intranet on how to escalate a concern	Fully								Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice		
	Potential financial liability if council deemed to be negligent				Mandatory training and awareness raising sessions are now in place for all staff.	Fully								Corporate monitoring of all referrals		
	Reputational damage to the council				Safer recruitment practices and DBS checks for staff with direct contact	Fully								Ensure web pages remain up to date		
					Data sharing agreement with other partners	Fully								Monitoring of implementation of corporate policies and procedures to ensure fully embedded		
					Attendance at Safeguarding Boards	Fully								Regular internal cross departmental meetings to discuss safeguarding practice		
					Annual Section 11 return compiled and submitted as required by legislation.	Fully								Member training completions shared twice a year		
														SAR's and Lessons Learned reports circulated to improve practice and knowledge.		
<b>L12 - Sustainability of Council owned companies and delivery of planned financial and other objectives -</b> Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of financial and business outcomes	3	5	15	Annual business planning in place for all companies to include understanding of the link between the Council's strategic objectives being delivered and financial impact for the council. A regular Shareholder Representative meeting takes place, a Shareholder Liaison Meeting including the S.151 Officer and Monitoring Officer takes place on a quarterly basis and a Shareholder Committee meeting on a quarterly basis. A governance review is being undertaken and initial recommendations have been approved by the Shareholder Committee.	Fully	Councillor D. Hingley	Gordon Stewart	Stephen Hinds	2	3	6	↔	A Shareholder Representative was appointed and regular governance arrangements are in place.	New chair appointed in 2025, with recruitment for 2 new NEDS undertaken in July. Governance framework also approved for SHC in June.	Risk reviewed on 28/07/2025
	Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives				Regular meetings are in place between the Council's S.151 Officer and the relevant company Finance Directors. Financial planning for the companies undertaken that will then be included within our own Medium Term Financial Strategy. Financial risks are routinely reported by the Shareholder Representative to the Shareholder Committee.	Fully								Resilience and support being developed across business to support and enhance knowledge around council companies.		
	Lack of understanding at officer and member level about the different roles of responsibilities required when managing council owned companies				Clear governance arrangements are in place.	Partially								Skills and experience being enhanced to deliver and support development, challenge and oversight.		
					Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance through the Shareholder Representative meetings and through the reporting to the Corporate Leadership Team monthly.	Fully								Work with one company to ensure long term support arrangements are put in place.		
					Training in place for those undertaking Director roles relating to the companies.	Partially										

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		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L13 - Financial sustainability of third-party suppliers and contractors	The financial failure of a third party supplier and contractors results in the inability or reduced ability to deliver a service to customers or provide goods needed. A reduced supply market could also result in increased costs due to the council's loss of competitive advantage.	3	4	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners	Partially	Councillor C Brant	Shiraz Sheikh	Darren Jacobs	3	4	12	↔	Creditsafe UK tool purchased to allow Procurement to carry out supplier credit checks when required.	No changes	Risk reviewed on 28/07/2025
					Business continuity planning arrangements in place in regards to key suppliers	Partially								Service areas to ensure supplier suitability checks have been carried out prior to award of contract and hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of any issues arising.		
					Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures	Partially										
	Reduced resilience and business continuity				Intelligence unit set up procurement Hub to monitor supplier and contractor market	Fully								Services areas to keep the key suppliers under regular check including running financial checks.		
	Increased complaints and/or customer dissatisfaction				Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors	Fully										
	Increased costs and/or financial exposure to the Council due to having to cover costs or provide service due to failure															

Name and Description of risk	Potential impact	Inherent (gross) risk level (before)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
<b>L14 - Corporate Governance</b> - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to.	4	4	16	Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc.	Fully	Councillor C. Brant	Stephen Hinds	Shiraz Sheikh	3	4	12	↔	External Audit - external audit issue an opinion on the accounts and the Council's arrangements for securing Value for Money. The Council's Annual Governance Statement and Code of Corporate Governance. At least annually, a review of effectiveness of governance framework including the system of internal control and AGS is published. The work is informed by the Corporate Governance and Oversight Group. CLT & ELT has responsibility of maintenance of the governance environment.  Transfer of historic public open space land - renegotiation with the land Owner, developers, internal property and planning teams to facilitate due diligence to enable transfers to take place.	Full risk review carried out - potential impacts updated	Risk reviewed on 10/07/2025
					Member Scrutiny - OSC function, Council Executive, AARC and Standards Committees	Fully										
	Risk of ultra vires activity or lack of legal compliance				Clear accountability and resource for corporate governance (including the shareholder role).	Fully										
	Risk of fraud or corruption				Integrated budget, performance and risk reporting framework.	Fully										
	Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.				Corporate programme office and project management framework. Includes project and programme governance.	Partially										
	Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.				Internal audit programme aligned to leadership risk register.	Fully										
	Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).				Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc.	Partially										
					HR policy framework. Annual governance statement process connects more fully and earlier with ELT and CLT. Review of the Constitution by the MO with member involvement and approval by the Full Council	Partially Fully Fully										
<b>L15 - Monitoring and management of Major Infrastructure Projects and Programmes</b> - Failure to properly manage and monitor the various residual Oxfordshire Housing and Growth Deal infrastructure	Failure to actively manage the various Infrastructure Projects and Programmes, particularly in relation to those being delivered by Oxfordshire County Council, could lead to delays or failure to deliver timely obligations, which could lead to HM Government holding back some or all of its funding, or requiring repayment.	4	5	20	Need to establish appropriate officer and stakeholder governance structures to support effective programme delivery.	fully	Councillor L. McLean	Ian Boll	Julia Harrington	3	3	9	↔	Regular infrastructure & project meetings are held between officers at Oxfordshire County and Cherwell District Councils in order to monitor progress. Projects also included within Area Oversight Priority Plans for monitoring at AOGs held quarterly for each area.  Regular and effective dialogue with developers via Area Developer Forums and Area Oversight Groups held on a quarterly basis.		Risk reviewed on 13/05/2025
	Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders				Need to institute regular and effective dialogue with developers.	Fully										
<b>L16- Workforce Strategy</b> The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	Limit our ability to recruit, retain and develop staff	3	4	12	Analysis of workforce data and on-going monitoring of issues.	Partially	Councillor C. Brant	Stephen Hinds	Claire Cox	3	4	12	↔	There are indications that specific service areas continue to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods.  Development of a people strategy to include succession planning, and to underpin the organisation strategy Development of relevant workforce plans. Development of specific recruitment and retention strategies. It is planned for CDC to develop a framework that suits the needs of all services ensuring that the Council has access to a much wider pool of staffing agencies at competitive rates.  The new IT system has been implemented to improve our workforce data and continues to be develop to improve our ability to interrogate and access key data (ongoing) in order to inform workforce strategies.	Full risk review carried out. Mitigating actions updated. We continue to collect recruitment data to better identify areas where recruitment is proving challenging so that a review and actions can be carried out at the earliest opportunity.	Risk reviewed and updated 01/10/2025
	Impact on our ability to deliver high quality services				Key staff in post to address risks (e.g. strategic HR business partners)	Fully										
	Overreliance on temporary staff				Weekly Vacancy Management process in place	Fully										
	Additional training and development costs				Ongoing service redesign will set out long term service requirements	Partially										
<b>L17 - Local Government Reorganisation</b> <b>Potential impact that the Local Government</b> Reorganisation implementation might across the council, including services we provide to our residents.	Impact on potential short term decision making due to future uncertainty	4	4	16	Representation of all political parties is ensured, including through dialogue with PGL		Councillor D. Hingley	Gordon Stewart	Stephen Hinds	4	3	12	↔	Implement proposals from our Transformation Plan to ensure improved efficiencies and improving our resilience	Case for Change, PID and TOM in developed. Numerous workstreams in place for building the our LGR CFC which are reported to our project board and leaders on a fortnightly basis.	Risk reviewed on 28/07/2025
	Inability to recruit key personnel to achieve priorities during the transition period				Legal implications and actions to be identified and executed											
	Inability to transform services to achieve required financial savings/ VFM due to uncertainty of future design requirements & timescales				Communication plan to be put in place											
	Services not being fully ready on vesting day				Local/District specific impact to be identified, assessed and managed/escalated											
	Risk to the continuity of services				Active engagement at officer & Council Leader levels with authorities across Oxfordshire & wider as appropriate.											
	Insufficient resources to implement LGR / business case with impact on BAU work.															
	Staff morale and resilience may be low															
	Risk that assumed savings from reorganisation will not be realised or will be significantly delayed.															
	Failure of back-office systems															
	That decision making will be unclear and confused															
	Lack of clarity of vision and priorities															
	Loss of local representation to issues important to Cherwell residents; that any unitary body(ies) may not have community as a central focus in design of the new operating model.															

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This report is public	
Risk Management Strategy and Guidance	
<b>Committee</b>	Audit Accounts & Risk Committee
<b>Date of Committee</b>	19 November 2025
<b>Portfolio Holder presenting the report</b>	Portfolio Holder for Corporate Services, Councillor Chris Brant
<b>Date Portfolio Holder agreed report</b>	16 October 2025
<b>Report of</b>	Assistant Director Finance (S151 Officer), Michael Furness

## Purpose of report

To propose a new Risk Management Strategy and Guidance, aiming to ensure the council's effective and compliant risk management

## 1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To consider and endorse the proposed Risk Management Strategy and Guidance

## 2. Executive Summary

- 2.1 The Risk Management Strategy and Guidance for Cherwell District Council 2025–2030 outlines a comprehensive framework to embed risk management into governance, decision-making, and service delivery, aligning with the Council's strategic vision. Developed in line with the recent internal audit findings, the strategy addresses gaps in documentation, monitoring, and training, and introduces a weighted scoring matrix and centralised oversight mechanisms to enhance consistency and accountability. Key actions include launching a Risk Advisory Group, standardising risk registers, and improving oversight at all levels. The strategy aims to strengthen organisational resilience, ensure compliance, and support informed, transparent decision-making across all services.

Implications	Commentary
<b>Finance</b>	There are no financial implications directly arising from this report. Michael Furness, Assistant Director of Finance (S151 Officer) 18 August 2025
<b>Legal</b>	Effective risk management and the development of a robust risk management strategy were identified as key actions within the Annual Governance Statement. This report, along with the strategy, must demonstrate our commitment to fostering a cultural shift—one in which officers are risk-aware and confident in making informed assessments. To support this objective, a training



	<p>programme will be offered to officers, ensuring they have the necessary knowledge and skills to embed risk management into their daily practice.</p> <p>Shiraz Sheik, Assistant Director of Law and Governance and Democratic Services and Monitoring Officer 7 October 2025</p>			
<b>Risk Management</b>	<p>There are no risk implications arising directly from this report. An updated and fit for purpose strategy and clear guidance, in line with the feedback provided as a result of the latest internal audit, will support effective risk management across the organisation.</p> <p>Celia Prado-Teeling, Performance Team Leader, 24 June 2025</p>			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>		X		<p>There are no direct equalities and inclusion implications as a consequence of this report.</p> <p>Celia Prado-Teeling, Performance Team Leader, 24 June 2025</p>
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Climate &amp; Environmental Impact</b>		x		N/A
<b>ICT &amp; Digital Impact</b>		x		N/A
<b>Data Impact</b>		x		N/A
<b>Procurement &amp; subsidy</b>		x		N/A
<b>Council Priorities</b>	This report links to all council's priorities			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			



## Supporting Information

### 3. Background

- 3.1 Cherwell District Council requires a revised Risk Management Strategy to ensure alignment with its strategic objectives for 2025–2030 and to address the increasingly complex and dynamic risk landscape. The updated strategy reinforces the Council's commitment to sound governance, informed decision-making, and organisational resilience, while embedding a consistent and proactive approach to risk across all services and levels of leadership.
- 3.2 The council actively and regularly monitors its Strategic, operational and project risks, and periodically reviews its Risk Management Strategy and Guidance to ensure it remains fit for purpose in an ever changing local and national context.
- 3.3 Last year's review was delayed as an Internal Audit was due 2025, so a decision was made to wait for the results and feedback from the audit to make sure the new Risk Management Strategy and Guidance was compliant and in line with best practices, addressing any gaps or potential issues identified by the auditors, and actioning all recommendations put forward by them as part of the Strategy action plan.

### 4. Details

- 4.1 Risk management is central to effective governance and service delivery at the Council. It ensures public services are delivered responsibly and public funds are safeguarded. In the face of growing challenges, identifying, and managing risks is more critical than ever.
- 4.2 Effective risk management supports organisational goals by ensuring compliance and accountability, enhancing decision-making, ensuring value for money, and maximising opportunities whilst mitigating threats.
- 4.3 The Council is committed to effective risk management aiming to fulfil legal and policy obligations, improve services and meet stakeholder expectations, protect people, property, and resources; manage liabilities and maintain financial control, uphold its reputation and environmental quality, and learn from past experiences. This new strategy has been developed aiming to deliver on these commitments.
- 4.4 The recently published internal audit report confirms that the Council has a generally sound framework for governance, risk management, and internal control. However, the audit also identified several areas where there is scope for improvement, as outlined below:
  - **Risk Framework Implementation**
    - Inconsistent and incomplete documentation across service plans and risk registers.
    - No formal process to monitor mitigating actions.

- No central record of service risk registers or plans.
- **Quality and Monitoring of Risk Registers**
  - Wide variation in detail and format of service level risk registers.
  - Unclear risk owners and mitigating actions.
  - Unclear process for managing residual risks.
- **Quarterly Risk Monitoring Reports**
  - Reports to AARC are overly detailed and complex
  - Lack of clarity on effectiveness of risk management efforts.
- **Officer Training on Risk Management**
  - No evidence of formal training for officers, despite expectations in the risk strategy.
  - Support is provided ad hoc, but no structured programme exists.
- **Risk Strategy Development**
  - Scoring matrix lacks weighting for impact vs. probability.
  - Annual strategy updates do not reflect lessons learned or effectiveness of previous year's implementation.

## **What has changed?**

- 4.5 The new proposed strategy is broader and more strategic, addressing all areas for improvement identified during the internal audit, and aligning clearly with the Council's Vision and Strategy 2025–2030, with an emphasis in governance, culture, innovation, and continuous improvement. Main changes include:
- Clear ISO 31000 alignment.
  - Enhanced governance and oversight.
  - Introduction of a formal Risk Appetite process and Matrix, including a clear process for defining and reviewing the organisation's risk appetite, with a correspondent timetable.
  - Introduction of a weighted risk matrix, providing a more granular scoring system, with detailed descriptors for each impact area (e.g., service delivery, reputation, health & safety, data protection, financial) and clear risk control types (preventive, detective, corrective, directive).
  - Stronger emphasis on culture change and training, including a defined action plan to ensure the new strategy is adopted and embedded across the organisation.
  - Clearer escalation and reporting mechanisms.
- 4.6 The Strategy and guidance includes four appendices:
- Appendix 1 – Risk Methodology
  - Appendix 2 – Risk Appetite Process and Matrix
  - Appendix 3 – Risk Strategy Implementation Action Plan
  - Appendix 4 - Risk Advisory Group Terms of Reference

## **Next steps**

- 4.7 As part of the implementation and embedding plan of the new Strategy and guidance the following activities have been agreed and are currently in development:
- A defined Cherwell's overarching risk appetite will be set up by CLT.
  - Launch the Risk Advisory Group with Risk Champions representing all services to establish and embed a clear process for identifying, monitoring, and managing risks; ensuring risk information is regularly updated, reviewed, and approved at the appropriate management levels before escalation to CLT if needed.
  - A new corporate risk register template has been develop using the newly proposed weighted scoring matrix, providing further clarity on effectiveness of risk management efforts. All fields within this template will be mandatory to ensure that the council records the correct information in each area relating to risk.
  - All risk registers will be held centrally so that the Performance and Insight team have clear oversight of all registers.
  - Risk discussions at all organisational levels will be documented to provide an auditable trail with CLT reviewing risk as a standing item at bi-monthly meetings.
  - Once service plans are approved, their risks will be checked against the service risk register to ensure all are properly recorded. Any missing risks will be investigated, and the relevant service area will be required to update their records. This process ensures central oversight and alignment with current council policies and strategies.
  - The Performance and Insight team will centrally manage all service plans and risk registers, ensuring quality assurance and version control. However, individual officers remain responsible for maintaining and updating the content.
  - A Risk training plan for the organisation, including a detailed timetable, is being developed and will be launched with the Risk Advisory Group.
- 4.8 Details on the Risk Strategy implementation action plan can be found in Appendix 3 of the Strategy.

## **5. Alternative Options and Reasons for Rejection**

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

Option 1: This report summarises a new risk strategy and guidance seeking this committee's feedback, therefore there are no alternative options to consider.

## 6 Conclusion and Reasons for Recommendations

- 6.1 It is recommended that the contents of the report are noted, and feedback is provided to help finalise the new Risk Strategy and Guidance for Cherwell District Council.

### Decision Information

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

### Documents

<b>Appendices</b>	
<b>Appendix 1</b>	Cherwell District Council Risk and Strategy Guidance
<b>Background Papers</b>	N/A
<b>Reference Papers</b>	N/A
<b>Report Author</b>	Celia Prado-Teeling - Performance & Insight Team Leader
<b>Report Author contact details</b>	<a href="mailto:Celia.prado-teeling@cherwell-dc.gov.uk">Celia.prado-teeling@cherwell-dc.gov.uk</a> , 01295 221556
<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	Corporate Director for Resources – Stephen Hinds, 14 August 2025



## Cherwell District Council

# Risk Management Strategy and Guidance

**Assistant Director of Finance**  
**Date Produced: September 2025**  
**Date for Review: September 2026**

# 1. Introduction

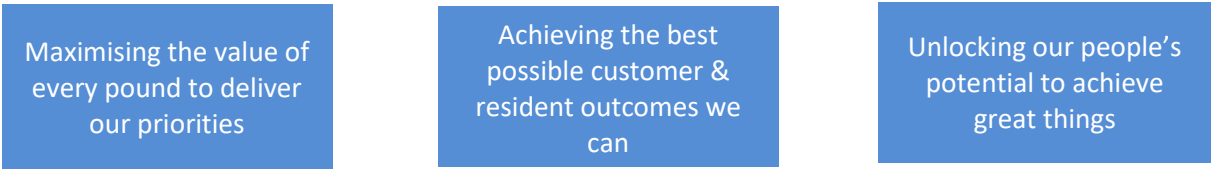
Risk is a natural part of daily life, especially in a fast-changing world. Cherwell District Council highlights that effective risk management is key to achieving goals, improving services, ensuring value for money, and supporting better decision-making, planning, and resource use.

Cherwell District Council emphasises the importance of a supportive risk culture, encouraging openness and honest discussions about business challenges. This culture, involving all staff from leadership to employees, is key to effective risk management, and ultimately, to the delivering of the council's vision.

As set out in Cherwell District Council's Vision and Strategy 2025-30, the Council has defined four key external priorities:



Additionally, the strategy establishes three organisational (internal) priorities:



The Council views risk management as vital to achieving its goals, encouraging best practices and shared responsibility across all stakeholders. It supports informed decision-making, embraces innovation, and promotes a culture of risk awareness that balances opportunity with protection, especially for vulnerable groups.

This Strategy and its objectives are inherent to good governance practices, and they will be reviewed annually by the Risk Advisory Group and the Corporate Leadership Team, and presented to the Audit, Accounts and Risk Committee for feedback and approval.

## 2. Risk Management Strategy Aims and Objectives

Risk management is central to effective governance and service delivery at the Council. It ensures public services are delivered responsibly and public funds are safeguarded. In the face of growing

challenges, identifying, and managing risks is more critical than ever. Effective risk management supports organisational goals by ensuring compliance and accountability, enhancing decision-making and value for money, and making the most of potential opportunities whilst mitigating threats.

The Council is committed to effective risk management aiming to fulfil legal and policy obligations, improve services and meet stakeholder expectations, protect people, property, and resources; manage liabilities and maintain financial control, uphold its reputation and environmental quality, and learn from past experiences.

The Risk Management Strategy provides a framework to help Council Members and Officers fulfil these responsibilities, aiming to:



Key objectives of the Risk Management Strategy and Guidance:

- Embed risk and opportunity management into the culture of the organisation.
- Develop a balanced approach to managing the wide range of business risks facing the Council.
- Manage risk in accordance with legislation and best practice; and
- Establish a common understanding of the Council's expectations on risk management with partners, providers, and contractors.

### 3. Approach to Risk Management

#### 3.1 Definitions

At Cherwell District Council, we recognise that risk is defined as "the effect of uncertainty on objectives," where an effect may represent either a positive opportunity or a negative threat to expected outcomes.

In this context, the Council defines risk as any potential event or development that, should it occur, could compromise the Council's ability to:

- Deliver its corporate priorities and strategic objectives.
- Maintain continuity and quality in service delivery.
- Meet its statutory obligations, including the duty to secure continuous improvement and uphold financial resilience.

Our approach to Risk Management is aligned with the principles set out in ISO 31000, which defines it as:

*“A coordinated set of activities and methods used to direct and control an organisation with regard to risk.”*

Cherwell District Council is committed to embedding effective risk management across all levels of the organisation. This ensures that we are well-positioned to anticipate, assess, and respond to risks in a way that supports informed decision-making, protects public resources, and enhances our ability to serve our communities.

## **3.2 Risk Appetite**

Risk appetite defines how much risk the Council is willing to accept to achieve its goals. A clear understanding of this helps guide decisions, shape risk culture, and support better performance by enabling informed, measured risk-taking. The approach towards and appetite for risk can be:

- Averse - Preference for safe business delivery options that have a low degree of inherent risk and only a potential for limited reward.
- Cautious - Preference for safe delivery options that have a medium degree of residual risk and may only have limited potential for reward.
- Aware - Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing a good level of reward.
- Hungry - Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The Council's risks appetite is determined by individual circumstances. In general terms, the Council's approach to providing services is to be innovative and to seek continuous improvement within a framework of compliance, delivering value for money and strong corporate governance.

Is vital to ensure that risk-taking across the Council is aligned with strategic objectives, governance standards, and service delivery expectations, while enabling innovation and safeguarding resources.

Our aim is to have robust risk management at all levels across the organisation to encourage a less risk averse and more risk cautious/risk aware approach. This should enable innovation and opportunities to be taken within the Directorates whilst managing and addressing the barriers to success. However, the attitude towards risk will differ across the Directorates, from risk averse to risk aware.

### **3.2.1 Cherwell's Risk Appetite**

Cherwell District Council adopts a balanced and context-sensitive risk appetite, generally positioned between risk-aware and risk-cautious. This reflects the Council's commitment to:

- Innovation and continuous improvement, particularly in areas like digital transformation and service delivery.
- Strong governance and compliance, especially in high-risk domains such as safeguarding, legal obligations, and financial stewardship.
- Value for money, ensuring public resources are used effectively and responsibly.



- Protecting reputation and public trust, while remaining open to scrutiny and transparent decision-making.

The Council is open to taking measured risks where the potential benefits align with strategic priorities and where robust controls and mitigation strategies are in place. However, it maintains a low appetite for risk in areas that could compromise legal compliance, safety, or the wellbeing of vulnerable groups.

This overarching appetite supports a culture of informed decision-making, shared accountability, and proactive risk management across all levels of the organisation.

### 3.2.3 Risk Appetite practice

As part of embedding risk appetite into decision-making, services will clearly state the risk score of the proposed option and any viable alternatives within the risk implications section of reports, where appropriate. This ensures transparency and enables a balanced assessment of both the risks associated with taking action and the potential consequences of inaction. It is essential that the policy is actively applied in practice, particularly in contexts where risk aversion may inadvertently hinder strategic outcomes, such as the delivery of financial savings or innovation.

See Appendix 2 for Risk appetite process, matrix and risk and opportunity assessment to include risk appetite in decision papers.

## 3.3 Types of risk

Every organisation will face different types of risk – Operational (internal), Strategic, and those arising from major projects, and the approach to managing them will differ.

Type of risk	Description	Examples
<b>Strategic</b>	This concerns the aims and priorities and aligns to the Council's Vision and Strategy, identifying the principal risks to the achievement of those within a set timeframe. focuses on big external events/perils and then considers how to make the organisation more resilient to such events.	These can be immediate impact risks to the organisation's ability to continue operating, e.g. loss of customer data; or slow-burning risks that grow and eventually prevent delivery of objectives, e.g. staff turnover or leadership capability.
<b>Operational</b>	These are risks over which the organisation has some control, for example risks that can be managed through internal controls and, where necessary, additional mitigating actions. This often involves traditional risk management, such as risk registers, controls, and assurance.	Fraud, health & safety, legal & regulatory, information security, data protection, safeguarding, contracts, people capability & capacity.
<b>Major programmes &amp; projects</b>	Major projects form such a critical part of the plans for many councils and should have their own risk management arrangements in place aligned to the Programme/Project Governance arrangements. Significant projects and/or risks should be escalated as required.	These risks will be specific to the major project in question, and could involve shifting requirements, budget overspend, slippage in delivery timeframes, failure to deliver.

Our approach to risk management is proportionate to the type of risk, decision being made or the impact of changes to service delivery/ strategies. Our risk management arrangements enable us to manage uncertainty in a systematic way at all levels of the council's business.

All key decisions presented to Executive must clearly show the key risks and opportunities associated with the decision/recommendations, the potential impact and how these will be managed. This helps

promote informed decision making, particularly in an environment of uncertainty and change.

### 3.4 Risk Scoring

To ensure consistency and transparency in risk evaluation across Cherwell District Council, a standard methodology must be applied when calculating risk. Risks are assessed using a weighted matrix that multiplies two key criteria: **Likelihood** and **Impact** (as detailed in Appendix 1). While scoring helps prioritise risks, the critical next step is to define how each risk will be managed. Risk scores and associated controls should be clearly documented in operational and strategic risk registers to provide a reliable overview and support informed decision-making.

Colour	Score	Action	Risk Control
Blue	Very Low	Acceptable risk: No further action or additional controls are required; Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept or Treat and Control.
Green	Low	Acceptable risk: No further action or additional controls are required; Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept or Treat and Control.
Yellow	Moderate	A risk at this level may be acceptable; If not acceptable, existing controls should be monitored or adjusted; No further action or additional controls are required.	Tolerate/Accept or Treat and Control
Amber	High	Not normally acceptable Formal action plan required - as failure to complete these actions has a significant impact/consequence on the net scores.	Treat, Tolerate or Transfer.
Red	Very High	Unacceptable. Formal action plan required - as failure to complete these actions has a significant impact/consequence on the net scores.	All options can and should be considered.

### 3.5 Risk Management. Controls vs Mitigating actions.

Each identified risk must have appropriate controls and mitigating actions, which are proactive steps the council is taking to reduce the likelihood or impact of potential risks. Controls are preventative measures aimed at reducing the likelihood of a risk occurring, while mitigation focuses on reducing the impact of a risk if it does occur. Essentially, controls try to stop risks from happening, and mitigation tries to lessen the damage when risks do happen. All risks Amber / Red will have an associated action plan which will be monitored alongside the risk register.

#### 3.5.1 Risk Management Controls:

- Preventive Controls: These aim to stop risks from happening in the first place. Examples include implementing security protocols, establishing strong passwords, and conducting regular training.
- Detective Controls: These controls are designed to identify risks that have already occurred, allowing for a timely response. Examples include monitoring systems for unusual activity, conducting audits, and implementing alert systems.
- Corrective Controls: These are put in place to address risks that have already occurred. Examples include developing disaster recovery plans, implementing incident response procedures, and establishing backup systems.
- Directive Controls: These controls provide direction and guidance to ensure that actions are taken in a specific way to prevent or reduce risks.

### **3.5.2 Mitigating Actions:**

- Risk Avoidance: This involves eliminating a risk by avoiding the activities or situations that create it. For example, an organization might decide not to enter a new market due to the high level of risk involved.
- Risk Reduction: This strategy focuses on reducing the likelihood or impact of a risk. Examples include implementing safety procedures, investing in better technology, or diversifying business operations.
- Risk Transfer: This involves transferring the risk to a third party, such as through insurance or outsourcing certain operations. For example, a company might transfer the risk of financial loss from a cyberattack to an insurance provider.
- Risk Acceptance: This approach involves acknowledging the risk and accepting the potential consequences. This is often done when the cost of mitigation is higher than the potential loss, or when the potential reward outweighs the risk.

### **3.6 Risk Strategy Practice**

The Risk Strategy should be used:

- At all levels of decision-making: From strategic planning to operational delivery, the strategy provides a framework for identifying, assessing, managing, and reporting risks.
- During the development of Executive papers: All key decisions must include a risk and opportunity assessment aligned with the Council's defined risk appetite.
- In project and programme governance: Major projects must have their own risk management arrangements aligned with this strategy.
- In regular reviews: Strategic risks are reviewed quarterly by committees and bimonthly by the Corporate Leadership Team (CLT); operational/project risks are reviewed monthly at service level.
- To guide escalation: Risks that become unmanageable or could impact service delivery must be escalated to CLT and included in the Strategic Risk Register.
- As part of performance management and team discussions: Risk awareness is to be embedded in team meetings and performance reviews.

## **4. Roles and Responsibilities**

The Council recognises that it is the responsibility of all members and officers to have due regard for risk in performing their duties, and that they should not be afraid of identifying a risk or feel that identifying a risk is a failure or that we should try to eliminate risk unduly. To ensure risk management is effectively implemented, all Cherwell District Council Members and officers should understand the Council's risk management approach and embed risk management as part of their day-to-day activities. At Cherwell District Council, specific responsibilities with regards to risk are:

Who	Responsibilities
Leader and Members	<p>Set the direction against political imperatives and articulate a high-level appetite for the risks to those imperatives. Has the ultimate accountability for the risk and related control environment.</p> <p>To endorse Council's Risk Management Strategy, through the Audit &amp; Governance Committee, the Council Leader and Members also have a responsibility to:</p> <ul style="list-style-type: none"> <li>• Oversee the effective management of risk by officers.</li> <li>• Monitor the Council's risk management strategy and performance. Review regular reports from the Risk Management function on key issues affecting the Council.</li> <li>• Review and approve the Risk Strategy annual review.</li> </ul>
Audit Accounts & Risk Committee	<p>Is responsible for overseeing the effectiveness of the council's risk management arrangements and has overall governance of the risk management process. Their role is to:</p> <ul style="list-style-type: none"> <li>• Approve the framework for risk management.</li> <li>• Approve strategic risks and monitor progress.</li> <li>• Monitor adequacy of management arrangements and directly raise queries with risk owners.</li> <li>• Gain assurance of objectives being met.</li> <li>• Delegation to sub-committee (RMG)</li> </ul>
Corporate Leadership Team	<p>Should set an appropriate tone from the top, for example by articulating risk appetite, championing, and driving the effective management of risk and ensuring the risk function is supported in conducting its role. Overall accountable for Strategic Risks, monitoring by-monthly and reviewing escalation.</p>
Corporate Directors & Assistant Directors	<p>Demonstrate visible commitment to risk management by:</p> <ul style="list-style-type: none"> <li>• Leading through actions - embracing risk-based decision making aligned with strategic objectives.</li> <li>• Having a clear understanding of the risks to the business</li> <li>• Ensuring assurance on the status of key risks and controls sought and followed through on a strategic and directorate level.</li> <li>• Embedding of the policy and framework for managing risk</li> </ul>
Risk Advisory Group	<ul style="list-style-type: none"> <li>• Function as risk 'champions,' ensuring that risk management is given an appropriate profile and sufficient focus.</li> <li>• Play a central role in the identification and monitoring of corporate risk.</li> <li>• Receive updates on key risks &amp; actions and assurances on effectiveness of risk management.</li> <li>• Consider "very severe" and "serious" risks identified by projects, functional risk groups and department groups.</li> <li>• Escalate new and emerging risks that may have a corporate impact to the Risk Manager and participate in ad hoc meetings of the Group to discuss such risks</li> </ul>
Managers	<p>Should actively identify and manage risks as part of their everyday business, escalating them promptly as and when necessary.</p> <ul style="list-style-type: none"> <li>• Identify, manage &amp; monitor risks within their service area/team.</li> <li>• Report and escalate risks in accordance with strategy.</li> <li>• Monitor compliance and report exceptions to relevant Professional Lead</li> </ul>
Performance & Insight Team	<p>Are responsible for the facilitation and co-ordination of risk management activity in their specialist area across the council. Supports and facilitates the Council's management and oversight of risk. For example, by building the organisation's risk capability and defining the organisation's risk management practices and framework.</p>
Internal Audit	<p>Should provide independent and objective assurance on the effectiveness of the organisation's risk management arrangements and share good practice through comparative assessment</p>
All members and officers	<p>Manage risk effectively in their role and report risks as appropriate in accordance with procedures. Comply with policies and procedures and escalate exceptions appropriately.</p>

## **5. Risk Reporting and Escalation**

Strategic risks, compiled and presented as the Strategic Risks Register, will be reported to committees (Audit, Accounts and Risk, and Executive) quarterly, and reviewed thoroughly by the Corporate Leadership Team at least bimonthly, however this is a live document as such it will be reviewed and amended whenever deemed necessary. The Strategic Risks Register will include all Strategic risks facing the council, their description, potential impact, controls, mitigating actions and current score. All risks will be clearly defined together with the controls that currently exist to manage them; risk ratings will be reviewed and where relevant commentary to identify progress against planned action or any emerging issues.

The review should focus on four key factors:

- Whether the risk is still relevant
- Whether there are any changes to the inherent/residual risk scores
- Whether new controls or actions are required
- To what extent are there any gaps in the assurance of identified controls?

Where control weaknesses are identified, these should be noted so that action can be taken to remedy such weaknesses. Action to address these weaknesses should be included within the report (in the case of Strategic risks).

Operational and programme/project risks will be monitored and reviewed monthly at service level by the relevant Assistant Director and their management team and will be escalated to the correspondent Corporate Director when reporting “Medium high” and “High.”

The corporate template should be used for the recording of all risk, regardless of level as to provide the organisation with the specific information it requires to manage and monitor its risks, and to facilitate escalation of Operational or Project risks if necessary. When a risk score is deemed as potentially at risk to become unmanageable at service level or could possibly have an impact on the councils’ service delivery it should be escalated brought to the attention of the Corporate Leadership Team, correspondent Portfolio Holder and escalated to the Strategic Risks Register.

## **6. Culture, Awareness and Training**

To ensure risk management is effectively implemented, all Cherwell District Council Members and officers should have a level of understanding of the Council’s risk management approach and regard risk management as part of their responsibilities. Managing risk should be firmly embedded in everyone is thinking, behaviours and actions.

Having developed a robust approach and established clear roles and responsibilities and reporting lines, it is important to provide Members and officers with the knowledge and skills necessary to enable them to manage risk effectively. As part of this risk awareness and effective management culture, a Risk Advisory Group has been established to ensure consistent risk practices across all services. A training plan, including a range of training methods, is being developed to meet the needs of the organisation and include e-learning, risk workshops, and formal risk management training.

## Appendix 1 - Risk Methodology

Please note in a weighted risk matrix, different combinations of likelihood and impact can produce the same numerical score (e.g., 3x4 or 4x3 = 12). However, the RAG rating is not determined by the score alone—it also considers the context, domain, and nature of the risk. For example, a safeguarding risk with moderate likelihood but high impact may be rated Amber, while a technical issue with high likelihood but moderate impact might be Yellow, even though both score 12. This variation ensures that risks are assessed not just quantitatively but also qualitatively, allowing for more accurate prioritisation and proportionate responses based on strategic relevance and potential consequences.

### Risk Scoring

Likelihood		IMPACT				
		Negligible	Minor	Moderate	Significant	Severe
	Very Likely	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Very Unlikely	1	2	3	4	5

Risk Score management	
Very Low	Acceptable risk: No further action or additional controls are required. Risk at this level should be monitored and reassessed at appropriate intervals.
Low	Acceptable risk: No further action or additional controls are required. Risk at this level should be monitored and reassessed at appropriate intervals.
Moderate	A risk at this level may be acceptable; If not acceptable, existing controls should be monitored or adjusted. No further action or additional controls are required.
Medium High	Not normally acceptable; Efforts should be made to reduce the risk, provided this is not disproportionate. Determine the need for improved control measures.
High	Unacceptable; Immediate action must be taken to manage the risk. A number of control measures may be required.

## Risk Rating – Likelihood

Likelihood	Likelihood descriptors
<b>Very unlikely - 1</b>	EITHER has happened rarely / Never before. OR less than 5% chance of occurring on or prior to proximity date.
<b>Unlikely - 2</b>	EITHER only likely to happen once every 5 or more years. OR 5-20% chance of occurring on or prior to proximity date.
<b>Possible - 3</b>	EITHER only likely to happen at some point within next 2-5 years. OR 20-45% chance of occurring on or prior to proximity date. OR circumstances occasionally encountered once a year.
<b>Likely - 4</b>	EITHER likely to happen at some point within the next 2 years. OR 45-70% chance of occurring on or prior to proximity date. OR circumstances encountered few times a year.
<b>Very likely - 5</b>	EITHER likely to happen at some point within the next 12 months. OR 70-90% chance of occurring on or prior to proximity date. OR Circumstances encountered several times a year.

## Risk Rating – Impact

Level	Service Delivery / Performance	Political / Reputation	Health and Safety	Technology / Data Protection	Financial
<b>Negligible</b> Page 107	Minimal service disruption in non- critical area of service for brief period (hours).	Contained within service area. Complaint from individual / small group / single supplier. No press interest. Minor delay in member objectives	Minimal injury or discomfort to an individual. Failure to report notifiable incident to the HSE.	Isolated individual personal detail compromised / revealed.	Costing < £10k
	Commercial Plan Outcomes/ Objectives delayed by less than 1 month.	Complaint from an individual to a member or internal complaint from a member. Minor change to political landscape.		Minimal technological failure / security breach with minimal impact on day-to-day service delivery	
<b>Minor</b>	Minor effect to an important service area for a short period (days).	Adverse local publicity / local public opinion aware. Lowered perception/standing with local suppliers.	Injury causing loss of working time to an individual. HSE Investigation leads to improvement notice served or threat of prosecution.	Some individual personal details compromised / revealed.	Costing = < £50k
	Commercial Plan Outcomes/ Project / Objective fails to deliver on 1 important aspect. Delayed by up to 3 months.	Complaint or petition from a local group / delay to member objectives. Moderate change to political landscape.		Minor technological failure / security breach to the organisation's ICT assets impacting on the day-to-day delivery of services.	

Level	Service Delivery / Performance	Political / Reputation	Health and Safety	Technology / Data Protection	Financial
<b>Moderate</b>	Moderate service disruption of an important service area for a period of up to a week.	Adverse national media interest and/or adverse publicity in professional/municipal press.	Serious injury sustained by one or more individuals. Prohibition Notice served by the HSE that closes a key facility.	Many individual personal details compromised/ revealed	Costing = < £250k
		Adverse local publicity of a major and persistent nature. Lowered perception/standing with national suppliers / professional / local government community.			
	Commercial Plan Outcomes/ Major Project / Objective fails to deliver several key benefits.	Moderate criticism from local government community.		Large technological failure / security breach with a significant impact on the organisation's ICT assets essential for the day-to-day operation of critical services.	
	Delayed by 3 - 6 months.	Significant delay in member objectives. Significant change in political landscape.			
<b>Significant</b>	Significant service disruption, across several important areas of service for protracted period.	Adverse and persistent national media coverage. Adverse central government response, threat of removal of delegated powers.	Serious permanent disablement of individual or several people.	All personal details compromised/ revealed.	Costing = < £1m
		Public Enquiry. Officer(s) and/or Member(s) forced to resign.	Prosecution under Corporate Manslaughter Act.		
		Council block-listed by suppliers.		Significant technological failure / security breach with a detrimental impact on the organisation's ICT assets essential for the day-to-day operation of critical services.	
	Commercial Plan Outcomes/ Complete failure of business-critical project / objective. Delayed by over 6 months.	Significant and persistent criticism from central government. Major delay in member objectives. Major change in political landscape.			
<b>Severe</b>	Complete service failure across all critical areas of service for protracted period.	Adverse and persistent international media coverage. Adverse central government response, threat of removal of delegated powers. Public Enquiry. Officer(s) and/or Member(s) forced to resign. Council block-listed by suppliers.	Death of an individual or several people. Prosecution under Corporate Manslaughter Act.	All personal details compromised/ revealed and exposed to groups undertaking fraudulent activity.	Costing = £1m & over





## **Appendix 2 - Risk Appetite Process and Matrix**

### **Risk Appetite Definition Process**

#### **1. Define Strategic Context and Alignment**

- Review the Council's Vision and Strategy 2025–2030 and current corporate priorities.
- Identify key areas where risk appetite needs to be clarified (e.g., financial investments, compliance, innovation, reputation)

#### **2. Use of the Risk Appetite Matrix**

- Apply the Risk Appetite Matrix below to assess acceptable levels of risk across key domains:
  - Financial/VFM
  - Compliance/Regulatory
  - Innovation/Quality/Outcomes
  - Reputation
- Each domain is rated from 0 (Avoid), 1 (Minimal), 2 (Cautious), 3 (Open), 4 (Seek) to 5 (Mature). This helps define whether the Council is risk averse, cautious, aware, or hungry in each area.

#### **3. Directorate-Level Input**

- Each Directorate assesses its own risk appetite based on service type and operational context. For example:
  - Safeguarding and legal compliance → Risk Averse
  - Digital transformation or service innovation → Risk Aware or Hungry

#### **4. Consolidation and Review**

- The Risk Advisory Group consolidates inputs and identifies inconsistencies or gaps.
- The Corporate Leadership Team (CLT) reviews and aligns appetite levels with strategic priorities and governance standards.

#### **5. Approval and Communication**

- The proposed appetite levels are presented to BPM, and the Audit, Accounts and Risk Committee for formal approval.
- Once approved, they will be:
  - Disseminated to all decision-makers.
  - Used to guide risk scoring and escalation decisions.

#### **6. Annual Review**

- Risk appetite is reviewed annually (March/April) to reflect changes in:
  - Strategic priorities
  - External environment
  - Organisational capacity
  - Lessons learned from past risks.

#### **7. Integration into Decision-Making**

- All decisions must include a risk and opportunity assessment aligned with the defined appetite.

- Misaligned risks must be mitigated, transferred, or escalated.

## 8. Frequency of review

Activity	Frequency	Responsible
Annual Review of Risk Appetite	March/April each year	CLT & Audit Committee
Quarterly Strategic Risk Register Review	Every 3 months	CLT & Committees
Monthly Monitoring of Operational/Project Risks	Monthly	Assistant Directors & Managers
Ad-hoc Review	As needed (e.g., major changes in strategy or external environment)	Risk Advisory Group & CLT

## 9. Risk and Opportunity Assessment

### 1. Risk Appetite Alignment

This proposal has been assessed against the Council's defined risk appetite across key domains:

Domain	Risk Appetite Level	Alignment with Proposal
Financial / Value for Money	Cautious / Aware	The proposal involves moderate investment with clear cost controls and expected efficiencies.
Compliance / Regulatory	Averse	Fully compliant with statutory obligations; no deviation from legal or regulatory standards.
Innovation / Outcomes	Aware / Hungry	Encourages service innovation with managed risk and measurable benefits.
Reputation	Cautious	Minimal reputational risk: communications plan in place to manage public perception.

### 2. Risk Summary

- **Key Risks Identified:** [Briefly list top 2–3 risks]
- **Mitigation Measures:** [Summarise key controls or actions]
- **Residual Risk Rating:** [e.g., Moderate (Yellow) – Acceptable with monitoring]

**3. Commentary on Appetite Fit:** This option is [aligned / partially aligned / misaligned] with the Council's risk appetite. Where misalignment exists (e.g., higher financial exposure or reputational risk), mitigation strategies have been proposed, and escalation to CLT will occur if thresholds are exceeded.

## Risk Appetite Matrix

Risk levels →  Key elements ↓	0 Avoid Avoidance of risk and uncertainty is a Key Organisational objective	1 Minimal (ALARP - (as little as reasonably possible) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential	2 Cautious Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	3 Open Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	4 Seek Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	5 Mature Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
Financial/VfM	Avoidance of financial loss is a key objective. We are only willing to accept the low-cost option as VfM is the primary concern.	Only prepared to accept the possibility of very limited financial loss if essential. VfM is the primary concern.	Prepared to accept possibility of some limited financial loss. VfM still the primary concern but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial loss (with controls may in place). Resources allocated without firm guarantee of return – 'Investment capital' type approach.	Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return.
Compliance/ Regulatory	Play safe; avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge. Similar situations elsewhere have not breached compliances.	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.	Challenge would be problematic, but we are likely to win it, and the gain will outweigh the adverse	Chances of losing any challenge are real and consequences would be significant. A win would be a great success.	Consistently pushing back on regulatory burden. Front foot approach informs better regulation.
Innovation/ Quality/ Outcomes	Defensive approach to objectives – aims to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision taking authority. General avoidance of systems/ technology developments.	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless necessary. Decision making authority generally held by senior management. Systems / Technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
Reputation	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest. Prospective management of organisation's reputation.	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press. and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.
RISK APPETITE	Averse		Cautious	Aware	Hungry	

## **Appendix 3 - Risk Strategy Implementation Action Plan**

### **1. Governance and Oversight**

**Objective:** Establish strong leadership and oversight mechanisms.

**Action 1.1:** Present the Risk Strategy to the Audit, Accounts and Risk Committee for formal approval.

**Action 1.2:** Corporate Leadership Team (CLT) will set the tone from the top by articulating risk appetite and championing risk management, establishing the organisation's Risk Appetite.

**Action 1.3:** Schedule quarterly reviews of the Strategic Risk Register by CLT and relevant committees.

### **2. Embedding Risk Culture**

**Objective:** Foster a risk-aware culture across all levels.

**Action 2.1:** Launch a communication campaign to introduce the changes.

**Action 2.2:** Integrate risk discussions into team meetings and performance reviews.

**Action 2.3:** Encourage directorates to adopt a "risk aware" approach, balancing innovation with protection.

### **3. Training and Capacity Building**

**Objective:** Equip staff with the knowledge and skills to manage risk.

**Action 3.1:** Develop and roll out e-learning modules on risk management.

**Action 3.2:** Organise risk workshops and formal training sessions for Members and Officers.

**Action 3.3:** Provide targeted training for Risk Advisory Group members and managers.

### **4. Risk Identification and Assessment**

**Objective:** Standardise risk identification and scoring.

**Action 4.1:** Implement the risk scoring methodology (Appendix 1) across all services.

**Action 4.2:** Ensure all risks are assessed using the Likelihood x Impact matrix.

**Action 4.3:** Use the corporate risk template for consistent documentation.

### **5. Risk Appetite and Decision-Making**

**Objective:** Align decisions with defined risk appetite.

**Action 5.1:** Disseminate the Risk Appetite Matrix (Appendix 2) to all decision-makers.

**Action 5.2:** Require risk and opportunity assessments in all Executive decision papers.

**Action 5.3:** Review and adjust risk appetite annually based on strategic priorities.

### **6. Controls and Mitigation**

**Objective:** Implement effective controls and mitigation strategies.

**Action 6.1:** Ensure all Amber and Red risks have formal action plans.

**Action 6.2:** Distinguish between preventive, detective, corrective, and directive controls.

**Action 6.3:** Monitor mitigating actions monthly and escalate where necessary.

### **7. Reporting and Escalation**

**Objective:** Maintain robust reporting and escalation processes.

**Action 7.1:** Update Strategic Risk Register quarterly and review bimonthly by CLT.

**Action 7.2:** Monitor operational and project risks monthly at service level, with all registers being held centrally to allow corporate oversight.

**Action 7.3:** Escalate risks that may impact service delivery or become unmanageable.

### **8. Monitoring and Continuous Improvement**

**Objective:** Ensure ongoing effectiveness and improvement.

**Action 8.1:** Conduct annual reviews of the Organisation's Risk Appetite and Strategy, presenting findings on the last one to the Audit Committee.

**Action 8.2:** Use internal audit findings to refine risk practices.

**Action 8.3:** Benchmark against ISO 31000 and other best practices.

## Timelines and Responsibilities

Action Area	Action	Timeline	Responsible Person(s)
Governance and Oversight	Present Risk Strategy for Committee review, feedback, and approval	Nov- 2025	Audit, Accounts & Risk Committee; Risk Advisory Group
Governance and Oversight	Schedule quarterly Strategic Risk Register reviews	Ongoing	Corporate Leadership Team (CLT)
Governance and Oversight	Ensure CLT champions risk management, by-monthly risk monitoring.	Ongoing	Chief Executive; CLT
Embedding Risk Culture	Establish the organisation's Risk Appetite	Nov-2025	Corporate Leadership Team (CLT)
Embedding Risk Culture	Launch internal communication campaign	Q4 2025	Performance & Insight Team/Comms
Embedding Risk Culture	Integrate risk into team meetings/performance reviews	From Nov-2025	Assistant Directors/ Performance & Insight Team
Embedding Risk Culture	Encourage directorates to adopt risk-aware approach	Ongoing	Corporate Directors
Training and Capacity Building	Develop and launch Risk Advisory Group	Nov-25	Performance & Insight Team
Training and Capacity Building	Organise risk workshops and formal training	Q4 2025	Performance & Insight Team/ Risk Advisory Group
Training and Capacity Building	Provide targeted training for managers, champions and members	Q4 2025 Q1 2026	Risk Advisory Group, Performance & Insight Team
Risk Identification and Assessment	Implement standard scoring methodology	Q4-2025	Performance & Insight Team; Managers
Risk Identification and Assessment	Train teams on Likelihood x Impact new matrix	Q4 2025	Performance & Insight Team
Risk Identification and Assessment	Use corporate risk template across services	Q4 2025	All Managers
Risk Appetite and Decision-Making	Disseminate Risk Appetite Matrix	October 2025	Performance & Insight Team
Risk Appetite and Decision-Making	Require risk assessments in Executive papers	Nov- 2025	Corporate Directors; Report Authors
Risk Appetite and Decision-Making	Annual review of risk appetite	Mar-Apr 2026	CLT; Audit Committee
Controls and Mitigation	Ensure Amber/Red risks have action plans	Immediate & ongoing	Managers; Assistant Directors
Controls and Mitigation	Distinguish and apply control types	Q4 2025	Risk Advisory Group
Controls and Mitigation	Monitor mitigating actions monthly	Starting Q4 2025	Assistant Directors; Risk Advisory Group
Reporting and Escalation	Update Strategic Risk Register quarterly	Ongoing	Performance & Insight Team
Reporting and Escalation	Monitor operational/project risks monthly	Starting Q4 2025	Assistant Directors
Reporting and Escalation	Escalate risks to CLT and Portfolio Holders	As needed	Managers; Corporate Directors
Monitoring and Continuous Improvement	Conduct annual strategy review	April 2026	Risk Advisory Group; CLT
Monitoring and Continuous Improvement	Use internal audit findings to refine practices	Ongoing	Internal Audit
Monitoring and Continuous Improvement	Benchmark against ISO 31000	Q2 2026	Performance & Insight Team

## **Appendix 4 – Risk Advisory Group – Terms of Reference**

### **1. Purpose**

The Risk Advisory Group (RAG) provides strategic oversight, coordination, and leadership in embedding effective risk management across Cherwell District Council. It acts as a champion for risk awareness and supports the development of a consistent, proactive, and informed approach to managing risk and opportunity throughout the organisation. It is important to note that while CLT and Assistant Directors are accountable for risk, and they will monitor closely the Strategic Risk Register, the operational tasks and monitoring are delegated to service risk champions within the Risk Advisory Group, ensuring ownership at the appropriate level while maintaining strategic oversight.

### **2. Objectives**

- Promote a strong and supportive risk culture across the Council.
- Ensure alignment of risk management practices with the Council's strategic objectives and risk appetite.
- Provide oversight of the identification, assessment, and mitigation of corporate and cross-cutting risks.
- Support the integration of risk management into decision-making, performance management, and service delivery.
- Facilitate the annual review and refinement of the Council's Risk Strategy and Risk Appetite Framework.
- Ensure consistency in the application of the Council's risk methodology and scoring system.

### **3. Responsibilities**

- Act as risk champions across the organisation.
- Lead on the identification and monitoring of corporate risks.
- Receive updates on key risks, controls, and mitigation actions.
- Provide assurance on the effectiveness of risk management arrangements.
- Escalate "very severe" and "serious" risks to the Corporate Leadership Team (CLT) and Risk Manager.
- Participate in ad hoc meetings to address emerging or escalated risks.
- Consolidate Directorate-level risk appetite inputs and align them with strategic priorities.
- Support the development and delivery of risk training and awareness initiatives.
- Contribute to the annual review of the Risk Strategy and Appetite Matrix.

### **4. Membership**

The Risk Advisory Group will include representatives from:

- Performance & Insight Team (Chair or Secretariat)
- Service Risk Champions
- Internal Audit (as appropriate)
- Other officers with specialist knowledge (e.g., Legal, Finance, ICT, Health & Safety) as required.
- Membership will be reviewed annually to ensure appropriate representation and expertise.

### **5. Governance and Reporting**

The Group reports to the Corporate Leadership Team (CLT) and supports the Audit, Accounts and Risk Committee. It contributes to the quarterly review of the Strategic Risk Register and supports the implementation of the Risk Strategy Implementation Action Plan (Appendix 3 of the Strategy). It ensures that risk appetite levels and risk assessments are reflected in Executive decision papers.

### **6. Meeting Frequency**

The Group will meet bi-monthly as a minimum. Additional meetings may be convened to address urgent

or emerging risks.

## **7. Review**

These Terms of Reference will be reviewed annually in line with the review of the Risk Strategy and Risk Appetite Framework.



This report is public	
Health and Safety Report Quarter 2 2025/25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	19 November 2025
Portfolio Holder presenting the report	Portfolio Holder for Corporate Services, Councillor Chris Brant
Date Portfolio Holder agreed report	4 November 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 for Quarter 2 of the 2025/26 year.

### 1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To review and note the content of the report.

### 2. Executive Summary

- 2.1 This report is a statement of Cherwell District Council's health and safety performance for quarter 2 of the 2025/26 financial year. 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.
- 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 (H&S) 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 are a little higher than the same period last year. Work is ongoing to identify causes and look at actions required where necessary in a bid to reduce the rate.
- 2.5 The corporate 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 its release, the H&S 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			
<b>Finance</b>	There are no financial implications resulting from this report. Kelly Wheeler, Finance Business Partner, 21 October 2025.			
<b>Legal</b>	There are no legal implications resulting from this report. Denzil Turbervill, Head of Legal Services 28 October 2025			
<b>Risk Management</b>	There are no risks arising as a direct consequence of this report; the report itself mitigates the risk of not being compliant with Health and Safety regulations. Celia Prado-Teeling, Performance Team Leader, 28 October 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>				n/a
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				n/a
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				n/a
<b>Climate &amp; Environmental Impact</b>				n/a
<b>ICT &amp; Digital Impact</b>				n/a
<b>Data Impact</b>				n/a

<b>Procurement &amp; subsidy</b>				n/a
<b>Council Priorities</b>	n/a			
<b>Human Resources</b>	n/a			
<b>Property</b>	n/a			
<b>Consultation &amp; Engagement</b>	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. Executive 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 as Chief Executive and the change in administration.
  - 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

### Veritau Audit

- 4.1 There are two actions outstanding which the Assistant Director for Environmental Services needs to complete which are detailed in table one.

**Table 1**

<b>Action</b>	<b>Update</b>
1. Member oversight of health and safety	This has now been closed down by Veritau in April 2025.
2. Insufficient Incident investigation	<b><i>Signed off by Veritau August 2025.</i></b>
3. Training records and completion	Work is ongoing across the business. Line Managers have access to their immediate reports within I-HASCO. On a quarterly basis data is sent to ELT, Corporate Directors and the Chief Executive for information and action. this has been signed off apart from an Action on Ed Potter: <b><i>With the support of HR and the Learning &amp; Development Manager, the training provision for manual staff will be reviewed and updated, with additional training provided as needed. Procedures to ensure that training records are kept for manual staff, regularly updated and monitored will be developed.</i></b>
4. Incident Reporting	<b><i>Signed off by Veritau August 2025.</i></b>
5. Signature Sheets	<b><i>Signed off 08 September 2025.</i></b>
6. Availability of Docs at Depots	Completed and signed off by Veritau on 24 February 2025. <b><i>However: An action was left with the AD of ES: Options for the use of electronic alternatives to printed documents to be stored in crew vehicles will be considered.</i></b>
7. Reviewing and updating policies and procedures	<b><i>Signed off by Veritau August 2025.</i></b>
8. Environmental Services Action Plan	<b><i>Signed off by Veritau August 2025.</i></b>

### Vehicle Incidents Quarter 2

- 4.2 Table 2 below provides details of vehicle incidents which have occurred during quarter 2 of 2025/26 all of which occurred within Environmental Services. This year

there have been 17 vehicle incidents so far and in the same period last year there were a total of 13 vehicle incidents of a similar nature to those detailed below.

**Table 2: Vehicle Incidents Quarter 2**

<b>Date</b>	<b>Service Area</b>	<b>Description</b>
09/07/2025	Environmental Services	Driver caught barrier at depot damaging cage
11/07/2025	Environmental Services	Hit parked car cracking lens cover
08/08/2025	Environmental Services	clipped wing mirror while driving forward
08/08/2025	Environmental Services	collided with parked car whilst reversing
15/08/2025	Environmental Services	Caught garden fence whilst manoeuvring around parked cars
02/09/2025	Environmental Services	reversed over houseowners step in the front of the property
05/09/2025	Environmental Services	Reversed into parked car damaging wheel arch
18/09/2025	Environmental Services	Clipped wall with rear light of RCV
23/09/2025	Environmental Services	Number plate damage whilst reversing
22/09/2025	Environmental Services	Clipped bollard whilst leaving the area
23/09/2025	Environmental Services	Third party vehicle failed to give way at a junction colliding with our vehicle.
04/09/2025	Regulatory Services	Scraped third party vehicle

## Personnel Accidents Quarter 2

- 4.3 Table 3 provides details of personal incidents which have occurred during quarter 2 of 2025/26. Out of a total of 15 this quarter, all but one incident occurred within Environmental Services. We do remind all staff to report any accidents and incidents to us wherever they occur in the business on a regular basis. In the same period last year there were a total of 4 personal accidents of a similar nature to those detailed below. This an increase of 7 for the same quarter across the 2 years.

**Table 3: Personnel Incidents Quarter 2**

Date	Service Area	Description	Days Lost	RIDDOR Yes/No
05/07/2025	Environmental Services	Market stall tipped over in Banbury hitting two members of the public	0	No
07/07/2025	Environmental Services	Strained lower back whilst lifting bag into street scene vehicle	0	No
15/07/2025	Environmental Services	While emptying garden bin something went in operatives' eye	0	No
22/07/2025	Environmental Services	Mechanic banged head on pit cover in Workshops	0	No
13/08/2025	Environmental Services	Grazed elbow when they slipped whilst handling a 1100L wheeled bin	2	No
02/09/2025	Environmental Services	Jarred knee whilst walking along uneven surface	0	No
28/08/2025	Resettlement Team	Staff member passed out due to low blood pressure	1.5	No

## Near Misses Quarter 2

- 4.4 Table 4 contains information regarding near misses which have occurred during the second quarter of 2025/26. It was at the request of the AARC Committee that near misses be formally reported on, so as Health and Safety information has only recently been presented to this Committee, we do not currently have any

comparable data but will routinely collect and report on this going forward. It should also be noted that though we do remind people about the importance of reporting near misses as well as accidents there is some risk of under reporting.

**Table 4: Near Misses Quarter 2**

Date	Service Area	Description
03/07/2025	Environmental Services	Two children at TLD stepped out from behind a barrier at Reception.
07/08/2025	Regulatory Services	Working with Youth Activators and slipped jarring back and neck

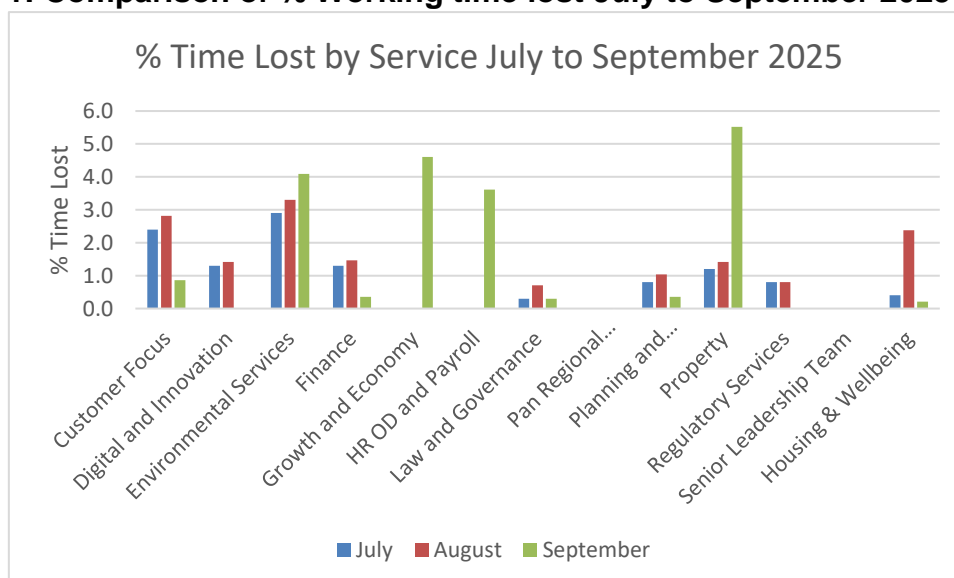
### Physical and Verbal Abuse

- 4.5 There have been no reported cases of physical and verbal abuse reported in quarter 2 of 2025/26.

### Sickness absence amongst staff

- 4.6 Graph 1 below shows the time lost due to sickness absence per service area by month for July to September 2025. Environmental Services has the largest percentage time lost partially due to the numbers of staff within the service. Within Growth and Economy and also Human Resources there was a long period of absence from one member of staff in each area, but this has now been concluded.

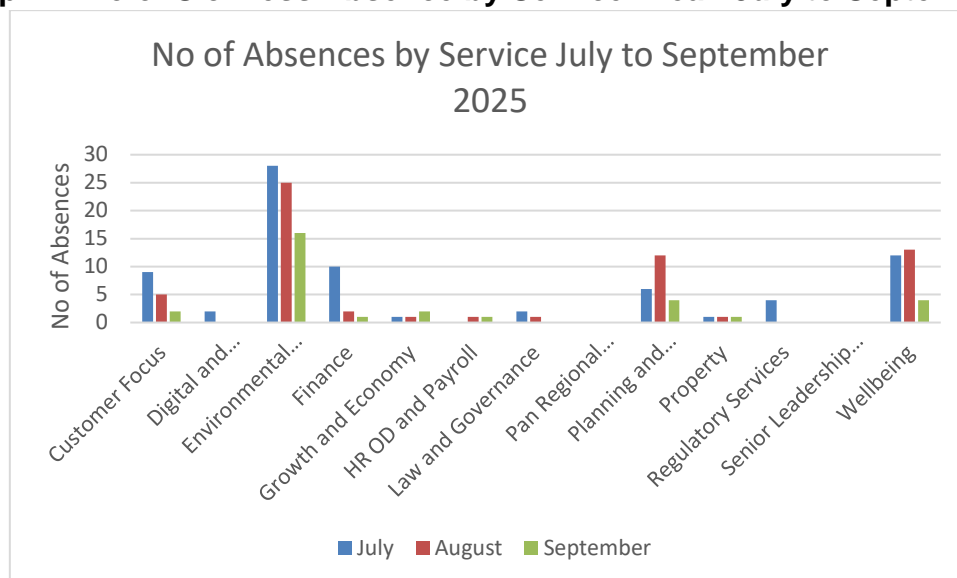
**Graph 1: Comparison of % Working time lost July to September 2025**



- 4.7 Graph 2 provides information on the number of instances of sickness by service area for each month in quarter two. Again, environmental services stands out due to

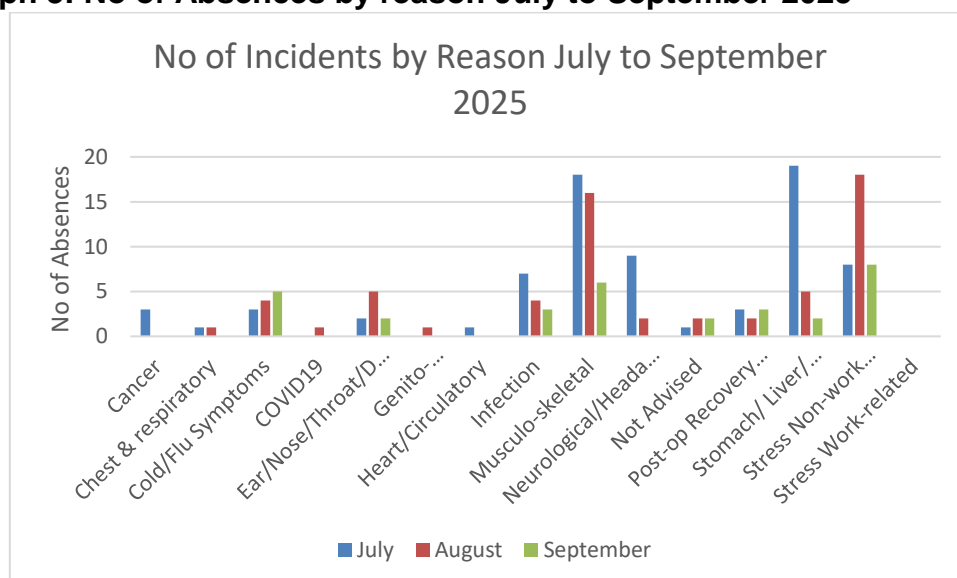
the size of the service. Now that we are approaching the winter months, we would expect the levels to slightly increase in quarter three.

**Graph 2: No of Sickness Absence by Service Area - July to September 2025**



- 4.8 Graph 3 provides details of the reasons for sickness in each month. The categories are taken from the HR information system. It can be seen that as the quarter has progressed that absence for colds and flu are dropping as would be expected. There has been an increase in absence due to muscular-skeletal problems particularly within Environmental Services due to the nature of the work that they undertake. This is being investigated with the HR Team currently to look at what can be done corporately to reduce these numbers and also their sickness absence levels in general.

**Graph 3: No of Absences by reason July to September 2025**





## **Health and Safety Training**

### **iHasco Training (E-Learning)**

- 4.9 All employees are required to complete e-learning training on health and safety matters. Line managers have access to training completion data for their direct reports, the figures remain unchanged at 22.1% (100) of staff required to complete the essential health and safety module within iHasco, which is slightly lower than previous months but there is still some way to go.
- 4.10 The HR Team have provided further data to Executive Directors and Assistant Directors regarding the completion rates of all mandatory training and are in the process of working with ICT to develop a report using Power BI that will be accessible to managers on a more regular basis and will require less data manipulation than the current reporting. This is still a work in progress, but we hope to report as soon as possible by service area.

### **Internal Health and Safety Audits**

- 4.11 The health and safety function has a KPI in place which relates to the conducting and reporting on the completion of internal health and safety audits and any actions.
- 4.12 At the start of each financial year, a timetable of audits and inspections is programmed for the year. The team undertakes two comprehensive workplace audits per year usually in June and December.
- 4.13 Any corrective actions following an audit are kept in a log held by the Health and Safety Team who check in with those responsible for completing actions identified on a regular basis and monitor progress. Some of the actions are low priority but still require completion. Currently there are no overdue actions.
- 4.14 The Leisure and Community Facilities Manager has requested assistance with auditing all Community Centres (twelve) over the next three months. This has come about because up until now it has not been definitively established where responsibilities lie for maintenance etc of these buildings.
- 4.15 With these audits it is hoped to build a clear picture of the status of these centres. The aim is to evaluate compliance levels and identify any issues across various operational areas within these buildings. Kingsmere Community Centre was audited in September (see Table 2 below), and although several issues were identified, none were significant.
- 4.16 These will be addressed once a comprehensive overview of the status of all Centres has been established. The Community Facilities Manager wants to build a picture of all of the issues at the Community centres before committing to any remedial works that could be required. It will also need to be established at each centre where the responsibilities sit before anything is decided. Any serious safety concerns will be addressed immediately but it is expected that most of the findings will be relatively minor in nature. It is hoped that most of the centres will be audited by the end of the Year.

- 4.17 Details of the audits and inspections and the number of outstanding actions can be found in Table 5 below. These are the only audits and inspections which have actions outstanding which have occurred so far in quarter one and two.

**Table 5 Internal Health and Safety Audits Q2**

Month	AD Init.	Team/Area	No. actions identified	No. of actions completed	No. of actions outstanding	No. of actions overdue
July '25	EP	Vehicle Workshop & MOT Station	11	11	0	0
August '25	NR	NOA Pavilion	8	4	4	0
September	NR	Kingsmere Community Centre	26	n/a	n/a	n/a

### **Crew Inspections for both Depots**

- 4.18 The Health and Safety Supervisor undertakes waste collection crew audits each month. The Waste Supervisors also undertake their own crew audits in addition to this.
- 4.19 The purpose of the crew inspections is to meet with the crews with emphasis placed on the following main themes:
- working on the highway
  - manual handling
  - reversing assistants - assessing their working practices and correcting where necessary.

Any shortcomings are addressed at the time and refresher training is arranged where necessary.

### **Environmental Services**

- 4.20 The Health and Safety Supervisor has been spending approximately 1 day per week with the Environmental Services Management team and staff since April 2024. This extra resource with Health and Safety Supervisor has helped engage the Environmental Services supervisors and has ensured that actions such as accident investigation have been undertaken within more realistic timescales. This will continue for the foreseeable future and will also support the completion of the Veritau audit actions.
- 4.21 The work that Health and Safety Supervisor has undertaken has benefited the service as a whole and has definitely contributed the improved reporting of incidents both to us and our insurance advisor where necessary. One of the Assistant Supervisors has also been assigned H&S responsibilities. It has also been reiterated to all the Supervisors that they still have their own health and safety responsibilities as part of their day-to-day role.

4.22 Time spent with this team has consisted of:

- Collaborating with supervisors and updating accident and incident information.
- Crew audit inspections – North & South. These inspections raise supervisory awareness and concentrate on the more hazardous areas such as manual handling and reversing.
- Involvement in incident investigations, supporting with reports, gathering information for, and ensuring that, timeframes are met for RIDDOR reports. Also input into accident and incident meetings with ES team members. This has further ensured that reporting of accidents and incidents is a high priority, and that information is provided promptly.
- Working with Supervisors to ensure that all staff have access to safe working practice notes, corporate arrangements, and risk assessments and to evidence that they have been viewed and understood. This was an action from the Veritau audit and has meant that all operational staff have signed for and understood the content of these documents.
- Providing training to the different teams including accident investigation training for all supervisors.

### **Legislation Update**

#### **Martyn's Law (Terrorism Bill)**

4.23 This law came about following the Manchester Arena bombings and it highlighted the need to protect members of the public at events where large numbers of people are in one area/building. Martyn's Law received Royal Assent on 3 April 2025 and is now the Terrorism (Protection of Premises) Act 2025. The implementation period for this act is expected to be two years but anyone responsible for qualifying premises and events are urged to get preparations underway now.

4.24 An initial meeting was held in early June with key colleagues from Property, Health and Safety, Wellbeing and Finance to ensure the impact of the law is considered in all of our settings. Work has now begun looking at the different properties within the Portfolio of the Council including leisure centres, community centres and premises that we have lease agreements with to establish whether the Terrorism Bill will have an impact on each property.

### **Compliance**

4.25 Work is ongoing to centralise records regarding compliance with all of our properties with regard to Fire, Asbestos, Legionella, Gas and electrical safety.

4.26 The Health and Safety Manager has begun work on developing a process for recording these checks with the assistance of Property and Housing teams which is hoped to fully roll out in early quarter 3 and we will report at the next meeting.

## 5. Alternative Options and Reasons for Rejection

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

Option 1: As this report is for information and follow up there are no alternative options. It is important that Health and Safety information is recorded and reported on a regular basis in order to monitor overall compliance and ensure good practice.

## 6 Conclusion and Reasons for Recommendations

- 6.1 AARC are invited to request any additional health and safety related information that they would like to be included in this report.

### Decision Information

<b>Key Decision</b>	n/a
<b>Subject to Call in</b>	n/a
<b>If not, why not subject to call in</b>	n/a
<b>Ward(s) Affected</b>	n/a

### Document Information

<b>Appendices</b>	None
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Ruth Wooldridge, Health and Safety Manager
<b>Report Author contact details</b>	<a href="mailto:Ruth.wooldridge@cherwell-dc.gov.uk">Ruth.wooldridge@cherwell-dc.gov.uk</a>
<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	Corporate Director of Resources and Transformation, Stephen Hinds 5 November 2025

This report is public	
Treasury Management Report – Mid-year review 2025/26 (September 2025)	
Committee	Accounts, Audit and Risk Committee
Date of Committee	19 November 2025
Portfolio Holder presenting the report	Finance Portfolio Holder, Cllr Lesley McLean
Date Portfolio Holder agreed report	4 November 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 2025-26 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 mid-year review and recommend it be received by 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 the council to approve Treasury Management semi-annual and annual reports.
- 2.2 The council's Treasury Management Strategy for 2025-26 was approved by Council on 24 February 2025. The Treasury indicators have been included in this report as per the 2021 CIPFA Treasury Management in the Public Services Code of Practice requirements.

## Implications & Impact Assessments

Implications	Commentary
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<b>Finance</b>	The financial implications have been taken into account in the Budget Management reports considered by Executive. Lynsey Parkinson, Strategic Business Partner 9 October 2025			
<b>Legal</b>	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. Denzil Turbervill, Head of Legal, 27 October 2025			
<b>Risk Management</b>	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. Celia Prado-Teeling, Performance and Insight Team Leader 27 October 2025			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>		X		Not applicable
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not applicable
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		Not applicable
<b>Climate &amp; Environmental Impact</b>		X		Investments made in line with approved Treasury Strategy
<b>ICT &amp; Digital Impact</b>				Not applicable
<b>Data Impact</b>				Not applicable
<b>Procurement &amp; subsidy</b>				Not applicable

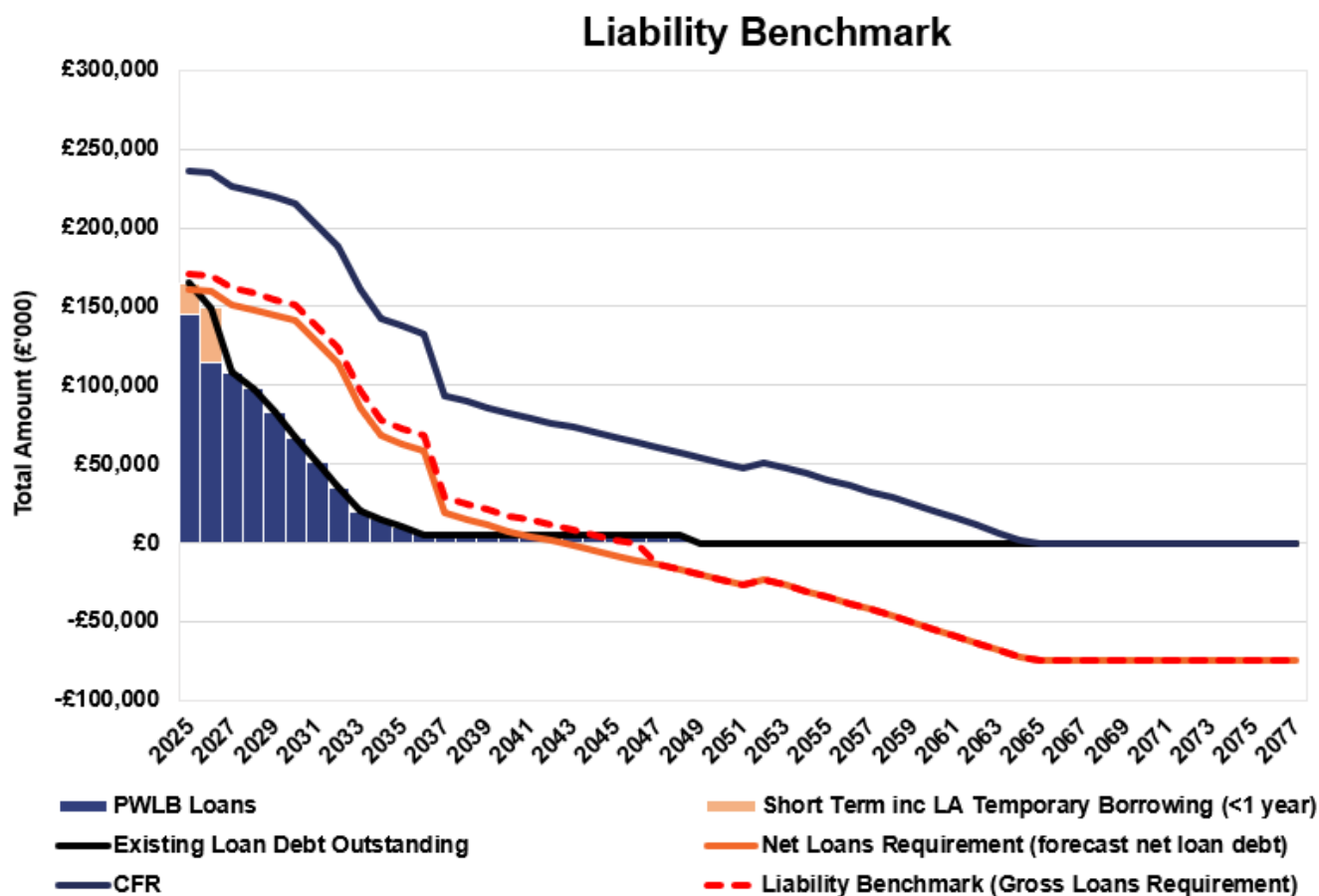
<b>Council Priorities</b>	Not applicable
<b>Human Resources</b>	Not applicable
<b>Property</b>	Not applicable
<b>Consultation &amp; Engagement</b>	Not applicable

## 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 the first quarter of 2025/26, the council has operated within the treasury and prudential indicators set out in the council's Treasury Management Strategy Statement for 2025/26. 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 September 2025 the council had borrowing of £171m and investments of £41m – a net borrowing position of £130m. This is a reduction from the net borrowing position of £139m at 30/06/25.
- 3.3 The net borrowing position at the end of September 2024 was £149m. The year-on-year decrease is primarily due to the £14.6m discount the PWLB awarded on repaying a 50-year loan early. The £25m loan due to mature in November 2071 was repaid in April 2025 for the principal amount of £10.4m with the council retaining the £14.6m discount. The discount is to be amortised over 10 years, resulting in a £1.46m windfall in 25/26 which has been moved to reserves. This is referred to in point 4.18 and reflected in the forecast year end position in Table 12.
- 3.4 The Liability benchmark is a prudential indicator which shows the Capital Financing Requirement (CFR), loan requirements and committed loans in a 50-year forecast. This graph reflects the council's position on the basis that no new capital expenditure is funded from borrowing after the end of the current capital programme.

Table 1: Liability benchmark



This graph above demonstrates the following:

- 3.4.1 The council is expecting its loans to decrease in line with the CFR and that it will not be in an overborrowed position in the future.
- 3.4.2 Cash flow is being actively managed by utilising internal borrowing (comprising of reserves and working capital) to bridge the shortfall between the CFR and net loan requirement.
- 3.4.3 The liquidity buffer - the difference between net loans requirement and the liability benchmark - has been reduced from £20m to £10m in response to borrowing costs remaining higher than forecast. This strategic adjustment is delivering tangible savings in borrowing expenses and is not expected to impact the council's ability to meet its cashflow obligations.
- 3.4.4 According to the current forecast, the requirement for borrowing ceases in the financial year 2041/42. The final £5 million PWLB loan, with a fixed interest rate of 2.5%, is scheduled to mature on 31 May 2048.



## 4. Details

### Borrowing performance for year as of 30 September 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 main 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 quarter ended 30 September 2025

	Borrowing Amount £m	Average Interest Rate	Interest Paid Budget £m	Interest Paid Actual £m	Variance to Date £m
April to Sept 25	159 (average)	2.88%	2.456	2.282	(0.174)
As at 30/09/25	171	3.04%	-	-	-

\* 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: Average borrowing rates for the reporting period

#### HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
30/09/2025	4.58%	4.95%	5.53%	6.23%	5.98%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.55%	4.82%	5.40%	6.11%	5.83%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

- 4.4 Loans totalling £32 million are scheduled to mature before the end of the financial year. Given that PWLB rates remain higher than anticipated, only £10 million of this will need to be refinanced through short-term borrowing as a result of reducing the council's liquidity buffer from £20m to £10m. Therefore, external borrowing will reduce to £149 million, while internal borrowing will increase to £86 million. This strategy is expected to deliver savings against the interest payable budget.
- 4.5 A full list of current borrowing is shown below:

Table 4: Borrowing

<b>Lender</b>	<b>Principal Borrowed £m</b>	<b>Maturity Date</b>
Arun District Council	2	17/10/2025
London Borough of Havering	5	17/10/2025
East Riding of Yorkshire Council	5	31/10/2025
Middlesbrough Council	5	14/11/2025
East Lindsey District Council	3	14/11/2025
South Holland District Council	2	14/11/2025
Middlesbrough Council	5	17/11/2025
Devon County Council Pension Fund	5	17/11/2025
Lincolnshire County Council	5	01/05/2026
Lincolnshire County Council	5	29/05/2026
West Yorkshire Combined Authority	5	30/06/2026
South Oxfordshire District Council	5	17/07/2026
PWLB 7-year maturity	6	19/09/2026
Portsmouth City Council	5	28/09/2026
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
<b>TOTAL</b>	<b>171</b>	

- 4.6 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 it is 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 borrowing in a particular category that would lock it into an unfavourable borrowing situation.

Table 5: Maturity structure of borrowing

Refinancing rate risk indicator	Upper limit	Lower limit	Actual structure
Under 12 months	50%	0%	37%
12 months and within 24 months	50%	0%	6%
24 months and within 5 years	60%	0%	27%

5 years and within 10 years	70%	0%	24%
10 years and above	80%	0%	6%

### Investment performance 1 April to 30 September 2025

- 4.7 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 availability of investable funds is primarily influenced by the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 4.8 Table 6 below shows the investment position during and at the end of the reporting period. Treasury management interest income is currently on track to meet budget expectations, reflecting stable performance in line with forecasted investment returns.

Table 6: Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to Sept 25	31 (average)	4.24%	(0.533)	(0.533)	0.000
As at 30/09/25	41	4.07%	-	-	-

- 4.9 As a comparison, Table 7 below shows average money-market rates. The Council currently has an average investment period of 65 days.

Table 7: Average investment rates for the reporting period

	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.50	4.46	4.47	4.36	4.28	4.17
High Date	01/04/2025	07/05/2025	03/04/2025	01/04/2025	02/04/2025	02/04/2025
Low	4.00	3.97	3.97	3.96	3.89	3.75
Low Date	07/08/2025	29/08/2025	16/09/2025	08/09/2025	07/08/2025	04/08/2025
Average	4.23	4.19	4.16	4.10	4.01	3.88
Spread	0.50	0.49	0.50	0.39	0.39	0.42

- 4.10 While the council is always looking for ways to invest sustainably (or green investments) this must be done within the criteria laid out in the approved Treasury Management Strategy with counterparties that meet the council's investment criteria. Security, liquidity and yield remain the primary investment considerations as required by the Treasury Management Code.

The council continues to invest in three Money Market funds that meet the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088). These are highlighted in green in the full list of current investments in Table 8 below.

4.11 A full list of current investments is shown in Table 8 below:

Table 8: Investments

Counterparty	Principal Deposited £m	Maturity Date / Notice period
<b>Fixed Term Deposits</b>		
Wrexham County Borough Council	1.00	16/10/2025
National Bank of Kuwait (International) Plc	3.00	17/10/2025
Bournemouth Christchurch and Poole Council	5.00	14/11/2025
SMBC Bank International Plc	3.00	17/11/2025
Australia and New Zealand Banking Group Ltd	3.00	21/11/2025
Lancashire County Council	5.00	19/01/2026
First Abu Dhabi Bank	3.00	12/02/2026
Development Bank of Singapore	3.00	12/02/2026
Qatar National Bank	3.00	19/02/2026
<b>Money Market Funds</b>		
Royal London Asset Management	3.00	2-day notice
Legal & General Investment Management	5.00	Same day
Federated Investors UK	2.84	Same day
Northern Trust Asset Managements	0.02	Same day
CCLA Investment Management Limited	0.02	Same day
Goldman Sachs Asset Management	1.45	Same day
<b>TOTAL</b>	<b>41.33</b>	

4.12 Compliance with investment limits are detailed in Table 9 below:

Table 9: Investment Limits

Counterparty	2025/26 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	20 in total	Yes

#### Non-treasury investment activity

- 4.13 The definition of investments in CIPFA's revised Treasury Management Code 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.
- 4.14 As of 30 September 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.
- 4.15 The loan elements of these non-treasury investments generate a higher rate of return than that earned on treasury investments due to the commercial nature of the loans issued. Table 10 below shows the investment position for this reporting period.

Table 10: Non-treasury Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to Sept 25	66.19 (average)	5.94%	(1.972)	(1.997)	(0.025)
As at 30/09/25	66.19	5.94%	-	-	-

### Overall performance

- 4.16 The overall performance for the mid-year review, April to September 25, is:

Table 11: Overall Treasury Position for the Period

	Budget 25/26 £m	Actual 25/26 £m	Variance to date £m
Borrowing costs	2.456	2.282	(0.174)
Other interest payable	0.385	0.001	(0.384)
Other interest receivable	0.000	(1.459)	(1.459)
Treasury income	(0.533)	(0.533)	0.000
Non-treasury income	(1.972)	(1.997)	(0.025)
Transfer to Reserves	0.000	1.957	1.957
<b>Total cost / (income)</b>	<b>0.336</b>	<b>0.251</b>	<b>(0.085)</b>

- 4.17 Transfers to Reserves represents 2025/26's £1.459m share of the amortised PWLB early redemption premium and £0.498m of previously declared treasury management surpluses. The full year forecast at 30 September 2025, found in Table 12 below, reflects a further surplus £0.769m made up of surpluses arising from improvements in the cost of borrowing. This forecast surplus is being used to offset service overspends.

Table 12: Overall Treasury Position Forecast to Year End

	Full Year Budget £m	Full Year Actual £m	Full Year Variance £m
Borrowing costs	4.913	4.484	(0.429)
Other interest payable	0.769	0.001	(0.768)
Other interest receivable	0.000	(1.459)	(1.459)
Treasury income	(1.067)	(1.088)	(0.021)
Non-treasury income	(3.943)	(3.992)	(0.049)
Transfer to Reserves	0.000	1.957	1.957
<b>Total cost / (income)</b>	<b>0.672</b>	<b>(0.097)</b>	<b>(0.769)</b>

### Interest rate forecast

- 4.18 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.

MUFG Corporate Markets' latest forecast on 11 August 2025 sets out a view that short, medium and long-dated interest rates are expected to fall back over the next year or two, although there are upside risks in respect of the possibility that inflation targets will not be achieved and a continuing tight labour market, as well as the size of gilt issuance.

Table 13: Forecast Rates

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
<b>BANK RATE</b>	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

## 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 first half of 2025/26. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

## Decision Information

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

## Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Capital Prudential Indicators
<b>Background Papers</b>	None
<b>Reference Papers</b>	<p>Treasury Management Report – Q1 2024/25 (June 2024)  <a href="https://modgov.cherwell.gov.uk/documents/s56552/Treasury%20Management%20Report%20Q1%202024%2025.pdf">https://modgov.cherwell.gov.uk/documents/s56552/Treasury%20Management%20Report%20Q1%202024%2025.pdf</a></p> <p>Treasury Management Report – Annual Performance Report 2023/24 with Capital Prudential indicators  <a href="https://modgov.cherwell.gov.uk/documents/s56500/Treasury%20Management%20Outturn%20Report%202023%2024.pdf">https://modgov.cherwell.gov.uk/documents/s56500/Treasury%20Management%20Outturn%20Report%202023%2024.pdf</a></p> <p>Treasury Management Strategy 2025-26  <a href="https://modgov.cherwell.gov.uk/documents/s58192/Appendix%202%20-%20Treasury%20Management%20Strategy%202025-26.pdf">https://modgov.cherwell.gov.uk/documents/s58192/Appendix%202%20-%20Treasury%20Management%20Strategy%202025-26.pdf</a></p>
<b>Report Author</b>	Janet du Preez Finance Business Partner – Treasury and Insurance
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<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	Report of Statutory Officer, Section 151 Officer

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## Appendix 1 – Capital Prudential Indicators

### 1. Introduction

This appendix is structured to update members on:

- The council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

### 2. Capital Expenditure

This provides a summary of the council's capital expenditure for 25/26. It reflects the original estimate from the 24/25 Treasury Management annual performance report, the current actual spent, as well as the revised position for 25/26.

Table A1: Capital Expenditure

	25/26 Original Estimate £m	25/26 Current Position £m	25/26 Revised Estimate £m
Service Loans			
Capital Projects	13.6	2.2	9.3
New Finance Lease and PFI			
New Projects (not yet approved by Council)			
<b>Total Capital Expenditure</b>	<b>13.6</b>	<b>2.4</b>	<b>9.5</b>
Financed by:			
Capital Receipts (Asset Disposals)	(5.1)		
Capital Receipts (Loan Principal)			
Revenue Contributions			
Grants and other contributions (existing projects)	(5.8)	(1.7)	(5.9)
Grants and other contributions (new projects)			
Finance Lease and PFI liabilities			
<b>Total financing</b>	<b>(10.9)</b>	<b>(1.7)</b>	<b>(5.9)</b>
<b>Net financing need for year</b>	<b>2.7</b>	<b>0.5</b>	<b>3.4</b>

The current and revised estimates have been taken from the mid-year forecasting. This indicator reflects that most of the capital expenditure is expected to take place in the 3<sup>rd</sup> and 4<sup>th</sup> quarter, however delays could lead to reprofiling spend to 26/27.

### 3. Capital Financing Requirement

The Capital Financing Requirement (CFR) shows the difference between the council'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 council makes Minimum Revenue Provision (MRP) or otherwise sets aside revenue or capital resources to finance expenditure.

Table A2: Capital Financing Requirement

	25/26 Original Estimate £m	25/26 Revised Estimate £m
Opening CFR	241.6	235.5
Capital Spend	13.6	9.3
Resources used	(10.9)	(5.9)
MRP	(4.7)	(4.2)
<b>Closing CFR</b>	<b>239.7</b>	<b>234.7</b>

This reflects the reduction in capital expenditure forecast.

#### 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 council should ensure that gross debt does not, except in the short-term, exceed the total of the CFR. If the level of gross borrowing is below the council's capital borrowing need – the CFR – it demonstrates compliance with the requirement of this Indicator.

Table A3: Gross Debt & Capital Financing Requirement

	25/26 Original Estimate £m	25/26 Revised Estimate £m
CFR	239.7	234.7
Gross borrowing	179.0	149.0
<b>Under / (over) borrowing</b>	<b>60.7</b>	<b>85.7</b>

This indicator shows that the council is under borrowed and that debt is only being used to support capital expenditure.

In April 2025, a £25m loan due to mature in November 2071 was repaid for the principal amount of £10.4m, with the council retaining the £14.6m discount. The discount has strengthened working capital and supports an increase in internal borrowing, contributing to reduced reliance on external debt and delivering savings on interest costs.

#### 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 Council'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

	25/26 Original Estimate £m	25/26 Revised Estimate £m
External Borrowings	179	149
<b>Operational Boundary</b>	<b>200</b>	<b>200</b>
<b>Authorised Limit</b>	<b>310</b>	<b>310</b>

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 Grant but excludes income from investments.

Table A5: Ratio of Financing costs to Net Revenue stream

	25/26 Original Estimate £m	25/26 Revised Estimate £m
Interest costs on existing borrowing	4.5	4.5
MRP	4.7	4.2
<b>Total Financing Costs</b>	<b>9.2</b>	<b>8.7</b>
Funding	26.2	26.2
Non-specific grant income	5.5	5.1
<b>Net Revenue Stream</b>	<b>31.7</b>	<b>31.3</b>
<b>Ratio of Financing costs</b>	<b>29.0%</b>	<b>27.8%</b>

This indicator shows that the ratio of financing costs to net revenue streams is high, however what this does not 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 revenue generating 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 council 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

	25/26 Original Estimate £m	25/26 Revised Estimate £m
Income from long term investments	4.0	4.0
Income from assets	6.9	5.8
<b>Total Investment income</b>	<b>10.9</b>	<b>9.8</b>
Funding	26.2	26.2
Non-specific grant income	5.5	5.1
<b>Net Revenue Stream</b>	<b>31.7</b>	<b>31.3</b>
<b>Ratio of investment income</b>	<b>34.4%</b>	<b>31.4%</b>

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

	25/26 Original Estimate	25/26 Revised Estimate
Ratio of Financing costs	29.0%	27.8%
Ratio of Investment income	34.4%	31.4%
<b>Affordability ratio</b>	<b>(5.4%)</b>	<b>(3.6%)</b>
	<b>£m</b>	<b>£m</b>
<b>Affordability ratio in £</b>	<b>(1.7)</b>	<b>(1.1)</b>

The affordability ratio shows that the council has an overall net revenue income for capital financing.

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.

This report is public	
Financial Management Code – Forecast Self-Assessment Update 2025/26	
<b>Committee</b>	Accounts, Audit and Risk Committee
<b>Date of Committee</b>	19 Nov 2025
<b>Portfolio Holder presenting the report</b>	Deputy Leader of the Council and Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
<b>Date Portfolio Holder agreed report</b>	5 November 2025
<b>Report of</b>	Assistant Director of Finance (Section 151 officer), Michael Furness

## Purpose of report

To update the Committee that the results of the Council's forecast self-assessment position at February 2026 against the requirements of CIPFA's Financial Management Code show continued strong compliance, demonstrating a resilient and sustainable approach to managing the Council's funds.

## 1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the Council's forecast self-assessment position of strong compliance at February 2026 against the requirements of CIPFA's Financial Management Code.

## 2. Executive Summary

- 2.1 It is the opinion of the Chief Financial Officer (CFO) that the council is currently financially resilient, continues to strive in delivering value for money to its residents and businesses and aims to provide the capacity to deliver its strategic ambition within the challenging environment within which it operates. In its aim of striving for financial excellence, the council continues to identify areas for improvement as it seeks to deliver its ambitious corporate priorities and its core services during a period of volatility and financial constraints.

## Implications & Impact Assessments

Implications	Commentary			
Finance	There are no finance implications arising directly from this report. Lynsey Parkinson, Strategic Finance Business Partner, 5 November 2025.			
Legal	By completing a self-assessment the council are ensuring compliance with the Financial Management Code. Denzil Turbervill, Head of Legal Services 10 November 2025			
Risk Management	There are no risk management implications to the council arising directly from this report. However, the report details how the council manages its financial risk, and the mitigations that are in place, which form a strong basis for managing the council's overall corporate risks. Celia Prado-Teeling, Performance and Insight Team Leader, 5 November 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		There are no equalities implications arising directly from this report. Comments checked by: Celia Prado-Teeling, Performance and Insight Team Leader 05/11//2025
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				N/A
ICT & Digital Impact				N/A
Data Impact				N/A
Procurement & subsidy				N/A

<b>Council Priorities</b>	N/A
<b>Human Resources</b>	N/A
<b>Property</b>	N/A
<b>Consultation &amp; Engagement</b>	N/A

## Supporting Information

### 3. Background

3.1 The Financial Management (FM) Code was introduced by the Chartered Institute of Public Finance and Accountancy in 2019 in the context of increasing concerns about the financial resilience and sustainability of local government. The FM Code clarifies how Chief Finance Officers should satisfy their responsibility for good financial administration as required in Section 151 of the Local Government Act 1972. The council has complied with the code since its inception and has continued to make improvements year on year.

3.2 The FM Code applies a principle-based approach. The Code is structured into seven sections for the purposes of self-assessment and the budget setting period provides a timely opportunity for assurance review. It requires that a local authority demonstrates that its processes satisfy the principles of good financial management, and these principles are:

- **Organisational leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- **Financial management** is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- **Adherence to professional standards** is promoted by the leadership team and is evidenced.
- **Sources of assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- **The long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

## **4. Details**

- 4.1 As part of setting the council's budget each year the CFO must prepare a Section 25 Statement to consider the robustness of the budget and the council's finances. The February 2025 S25 statement included an opinion of how the council complied with the FM Code; the conclusion was that the council was in a good position to continue to comply with all areas of the FM Code with planned additional enhancements.
- 4.2 Since the self-assessment was last updated in October 2024, the council's external auditors have yet to prepare their Value for Money assessment as part of the audit of the 2024/25 accounts. When complete in the coming months, this will significantly bolster Section 1A of the CIPFA self-assessment as the auditor's conclusion is expected to once again be that the council does provide value for money.
- 4.3 Section 2 of the self-assessment relates to Governance and Financial Management Style. The evidence for ongoing compliance with this section has relied upon the existence of the Corporate Oversight & Governance Group (COGG). COGG was formed to ensure continued good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and monitoring against the Action Plan.
- 4.5 Section 3 of the self-assessment relates to Long to Medium-Term Financial Management. Since the last self-assessment, the council has introduced additional Prudential Indicators to its quarterly Treasury Management reports. The council continues to maintain an up to date 5-year Medium Term Financial Strategy (MTFS) which is regularly reported to the Executive and reflects the financial challenges and opportunities that the council faces.
- 4.6 Section 6 of the self-assessment relates to Monitoring Financial Performance and actions have been taken since February 2025 to continue to enhance the capital reporting and regular reporting of aged debt leading to a council-wide greater understanding of the council's aged debt position and uncollectable debt being regularly reviewed and recommended for write-off.
- 4.7 The council considers that it will continue to fully comply with all aspects of the FM Code which will be reflected in the assessment when setting the budget in February 2026. The council seeks to continuously drive improvement. Some of these suggested future improvements are identified in the council's self-assessment at Appendix 1.

## **5 Alternative Options and Reasons for Rejection**

- 5.1 No other options were considered.

## **6 Conclusion and Reasons for Recommendations**



- 6.1 The council considers that it will continue to be fully compliant with all aspects of the FM Code when the budget is set in February 2026. This demonstrates to members, residents and other stakeholders that Cherwell continues to act in a resilient and sustainable manner.

## Decision Information

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

## Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	FM Code Self-Assessment 2025-26
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Joanne Kaye, Head of Finance (D151)
<b>Report Author Contact details</b>	<a href="mailto:joanne.kaye@cherwell-dc.gov.uk">joanne.kaye@cherwell-dc.gov.uk</a> 01295 221545
<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	Report of Statutory Officer, Section 151 Officer

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## Appendix 1 – Summary Financial Management Code Assessment

### General Opinion

It is the opinion of the CFO that the council is currently financially resilient, continues to strive in delivering value for money to its residents and businesses and aims to provide the capacity to deliver its strategic ambition within the challenging environment within which it operates. In its aim of striving for financial excellence, the council continues to identify areas for improvement as it seeks to deliver its ambitious corporate priorities and its core services during a period of volatility and financial constraints.

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
1.	<b>Responsibilities of the CFO and Leadership Team</b>			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<p>The Constitution – updated Feb 2024, including revised refreshed financial procedure rules. This includes a clear governance structure, with well-defined roles for Members, committees and all Chief and Statutory Officers. The collective responsibility for the achievement of VFM is made within the constitution. This is reviewed and updated regularly. The constitution is reviewed regularly.</p> <p>Procurement and contract management regulations - The organisation ensures that all services tendered by the Council provide the best use of resources. Tenders are assessed against quality of service as well as price, with social value considered a key part of procurement.</p> <p>Contracts and third-party agreements require review and approval by finance, procurement and service head/director which is a process</p>	<p>Develop a statement of how proposals in committee reports will deliver value for money where appropriate</p> <p>Continue to develop the use of benchmarking and cost review across other council services</p>	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
Page 152		to ensure procurements have been compliantly undertaken.		
		The Gateway Process approach incorporates a robust gateway-based process for decision making. Business cases which are the key decision-making documents include details on options, benefits (nonfinancial and financial) and the cost for delivery and through an investment appraisal providing a clear view of the value for money before projects are finalised and approved.		
		Benchmarking of some services has been carried out in specific areas of high demand and risk e.g., environmental services. Further benchmarking across other council services and cost review to continue to be a focus in 2026/27 with a view of identifying opportunities to improve value for money whilst also focusing on demand management in the medium term.		
		Overview and Scrutiny committee meets 6-7 times a year, examines policy and performance of services and can refer matters to Executive.		
		External Audit review the council's arrangements for VFM and provide a VFM opinion as part of their external audit work on the accounts.		

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		Service benchmarking data (source: RA2024/25) was provided to CLT during budget setting to highlight where Cherwell is more or less expensive than other districts to act as a “conversation starter” in better understanding cost drivers and identifying where further cost improvement may be possible.		
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	<p>The CFO is a qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of CLT (Corporate Leadership Team) and has an influential role with members of the Executive, Accounts, Audit &amp; Risk Committee and lead opposition members.</p> <p>The council’s finance team is resourced at present to deliver the council’s key core requirements. The finance function is staffed through permanent staff with good levels of knowledge and experience. The CFO promotes personal development; there are currently two members of the team studying for accounting qualifications.</p>	Review annually the statement of roles and responsibilities of CFO, CLT and the Exec.	
<b>2. Governance and Financial Management Style</b>				
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The council’s Constitution includes a copy of the code of conduct, which sets out the principles, behaviour and actions for members and officers of the council. The Code of Ethics and Standards requires all staff to abide by the Nolan Principles in public life. The council has	Continue to enhance and develop the role of COGG.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
Page 154		<p>an Accounts, Audit and Risk Committee which reviews the arrangements for assurance.</p> <p>The Head of Internal Audit and Counter Fraud Lead report regularly to this committee on the work of the internal audit and counter fraud teams and have independent direct links to the committee to raise any concerns they may have. The Head of Internal Audit is required to provide an independent opinion each year on the effectiveness of the system of internal control and also on progress on the delivery of actions recommended through specific internal audit reviews.</p> <p>The Corporate Oversight &amp; Governance Group (COGG) was set up to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Executive Directors.</p>		
	D	<p>The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”</p>	<p>The AGS includes an Annual Internal Audit Opinion on the effectiveness of the internal control environment and the systems of internal control and confirms its continuing commitment to the CIPFA Framework.</p> <p>The effectiveness of the council’s governance arrangements is reviewed and reported each year through the AGS. Exec Directors, Assistant Directors and certain Heads of Service are required to sign off annual</p>	<p>Continue to enhance and develop the AGS through CLT and respond to emerging best practice.</p>

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		<p>assurance statements, this requires them to confirm whether they are aware of any significant weaknesses in internal control.</p> <p>Accounts, Audit and Risk Committee is responsible for considering the council's arrangements for corporate governance including strategic oversight of risk management processes. Executive retain responsibility for the management of risk.</p>		
E	The Financial Management style of the authority supports financial sustainability	The Council has moved from a Budget Monitoring approach to Budget Management which is an active approach designed not just to report variances but to develop mitigations in order to manage the in-year variances corporately. A Budget Oversight Group has been established to challenge service areas projecting overspends to contain these within their annual budgets through mitigations.	<p>Continue to challenge budget managers to explore options for mitigating budget variances to ensure financial sustainability.</p> <p>Reporting could be enhanced with regular reports on FOI, data subject access requests, and EIR requests, to give visibility and assurance on regulatory compliance</p>	
<b>3. Long to Medium-Term Financial Management</b>				
F	The authority has carried out a credible and transparent financial resilience assessment	<p>A Financial Resilience assessment is included within the budget documents reported to Executive and Council. The assessment is consistent with the Medium-Term Financial Strategy (MTFS) assumptions.</p> <p>As part of refreshing the medium-term financial forecast, a risk assessment is made of likely future pressures and demands, and an assessment is made for a suitable level of General Fund reserve required to mitigated risk. The council maintains a minimum level of</p>	Scenario planning and sensitivities continue to be considered as part of medium-term forecasting.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		<p>general balances for unforeseen risks and circumstances.</p> <p>A 'going concern' assessment is carried out each year as part of the annual audit process which involves a review of reserve levels and cashflow modelling.</p>		
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<p>The council reviews and identifies each year the risks (local/national, internal/external) facing the council that may have financial implications and these are outlined in the budget report, Statement of Accounts and MTFS each year. The MTFS resource forecast is competed on a "realistic worst case" scenario with alternative scenarios modelled. A second service review exercise has been undertaken in 2025/26 to identify further options to address the "realistic worst case".</p> <p>Executive and the Budget Planning Committee each received the Budget and Business Planning Process Report in Sept 2024 in preparing for 2025/26 budget setting and updated in Oct 2025 for 2026/27 budget setting.</p>	Continue to update CLT and the Executive throughout the year and within Budget/MTFS documents.	
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	A Capital Strategy is produced annually. Quarterly Treasury Management monitoring is considered at the Accounts, Audit and Risk Committee. A profiled five-year capital programme was approved by Council in Feb 2025 and is managed monthly and reported to the Executive quarterly. The Q2 and Q4	The quarterly TM reports contain updates on Prudential Indicators but this could be expanded to further facilitate the interpretation of them for readers.	



Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		Treasury Management reports include prudential indicators and are also reported to Council.		
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The council has an Integrated Annual Planning Process which brings together business planning and budget setting process (including a five-year MTFS). This process supports the delivery of the councils' statutory duties and corporate plan priorities. The service business planning process in 2025/26 sought to ensure consistent business plans were in place for the delivery of the council's Corporate Plan for all directorates which included the financial resources required for delivery and hence sustainability.	Continue to ensure services are aware of future savings plans committed to and savings are implemented. Encourage 'early alert' if future savings are at risk so that mitigations can be put in place and potentially get savings back on track.	
<b>The Annual Budget</b>				
	The authority complies with its statutory obligations in respect of the budget setting process	<p>The Council produces its annual balanced budget and supporting documentation.</p> <p>The council's CFO is fully aware of the circumstances under which to issue a Section 114 and does not anticipate this being required in respect of budget setting at this time, though this is kept under review.</p>		
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	S25 report accompanies the suite of budget documents reported to Executive and Council. Enhanced by including an assessment of compliance with the FM Code.		
<b>5. Stakeholder Engagement and Business Plans</b>				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Consultation on the budget proposals as well as ensuring we carry out the statutory business rate payers' consultation.	Continue with corporate and directorate consultation where appropriate.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		<p>The council's 2025/26 Corporate Plan was developed through key findings from working with and engaging with local residents, staff, businesses and partner agencies and organisations and seeks to deliver district-wide ambitions. This can be found on the council's website.</p> <p>The council continually reviews and refreshes its communication strategy / plans to improve the communication of the council's financial position, strategic plans and aims to key stakeholders in the community.</p>		
Page 158	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	<p>A gateway process which includes a standardised business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the recommended scheme.</p> <p>All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented. The Extended Leadership Team (ELT) are responsible for overseeing the Gateway process for evaluation of projects. The process considers factors such as vfm, business need and recommendations are made to CLT who in turn recommend to Members.</p> <p>The gateway process has been enhanced to ensure that benefits realisation plays a more significant role in the future.</p>	Continue to embed Gateway process and refine business case templates from outline through to full for both revenue and capital schemes for all strategic boards.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
6.	<b>Monitoring Financial Performance</b>			
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	<p>The quarterly Performance, Risk and Finance Report to Executive enables CLT and Executive to respond to emerging issues. Enhancements to capital reporting have been introduced to now include analysis of variances to the total cost of the scheme rather than comparison to in-year profiled budget. All capital schemes are now monitored by either a strategic project board or by the appropriate DLT (for BAU schemes).</p> <p>Monthly Budget Management reports are prepared to identify as quickly as possible challenges to the budget. As a result of this “early warning system” management has maintained the Budget Oversight Group to work closely with services that are overspending to identify options to come back on budget.</p>	<p>The Capital Programme monitoring element requires enhancement to:</p> <ul style="list-style-type: none"> <li>• better reflect performance and the delivery of outcomes linked to the completion of capital schemes.</li> <li>• Better understand the drivers of budget reprofiling</li> </ul> <p>Transformation will look to bring additional governance to capital approval and monitoring.</p>	
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	<p>Reserves and balances are monitored quarterly and reported to Executive. Changes in budgeted use require appropriate approvals before they can be assumed.</p> <p>Debtor monitoring takes place monthly, identifying and analysing aged debt. Regular review and management of aged debt has resulted in either recovery or unrecoverable debts being written off in a more timely manner. CLT receive a quarterly report on the top 20 debtors, this is also reported to ELT and to DLTs.</p>	Continue to enhance reporting of aged debt to enable budget managers to effectively manage their aged debt.	
7.	<b>External Financial Reporting</b>			

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom”	<p>The responsibilities of the CFO are set out in the constitution, financial regulations and are also included in employment contract/job description as well as in statute.</p> <p>The annual accounts are produced in compliance with the CIPFA Code by appropriately qualified and trained individuals and are approved by the CFO and the external auditors prior to approval by the Accounts, Audit and Risk Committee. The draft accounts for 2024/25 were published prior to the statutory deadline and the subsequent audit found no material issues. The audit opinion remains Disclaimed; however, this is not a reflection on the quality of the council's accounts, but rather a reflection of the ongoing impact of the audit backlog. .</p>	Continue close working with the council's external auditors to move out of disclaimed and qualified audit opinions.	
	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	<p>CLT and Executive consider the outturn report and year end variances enabling strategic financial decisions to be made as necessary.</p> <p>The outturn position is then used to inform and update the in-year budget position, medium term financial planning projections and to inform the forward forecast and adequacy of reserves and balances.</p>	Feedback regularly sought to improve the quality of reporting.	

## Accounts, Audit and Risk Committee Work Programme 2025/26

Date	Agenda Items
<b>14-Jan-26</b>	Treasury Management Q3 Update Draft Capital and Investment Treasury Management Strategies 2025/26 AGS 2024/25 Actions Update Final Accounts 2024/25 Local Code of Corporate Governance Housing Benefit Subsidy Audit 2022/23 Work Programme Update <i>Chief Internal Auditor - Private Session</i> <i>External Auditor - Private Session</i>
<b>18-Mar-26</b>	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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