

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

Purpose of report

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

1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

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

2. Executive Summary

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

Implications & Impact Assessments

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

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

Supporting Information

3. Background

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

4. Details

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

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

5. Alternative Options and Reasons for Rejection

5.1 None.

6 Conclusion and Reasons for Recommendations

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

Decision Information

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	Audit Completion Report 2024/25 (to follow)
Appendix 2	Draft Auditor's Annual Report 2024/25
Appendix 3	Draft Letter of Representation 2024/25
Appendix 4	Audit Backlog FAQ
Background Papers	None
Reference Papers	None
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Executive Director Approval (unless Corporate Director or Statutory Officer report)	Report of Statutory Officer, Section 151 Officer