

Accounts, Audit and Risk Committee Annual Report

**Report of the work of the Accounts, Audit and
Risk Committee during 2024/25**

APPENDIX 1

Contents

Section	Page
Chairman's introduction	3
The role of the Accounts, Audit and Risk Committee	4
How the committee has discharged its responsibilities during 2024/25 (overview)	5
Key activities in 2024/25	7

Chairman's introduction

As the Chair, I am very pleased to present this annual report which sets out the role of the Accounts, Audit and Risk Committee and summarises the work we have undertaken during the financial year 2024/25.

The committee is a key component of the council's governance framework. It provides independent oversight and receives the necessary assurances that the council continues to practice good governance and exhibits strong public financial management.

I have only been a serving member of this committee since May 2024, and its Chair even more recently when I was appointed to the role in November 2024. However, during my tenure so far, I have observed that the committee is well supported by officers, who consistently provide a high standard of reports and presentations. I would like to place on record my thanks to the finance team, governance officers, the risk and performance team, and to our internal and external auditors, for their input and contribution to the work of the committee.

I would also like to take this opportunity to give my personal thanks to all fellow committee members who have contributed and supported the work of the committee in such a meaningful and positive way over the past year.

COUNCILLOR ALISA RUSSELL

Chair – Accounts, Audit and Risk Committee

The role of the Accounts, Audit and Risk Committee

The Accounts, Audit and Risk Committee has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Position Statement: Audit Committees in Local Authorities and Police 2022". It also operates in accordance with CIPFA's "Audit Committees, Practical Guidance for Local Authorities" (2022 edition). CIPFA's position statement defines the purpose of local authority audit committees as follows:

"Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability."

The key functions of the Account's Audit and Risk Committee are set out in its terms of reference, which form part of the council's constitution.

APPENDIX 1

How the committee has discharged its responsibilities during 2024/25 (overview)

Core functions	May 2024	July 2024	September 2024	November 2024	January 2025	March 2025
Governance, risk, and control						
Annual governance statement 2023/24						
Whistleblowing policy						
Counter fraud work programme 2024/25 (Veritau)						
Risk monitoring report – end of year 2023/24						
Support to subsidiaries						
Risk monitoring report – Q1 2024/25						
Monitoring Officer report, inc. LGSCO ombudsman annual report						
Counter fraud progress report						
Counter fraud policy update report						
Risk monitoring report – Q2 2024/25						
Housing management performance						
Local Code of Corporate Governance						
Counter fraud progress report						
Counter fraud work programme 2025/26						
Risk monitoring report – Q3 2024/25						
Housing Benefit Risk Based Verification Policy						
Internal audit						
Annual report of the Chief Internal Auditor 2023/24 (OCC)						
Internal audit work programme 2024/25, inc. charter (Veritau)						
Internal audit progress report						
Internal audit progress report						
Internal audit work programme 2025/26						

APPENDIX 1

External audit						
Audit completion certificates 2020/21 and 2021/22 (EY)						
External audit plan 2023/24 (Bishop Fleming)						
External audit update 2022/23 (EY)						
External audit update 2023/24						
External audit update 2022/23						
External audit update 2023/24						
Financial reporting						
Housing benefit subsidy audit 2020/21						
Draft statement of accounts 2023/24						
Final statement of accounts 2022/23						
Financial Management Code – forecast self-assessment update						
Update on the 2023/24 statement of accounts						
Final statement of accounts 2023/24						
Accounting policies 2024/25						
Accountability arrangements						
Accounts, Audit and Risk Committee annual report 2024/25						
Treasury management						
Treasury management annual performance report 2023/24						
Treasury management report – Q1 2024/25						
Treasury management report – mid-year review 2024/25						
Capital and Investment Strategy and Draft Treasury Management Strategy						
Treasury management report – Q3 2024/25						

APPENDIX 1

Key activities in 2024/25

The committee is considered to have effectively discharged its responsibilities for 2024/25, as set out in its terms of reference. It has also performed the core functions described in CIPFA's position statement and adopted its principles and expected practices (as well as those contained in CIPFA's accompanying guidance).

The key activities of the committee are summarised below, aligned to the functional responsibilities in its terms of reference.

Governance, risk, and control

In May 2024, the committee approved the 2023/24 annual governance statement (AGS) for inclusion in the council's final statement of accounts. It also received an update against 2023/24 AGS actions in January 2025.

In November 2024, the committee received a forecast self-assessment against the CIPFA Financial Management Code. This provided reassurance that the council was practicing robust financial management, and had effective arrangements for securing value for money, ahead of budget setting for 2025/26. At its following meeting, in January 2025, the committee approved an updated version of the council's Local Code of Corporate Governance.

The Committee received quarterly updates on risk management via risk monitoring reports. This saw the committee approve the council's risk management strategy in July 2024, with the leadership risk register presented in September and November 2024, and again in March 2025.

Counter fraud services were transferred from Oxfordshire County Council to Veritau Public Sector Limited at the beginning of 2024/25. This transfer was successfully overseen by the committee. The committee approved the 2024/25 counter fraud work programme in July 2024 and received progress reports (detailing proactive and reactive work undertaken by the service) in September 2024 and January 2025. The 2025/26 work programme was approved by the committee at its 19 March 2025 meeting. In addition, the committee has approved key documents which form part of the council's counter fraud framework. This included the whistleblowing policy (May 2024) and the counter fraud and corruption and anti-money laundering policies (November 2024).

In July and September 2024, the committee received reports from the Monitoring Officer informing it of the level of support the council provides to its subsidiaries and of matters relating to standards and corporate complaints.

Internal Audit

At the beginning of 2024/25 the committee successfully oversaw the transfer of internal audit services from Oxfordshire County Council to Veritau Public Sector Limited. This saw the committee, at its 29 May 2024 meeting, both endorse the outgoing Chief Internal Auditor's annual report for 2023/24 and approve the internal audit work programme for 2024/25, prepared by Veritau. The committee approved the council's new internal audit charter at this same meeting.

Since then, the committee has received regular progress reports from the Assistant Director – Audit Assurance (Head of Internal Audit) (Veritau). These reports provided an overview of programme delivery, summarised the outcomes from internal audit engagements, and

APPENDIX 1

presented the results of follow-up activity (i.e. work done to confirm that actions agreed with management have been completed).

The committee has continued to review material weaknesses identified from internal audit engagements, and to provide appropriate challenge on outcomes. Officers have also attended committee to provide assurance on how more significant issues were being addressed. This has supported the implementation of the actions plans to deliver required improvements.

The annual opinion is the most important outcome from internal audit. This is internal audit's independent view on the strength of the council's framework of risk management, governance, and internal control and should be used in preparing the council's annual governance statement. The opinion is presented as part of internal audit's annual report at the beginning of the financial year and relates to work performed in the previous financial year. As mentioned earlier, the committee received this report for 2023/24 at its 29 May 2024 meeting. An opinion of satisfactory assurance was reached by the council's outgoing internal audit provider. The same report provided the committee with reassurance that internal audit work had been performed in conformance with professional standards, as demonstrated by the external quality assessment outcome.

The committee also met with the Assistant Director – Audit Assurance (Head of Internal Audit) (Veritau) in private session in January 2025 and satisfied itself that the council's internal audit service is free to carry out its duties without undue restriction.

External Audit

The council appointed Bishop Fleming as its auditors for the 2023/24 audit, with the committee receiving the audit plan at its May 2024 meeting. At this same meeting, the committee received the audit completion certificates for the financial years 2020/21 and 2021/22 from its outgoing external audit provider, EY. Updates were also provided on the 2022/23 audit in September and November 2024, before the final statement of accounts was presented to the committee in November 2024. Updates against the 2023/24 audit were presented to the committee by Bishop Fleming in September 2024 and January 2025, before the final statement of accounts was presented in March 2025.

The committee met with its external auditors in private session, in January 2025. The committee is satisfied that external audit is free to carry out their duties without undue restriction. The committee is also assured that, if identified, the council's external auditors would bring any material issues to the attention of the committee.

Financial Reporting

In addition to matters of financial reporting presented to the committee in connection with the work of external audit, the committee has also received and reviewed the final statement of accounts for 2022/23 and the draft and final statements for 2023/24 (including the audit completion report and annual report prepared in relation to these accounts).

The committee considered the 2022/23 final statement of accounts in November 2024, having received progress updates during the year to this point. The 2023/24 draft statement of accounts was presented to the committee in July 2024, with the final accounts then presented in March 2025.

In March 2025, the committee also reviewed and approved the council's accounting policies to be included in the 2024/25 statement of accounts.

APPENDIX 1

Accountability arrangements

The committee prepared an annual report demonstrating how it has fulfilled its terms of reference and conformed with CIPFA's position statement during 2024/25. The report was considered and approved at its 19 March 2025 meeting.

CIPFA recommends that the committee undertakes a regular self-assessment exercise against the position statement. The committee last completed a self-assessment in February 2023. This concluded that the committee demonstrated a high degree of conformance with CIPFA's expected and good practice principles, and that it had been discharging its responsibilities effectively. The self-assessment was not repeated during 2024/25 due to the significant change in membership following the May 2024 elections and changes in chairmanship during the year. The committee intends to undertake a self-assessment during the 2025/26 financial year.

Treasury management

The committee have provided effective scrutiny of the treasury management strategy and policies through receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management. The council's external treasury advisers delivered training to members of the committee during the year to enable it to effectively fulfil its scrutiny role.

The committee received a report on the council's treasury management performance for 2023/24 at its 29 May 2024 meeting. It then received quarterly updates on treasury management performance in 2024/25 over the remainder of the year, and, in January 2025, recommended that both the capital and investment strategy and the draft treasury management strategy for 2025/26 be approved by Executive.