

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 16 July 2025 at 6.30 pm

Present:

Councillor Simon Lytton (Chair)
Councillor David Rogers (Vice-Chair)
Councillor Besmira Brasha
Councillor Nicholas Mawer
Councillor Robert Parkinson
Councillor Dom Vaitkus
Sarah Thompson, Independent Person

Substitute Members:

Councillor Gemma Coton (In place of Councillor Frank Ideh)

Apologies for absence:

Councillor Frank Ideh
Councillor Ian Middleton

Also Present:

Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Regeneration and Property

Also Present Virtually:

Councillor Chris Brant, Portfolio Holder for Corporate Services
Connor Munro, Internal Audit, Veritau
Sarah Butler, Internal Audit, Veritau

Officers:

Joanne Kaye, Head of Finance and Deputy Section 151 Officer
Jacey Scott, Head of Revenues and Benefits
Sandra Ganpot, Benefits Services and Performance Manager
Alex Rycroft, Strategic Finance Business Partner
Natasha Clark, Governance and Elections Manager
Patrick Davis, Democratic and Elections Officer

Officers Attending Virtually:

Shiraz Sheikh, Assistant Director Law & Governance and Monitoring Officer
Richard Smith, Head of Housing

18 **Declarations of Interest**

There were no declarations of interest.

19 **Minutes**

The Minutes of the meeting of the Committee held on 28 May 2025 were agreed as a correct record and signed by the Chair.

20 **Chair's Announcements**

- 1) The Chair advised the Committee that the process to recruit a new Independent Person was still ongoing with an open-ended deadline for applications.
- 2) Members of the Committee were reminded that Treasury Management training would take place after meeting.

21 **Requests to Address the Meeting**

There were no requests to address the meeting.

22 **Internal Audit Progress Update**

The Assistant Director of Finance (Section 151 Officer) submitted a report that provided the Committee with an update on the delivery of the internal audit work programme for 2025/26 and an update on the three audits from the 2024/25 work programme which were in the process of being concluded.

In introducing the report, Connor Munro, Assistant Director – Audit Assurances at Veritau advised the Committee that since the report had been drafted a further two audits had been completed: Risk management; and Performance Management. Veritau had reached a Reasonable Assurance opinion on both audits. Members were informed that the Committee's request for Follow Up actions to be documented in the report had been implemented

In response to a question regarding the actions rated as critical in the report, the Committee was advised that these reviews had been undertaken by the previous internal audit provider and Veritau were in the process of following them up.

In response to a question regarding the two actions that were marked as risk accepted, the Assistant Director – Audit Assurances advised that these related to the delay and frequency of reporting actions in the area of climate action. It was accepted that these issues were similar to other organisations in the sector and did not represent an undue risk to the Council.

Resolved

- (1) That the progress made in delivering the 2025/26 internal audit work programme, and the position with the remaining audits from the 2024/25 programme be noted.

23

Counter Fraud Progress Report

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

Resolved

- (1) That the counter fraud progress report be noted.

24

Risk Monitoring Report Year End 2024-2025

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. The Committee was advised that work was currently underway on a new risk management strategy that would help ensure that the Council was better prepared for external challenges such as the forthcoming business rates reset that the Government had proposed under the Fair Funding Review 2.0.

In response to a question regarding the impact of the proposed business rates reset on the Medium-Term Financial Strategy, the Portfolio Holder for Corporate Services explained that the proposed new business rates distribution model would have a serious impact on the Council's funding with the Council projected to be the third worst affected council in England in terms of financial losses due to the changes. This was largely due to the successful strategies that the Council had implemented under the existing funding mechanism which had resulted in the receipt of high levels of funding. The Portfolio Holder for Corporate Services advised the Committee that work was being undertaken to mitigate the impact of the changes through schemes such as the transformation project.

Resolved

- (1) That the Risk Monitoring Report for Year End 2024-25 be noted.

Housing Benefit Subsidy Audit 2021/22

The Assistant Director of Finance submitted a report that provided the Committee with an update on the final position of the Housing Benefit subsidy claim audit for the financial year 2021/22.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration explained that local authorities reclaim Housing Benefits that have been paid to claimants by submitting annual subsidy claims to the DWP. Each local authority's appointed external auditor is required to certify that the annual claim is fairly stated and to report any errors to the DWP in a covering letter that accompanies the claim. Where there are errors, the claim is qualified and the DWP will seek to reduce subsidy payments to the Council.

The Committee was advised that as a result of the audit by the council's external auditor, the pre-audit overpayments figure of £205,534 had been increased by an additional £92,653. This sum would be deducted from the ongoing monthly subsidy payments from the Department of Work and Pensions (DWP)

In response to a question regarding the measures taken to reduce future errors, the Committee was advised that additional staff had been recruited and that more regular monitoring was now in place. It was anticipated that this would help to mitigate any future issues.

The Committee was informed that due to the ongoing backlog in auditing within the Local Authority sector, it was uncertain when the audits of Housing Benefit Subsidy for subsequent years would take place.

Resolved

- (1) That the update on the final position of the Housing Benefit subsidy claim audit for the financial year 2021/22 be noted.

Housing Management Performance

The Assistant Director Wellbeing and Housing Services submitted the annual report relating to housing complaints performance, in accordance with the Housing Ombudsman's Complaints handling Code. The Complaints Handling Code self-assessment, would be published on the Council's website and would form the basis of the Council's return to the Housing Ombudsman for 2024-25.

Resolved

- (1) That the Housing Management Performance Annual Report submitted in accordance with the Housing Ombudsman's Complaints Handling Code be noted.

- (2) That it be noted that Housing Management Performance Report and the Complaints Handling Code self-assessment, would be published on the Council's website and would form the basis of the Council's return to the Housing Ombudsman for 2024-25.

27

Annual Governance Statement 2024/25

The Assistant Director Law and Governance and Monitoring Officer submitted a report which set out the Annual Governance Statement (AGS) for the Council for 2024-25 for approval.

In introducing the report, the Assistant Director Law and Governance explained that the AGS summarised the key governance issues for the Council and the actions required to address these. The AGS was required to be approved by those charged with governance, the Accounts Audit & Risk Committee, under the Accounts and Audit Regulations 2015.

Resolved

- (1) That the Annual Governance Statement 2024-25 be approved.
- (2) That the Leader of the Council and the Chief Executive be authorised to sign the Annual Governance Statement on behalf of Cherwell District Council.

28

Draft Statement of Accounts 2024/25

The Assistant Director Finance (Section 151 Officer) submitted a report to provide an opportunity for review of the draft 2024/25 Statement of Accounts which were published on the council's website on 27 June 2025.

In response to a question regarding the £11.5M increase in the deficit from 2023/24 to 2024/25 the Committee was advised that this was due to an audit balance relating to the value of property that would fluctuate over time.

In response to a question regarding the treatment of the Council's existing contractual obligations following Local Government Reorganisation, the Assistant Director Law and Governance explained that the normal expectation would be that such liabilities would be transferred to the successor authority.

Resolved

- (1) That the report and publication of the draft statement of accounts 2024/25 be noted.

29

Treasury Management Q1 Report 2025/26

The Assistant Director Finance (Section 151 Officer) submitted a 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. The report demonstrated that all treasury management activities undertaken during the first quarter of 2025-26 complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration advised that as at the end of Quarter 1 2025-26, the Council had borrowings of £157M and investments of £18M, which resulted in a net borrowing of £139M.

Resolved

- (1) That the contents of the Treasury Management Quarter 1 Performance report be noted.

30

Review of Committee Work Programme

The Head of Finance provided an update on the Committee's work programme.

Resolved

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

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Urgent Business

There were no items of urgent business.

The meeting ended at 7.29 pm

Chair:

Date: