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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Audit and Governance Committee
Date: Wednesday 17 June 2026
Time: 6.30 pm
Venue: 39 Castle Quay, Banbury, OX16 5FD

Membership

Councillor Simon Lytton (Chair)	Councillor David Rogers (Vice-Chair)
Councillor Besmira Brasha	Councillor Mark Gorman
Councillor Ian Middleton	Councillor Julian Nedelcu
Councillor Robert Parkinson	Councillor Alisa Russell
Nelly Lukwo	Independent Person, no voting rights
Sarah Thompson	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 - 16)

To confirm as a correct record the Minutes of the meetings of the Committee held on 18 March 2026 and 20 May 2026.

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. Health & Safety Quarter 4 2025-26 (Pages 17 - 28)

Report of Assistant Director of Human Resources

Purpose of report

To provide the Audit and Governance Committee with the Council's Health and Safety performance for Quarter 4 of 2025/26.

Recommendations

The Audit and Governance Committee resolves:

1.1 To review and note the content of the report

8. Risk Monitoring Report Quarter 4 2025-26 (Pages 29 - 40)

Report of Head of Chief Executive's Office

Purpose of report

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

Recommendations

The Audit and Governance Committee resolves:

1.1 To note the Risk Monitoring Report for Quarter 4 2025-26

9. Head of Internal Audit Annual Report 2025-26 (Pages 41 - 70)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

This report includes the Head of Internal Audit annual report (appendix 1), which summarises internal audit work undertaken in 2025/26 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

Recommendations

The Audit and Governance Committee resolves to:

- 1.1 Note the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.
- 1.2 Note the update on Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.
- 1.3 Note that one significant control weaknesses has been identified by internal audit during the year which is considered relevant to the preparation of the Annual Governance Statement, this being: the council's utilities management arrangements (page 5-6, appendix 1).

10. Counter Fraud Annual Report 2025-26 (Pages 71 - 80)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

This report presents the counter fraud work undertaken in 2025/26.

Recommendations

The Audit and Governance Committee resolves to:

- 1.1 Note the counter fraud progress report.

11. Treasury Management Report - Outturn 2025/26 (Pages 81 - 96)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide information on treasury management performance and compliance with treasury management policy for 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.

Recommendations

The Audit and Governance Committee resolves:

1.1 To note the contents of this Treasury Management Performance Report and recommend it be received by Council.

12. Review of Committee Work Programme (Pages 97 - 98)

To consider and review the Work Programme.

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

Information about this Meeting

Apologies for Absence

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

Declarations of Interest

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

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

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

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Queries Regarding this Agenda

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

Shiraz Sheikh
Monitoring Officer

Published on Tuesday 9 June 2026

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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 18 March 2026 at 6.30 pm

Present:

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

Apologies for absence:

Councillor Besmira Brasha

Also Present:

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

Also Present Virtually:

Councillor Ian Middleton
Ed Lambert-Martin, Internal Audit - Veritau
Stuart Limb, Internal Audit - Veritau
Mark Bartlett, External Audit, Bishop Fleming

Officers:

Joanne Kaye, Head of Finance and Deputy S151 Officer
David Peckford, Assistant Director Planning
Jacey Scott, Head of Revenues and Benefits
Patrick Davis, Democratic and Elections Officer

Officers Attending Virtually:

Claire Cox, Assistant Director Human Resources
Ed Potter, Assistant Director Environmental Services
Celia Prado-Teeling, Performance Team Leader
Ruth Wooldridge, Health and Safety Manager
Mary Denedo, Strategic Finance Business Partner

72 **Declarations of Interest**

There were no declarations of interest.

73 **Minutes**

The Minutes of the meeting of the Committee held on 14 January 2026 were agreed as a correct record and signed by the Chair.

74 **Chair's Announcements**

There were no Chair's announcements.

75 **Requests to Address the Meeting**

There were no requests to address the meeting.

76 **Urgent Business**

There were no items of urgent business.

77 **Health and Safety Report Quarter 3 2025/26**

The Assistant Director of Human Resources submitted a report to provide the Committee with an update on the Council's Health and Safety performance for Quarter 3 of the 2025/26 financial year.

In introducing the report, the Portfolio Holder for Corporate Services explained that the majority of health and safety incidents involved Environmental Services as this was the highest risk area within the Council. To help mitigate, the Health and Safety Manager has been spending three days per week at the depots to support their safe operations.

In response to a question regarding the completion of mandatory online health and safer training across the council, the Assistant Director of Human Resources advised that managers were able to monitor their team's training progress and confirmed that staff were able to complete the training modules in work time.

The Committee was advised that in autumn 2025 a HSE Inspector had visited the Castle Quay offices to look at how asbestos was managed in council buildings. This is a UK wide initiative with HSE Inspectors visiting local authorities across the country as there is concern about the amount of asbestos present in public buildings.

In response to a question regarding the policy of reversing large recycling vehicles, the Assistant Director of Environmental Services explained that it was expected there would always be someone behind the lorry to help the driver to reverse. Any breach of this policy was taken extremely seriously and could lead to disciplinary action.

Resolved

- (1) That the Health and Safety Report Quarter 3 2025/26 be noted.

78 Risk Based Verification Policy

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

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration outlined the Risk Based Verification process. The policy enabled low risk claims to be processed more quickly with minimal disruption and freed up resources to be targeted at the higher risk claims which aligned with best national practice.

In response to a request for comparative data with previous years it was agreed that this would be circulated to Committee members after the meeting.

Resolved

- (1) That the report be noted.
- (2) That the Risk Based Verification policy for the financial year 2026/27 be approved.

79 Risk Monitoring Report Quarter 3 2025-26

The Head of the Chief Executive's Office 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 advised that there was one score change within the Leadership Risk Register and this related to risk L05 - Planning Applications for Major Development which had been increased from Medium to High.

In response to a question regarding the potential for incorporating additional performance metrics to monitor the performance of the Castle Quay shopping centre, the Committee was advised that any changes to the performance measures would need to be considered by the Overview and Scrutiny Committee as it was responsible for the monitoring, reviewing and scrutinising of council services. If agreed by the Overview and Scrutiny Committee this would be included in its recommendations to Executive.

In response to a query regarding the risks associated with the Cherwell District Council's Local Plan (risk LA3), the Assistant Director of Planning explained that a recent interim report from the Oxford Growth Commission had highlighted potential additional housing requirements in the Oxford area that would possibly impact on the District's own Local Plan. Central government had not yet responded to the Commission's report.

In response to a question regarding the increase from medium to high for Planning Applications for Major Developments (risk L05), the Assistant Director of Planning explained that this was largely due to the fact that the data used to measure performance against the 10% threshold for applications overturned at appeal, came from the 2022-2024 period which contained a larger number of these type of decisions. The next reporting period was likely to provide a similar outcome as it would also include legacy data. The Assistant Director of Planning advised that transformation and improvement work was ongoing.

Resolved

- (1) That the Risk Monitoring Report for Quarter 3 2025-26 be noted.
- (2) That the proposal to add additional performance indicators relating to Castle Quay shopping centre, be referred to Overview and Scrutiny Committee for review and possible onward recommendation to Executive.

80 Draft Annual Report of the Accounts, Audit and Risk Committee 2025/26

The Assistant Director of Finance (Section 151 Officer) submitted the draft annual report of the Accounts, Audit and Risk Committee for the financial year 2025/26. It had been prepared to enable the Committee to demonstrate to Council how it had fulfilled its terms of reference.

In introducing the report, Ed Lambert-Martin, Audit Manager at Veritau, provided the Committee with details on how it had discharged its duties during the 2025/26 period through the reports it had reviewed. Members were advised that Veritau planned to carry out a self-assessment exercise in the next financial year to review the effectiveness of the Committee against the CIPFA position statement.

Resolved

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

81 **Internal Audit Progress Report 2025/26**

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided an update on the delivery of the 2025/26 internal audit work programme up to the end of February 2026.

In introducing the report, Ed Lambert-Martin, Audit Manager at Veritau explained that three audits had been finalised since this was reported to the Committee at their meeting 19 November 2025. These were IT Asset Management, Cyber Security user awareness training and utilities management follow up.

In response to a question regarding the delayed implementation of the new card payment system, the Committee was advised that a new system had now been procured but it was still in the process of being installed. Veritau was waiting for an update on the revised timescale for this.

In response to a question regarding an action raised as part of the utilities management audit in particular an expected credit for utility payments relating to the Banbury Museum, the Audit Manager at Veritau explained that an external report commissioned by the Museum's Trust had been delayed. Follow up would continue until a conclusion was reached.

Resolved

- (1) That the progress made in delivering the 2025/26 internal audit work programme be noted.

82 **Internal Audit Work Programme 2026/27 and 2027/28**

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided the Committee with the programme of internal audit work to be undertaken in 2026/27 along with an indicative work programme for 2027/28.

In introducing the report, Ed Lambert-Martin, Audit Manager at Veritau explained that due to the ongoing process of Local Government Reorganisation (LGR), it was prudent to consider assurance requirements and priorities over the next two financial years rather than just the forthcoming period.

In response to a question regarding the impact of LGR on the internal audit work programme in particular the potential for priorities to change, the Audit Manager at Veritau advised that the focus may change but this was dependent on the outcome of the LGR decision.

Resolved

- (1) That the 2026/27 internal audit work programme be approved and the indicative 2027/28 internal audit work programme be noted.

83 **Counter Fraud Progress Report**

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided an update on counter fraud work undertaken so far in 2025/26.

In introducing the report, Stuart Limb, Corporate Investigations Manager at Veritau highlighted that Veritau continued to provide fraud awareness training. In November, training had been presented to the Corporate Leadership Team and a further session was planned with the Executive Leadership team.

The Corporate Investigations Manager confirmed the volumes of referrals and investigations carried out was normal for the size of the council. In addition to its own referrals, Veritau shared fraud alerts from the National Anti-Fraud Network with relevant council departments.

Resolved

- (1) That the update on the counter fraud progress report 2025/26 be noted.

84 **Counter Fraud Plan Report**

The Assistant Director of Finance (Section 151 Officer) submitted a report to update the Committee on the counter fraud plan for 2026/27.

In introducing the report, Stuart Limb, Corporate Investigations Manager at Veritau provided an overview of the plan, which was largely informed by the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption that identified the main areas of risk.

In response to a question regarding the level of reactive investigations in relation to proactive ones, the Corporate Investigations Manager at Veritau explained that it was important that referrals from officers were followed up in a timely manner. They were treated as a priority to ensure that staff were motivated to continue making appropriate referrals.

In response to a question about the use of Artificial Intelligence and Machine Learning to detect fraud the Committee was advised that at present appropriate software was not yet available but technology continued to develop.

Resolved

- (1) That the 2026/27 Counter Fraud Plan be approved.

85

2024/25 Final Statement of Accounts

The Assistant Director of Finance (S151 Officer) submitted a report to ask the Committee to note the final audit results and annual report of the council's external auditors in relation to the 2024/25 statement of accounts

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration confirmed that the 2024/25 statement of accounts had been published by the statutory deadline of the 28 February 2026 with a disclaimer opinion. There had been one further change from the draft accounts that had been presented on the 19 November 2025, which related to the Council's loan to Crown House Banbury Limited.

In response to a query regarding the timeframe for moving to an Unqualified opinion on the financial statements, the Director at Bishop Fleming advised that the roadmap was in place and was on schedule for the 2026/27 final accounts.

Resolved

- (1) That the final 2024/25 Statement of Accounts and the associated changes between the draft and final versions be noted.
- (2) That the final letter of representation for 2024/25 be noted.
- (3) That the final Auditor's Annual Report and Audit Completion Report from the council's external auditors, Bishop Fleming, be noted.

86

External Audit Plan 2025/26

The Assistant Director Finance (S151 Officer) submitted a report outlining the External Audit Plan for 2025/26 from the Council's external auditors, Bishop Fleming LLP

Mark Bartlett, Director at Bishop Fleming explained that whilst the audit plan was largely similar to previous years, a change had been introduced relating to the frequency of the valuation of land and buildings following instructions from HMRC. The Committee was also updated on the process of moving to an Unqualified opinion by 2026/27.

Resolved

- (1) That the External Audit Plan for 2025/26 be noted.

87

Treasury Management Report - Q3 2025/26 (Dec 2025)

The Assistant Director Finance (S151 Officer) submitted a report which provided information on treasury management performance and treasury management policy for Quarter 3 2025-26 as required by the Treasury

Management Code of Practice. The report set out that the Council had operated within the Treasury and Prudential indicators as set out in the Treasury Management Strategy Statement 2025-26.

In response to a question regarding the reduction in the capital expenditure forecast due to the re-profiling of the spend, the Head of Finance explained that this had included the removal of the proposed new depot at Bicester from the programme to pipeline. The Portfolio Holder for Finance, Property and Regeneration confirmed that the reprofiling was not due to potential changes stemming from Local Government Reorganisation but was a result of the auditing of the capital programme to ensure that items included in the programme were deliverable.

In response to a request for the current interest rate percentage to be included in the borrowing table, the Head of Finance agreed that this would be added to future reports.

Resolved

- (1) That the Treasury Management Q3 2025/26 report be noted.

88

2025/26 Accounting Policies

The Assistant Director Finance (S151 Officer) submitted a report which asked the Committee to review and approve the Accounting Policies for inclusion in the 2025/26 Statement of Accounts which were due to be published by 30 June 2026.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration explained that the main change related to the methodology used for the valuation of the non-investment operational assets that had been introduced to ensure that asset values were kept materially accurate.

Resolved

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

The meeting ended at 9.00 pm

Chair:

Date:

Cherwell District Council

Audit and Governance Committee

Minutes of a meeting of the Audit and Governance Committee held at 39 Castle Quay, Banbury, OX16 5FD, on 20 May 2026 at 7.25 pm

Present:

Councillor Simon Lytton (Chair)
Councillor David Rogers (Vice-Chair)
Councillor Besmira Brasha
Councillor Mark Gorman
Councillor Ian Middleton
Councillor Julian Nedelcu
Councillor Robert Parkinson
Councillor Alisa Russell

1 Appointment of Chair for the municipal year 2026/2027

It was proposed by Councillor Parkinson and seconded by Councillor Rogers that Councillor Lytton be appointed Chair of the Audit and Governance Committee for the municipal year 2026/2027.

There were no further nominations.

There being no further nominations, Councillor Simon Lytton was duly elected Chair of the Audit and Governance Committee for the municipal year 2026/2027.

2 Appointment of Vice-Chair for the municipal year 2026/2027

It was proposed by Councillor Lytton and seconded by Councillor Russell that Councillor Rogers be appointed Vice-Chair of the Audit and Governance Committee for the municipal year 2026/2027.

There were no further nominations.

There being no further nominations, Councillor David Rogers was duly elected Vice-Chair of the Audit and Governance Committee for the municipal year 2026/2027.

The meeting ended at 7.30 pm

Chair:

Date:

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This report is public	
Health and Safety Report Quarter 4 2025/26	
Committee	Audit & Governance Committee
Date of Committee	17 June 2026
Portfolio Holder presenting the report	Portfolio Holder for Law & Governance, Councillor Frank Ideh
Date Portfolio Holder agreed report	3 June 2026
Report of	Assistant Director of Human Resources, Claire Cox

Purpose of report

To provide the Audit and Governance Committee with the Council's Health and Safety performance for Quarter 4 of 2025/26.

1. Recommendations

The Audit and Governance 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 4 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 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 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.

2.6 The H&S team will continue to report monthly to the Corporate Leadership Team (CLT) and attend Directorate Leadership Teams (DLT) where possible across all areas of the business.

Implications & Impact Assessments

Implications	Commentary			
Finance	Signed off on the basis that this will be carried out within current budgets. Rachel Ainsworth, Finance Business Partner for Resources, 22 May 2026			
Legal	This report is for information purposes only, there are no legal implications arising as a result of this report. The report notes that the Council is putting in place measures to meet its legal requirements and monitoring incidents in line with best practice. Denzil – John Turbervill, Head of Legal Services, 4 June 2026			
Risk Management	This is an information report, as such, there are no risks arising as a direct consequence of this report. Celia Prado-Teeling, Performance & Insight Team Leader, 22 May 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				n/a
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				n/a
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				n/a
Climate & Environmental Impact				n/a
ICT & Digital Impact				n/a
Data Impact				n/a

Procurement & subsidy				n/a
Council Priorities	n/a			
Human Resources	n/a			
Property	n/a			
Consultation & Engagement	n/a			

Supporting Information

3. Background

- 3.1 The Health and Safety at Work etc. Act 1974 places a legal duty on the Council as an employer to take all reasonable steps to protect the health, safety and welfare of its employees at work and other persons affected by their activities.
- 3.2 The Chief Executive has overall responsibility for health and safety within the Council and leads in setting corporate policy and direction. 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 March 2026 and was signed off by Personnel Committee.
 - 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.

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4. Details

Vehicle Incidents Quarter 4

- 4.1 Table 1 below provides details of vehicle incidents which have occurred during quarter 4 of 2025/26 all of which occurred within Environmental Services. This year there have been 27 vehicle incidents so far and in the same period last year there were a total of 20 vehicle incidents of a similar nature to those detailed below.

Table 1: Vehicle Incidents Quarter 4

Date	Type of Incident	Service Area	Description
13/01/2026	Collision	Environmental Services	reversed into parked vehicle in TLD
30/01/2026	Collision	Environmental Services	Hit third party car whilst passing at Baynards Green roundabout (3rd party is member of CDC staff)
06/02/2026	Collision	Environmental Services	Hit by third party while driving down Oxford rd. Kidlington, Third party pulled out into the side of the van at slow speed impact.
24/02/2026	Collision	Environmental Services	Hit third party car while driving into a cul-de-sac
24/02/2026	Collision	Environmental Services	Caught barrier surrounding fuel pump in Highfield depot, bending side rails on RCV
12/03/2026	Collision	Environmental Services	Hit customer wall
12/03/2026	Collision/Reverse	Environmental Services	Reversed into a parked car when trying to sweep around it on residential street.
19/03/2026	Collision	Environmental Services	Clipped bumper of 3 rd party vehicle

Personnel Accidents Quarter 4

4.2 Table 2 provides details of personal incidents which have occurred during quarter 4 of 2025/26. Out of a total of 21 this year, all but two incidents 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.

Table 2: Personnel Incidents Quarter 4

Date	Service Area	Description	Days Lost	RIDDOR Yes/No
02/01/2026	Environmental Services	Slipped on pavement whilst walking to vehicle	0	No
03/01/2026	Environmental Services	Slipped on icy path twisting knee. Carried on working that day but then knee became swollen	4	No
24/02/2026	Environmental Services	Pulled a gate over the back of ankle causing bruising	0	No
17/02/2026	Environmental Services	Liquid content expelled from back of vehicle when bin was loaded into rear of RCV.	3	No
03/03/2026	Environmental Services	Hurt knee when exiting the cab	3	No
19/02/2026	Property Team	Strained back whilst lifting manhole covers in car park	0	No
21/03/2026	Environmental Services	Street scene team member bitten by dog	0	No

Near Misses Quarter 4

4.3 There have been no reported near misses during quarter 4.

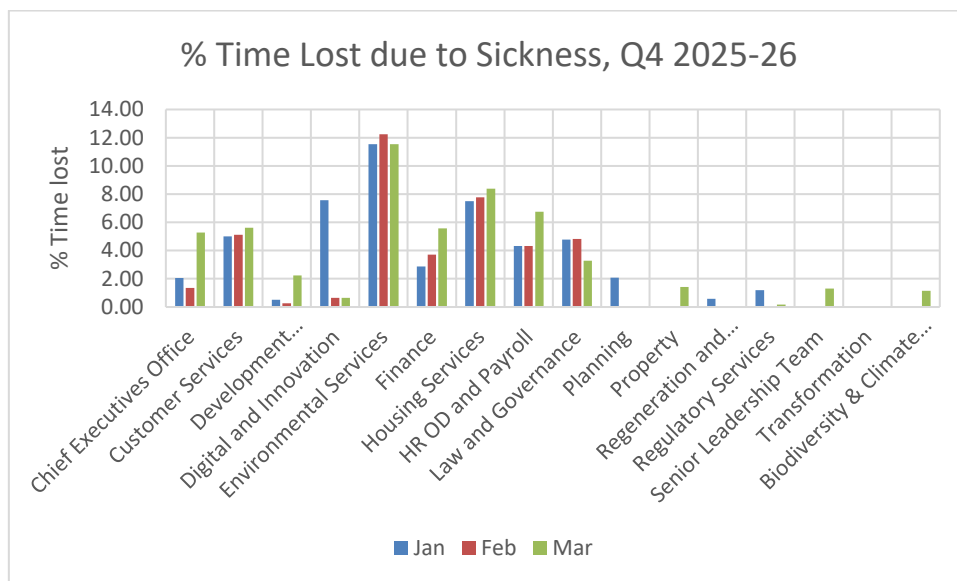
Physical and Verbal Abuse

4.4 There have been no reported cases of physical and verbal abuse reported in quarter 4 of 2025/26.

Sickness absence amongst staff

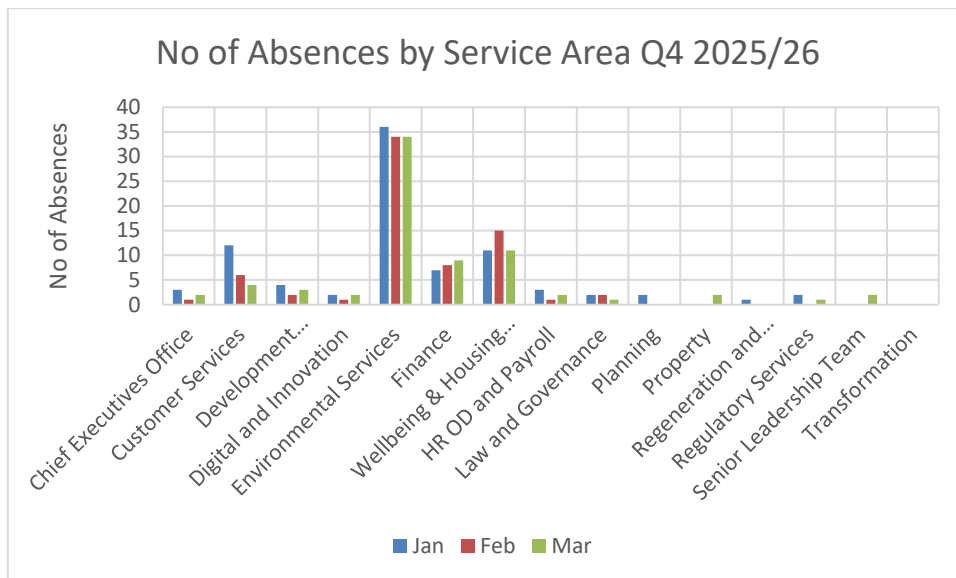
4.5 Graph 1 below shows the time lost due to sickness absence per service area by month for January to March 2026. Environmental Services has the largest percentage time lost partially due to the numbers of staff within the service. Within Customer Services and Housing there has been an increase in the levels of sickness during this quarter.

Graph 1: Comparison of % Working time lost January to March 2026



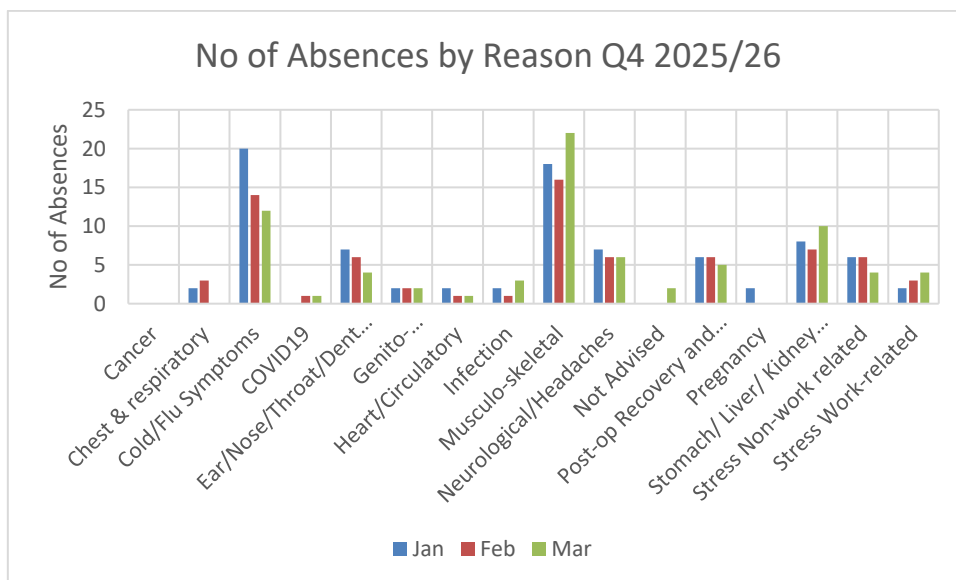
4.6 Graph 2 provides information on the number of instances of sickness by service area for each month in quarter three. Again, environmental services stands out due to the size of the service. Now that we are approaching the winter months, we would expect the levels to slightly increase in quarter three.

Graph 2: No of Sickness Absence by Service Area – January to March 2026



4.7 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 January to March 2026



Health and Safety Training: iHasco Training (E-Learning)

4.8 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 18% of staff required to complete the

essential health and safety module within iHasco though some of these are new starters within the first 6 months of employment, which is slightly lower than previous months but there is still some way to go. The senior leadership team are now doing a push on getting everyone to complete the mandatory training on IHASCO not just the health and safety element.

- 4.9 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

- 4.10 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. In December 2026 the health and safety team audited the Customer Services area with one observation made which has since been rectified.
- 4.11 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.
- 4.12 The Leisure and Community Facilities Manager requested assistance with auditing all Community Centres (twelve) in the Q3 and was continued in Q4. This has come about because up until now it has not been definitively established where responsibilities lie for maintenance etc of these buildings.
- 4.13 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.
- 4.14 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.
- 4.15 Details of the audits and inspections and the number of outstanding actions can be found in Table 3 below. These are the only audits and inspections which have actions outstanding which have occurred so far in quarter one and two.

Table 3 Internal Health and Safety Audits Q3

Month	AD Init.	Team/Area	No. actions identified	No. of actions completed	No. of actions outstanding	No. of actions overdue

January '26	MW	Pioneer Square Block A	4	4	0	0
January '26	EP	Tove Depot MOT Station	4	4	0	0
February '26	MW	Franklins House	5	5	0	0
March '26	EP	Highfield Depot	13	7	6	0

Month	AD Init.	Community Centre/Hall	No. Findings identified
September '25	NR	Kingsmere Community Centre	26
October '25	NR	Grimsbury Community Hall	19
October '25	NR	Longford Park Community Hall	13
November '25	NR	West Bicester Community Centre	16
November	NR	Langford Village Community Centre	3
November	NR	Bicester East Community Centre	10
December	NR	Ruscote Community Centre	9
December	NR	Hanwell Fields Community Centre	24

Crew Inspections for both Depots

- 4.16 The Health and Safety Supervisor undertakes waste collection crew audits each month. In addition, Waste Supervisors also undertake their own crew audits.
- 4.17 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.
- 4.18 Any shortcomings are addressed at the time and refresher training is arranged where necessary.
- 4.19 There were no adverse actions recorded in this quarter

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. In early 2026 it has been agreed that the team will be spending three days per week at the depots to support their safe operations. This extra resource with the 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.
- 4.21 The work that the 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:

- Continuing to assist supervisors with updating accident and incident information.
- Crew inspections are carried out across both the North and South areas. These inspections aim to increase supervisory awareness and focus on higher risk activities, including manual handling and reversing operations. Crews also appreciate this on-site presence, as it demonstrates genuine interest and commitment to their safety and overall working environment.
- 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.
- Supporting the Environmental Services Waste Resource Assistant Manager to develop a programme so that newer LGV drivers receive further scrutiny and assistance with the aim of increasing driver awareness and support.

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 A procedure for out of hours meetings has been added to the policy. This will be discussed with the Assistant Director for Law and Governance and the Governance and Elections Manager following the local elections and is scheduled for early June 2026 due to availability. Training is programmed for staff, fire wardens and managers for May 2026.

4.25 Once this has been completed, we will take the opportunity to test the process with an exercise. There will also be a security policy developed for both depots over the coming months.

Health and Safety Compliance

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

- 4.27 The Health and Safety Manager has now brought together a Health and Safety Compliance Working Group, consisting of members of staff from Housing, Leisure, Environmental Services, and Facilities Management to work on ensuring maintaining compliance across all areas working collaboratively.
- 4.28 A set of Terms of Reference have been developed for the group. Their tasking will include oversight of accidents, incidents, trends, audits, inspections, policies, and procedures going forward.
- 4.29 The Health and Safety Manager is acting as Chair, and the Senior Responsible Officer position will be held jointly by Claire Cox, Assistant Director for HR and Mona Walsh, Assistant Director for Property.

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 The Audit and Governance Committee are invited to request any additional health and safety related information that they would like to be included in this report.

Decision Information

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

Document Information

Appendices	
Appendix 1	None
Background Papers	None

Reference Papers	None
Report Author	Ruth Wooldridge, Health and Safety Manager
Report Author contact details	Ruth.wooldridge@cherwell-dc.gov.uk
Executive Director Approval (unless Executive Director or Statutory Officer report)	Executive Director of Resources, Stephen Hinds, 2 June 2026

This report is public	
Risk Monitoring Report Quarter 4 2025-26	
Committee	Audit & Governance Committee
Date of Committee	17 June 2026
Portfolio Holder presenting the report	Leader of the Council and Portfolio Holder for Strategic Leadership, Councillor Lesley McLean
Date Portfolio Holder agreed report	03 June 2026
Report of	Head of Chief Executive's Office

Purpose of report

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

1. Recommendations

The Audit and Governance Committee resolves:

- 1.1 To note the Risk Monitoring Report for Quarter 4 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
Finance	There are no financial and resource implications arising directly from this report. Joanne Kaye, Head of Finance, 20 May 2026
Legal	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, 26 May 2026

Risk Management	This report contains a full update with regards to the council's risk position at the end of Quarter 4 2025-26. Celia Prado-Teeling, Performance & Insight Team Leader, 20 May 2026
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Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		There are no direct equalities and inclusion implications because of this report. Celia Prado-Teeling, Performance & Insight Team Leader, 24 April 2026
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Climate & Environmental Impact		x		
ICT & Digital Impact		x		
Data Impact		x		
Procurement & subsidy		x		
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	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 Corporate Leadership Team reviews the Leadership Risk Register quarterly; however, this is a live document that gets updated as and when required.
- 4.2 Please note risks deemed as high (L01, L05) and medium (L03, L04, 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 were no score changes within the Leadership Risk Register during Quarter 4. The overall position at the time of running this report (07/04/2026) 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	L05
	3 - Moderate		L06-L07-L12	L02-L15	L17	L04
	2 - Minor					
	1 - Insignificant					

Figure 1: Risk scorecard showing the risk scores in the Leadership Risk Register for Quarter 4 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 4 of financial year 2025-26.

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	Leadership Risk Register Quarter 4 2025-26
Background Papers	None
Reference Papers	None
Report Author	Celia Prado-Teeling, Performance Team Leader
Report Author contact details	celia.prado-teeling@Cherwell-dc.gov.uk , 01295 551226
Executive Director Approval (unless Executive Director or Statutory Officer report)	Stephen Hinds, Executive Director – Resources 26 May 2026

Appendix 1 – Leadership Risk Register as at 17/04/2026

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	L05
	3 - Moderate		L06-L07-L12	L02-L15	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)			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				
L01 - Financial resilience – 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	↔	<p>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. Budget managers are reflecting on the potential economic impact of the conflict in the Middle East and reviewing potential mitigations to manage within existing budgets.</p> <p>The budget for 2026/27 was agreed with savings proposals identified to contribute to addressing reductions in funding. Close monitoring of the delivery of the savings programme will take place throughout 2026/27 with mitigations required if slippage is identified. The budget and transformation process for 2027/28 will begin in May 2026 and will involve 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 the treatment of Pooling payments in the second year of the settlement are expected sometime in 2026. Officers will be communicating the council's view that the current application is inappropriate. 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.</p> <p>Integration and continued development of Performance, Finance and Risk reporting.</p> <p>Internal Audits being undertaken for core financial activity and capital as well as service activity and governance.</p> <p>Introduction and implementation of an Asset Management Strategy.</p> <p>Capital & Investment Strategy agreed annually.</p> <p>Posts are filled by appropriately qualified individuals.</p> <p>Regular involvement and engagement with colleagues across the county and nationally. The potential impact of 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 preferred approach to reorganising local government in Oxon/West Berks and we expect to hear in the summer. Following that work will begin in earnest to plan for the transition which will provide a clearer picture of the future financial situation of the new authority. Funds have been set aside to cover costs associated with the transition.</p> <p>Regular member training and support.</p> <p>Regular utilisation of advisors as appropriate.</p> <p>Summarise and distribute announcements to CLT and members.</p> <p>Timely and good quality budget management reports, particularly property income and capital.</p> <p>Work is underway to maximise the impact of the available space in Banbury town centre.</p>	Full risk review carried out, controls and mitigating actions updated	Risk reviewed on 17/04/2026
	Reduction in services to customers				Planning for balanced medium term and dynamic ability to prioritise resources.	Fully										
	Increased volatility and inability to manage and respond to changes in funding levels				Finance team made up of highly professional, competent, qualified staff.	Partially										
	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										
	Inability to deliver financial efficiencies.				Strong shareholder function and relationships with subsidiaries to manage investment risk.	Fully										
	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										
	Poor customer service and satisfaction.				National guidance interpreting legislation available and used regularly.	Fully										
	Increased complexity in governance arrangements.				Progress regeneration plans in a coordinated manner. Participate in Oxfordshire Treasurers' Association's work streams.	Fully										
	Lack of officer capacity to meet service demand.				Review of best practice guidance from bodies such as CIPFA, LGA, SDCT, DCN and NAO.	Fully										
	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										
	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										
	Increased inflation in revenue costs.				Asset Management Strategy in place and embedded.	Fully										
					Transformation Programme in place to deliver efficiencies, prioritise resources, link to strategic priorities and increased income in the future.	Partially										

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			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				
L06 - Business Continuity - 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. Pattenden	Kristian Aspinall	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. BC Impact Assessments and BCPs being updated and reviewed by Emergency Planning Team with supporting document management system having been implemented. Business Continuity Statement of Intent and Framework reviewed and updated to align with new incident management framework Cross-council BC Steering Group meets regularly to identify BC improvements needed; BC Steering Group engagement is being achieved across all service areas. Plans tested and annual cycle clearly sets out the test/review/improve process and expectations	Full corporate-wide exercise took place as planned and draft debrief report produced for 25/26 was used to feed into cycle of review and update in Q3 of 25/26. BIA and BCP updates behind schedule for cycle, working with authors and owners to ensure all up to date prior to exercise scheduled for June.	Risk reviewed - 15/4/2026
	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										
	Inability to recover sufficiently to restore non-critical services before they become critical				Incident management team identified in Business Continuity Framework	Fully										
	Loss of reputation				All services undertake annual business impact assessments and updates of business continuity plans	Partially										
	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										
L07 - Emergency Planning (EP) - 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. Pattenden	Kristian Aspinall	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 reissued to all duty directors periodically. Available on ELT Teams channel. Supporting officers for incident response reviewed and identified across some areas, to ensure they are reviewed and updated across all service areas.	OCC Joint resilience Team arrangements to be continued into 26/27. EP plans due review and refresh in 2026 - will be reviewed and updated on prioritised basis. EP arrangements working well and have supported response to illegal landfill site nr. Kidlington. Approach to resourcing Duty Director rota for Strategic and Tactical (Gold/Silver) under review. Report shared with CLT identifying that additional resource required and for EDs and above to solely resource strategic response rota, ensuring appropriate seniority in respective response roles. Training being reviewed and updated for all relevant roles. Exercise for CDC to be scheduled for Q1 2026/27.	Risk reviewed - 15/04/2026
	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										
	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										
L08 - Safeguarding the Vulnerable - Operational and partnership actions - 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	Continue in linking in with Oxfordshire partnerships protocol review to ensure outcomes relevant to CDC are understood and implemented as necessary	Partially	Councillor R. Pattenden	Kristian Aspinall	Tim Hughes	2	4	8	↔	Continue in linking in with Safer Oxfordshire partnership and contributing towards partnership activity to ensure safeguarding responsibilities are met. Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis	Full risk review carried out. Risk controls updated	Risk reviewed - 15/04/2026
	Council subject to external reviews				Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis	Fully										
	Criminal investigations potentially compromised															
	Potential financial liability if council deemed to be negligent.															
	Reputational damage to the council.															
L09 - Health and safety 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 Woodbridge	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. 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. Relevant and required policies and procedures are regularly reviewed. Working with service areas to ensure that suitable risk assessments are in place. Working with service areas and providing training to staff where necessary.	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 Veritau audit actions have now been completed and closed down.	Risk reviewed on 30/03/2026
	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										
	Financial impact (compensation or improvement actions)				Consultation with employee representatives via employer and union consultative committees (Unison)	Fully										
	Reputational Impact				Corporate H&S Training provided via corporate learning and development programme. Training for operational risks may be organised by services.	Fully										
					H&S performance monitored by accident and incident reports and corporate H&S auditing and inspection programme.	Fully										
				H&S information is disseminated via internal communications and updates to ELT and other relevant meetings.	Fully											

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			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				
L10 - Cyber Security -If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks including ransomware 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. Monitoring is in place via the SOC 24/7. Cyber Security advice and guidance regularly highlighted to all staff. 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 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. Internal Audits complete regular cyber audits. Cyber Security lead has specific responsibility for Cyber Security, and we have engaged a specialist partner to advise on industry best practices and standards.	Full risk review carried out. Impacts, controls and mitigating actions updated	Risk reviewed 09/04/2026 - no material change, just minor wording.
	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													
	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													
	Loss of reputation	File and data encryption on computer devices	Fully													
		Managing access permissions and privileged users controls.	Fully													
		Effective information management and security training and awareness programme for staff	Fully													
		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														
L11 - Safeguarding the vulnerable - Internal procedures - 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	Nicola Riley	Susan Asbury	2	4	8	↔	Action plan acted upon and shared with Overview and scrutiny committee once a year Comprehensive on line training available for all staff and members Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice Corporate monitoring of all referrals Ensure web pages remain up to date Monitoring of implementation of corporate policies and procedures to ensure fully embedded Regular internal cross departmental meetings to discuss safeguarding practice Member training completions shared twice a year SAR's and Lessons Learned reports circulated to improve practice and knowledge.	Mitigations refreshed	Risk reviewed 13/04/2026 No changes
	Council subject to external reviews	Safeguarding Policy and procedures in place	Fully													
	Criminal investigations potentially compromised	Information on the intranet on how to escalate a concern	Fully													
	Potential financial liability if council deemed to be negligent	Mandatory training and awareness raising sessions are now in place for all staff.	Fully													
	Reputational damage to the council	Safer recruitment practices and DBS checks for staff with direct contact	Fully													
		Data sharing agreement with other partners	Fully													
		Attendance at Safeguarding Boards	Fully													
		Annual Section 11 return compiled and submitted as required by legislation.	Fully													
L12 - Sustainability of Council owned companies and delivery of planned financial and other objectives - 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. Resilience and support being developed across business to support and enhance knowledge around council companies. Skills and experience being enhanced to deliver and support development, challenge and oversight. Work with one company to ensure long term support arrangements are put in place.	Strategy Day held in February with Company and Executive, with business plan approved at March Shareholder Committee.	Risk reviewed and updated on 13/04/2026
	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													
	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													
		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													
		Training in place for those undertaking Director roles relating to the companies.	Partially													

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			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				
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.	New Contract in the process of being put in place via a CCS Framework, currently with legal services, new contract will give us more access to the Creditsafe tool and enables more detailed supplier checks and financial information.	Risk reviewed and updated on 13/04/2026
					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								Services areas to keep the key suppliers under regular check including running financial checks.		
					Reduced resilience and business continuity	Fully										
					Increased complaints and/or customer dissatisfaction	Fully										
L14 - Corporate Governance - 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. There are several action plans that have been consolidated across service areas, most notably within Planning. These actions have been brought together to provide clearer oversight and coordination, and are currently reported as being actively implemented, with progress monitored to ensure delivery against agreed milestones.	Full risk review carried out - potential impacts updated	Risk reviewed and updated 13/04/2026
					Member Scrutiny - OSC function, Council Executive, AARC and Standards Committees	Fully										
					Risk of ultra vires activity or lack of legal compliance	Fully										
					Risk of fraud or corruption	Fully										
					Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.	Partially										
					Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.	Fully										
					Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).	Partially										
						Fully										
						Partially										
						Fully										
L15 - Monitoring and management of Major Infrastructure Projects and Programmes - Failure to properly manage or monitor the various residual Oxfordshire Housing and Growth Deal infrastructure projects.	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	Peter Sharp	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.	The ATLAS funded work being undertaken around Bicester has created a clearer picture of infrastructure needs and trajectory of housing delivery. Joint meetings between developers, OCC and CDC are Cherwell are being held. The Kidlington constraints and mitigations is being initiated. Highlighted in a ARUP review paid for OGC is being reviewed.	Risk reviewed on 13/04/2026
					Need to institute regular and effective dialogue with developers.	Fully								Regular and effective dialogue with developers via Area Developer Forums and Area Oversight Groups held on a quarterly basis.		
					Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders									Joint work with ATLAS team from Homes England to understand capacity constraints of infrastructure necessary for housing delivery. This is financed by MHCLG and Homes England.		

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This report is public	
Head of Internal Audit annual report 2025/26	
Committee	Audit and Governance Committee
Date of Committee	17 June 2026
Portfolio Holder presenting the report	Portfolio holder for Finance, Councillor David Hingley
Date Portfolio Holder agreed report	2 June 2026
Report of	Assistant Director of Finance, (S151 Officer)

Purpose of report

This report includes the Head of Internal Audit annual report (appendix 1), which summarises internal audit work undertaken in 2025/26 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

1. Recommendations

The Audit and Governance Committee resolves to:

- 1.1 Note the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.
- 1.2 Note the update on Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.
- 1.3 Note that one significant control weaknesses has been identified by internal audit during the year which is considered relevant to the preparation of the Annual Governance Statement, this being: the council's utilities management arrangements (page 5-6, appendix 1).

2. Executive Summary

- 2.1 The council's internal audit service must comply with professional standards and the internal audit charter.
- 2.2 The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the work carried out by internal audit during 2025/26.

2.3 The committee is expected to note the opinion for 2025/26, the outcomes from work which contributed to it, and any significant control weaknesses considered relevant to the preparation of the council's Annual Governance Statement. It is also expected to note Veritau's quality assurance and development arrangements, satisfying itself that reliance can be placed on the annual opinion.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report. Michael Furness, Assistant Director of Finance, 1 June 2026			
Legal	This forms part of the annual work programme and reporting. There are no legal implications. Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 4 June 2026			
Risk Management	The council will not comply with proper practice for internal audit if it does not have an approved internal audit charter. This could result in difficulties in delivering services to the council and could result in external scrutiny and challenge. Celia Prado-Teeling, Performance & Insight Team Leader, 5 June 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A

Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	This report cuts across a number of the council's priorities as expressed in its new internal perspectives strategy. The contribution that the council's internal audit service makes is to provide independent, risk-based, assurance, advice, and insight relating to the council's systems of governance, risk management, and internal control.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	Internal audit has provided input to the council's Annual Governance Statement based on internal audit work completed during 2025/26. However, no consultation was required in the preparation of this report. Appendix 1 details the outcomes of work delivered independently by Veritau during 2025/26 in support of the council's framework of governance, risk management, and control.			

Supporting Information

3. Background

- 3.1 Cherwell District Council's internal audit service is delivered by Veritau Public Sector Limited.
- 3.2 The work of internal audit in local government is governed by the Global Internal Audit Standards (GIAS) 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.
- 3.3 The purpose of the Application Note is to set out interpretations and requirements which need to be applied to the GIAS so that they form a suitable basis for internal audit practice in the UK public sector. The 'relevant internal audit standard setter' for UK local government is the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.4 These standards require the Head of Internal Audit to bring an annual report to the Audit and Governance committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. Internal audit work undertaken during 2025/26 is the main subject of this report, and the GIAS apply to this work.
- 3.5 CIPFA has also produced a 'Code of Practice for the Governance of Internal Audit in UK Local Government' ('the Code'). The purpose of the Code is to ensure that

the essential conditions for the governance of internal audit can be met in a local government context. The Code is intended for local authorities, being designed to support them in establishing effective internal audit arrangements and in providing oversight and support for internal audit.

- 3.6 The internal audit charter is a key document governing the council's internal audit service. The audit charter was approved by the committee in May 2025. It is reviewed annually. No changes are presented this year for the committee.

4. Details

Head of Internal Audit annual report 2025/26

- 4.1 To conform to professional standards and the council's internal audit charter, the Head of Internal Audit must provide an opinion on the strength of the council's framework of governance, risk management, and control. The annual opinion is a key source of independent assurance for the preparation of the council's Annual Governance Statement.
- 4.2 The basis for the annual opinion is the body of internal audit work performed during 2025/26. A summary of internal audit work undertaken during the year, and relevant to the opinion, is contained in appendix 1.
- 4.3 In addition to providing an opinion, the Head of Internal Audit is also required to report on the outcomes of the internal audit service's quality assurance and development arrangements. This is to provide the committee with reassurance that work continues to conform to professional standards. Appendix 1 provides details on Veritau's arrangements, confirming its conformance to the Global Internal Audit Standards in the UK Public Sector during 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 functions under the terms of reference for the Audit and Governance Committee, it is required to note the Head of Internal Audit annual report.

6 Conclusion and Reasons for Recommendations

- 6.1 The Audit and Governance Committee is recommended to note the opinion of the Head of Internal Audit, the outcomes from Veritau's quality assurance and development arrangements, and the significant control weakness which should be considered for inclusion in the Annual Governance Statement.
- 6.2 This recommendation is made so that the committee can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference.

Decision Information

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

Document Information

Appendices	
Appendix 1	Head of Internal Audit annual report 2025/26
Background Papers	None
Reference Papers	None
Report Author	Ed Lambert-Martin, Internal Audit Manager (Veritau) (Connor Munro, Director – Internal Audit, Veritau)
Report Author contact details	ed.lambert-martin@veritau.co.uk 01904 552932
Executive Director Approval (unless Executive Director or Statutory Officer report)	Assistant Director of Finance (Section 151 Officer), 5 June 2026

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**HEAD OF INTERNAL AUDIT ANNUAL
REPORT 2025/26**

17 June 2026

APPENDIX 1

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3	Follow up of agreed actions
3	Professional standards
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8	Annex B - Summary of key issues from audits finalised since the last report to the committee
9	Annex C – Assurance audit opinions and finding priorities
10	Annex D - Follow up of agreed audit actions
13	Annex E - Internal audit quality assurance and development arrangements



Ed Lambert-Martin
Internal Audit Manager



Connor Munro
Director - Internal Audit
(Head of Internal Audit)

Background



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

Internal audit work carried out in 2025/26



- 3 Throughout 2025/26 audit work has continued to be prioritised based on risk and the need to provide coverage of the council's framework of governance, risk management and control. This has seen audits removed from the work programme and others added as risks and priorities have changed, and as our understanding of key systems of internal control has developed.
- 4 We have also continued to promote good governance, provide advice and support, and make recommendations to management to help improve controls. We have met with the Assistant Director of Finance, Assistant Director of Law, Governance and Monitoring Officer, the Corporate Leadership Team, and the Corporate Oversight Governance Group on a regular basis to help identify and address governance issues and concerns, and to ensure audit work has remained targeted towards key areas.
- 5 During the course of the year, the results of completed audit work have been reported to service managers, chief officers, and to Executive portfolio holders where relevant. In addition, summaries of finalised audit reports have been presented to this committee as part of regular progress reports.
- 6 An overview of internal audit work undertaken in 2025/26, and relevant to the Head of Internal Audit's opinion, is contained in annex A. This annex also shows other work undertaken by the internal audit team to support the council during the year.

- 7 At the time of writing, one audit has been finalised since the previous report to this committee. For two audits relating to the year just ended fieldwork is complete (section 106 agreements and procurement act compliance) but reports have not been issued yet. We expect to report on outcomes of these at the next meeting of the committee.
- 8 Two audits are currently ongoing (LATCO governance; Project governance: Bicester market square). Although this work is ongoing, an annual opinion is still able to be provided because the 2025/26 work programme has been substantially delivered.
- 9 Annex B provides details of the key findings arising from internal audit engagements completed which have not previously been reported to the committee.
- 10 Annex C provides an explanation of our assurance levels and priorities for management action.

Follow up of agreed actions

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

Professional standards

- 13 In order to comply with professional standards, the Head of Internal Audit is required to develop and maintain a quality assurance and improvement programme (QAIP).
- 14 The objective of these arrangements is to ensure that working practices continue to conform with the standards. A summary of quality assurance processes and any areas identified for development are reported to the committee each year as part of the annual report. The arrangements consist of various elements, including:
 - ▲ maintenance of a detailed audit procedures manual and standard operating practices
 - ▲ ongoing performance monitoring of internal audit activity
 - ▲ regular customer feedback
 - ▲ training plans and associated training and development activities
 - ▲ periodic self-assessments of internal audit working practices (to evaluate conformance to the standards)
- 15 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the

organisation. An external assessment of Veritau's internal audit working practices was undertaken between June and August 2023 by John Chesshire, an approved reviewer for the Chartered Institute of Internal Auditors (the UK and Ireland's local chapter).

- 16 The assessment involved a full independent validation of Veritau's own self-assessment of conformance to the Public Sector Internal Audit Standards (PSIAS)¹, as well as to the wider International Professional Practices Framework which governed the performance of internal auditing globally at the time the assessment was undertaken. The report concluded that Veritau's internal audit activity generally conforms to the PSIAS² and, overall, the findings were very positive.
- 17 The feedback included comments that the internal audit service was highly valued by its clients. Key stakeholders felt confident in the way Veritau had established effective working relations, both in our approach to planning and the way in which we engage flexibly with our clients throughout the internal audit process, at the strategic and operational levels.
- 18 Effective 1 April 2025, the PSIAS were replaced by what are known as the Global Internal Audit Standards in the UK Public Sector. These standards are made up of the Institute of Internal Auditors' Global Internal Audit Standards (GIAS) and the Application Note: Global Internal Audit Standards in the UK Public Sector ('the Application Note'). The Application Note interprets the GIAS, clarifying how they should be applied in UK public sector organisations.
- 19 In the UK, the body responsible for interpreting the GIAS and setting expectations for the performance of internal audit in the public sector is the Internal Audit Standards Advisory Board (IASAB). The IASAB is made up of six 'Relevant Internal Audit Standard Setters' (RIASS) representing central and local government, and the health sector. The RIASS for UK local government is the Chartered Institute of Public Finance and Accountancy (CIPFA). The IASAB developed the Application Note, releasing it in the early part of 2025.
- 20 The Global Internal Audit Standards (from which the Application Note provides its local government interpretations) were launched on 9 January 2024 and became effective on 9 January 2025. Veritau has used a conformance assessment toolkit, published by CIPFA in January 2026, to undertake our self-assessment against the Global Internal Audit Standards in the UK Public Sector. The results of this self-assessment are included in Annex E.
- 21 Our overall assessment is that Veritau conforms to the Global Internal Audit Standards in the UK Public Sector. However, through application of the QAIP,

¹ The assessment undertaken in 2023 was made against the PSIAS as the standards applicable at the time. The PSIAS were replaced by the GIAS UK Public Sector on 1 April 2025.

² PSIAS guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating.

we have identified some actions to help strengthen our ability to demonstrate conformance and to continuously improve service delivery.

- 22 Details of Veritau’s QAIP are set out in appendix E.
- 23 The internal audit charter sets out how internal audit at the council will be provided in accordance with professional standards. The charter is reviewed on an annual basis. It was updated following the introduction of the Global Internal Audit Standards in the UK Public Sector in April 2025 and was presented to the committee in May 2025. No further changes are considered necessary at this time.

Opinion of the Head of Internal Audit



- 24 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the council is that it provides **Reasonable Assurance**.
- 25 A Reasonable Assurance opinion means that, overall, there is satisfactory management of risk within the council but with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made³.
- 26 The opinion given is based on work that has been undertaken directly by internal audit, and on the cumulative knowledge gained through our ongoing liaison and planning with officers. No reliance was placed on the work of other assurance providers in reaching this opinion.
- 27 In giving this opinion, there is one significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the council’s annual governance statement:

1. Utilities management

An audit review that followed up actions agreed in the utilities management audit issued in January 2024 found that some significant control weaknesses remained unresolved. Progress had been made to address a number of issues previously identified. However, weaknesses remained relating to the fragmented responsibilities, limited oversight and financial risk exposure. The remaining issues have been judged to represent a critical control weakness. Action to address these weaknesses has been identified and agreed with management. The proposed action plan involves engaging an external company and seems credible but the effective implementation of the new arrangements is key to addressing the weaknesses. Veritau will conduct further work to confirm the action has been completed and weaknesses addressed.

³ Please refer to annex C for the definitions of other opinions used by Veritau. Note that annual opinions use the same definitions as those given for individual audit engagements.

ANNEX A: 2025/26 INTERNAL AUDIT WORK

Final reports issued

Audit	Reported to Committee	Opinion
Cloud, network and security management and monitoring	July 2025	Substantial Assurance
ICT applications: third party assurance	July 2025	Substantial Assurance
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
Utilities management: follow-up audit	March 2026	No opinion given
Cybersecurity: user awareness and training	March 2026	Reasonable Assurance
IT asset management	March 2026	Reasonable Assurance
Licensing	June 2026	Reasonable Assurance

Audits in progress

Audit	Status
Section 106 agreements	Fieldwork complete
Procurement Act compliance	Fieldwork complete
LATCO governance: Crown House and Graven Hill	In progress
Project management: Bicester Market Square	In progress

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).

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

- ▲ Development of follow-up and escalation procedure
- ▲ Attendance at, and support to, CLT and Corporate Oversight Governance Group.
- ▲ Contribution to the council's governance dashboard.
- ▲ Contribution to the council's Annual Governance Statement and Local Code of Corporate Governance.
- ▲ Representing the council in the audit part of the LGR finance workstream.

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

System/area	Opinion	Area reviewed	Comments	Management actions agreed
Licensing	Reasonable Assurance	A review of policies and procedures and operational compliance with legislative requirements and council procedures. There was a focus on taxi and premises licences.	<p>The review confirmed that core processes are in place, with licensing activities being actively delivered within an established policy framework.</p> <p>The audit identified significant control weaknesses in data quality, records management, and evidencing compliance with statutory requirements and council policies.</p> <p>Improvements are needed to strengthen consistency, record-keeping, and overall governance across the service.</p>	Policy review schedule in place and ongoing. Consistent electronic record keeping now implemented, using single system. Process of validation checks by managers to be implemented. Improved process for DBS checks implemented. Improvements to processes for checking licence fees and monitoring return of surrendered licences to be implemented.

ANNEX C: ASSURANCE AUDIT OPINIONS AND FINDING PRIORITIES

Audit opinions

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

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

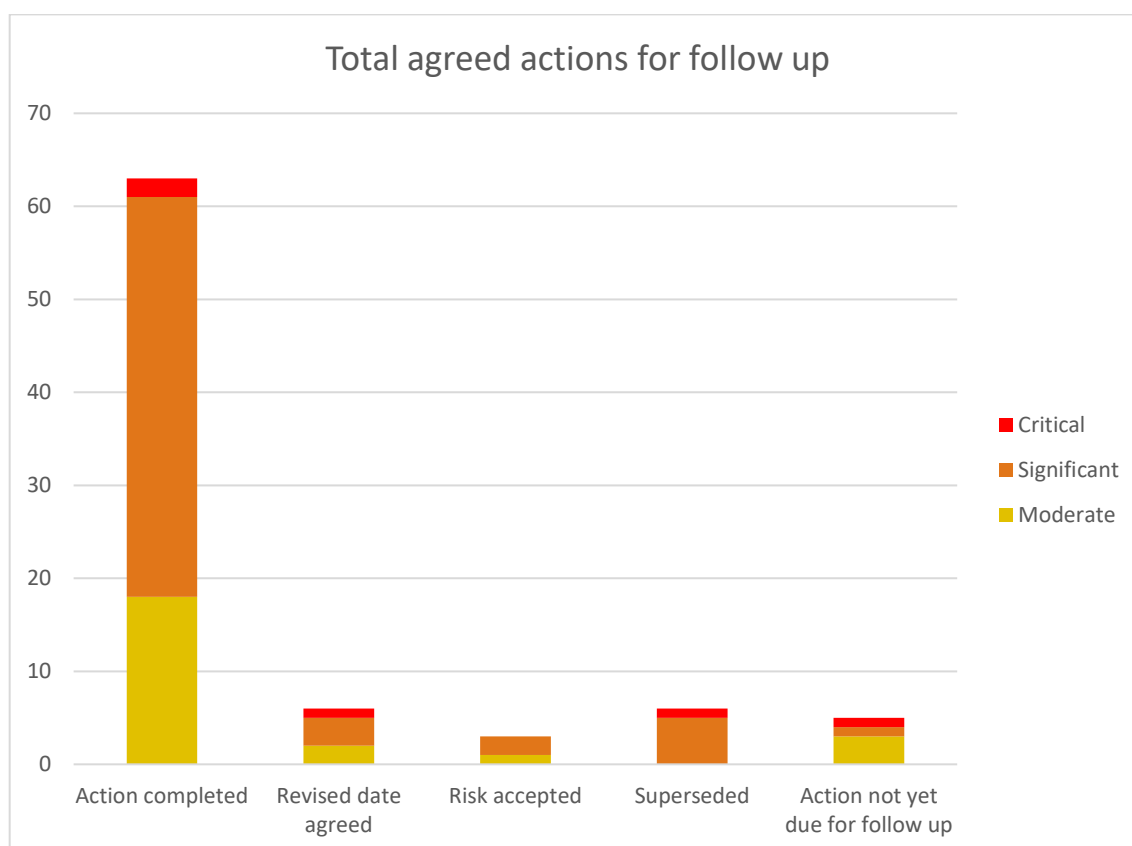
Finding ratings

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

ANNEX D: FOLLOW UP OF AGREED AUDIT ACTIONS

- 1 Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary.
- 2 Where responsible officers have not taken the action they agreed to, issues are escalated to more senior officers. Ultimately, they may be referred to the Audit and Governance Committee in accordance with the follow-up and escalation procedure.
- 3 In figure 1, below, the status of agreed actions from follow-up activity undertaken up to 19 May 2026 is shown⁴. For clarity, the figure shows the results of follow up activity for this period, regardless of when actions were originally due (that is, it includes actions which were due over twelve months ago but which are still being followed up).
- 4 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, so have not been followed up or (b) which have been followed up and a revised completion date has been agreed.

Figure 1: Total agreed actions by current status



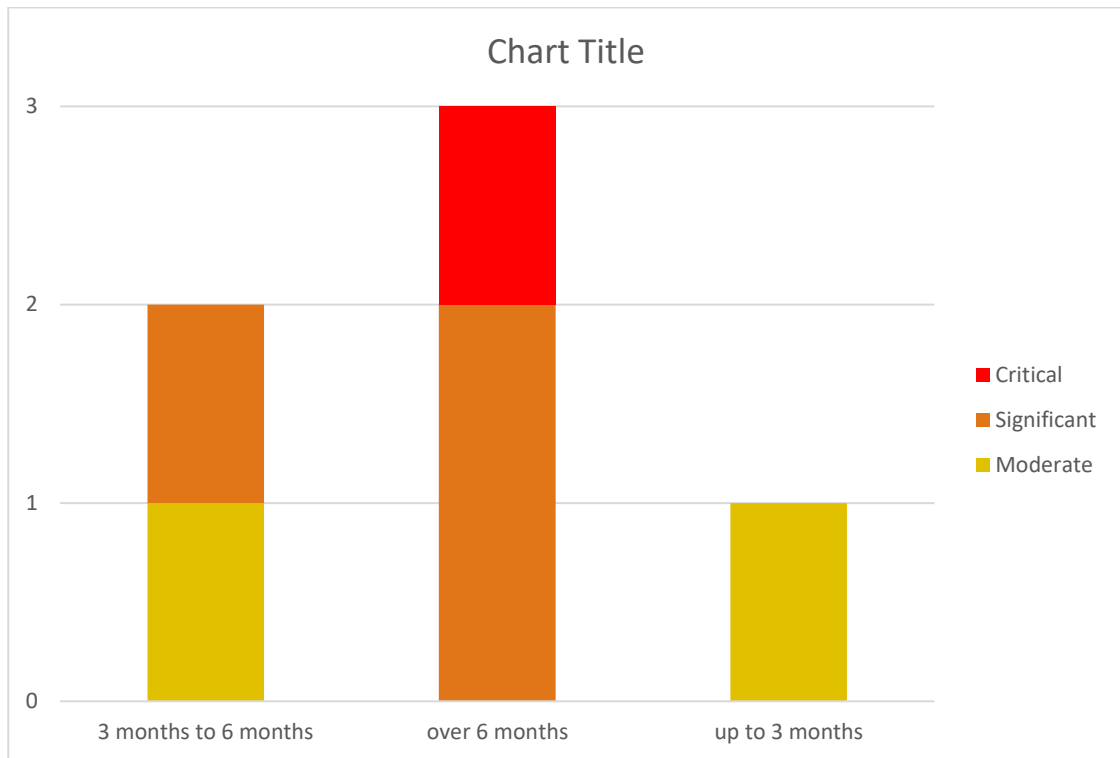
⁴ Effective 1 April 2025, follow-up data has been reported on a rolling 12-month basis.

- 5 A total of 78 agreed actions have required follow up this year⁵. Of these, 63 (81%) have been satisfactorily implemented.
- 6 Three actions have been marked as risk accepted⁶. The risk accepted status is used when senior management has decided to accept the risk of not completing the action.
- 7 Six 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:
 - ▲ Procurement compliance
 - ▲ Risk management
 - ▲ Utilities management
 - ▲ PCI DSS
 - ▲ Governance and decision making
 - ▲ IT asset management
- 8 Figure 2, on the following page, groups agreed actions by how far from the original implementation date the revised date has been set, and the priority of the action.
- 9 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.
- 10 From figure 2, the committee can see that three actions have been revised by over six months from the original implementation date and two actions have been revised for between three to six months from the original implementation date. One critical action (relating to PCI DSS) has been revised by over six months from the original implementation date and a total of three significant actions have had revised dates agreed.

⁵ A further 5 agreed actions are not due for follow up at the time of reporting.

⁶ These relate to frequency of 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. Annual monitoring and reporting does remain in place.

Figure 2: Length of revised dates for action implementation



- 11 At the time of reporting, there are no agreed actions that are overdue. 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.

ANNEX E: INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

1.0 Background

Quality assurance and improvement programme (QAIP)

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

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

On an ongoing basis, completed audit work is subject to internal peer review by a Quality Assurance group. The review process is designed to ensure audit work is completed consistently and to the required quality standards. The work of the Quality Assurance group is overseen by an Assistant Director (Head of Internal Audit). Any key learning points are shared with the relevant internal auditors and internal audit management team. Appropriate mitigating action will be taken

where required (for example, increased supervision of individual internal auditors or further training).

Annual self-assessment

On an annual basis, Veritau seeks feedback from each client on the quality of the overall internal audit service. This includes surveys targeted at senior officers and chairs of audit committees. The Head of Internal Audit also undertakes an annual self-assessment against internal audit standards. As part of ongoing performance management arrangements, managers and auditors assess current skills and knowledge against the competency profiles for internal audit roles. Where necessary, further training or support will be provided to address any development needs.

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

The results of annual client surveys, self-assessment against the standards, professional networking, and ongoing quality assurance and performance management arrangements are used to identify any areas requiring further development or improvement. Actions required are reflected in Veritau business plans, the Veritau internal audit strategy, and individual personal development plans as appropriate. Any specific changes needed to address conformance with professional standards are reported to the Accounts, Audit and Risk Committee⁷ as part of the annual report of the Head of Internal Audit. The report also summarises other development activity planned to enhance the delivery of the service. Information gathered for quality assurance and development purposes is also used to evaluate overall conformance with internal audit standards.

External assessment

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

2.0 Customer satisfaction survey 2026

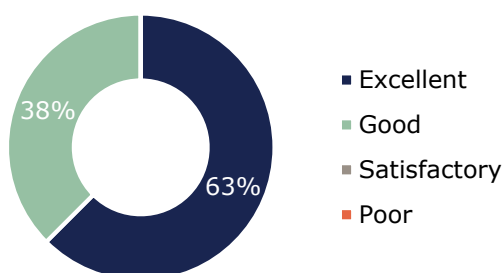
In March 2026, we asked clients for feedback on the overall quality of the internal audit service provided by Veritau during the preceding year. Where relevant, the survey also asked questions about counter fraud and information governance services. A total of 189 surveys (2025 – 188) were issued to senior managers in client organisations. A total of 24 responses were received, representing a response rate of 13% (2025 – 17%). Respondents were asked to

⁷ Renamed to Audit and Governance committee from May 2026.

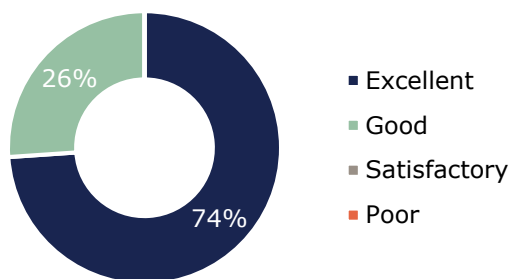
rate the different elements of the audit process as either excellent, good, satisfactory or poor.

Respondents were also asked to provide an overall rating for the service. The results of the survey are set out in the charts below. These are presented as percentages, for consistency with previous years. However, it is recognised that the relatively low number of respondents means that the percentage for each category is sensitive to small changes in the selected response (1 respondent represents about 4%).

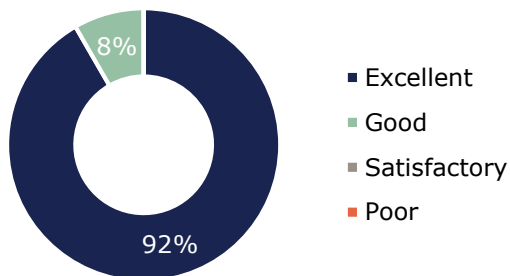
Quality of audit planning / coverage



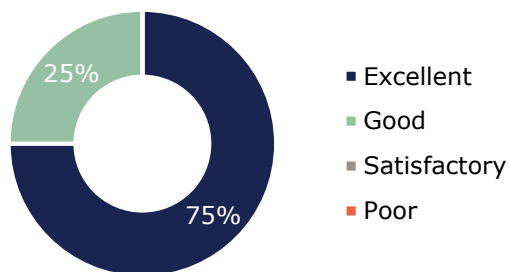
Provision of advice / guidance



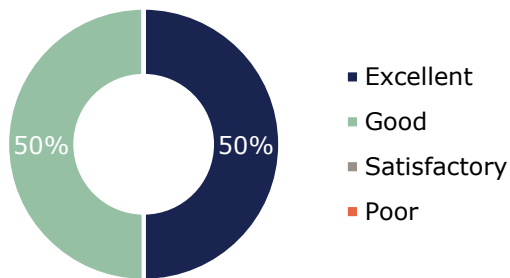
Staff conduct & professionalism



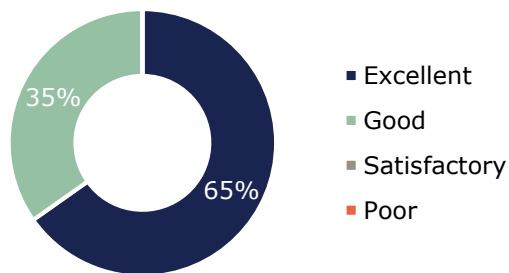
Ability to establish positive rapport



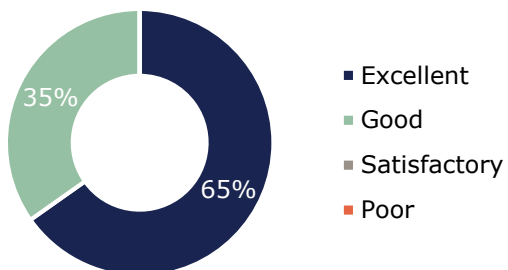
Knowledge of area being audited



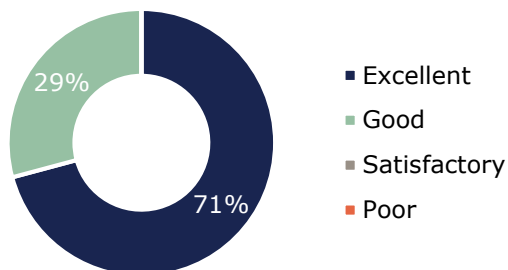
Minimising disruption for area being audited



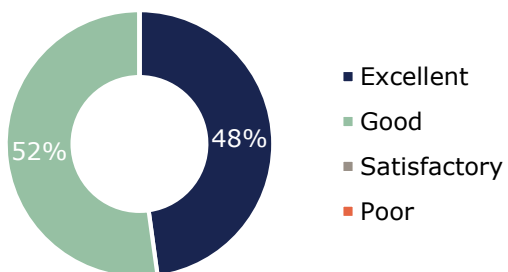
Communication of issues during audit



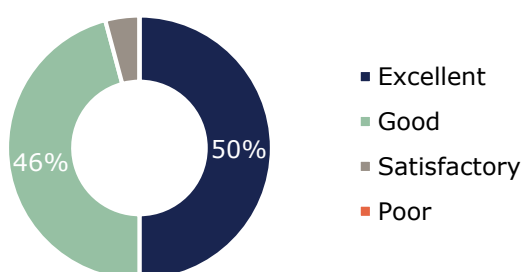
Quality of feedback at end of audit



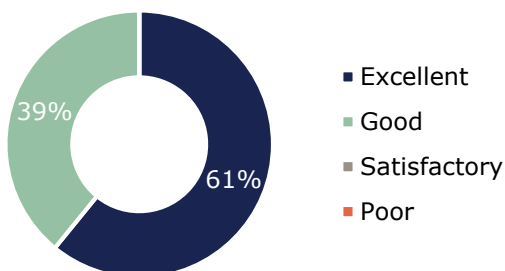
Accuracy / format / length / style of report



Relevance of audit opinions & conclusions



Overall rating for the Internal Audit service



The overall ratings in 2026 were:

	2026 ⁸		2025	
Excellent	14	61%	18	56%
Good	9	39%	12	38%
Satisfactory	0	0%	2	6%
Poor	0	0%	0	0%

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

3.0 Internal audit quality and effectiveness survey (audit committee chairs) 2026

In April 2025, Veritau issued its first internal audit quality and effectiveness survey. The survey was sent to the chairs of the audit committees (or equivalent) of our larger clients. Its purpose was to seek the chairs' feedback on how well Veritau had performed, during 2024/25, in supporting the work of their committees. The same survey was issued in April 2026.

The survey includes eight questions covering consultation on audit priorities, coverage and relevance of audit work, timeliness of responses and communication of key issues, quality of reporting, and professionalism. Respondents are also asked to provide an overall rating for the service.

A total of 10 surveys (2025 – 10) were issued in April 2026. Seven responses were received, representing a response rate of 70% (2025 – 50%). Respondents were asked to provide a rating of excellent, good, satisfactory or poor for each question.

The overall ratings in 2026 were:

	2026 ⁹		2025	
Excellent	5	83%	3	60%
Good	0	0%	2	40%
Satisfactory	1	17%	0	0%
Poor	0	0%	0	0%

Overall, the feedback shows that audit committee chairs continue to consider Veritau's internal audit service effective.

⁸ Despite responding either 'excellent' or 'good' to the 10 other questions in the survey, one respondent did not provide an overall rating. Therefore, the total response count in the table for 2026 equals 23 rather than 24.

⁹ Despite responding either 'excellent' or 'good' to the seven other questions in the survey, one respondent did not provide an overall rating. Therefore, the total response count in the table for 2026 equals 6 rather than 7.

4.0 Self-assessment against audit standards

The Accounts and Audit Regulations 2015 require internal auditors working in local government to take into account public sector internal auditing standards or guidance. CIPFA (who are responsible for setting internal audit standards for local government) has adopted the Global Internal Audit Standards in the UK Public Sector – or GIAS (UK Public Sector). These standards came into effect on 1 April 2025.

Prior to 2025, Veritau had used a checklist published by CIPFA to assess conformance with the previous standards, the Public Sector Internal Audit Standards. No equivalent checklist for assessment against the new standards had been published by CIPFA at the time the 2025 self-assessment took place. This meant that the 2025 self-assessment used documentation published by the Institute of Internal Auditors (designed to help internal audit functions prepare for the introduction of the new standards) and CIPFA’s Application Note.

In January 2026, CIPFA launched its GIAS (UK Public Sector) conformance assessment toolkit. The toolkit requires 91 conformance assertions to be made¹⁰ across the following:

- ▲ Global Internal Audit Standards (Institute of Internal Auditors)
- ▲ Application Note: Global Internal Audit Standards in the UK Public Sector (Relevant Internal Audit Standard Setters, including CIPFA)
- ▲ Code of Practice for the Governance of Internal Audit in UK Local Government (CIPFA)

CIPFA’s conformance assessment toolkit was used to undertake a full self-assessment for 2026, the outcomes from which are summarised later.

5.0 2025 self-assessment: update on previous actions

Partial conformance actions

Our 2025 self-assessment allowed us to confirm our overall conformance with the GIAS (UK Public Sector). However, we identified two actions to address areas of partial conformance. These were to update internal audit charters to align with the GIAS (UK Public Sector) and to provide a more structured means for audit committees to provide input on internal audit performance. Both actions have been completed.

All audit charters were updated to incorporate new and changed requirements brought about by the GIAS (UK Public Sector) and were presented to audit

¹⁰ Conformance assertions are made on a three-point scale: does not conform; partially conforms; generally conforms. Assertions are made at the domain, principle, standard, interpretation, and requirement levels.

committees for approval. A new survey of chairs of audit committees was also developed and issued in April 2025 and is now repeated annually.

Continuous improvement actions

The 2025 self-assessment also highlighted a number of other actions that were not required to conform to the standards but which would help to improve the service. Good progress has been made in implementing these actions.

Updates have been made to our internal training forward plan so that it now links individual sessions to the relevant professional standard(s). Training has been designed and delivered on the professional scepticism standard. Training preparation and evaluation forms have also been developed. Other actions, such as reviewing role competency profiles and value for money auditing procedures, have been incorporated into wider development plans and initiatives.

6.0 2026 self-assessment: outcomes

The 2026 self-assessment has been completed. No areas of non-conformance were identified.

Across the 91 assertions made, only two indicate that Veritau is achieving partial conformance. Both arise from requirements in the Application Note: Global Internal Audit Standards in the UK Public Sector. Specifically, these are the requirements to:

- ▲ Promote awareness and support understanding of value for money, including development of evaluation criteria
- ▲ Have a methodology in place to risk-assess areas covered by a Topical Requirement¹¹ and, where required, to perform work in accordance with it.

Three 'conformance actions' have been developed to address the partial conformance identified, as follows:

Ref.	Title	Action	Timescale
CA01	Auditing value for money: definition and evaluation criteria	Update the audit manual and create a new appendix which defines value for money, provides example evaluation criteria, and documents an approach to evaluation.	December 2026
CA02	Auditing value for money: training	Develop and provide training to the internal audit service on value for money in the public sector, and on suggested approaches for evaluation.	December 2026

¹¹ Topical Requirements provide a minimum baseline and relevant criteria for a consistent, comprehensive approach to assessing the design and implementation of governance, risk management, and control processes in particular risk areas (the topics).

CA03	Managing Topical Requirements	Update the audit manual to include a methodology for how Topical Requirements will be managed, including the rationale for inclusion or exclusion of relevant audits based on an assessment of risk (using the IIA's Topical Requirements Application Guidance to support with design and implementation).	December 2026
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These three actions will be brought into Veritau's quality assurance and improvement programme via the 'conformance and continuous improvement action plan'. The action plan will also contain a further 24 'continuous improvement actions' arising from domains 2-5 of the Global Internal Audit Standards and the Code of Practice for the Governance of Internal Audit in UK Local Government. All 24 actions are designed to support Veritau's ability to evidence conformance in areas already assessed as 'generally conforms'.

The conformance and continuous improvement action plan will be owned and delivered by Veritau's audit management team. We expect that all actions will be completed in time for the 2027 self-assessment.

7.0 External Assessment

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

An external assessment of Veritau's internal audit working practices was undertaken in summer 2023, by John Chesshire, an approved reviewer for the Chartered Institute of Internal Auditors. The report concluded that Veritau internal audit activity 'generally conforms' to the PSIAS¹² and, overall, the findings of the review were very positive. The feedback included comments that the internal audit service was highly valued by its member councils. Key stakeholders felt confident in the way Veritau had established effective working relations, both in our approach to planning, and the way we engage flexibly with our clients throughout the internal audit process, at both strategic and operational levels.

The assessment was based on the PSIAS. Many of the requirements under the new standards are the same or similar, and we can therefore continue to place reliance on the previous report. However, a further external assessment against the new standards will need to be carried out in the next two years.

¹² PSIAS guidance suggested a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' was the top rating.

8.0 Wider development plans and initiatives

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

The internal audit strategy

We first introduced an internal audit strategy in 2021. The strategy identified priorities for developing the service and actions to deliver continuous improvement. The latest strategy (2025 to 2027) was adopted in January 2025. It sets out areas we are prioritising for development. These include the following:

- ▲ focussing on the development of high value assurance techniques and expertise
- ▲ further development of systems for planning, prioritising and reporting audit work
- ▲ use of the K10 audit system to improve functionality for the delivery of audit work and the production of management information.

To achieve these priorities, we have focused actions in the following four key areas during 2025/26:

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

At the time of preparing this report, we are currently refreshing our internal audit strategy. The new strategy will retain many of the priorities and focus areas of the previous version because they remain central to our continuous improvement efforts. However, early stages of development show that further emphasis will be placed on generating deeper insights and minimising time taken to deliver value. Attention is required in these areas to ensure we keep pace with developments in the profession, aspects of which have been accelerated by improvements in data analytics capability / availability and the growth in artificial intelligence. We expect to launch the new strategy in the first half of 2026.

Quality assurance group: outcomes

The internal audit quality assurance group is currently working on its 2025/26 review. With new follow-up and escalation procedures established at the

beginning of the year, the group is aiming to assess how well these have been applied through our K10 system. Specifically, the review is looking at the design and governance of the follow-up process, its overall effectiveness in terms of outcomes, compliance with procedures, and the strength of the links with client arrangements, the annual opinion, and work programme development.

The group has concluded the first part of the review into governance and procedures. They found that Veritau's arrangements for follow-up align strongly with the requirements of the GIAS (UK Public Sector). Expectations are clearly set in the audit manual, with accompanying procedures available to support consistent application of the process.

A small number of areas requiring improvement have been identified. These include:

- ▲ Further clarifying procedures for initiating follow-up audits, and how to treat the follow-up of actions prior to these audits
- ▲ Developing a stronger process for recording and tracking new actions agreed as a result of follow-up work (i.e. those which replace the originally agreed action)
- ▲ Developing more detailed guidance on the use of system reports, including data quality checks to perform on information shared with client governance groups and audit committees
- ▲ Improving the ease with which system reports can be converted into management information so that we can continue to report on the overall disposition of follow-ups to governance groups rather than on an escalation-only basis.

Once the review has concluded, the final set of improvement actions will be communicated and brought into Veritau's quality assurance and improvement programme. Improvements will then be implemented in a range of ways such as through updating procedures, further system development, incorporation into the internal audit strategy, via team training events, and through feedback to individual auditors where required.

9.0 Overall conformance with standards

Based on the overall outcomes from Veritau's quality assurance and improvement programme, the Head of Internal Audit considers that the internal audit service conforms to Global Internal Audit Standards in the UK Public Sector.

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This report is public	
Counter Fraud Annual Report 2025-26	
Committee	Audit and Governance Committee
Date of Committee	18 June 2026
Portfolio Holder presenting the report	Portfolio Holder for Finance, Councillor David Hingley
Date Portfolio Holder agreed report	2 June 2026
Report of	Assistant Director of Finance, (Section 151 Officer)

Purpose of report

This report presents the counter fraud work undertaken in 2025/26.

1. Recommendations

The Audit and Governance Committee is recommended 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 and does not have any financial implications. The work carried out by Veritau is within budget. Rachel Ainsworth Finance Business Partner 2 June 2026
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.

	Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 4 June 2026			
Risk Management	There are no risk implications rising directly from this report. Celia Prado-Teeling, Performance & Insight Team Leader, 2 June 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		X		
ICT & Digital Impact		X		
Data Impact		X		
Procurement & subsidy		X		
Council Priorities	This report supports the priorities set out in the 2026/27 business plan. The counter fraud team seeks to protect council income and assets so they can help fund the objectives of the business plan. The team also supports the council's specific goal to reduce crime which forms part of its overall goal to promote healthy, resilient, and engaged communities.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	No consultation has been required in the preparation of this report.			

Supporting Information

3. Background

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

4. Details

- 4.1 The counter fraud annual report in appendix 1 details counter fraud work undertaken between 1 April 2025 and 31 March 2026.

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 Audit and Governance 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	Stuart Limb, Corporate Investigations Manager (Veritau)

Report Author contact details	Stuart.Limb@veritau.co.uk 01904 555652
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Assistant Director of Finance (Section 151 Officer)

COUNTER FRAUD ANNUAL REPORT 2025/26

Date: 17 June 2026

APPENDIX 1

CONTENTS

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



BACKGROUND

- 1 Fraud and corruption present a significant and ongoing risk to local authorities. Fraud is the most common offence in the UK, accounting for 43% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24, and that only a fraction of this is detected². Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau provides a corporate fraud service to Cherwell District Council, which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns, undertakes fraud awareness activities with staff and the public, and maintains and updates the Council's counter fraud framework and associated policies.
- 4 This report provides the Audit & Governance Committee with a summary of counter fraud activity completed in 2025/26.



COUNTER FRAUD MANAGEMENT

- 5 The counter fraud team regularly meets with counter fraud colleagues in other Local Authority teams in Oxfordshire, and as part of the Midland Counties Fraud Group. These forums provide the opportunity to discuss regional issues and share best practice.
- 6 Veritau has continued to provide fraud awareness training across Cherwell District Council. Training was presented to the Housing Benefit section in September and the Corporate Leadership Team in November. Further training will be delivered during 2026/27. All staff have a responsibility to be aware of fraud and report any suspicion to the fraud team. Veritau also provided information to the communications team for internal massaging around the International Fraud Awareness week in November and International Anti-Corruption day in December.
- 7 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. These alerts can include attempted mandate frauds or fake parking ticket messages.

¹ [National Economic Crime Centre Annual Report 2024-2025](#), National Crime Agency, published July 2025.

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

MULTI-AGENCY WORK

- 8 Veritau coordinates the Council's participation in the National Fraud Initiative (NFI) exercises. The 2024/25 bi-annual exercise began in Autumn 2024; data privacy notices held by relevant departments were reviewed, to ensure they are compliant with government guidance. Datasets were then collated and securely provided to the PSFA. Following this, the PSFA conducted the data-match, comparing data held by Cherwell District Council to other Local Authorities and Government Departments. In December 2024, over 1,000 data matches were sent to the counter fraud team for triaging. The matches cover Council areas including Council Tax Reduction, Housing Benefits, Housing Allocations, Payroll and Creditors. Work has been carried out and a total of 603 matches have been checked. The remaining matches do not require further action due to the very low risk.
- 9 In December 2025, data was also supplied to the NFI for the annual Single person discount review. This data match compared council tax records to other datasets, including the electoral roll, to identify properties which receive Single person discount, but where there may be other adults resident at the address. Triaging work is ongoing to assess these matches.
- 10 As part of the Department for Work and Pension's (DWP) arrangements for investigating Housing Benefit offences, the counter fraud team regularly responds to DWP information requests, known as LAIEFs. In 2025/26, the team responded to 11 LAIEF requests.

INVESTIGATIVE WORK

- 11 Veritau received 171 referrals of suspected fraud during the year this compares to 47 for 2024/25. These reports come from a range of sources, including council officers, members of the public, and data matching exercises. Each referral is reviewed to determine if an investigation is necessary. Where issues are raised relating to other organisations, such as the DWP, then our service passes the referral onto the relevant agency. Cases are allocated in order of urgency, including consideration of the potential financial impact on the local authority, should the allegation be proven.
- 12 In 2025/26, the counter fraud team completed 37 investigations. Successful outcomes were achieved in 51% of cases³ this includes 3 warnings for CTRS and Single Person discount. Investigative work identified £22,550 of savings and £47,000 overpayments following investigations into Empty Homes Premium, Single person discount and Council Tax Reduction.
- 13 These savings comprise the repayment of debt arising following investigative work, a maximum of one year future savings if an investigation has stopped an ongoing fraud that would otherwise have

³ Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, or warning issued in writing.

continued, and the prevention of any one-off payments that would have been made without intervention.

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This report is public	
Treasury Management Report – Outturn 2025/26	
Committee	Audit and Governance Committee
Date of Committee	17 June 2026
Portfolio Holder presenting the report	Portfolio Holder for Finance, Cllr David Hingley
Date Portfolio Holder agreed report	4 June 2026
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 Audit Governance and Risk Committee resolves:

- 1.1 To note the contents of this Treasury Management Performance Report 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
Finance	The financial implications have been taken into account in the Budget Management reports considered by Executive.

	Joanne Kaye, Head of Finance and D151 20 May 2026			
Legal	The presentation of the report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators. Denzil Turbevill, Head of Legal • Law & Governance 19 May 2026			
Risk Management	It is essential that this report is considered by the Audit and Risk 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 19 May 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		Not applicable
Climate & Environmental Impact		X		Investments made in line with approved Treasury Strategy
ICT & Digital Impact				Not applicable
Data Impact				Not applicable
Procurement & subsidy				Not applicable

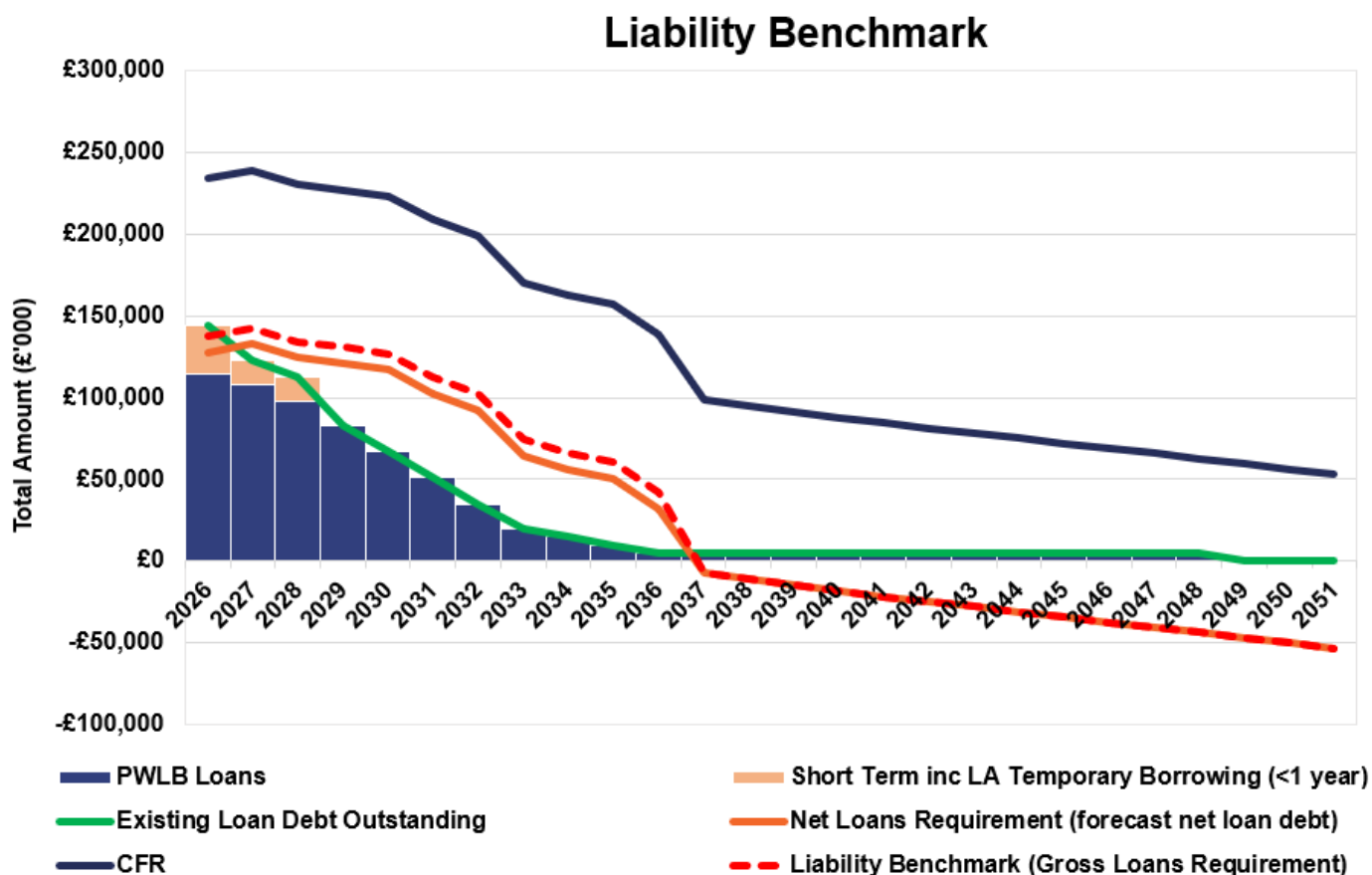
Council Priorities	Not applicable
Human Resources	Not applicable
Property	Not applicable
Consultation & Engagement	Not applicable

Supporting Information

3. Background

- 3.1 It is a statutory duty for the council to determine and keep under review its affordable borrowing limits. During 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 At 31 March 2026, the council had borrowing of £144m and investments of £16m, giving a net borrowing position of £128m. This is an increase from £115m on 31 December 2025 which was anticipated due to the annual precepting cycle.
- 3.3 The net borrowing position at the end of March 2025 was £160m. The year-on-year reduction is primarily attributable to a £14.6m discount received from the PWLB following the early repayment of a 50-year loan, combined with a £9.8m unanticipated growth in receipts from business rates and slippage in capital expenditure.
- 3.4 The Liability benchmark is a prudential indicator which shows the Capital Financing Requirement (CFR), loan requirements and committed loans in a 25-year forecast. This graph reflects the council's position on the assumption that no additional capital expenditure is financed through borrowing beyond the current capital programme period.

Table 1: Liability benchmark



* The CFR figures have not yet been finalised. Subject to change pending draft Statement of Accounts.

The graph above demonstrates the following:

- 3.4.1 The council is expecting its loans to decrease in line with the forecast Liability benchmark (gross loan requirement) 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. The assumption has been made that the amount of internal borrowing will remain at the same levels in future years.
- 3.4.3 New loans will need to be secured to bridge the gap between the existing loan debt and the net loan requirement.
- 3.4.4 According to the current forecast, the requirement for borrowing ceases in the financial year 2037/38. 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 year ending 31 March 2026

- 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 year ending 31 March 2026

	Borrowing Amount £m	Average Interest Rate	Interest Paid Budget £m	Interest Paid Actual £m	Variance to Date £m
April to March 2026	156 (average)	2.87%	4.913	4.480	(0.433)
As at 31/03/26	144	2.83%	-	-	-

* 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 2025/26

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.25%	4.56%	5.13%	5.78%	5.46%
Date	27/02/2026	27/02/2026	02/03/2026	04/04/2025	04/04/2025
High	5.28%	5.47%	5.88%	6.43%	6.24%
Date	23/03/2026	23/03/2026	27/03/2026	27/03/2026	27/03/2026
Average	4.52%	4.82%	5.38%	6.06%	5.81%
Spread	1.03%	0.91%	0.75%	0.65%	0.78%

- 4.4 A full list of current borrowing is shown below:

Table 4: Borrowing

Lender	Principal Borrowed £m	Interest rate	Maturity Date
Middlesbrough Council	5	4.35%	13/04/2026
Lincolnshire County Council	5	4.30%	01/05/2026
Lincolnshire County Council	5	4.20%	29/05/2026
West Yorkshire Combined Authority	5	4.30%	30/06/2026
South Oxfordshire District Council	5	4.20%	17/07/2026
PWLB 7-year maturity	6	1.29%	19/09/2026
Portsmouth City Council	5	4.15%	28/09/2026
PWLB 5-year maturity	10	2.67%	26/07/2027
PWLB 10-year maturity	10	2.10%	31/05/2028
PWLB 6-year maturity	5	2.70%	26/07/2028
PWLB 7-year maturity	10	2.74%	26/07/2029
PWLB 10-year maturity	6	1.32%	25/09/2029
PWLB 8-year maturity	10	2.81%	26/07/2030
PWLB 11-year maturity	6	1.48%	19/09/2030

PWLB 9-year maturity	16	2.90%	26/07/2031
PWLB 10-year maturity	15	2.99%	26/07/2032
PWLB 15-year maturity	5	2.39%	31/05/2033
PWLB 15-year maturity	5	1.59%	25/09/2034
PWLB 16-year maturity	5	1.73%	19/09/2035
PWLB 30-year maturity	5	2.50%	31/05/2048
TOTAL	144		

- 4.5 The council monitors its exposure to refinancing risk with the maturity structure of borrowing indicator. While it is important to have flexibility to navigate changing market conditions 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%	25%
12 months and within 24 months	50%	0%	7%
24 months and within 5 years	60%	0%	33%
5 years and within 10 years	70%	0%	32%
10 years and above	80%	0%	3%

Investment performance year ending 31 March 2026

- 4.6 Funds available for investment are on a temporary basis because the council prioritises keeping borrowing to a minimum and only invests surplus funds retained to meet its commitments. The availability of investable funds is primarily influenced by the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 4.7 Table 6 below shows the investment position during and at the end of the reporting period. Treasury management interest income has exceeded budget expectations and the investment at year end exceed the £10m liquidity buffer.

Table 6: Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to March 2026	31 (average)	4.19%	(1.067)	(1.314)	(0.247)
As at 31/03/26	16	4.51%	-	-	-

- 4.8 As a comparison, Table 7 below shows average money-market rates. The average investment period for fixed deposits for this quarter is 38 days.

Table 7: Average investment rates for the reporting period

FINANCIAL YEAR TO QUARTER ENDED 31/03/2026						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.50	4.46	4.47	4.36	4.28	4.47
High Date	01/04/2025	07/05/2025	03/04/2025	02/04/2025	02/04/2025	23/03/2026
Low	3.75	3.72	3.65	3.57	3.49	3.40
Low Date	18/12/2025	22/12/2025	27/02/2026	27/02/2026	27/02/2026	27/02/2026
Average	4.04	4.01	3.98	3.94	3.87	3.77
Spread	0.75	0.74	0.81	0.79	0.79	1.08

- 4.9 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.

Table 8: Investments

Counterparty	Principal Deposited £m	Interest Rate	Maturity Date / Notice period
<u>Fixed Term Deposits</u>			
Surrey Heath Borough Council	5.00	5.50%	14/04/2026
Bedford Borough Council	4.00	6.42%	30/04/2026
<u>Money Market Funds</u>			
Royal London Asset Management	1.00	3.84%	1-day notice
Legal & General Investment Management	1.32	3.83%	Same day
Federated Investors UK	5.00	3.82%	Same day
Northern Trust Asset Managements	0.02	3.78%	Same day
CCLA Investment Management Limited	0.02	3.74%	Same day
Goldman Sachs Asset Management	0.02	3.71%	Same day
TOTAL	16.38		

- 4.10 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

- 4.11 The council sets limits on long-term treasury investments to control liquidity risk and avoid early withdrawal to recover funds. This indicator applies only to treasury management investments.

Table 10: Limits for Long Term Treasury Management Investments

	2025/26 Limit set £m	Complied?
Limit on principal invested beyond year end	5	Yes

Non-treasury investment activity

- 4.12 The definition of investments in CIPFA's revised Treasury Management Code covers all the financial assets of the council. This is replicated in the government's Statutory Guidance on Local Government Investments, in which the definition of investments is further broadened to also include all such assets that provide a financial return.
- 4.13 As of 31 March 2026, the council holds £102.9m of investments that qualify under the code in the form of shares (£45.1m) and loans (£57.8m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 4.14 In accordance with IFRS9 the fair value of the loan provided to Crown House has been revised. The loan is at a non-market rate of interest and has therefore been discounted using an effective interest rate of 5%, which the directors consider to be an appropriate market rate. The difference between the cash advanced and the present value of the loan has been treated as an investment in the Company.
- 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 11: Non-treasury Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to March 2026	57.8 (average)	6.76%	(3.943)	(4.069)	(0.126)
As at 31/03/26	57.8	6.76%	-	-	-

Overall performance

4.16 The overall performance for the 2025/26 financial year is:

Table 12: Overall Treasury Position for the Period

	Budget 25/26 £m	Actual 25/26 £m	Variance 25/26 £m
Borrowing costs	4.913	4.480	(0.433)
Other interest payable	0.769	(0.001)	(0.770)
Other interest receivable	0.000	(1.459)	(1.459)
Treasury income	(1.067)	(1.314)	(0.247)
Non-treasury income	(3.943)	(4.069)	(0.126)
Transfer to Reserves	0.000	1.957	1.957
Total cost / (income)	0.672	(0.406)	(1.078)

- 4.17 Borrowing costs were (£0.433m) below budget due to careful management and the strategic decision to maintain a reduced £10m liquidity buffer. This achieved savings without affecting the council's ability to meet cashflow obligations.
- 4.18 The (£0.770m) saving recorded as 'Other interest payable' resulted from a change in the council's policy of ringfencing interest on funding treated as receipts in advance.
- 4.19 Following the early repayment of a 50-year PWLB loan, a discount was received. The discount is to be amortised over 10 years, resulting in a (£1.459m) non-cash windfall, reflected as a surplus in 'Other interest receivable' in table 12 above.
- 4.20 Treasury income exceeded budget by (£0.247m) driven by proactive management and interest rates remaining higher than forecast.
- 4.21 Non treasury income exceed budget by (£0.126m) due to the IFRS 9 accounting treatment resulting in a revision to the fair value of the loan to Crown House.
- 4.22 Transfers to Reserves represents 2025/26's £1.459m share of the amortised PWLB early redemption premium and £0.498m of treasury management surpluses arising from improvements in the cost of borrowing and investment returns declared in the first quarter of 2025/26.
- 4.23 Overall the strong Treasury performance has increased the Interest Rate Equalisation reserve by (£1.957m), while the (£1.078m) surplus is being used to offset service overspends.

Interest rate forecast

- 4.24 Before the conflict in Iran, the market expected the Bank of England (BoE) to cut rates multiple times in 2026 due to easing inflation. Currently the market is now forecasting that the BoE's Monetary Policy Committee (MPC) will raise the base

rate at least once this calendar year, with some experts anticipating multiple increases.

- 4.25 MUFG Corporate Markets are the council's treasury advisors, and part of their service is to assist the council to formulate a view on interest rates. They released their revised forecast on the 25 March 2026 which has a more optimistic view that the interest rates will remain unchanged for the 2026/27 financial year.

Table 13: Forecast Rates

MUFG Corporate Markets Interest Rate View 25.03.26												
	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	3.90	3.80	3.80	3.70	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.20	4.10	4.00	3.90	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50
12 month ave earnings	4.60	4.50	4.40	4.20	4.20	4.00	4.00	3.80	3.80	3.80	3.80	3.80
5 yr PWLB	5.00	5.00	4.90	4.80	4.60	4.40	4.20	4.20	4.10	4.10	4.10	4.10
10 yr PWLB	5.50	5.50	5.40	5.30	5.10	4.90	4.70	4.70	4.60	4.60	4.60	4.60
25 yr PWLB	6.00	6.00	5.90	5.80	5.60	5.40	5.20	5.20	5.20	5.20	5.10	5.10
50 yr PWLB	5.80	5.80	5.70	5.50	5.40	5.20	5.00	5.00	5.00	5.00	4.90	4.90

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 presents the council's Treasury Performance for the 2025/26 financial year. It is submitted to the Audit and Governance Committee for information in line with the Treasury Management Code of Practice

Decision Information

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

Document Information

Appendices	
Appendix 1	Capital Prudential Indicators

Background Papers	None
Reference Papers	Treasury Management Report – Q3 2025/26 (Dec 25) https://modgov.cherwell.gov.uk/documents/s62835/Treasury%20Management%20Report%20-%20Q3%20202526%20Dec%202025.pdf Treasury Management Strategy 2025-26 https://modgov.cherwell.gov.uk/documents/s58192/Appendix%20-%20Treasury%20Management%20Strategy%202025-26.pdf
Report Author	Janet du Preez Finance Business Partner – Treasury and Insurance
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Executive Director Approval (unless Executive Director or Statutory Officer report)	Report of Statutory Officer, Section 151 Officer, 18 May 2026

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Appendix 1 – Capital Prudential Indicators 2025/26 Outturn report

Please note: The CFR and Capital expenditure figures have not yet been finalised. These figures have been marked in grey.

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.

Please note that all balances for 2025/26 are subject to change pending the publication of the draft Statement of Accounts.

2. Capital Expenditure

This provides a summary of the council's capital expenditure plans. It reflects the revised budget for 25/26 from the Capital Prudential Indicators Q3 report, the actual spend for 25/26 as well as the estimated position for 26/27 and 27/28.

Table A1: Capital Expenditure

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
Service Loans				
Capital Projects	7.6	7.6	17.9	6.5
New Finance Lease and PFI				
New Projects				
Total Capital Expenditure	7.6	7.6	17.9	6.5
Financed by:				
Capital Receipts (Asset Disposals)			(5.1)	
Capital Receipts (Loan Principal)				
Revenue Contributions				
Grants and other contributions (existing projects)	(5.0)	(5.0)	(3.2)	(10.2)
Finance Lease and PFI liabilities				
Total financing	(5.0)	(5.0)	(8.3)	(6.4)
Net financing need for year*	2.6	2.6	9.6	(3.7)

* Subject to change pending draft Statement of Accounts

This indicator shows that the council's capital expenditure is supported by capital receipts or grants and that the amounts that require financing from the revenue budget are proportionate and affordable.

3. Capital Financing Requirement

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

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

Table A2: Capital Financing Requirement

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
Opening CFR	235.5	235.5	233.8	238.7
Capital Spend	7.6	7.6	17.9	6.5
Resources used	(5.0)	(5.0)	(8.3)	(10.2)
MRP	(4.2)	(4.3)	(4.7)	(4.6)
Closing CFR	233.9	233.8	238.7	230.4

* Subject to change pending draft Statement of Accounts

Each year the council sets a prudent MRP policy that will set aside revenue resources to finance capital expenditure over the life of the assets. This indicator details how capital spend, resources used and the MRP adjust the CFR closing balance.

4. Gross Debt and the Capital Financing Requirement

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

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

Table A3: Gross Debt & Capital Financing Requirement

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
CFR	233.9	233.8	238.7	230.4
Gross borrowing	149.0	144.0	153.0	143.0
Under / (over) borrowing	84.9	89.8	85.7	87.4

* Subject to change pending draft Statement of Accounts

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

5. Operational Boundary and Authorised Limit

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

Unlike the Authorised Limit, the Operational Boundary is not an absolute limit, but it reflects the 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

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
External Borrowings	149.0	144.0	153.0	143.0
Operational Boundary	200.0	200.0	199.0	198.0
Authorised Limit	310.0	310.0	270.0	265.0

* Subject to change pending draft Statement of Accounts

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

6. Financing cost to Net Revenue Stream

This Indicator shows the trend in the cost of capital (borrowing and other long-term obligation costs) against the net revenue stream. Funding includes income such as Council tax, Business Rates as well as New Homes Bonus and Revenue Support Grant but excludes income from investments.

Table A5: Ratio of Financing costs to Net Revenue stream

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
Interest costs on existing borrowing	4.5	4.5	4.4	4.6
MRP	4.2	4.3	4.7	4.6
Total Financing Costs	8.7	8.8	9.1	9.2
Funding	26.2	25.7	32.3	29.9
Non-specific grant income	3.7	3.7	0.0	0.0
Net Revenue Stream	29.9	29.4	32.3	29.9
Ratio of Financing costs	29.1%	29.9%	28.2%	30.8%

* Subject to change pending draft Statement of Accounts

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

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

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

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

Table A6: Ratio of Investment Income to Net Revenue stream

	Revised Budget 25/26 £m	Actual 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
Income from long term investments	4.0	4.1	4.1	4.1
Income from assets	4.6	4.7	5.5	5.5
Total Investment income	8.6	8.8	9.6	9.6
Funding	26.2	25.7	32.3	29.9
Non-specific grant income	3.7	3.7	0.0	0.0
Net Revenue Stream	29.9	29.4	32.3	29.9
Ratio of investment income	28.9%	29.9%	29.7%	32.1%

* Subject to change pending draft Statement of Accounts

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

Table A7: Affordability Ratio

	Revised Budget 25/26	Actual 25/26	Estimate 26/27	Estimate 27/28
Ratio of Financing costs	29.1%	29.9%	28.2%	30.8%
Ratio of Investment income	28.9%	29.9%	29.7%	32.1%
Affordability ratio	0.2%	0.0%	(1.5%)	(1.3%)
	£m	£m	£m	£m
Affordability ratio in £	0.10	0.00	(0.50)	(0.40)

* Subject to change pending draft Statement of Accounts

The affordability ratio shows that while the council broke even in 2025/26 it is expected to make a small surplus in the following two financial years.

The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable, and sustainable.

The council will continue to monitor this ratio and report to senior management and members. Should the affordability ratio move adversely, the council will need to review whether this is sustainable and what actions may be required to mitigate the impact to the taxpayer as part of its budget management and Medium-Term Financial Strategy.

Audit and Governance Committee Work Programme 2026/27

Date	Agenda Items
22-Jul-26	Treasury Management Q1 Report 2026/27 Draft Statement of Accounts 2025/26 Update on PR9 audit actions Annual Governance Statement 2025/26 Housing Management Complaints Report Housing Benefit Subsidy Audit 2022/23 Work Programme Update
30-Sep-26	Risk Monitoring Report - Q1 2026/27 Health & Safety Q1 report External Audit 2025/26 Update (verbal) Support to Subsidiaries External Audit Report 2025/26 Counter Fraud Update Internal Audit Progress Update Monitoring Officer report, including LGSCO Ombudsman Annual Report Work Programme Update
25-Nov-26	Risk Monitoring Report - Q2 2026/27 Housing Benefit Subsidy Audit 2023/24 Health & Safety Q2 report Final Accounts 2025/26 Financial Management Code Update Review of Risk Strategy and Guidance Treasury Management Q2 Update Work Programme Update
13-Jan-27	Draft Capital and Investment Treasury Management Strategies 2027/28 AGS 2025/26 Actions Update Local Code of Corporate Governance Counter Fraud Update Internal Audit Progress Update Work Programme Update
17-Mar-27	Counter Fraud Update Internal Audit Progress Update Housing Benefit Risk Based Verification Policy Counter Fraud Work Programme 2027/28 Internal Audit Work Programme 2027/28 Annual Report of AGC Treasury Management Q3 Update Accounting Policies 2026/27 Health & Safety Q3 report External Audit Plan 2026/27 Risk Monitoring Report Q3 Work Programme Update

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