

Cherwell District Council

Accounts, Audit and Risk Committee

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

Present:

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

Apologies for absence:

Councillor Alisa Russell
Councillor Besmira Brasha

Also Present:

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

Officers:

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

Officers Attending Virtually:

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

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Declarations of Interest

There were no declarations of interest.

71

Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

72 **Minutes**

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

73 **Chairman's Announcements**

There were no Chairman's announcements.

74 **Urgent Business**

There were no items of urgent business.

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

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

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

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

Resolved

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

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

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

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

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

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

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

Resolved

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

Counter Fraud Progress Report

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

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

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

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

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

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

Resolved

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

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2025-26 Counter Fraud Plan

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

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

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

Resolved

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

79

Risk Based Verification Policy

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

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

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

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

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

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

Resolved

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

80

Risk Monitoring Report Q3 2024-25

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

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

Resolved

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

81

Annual Health and Safety Report 2023-24

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

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

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

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

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

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

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

Resolved

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

2023-24 Final Statement of Accounts

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

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

Resolved

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

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

83 **External Audit Plan 2024/25**

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

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

Resolved

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

84 **Accounting Policies 2024-25**

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

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

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

Resolved

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

Treasury Management Report Q3 2024-25

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

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

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

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

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

Resolved

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

The meeting ended at 7.59 pm

Chairman:

Date: