

**Financial Services**  
Group Finance Director

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2 Blagrove Street,  
Reading,  
RG1 1AZ

27 February 2025

Dear Sir / Madam,

## **Letter of Representations 2023/24**

This letter of representations is provided in connection with your audit of the consolidated and parent Authority financial statements of Oxford City Council and Group ("the Group and Authority") for the year ended 31 March 2024. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and parent Authority financial statements give a true and fair view of (or 'present fairly, in all material respects,') the Group and Authority financial position of Oxford City Council and Group as of 31 March 2024 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the Authority, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We understand that the purpose of your audit of our consolidated and parent Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **A. Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and the parent Authority, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
2. We acknowledge, as members of management of the Group and Authority, our responsibility for the fair presentation of the consolidated and parent Authority financial statements. We believe the consolidated and parent Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and parent Authority in accordance with the CIPFA LASAAC Code of



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Practice on Local Authority Accounting in the United Kingdom 2023/24, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the Group and Authority financial statements are appropriately described in the Group and Authority financial statements.
4. As members of management of the Group and Authority, we believe that the Group and Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 for the Group and the Authority that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and parent Authority financial statements taken as a whole. We have not corrected these differences for the reasons we have identified in the Commentary on the Schedule of Uncorrected Audit differences.
6. We confirm the Group and Authority does not have securities (debt or equity) listed on a recognised exchange.

#### **B. Non-compliance with laws and regulations, including fraud**

1. We acknowledge that we are responsible to determine that the Group and Authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the consolidated and parent Authority financial statements may be materially misstated as a result of fraud.

We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the Group or Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- Involving financial improprieties
- Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated and parent Authority financial statements
- Related to laws or regulations that have an indirect effect on amounts and disclosures in the consolidated and parent Authority financial statements, but compliance with which may be fundamental to the operations of the Group and Authority's business, its ability to continue in business, or to avoid material penalties
- Involving management, or employees who have significant roles in internal control, or others



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- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

### **C. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the consolidated and parent Authority financial statements

3. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect in the consolidated and parent Authority financial statements.

4. We have made available to you all minutes of the meetings of the Group and Authority, and committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 13<sup>th</sup> February 2025.

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the consolidated and parent Authority financial statements.

6. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

7. We have disclosed to you, and the Group and Authority has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and parent Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

8. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorised access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorised access to our information technology systems is reasonably likely to have a material effect on the consolidated and parent Authority financial statements, in each case or in the aggregate, and



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(2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

#### **D. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and parent Authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

#### **E. Going Concern**

1. Note 44 to the consolidated and parent Authority financial statements discloses all the matters of which we are aware that are relevant to the Group and Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

#### **F. Subsequent Events**

1. Other than described in Note 5 to the consolidated and parent Authority financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the consolidated and parent Authority financial statements or notes thereto.

#### **G. Group audits**

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst parent Authority, subsidiary undertakings and associated undertakings.

#### **H. Other information**

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Statement included within the financial statements and also the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2023/24 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2023/24 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

#### **I. Climate-related matters**



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1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the consolidated and parent financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, aligned with the statements we have made in the other information or other public communications made by us.

## **J. Reserves**

1. We have properly recorded or disclosed in the consolidated and Authority financial statements the useable and unusable reserves.

## **K. Use of the Work of a Specialist**

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of property, plant and equipment, investment properties, provisions and pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and parent Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

## **L. Estimates**

1. We confirm that the significant judgments made in making the valuation of property, plant and equipment, investment properties, provisions and pension liability have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of property, plant and equipment, investment properties, provisions and pension liability.
3. We confirm that the significant assumptions used in making the valuation of property, plant and equipment, investment properties, provisions and pension liability appropriately reflect our intent and ability to carry out valuations on behalf of the entity.
4. We confirm that the disclosures made in the consolidated and parent Authority financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
5. We confirm that appropriate specialised skills or expertise has been applied in making the valuation of property, plant and equipment, investment properties, provisions and pension liability estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent Authority financial statements.

## **M. Retirement benefits**



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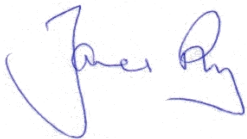
1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

*Yours faithfully,*



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Nigel Kennedy – Group Finance Director (Chief Financial Officer)



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Councillor James Fry – Chairman of the Audit & Governance Committee



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## **Commentary on the Schedule of Uncorrected Audit differences**

### **£370k overstatement of the Broad Street 23-25 asset**

This was not corrected because the calculation made by and provided to us by the external auditor assumed a lease break clause would not be exercised. However our specialist, a professional valuer, confirmed that the correct methodology, which they adopted in the valuation, and which is standard in the valuation industry, is to assume a break option will be exercised. We have scrutinised the valuation provided by our specialist and we are comfortable with using the valuation provided by them.

### **£1,866k overstatement of land value relating to Ramsay House. This is a judgemental difference.**

All evidence on this was provided in Autumn 2024 but we were not told that it was still an issue until February 2025. We have not received sufficient evidence of the calculation by the auditor's real estates team to show where this judgemental difference has arisen and we therefore do not consider it appropriate to make an adjustment.

### **Overstatement of income in FY 23/24 for Garden waste service contracts straddle two FYs and apportioned amount relating to FY24/25 has not been accrued for and included in FY23/24. The projected misstatement amounted to £578k.**

Garden Waste has never been apportioned between years and consequently a full 12 month's income is shown in the 2023/24 accounts. For 2024/25 an apportionment will be calculated at a detail level rather than using an estimated figure and an accrual between 2024/25 and 2025/26 processed. This will then be done each year. The £578k is an extrapolation of this item and in our view it would not be appropriate to process an extrapolated figure through the accounts.

### **Overstatement of 23/24 expenditure as some of the expenditure recorded related to previous financial years. The projected misstatement amounted to £308k.**

This amount could not be adjusted because the adjustment would have been to the 2022/23 financial year which has been closed and (disclaimed) audit opinion issued.

### **Projected misstatement amounting to £572k due to accrual has been entered for the wrong value and incorrectly as a debtor.**

The difference in value of the identified item is £30k on a value of £130k. The £572k is an extrapolation of this item and in our view it would not be appropriate to process an extrapolated figure through the accounts.



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