

Minutes of a meeting of the Audit and Governance Committee on Thursday 9 April 2026

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Committee members present:

Councillor Fry (Chair)

Councillor Harley

Councillor Corais

Councillor Regisford

Councillor Roz Smith (Vice-Chair)

Councillor Ottino

Councillor Jupp

Officers present for all or part of the meeting:

Hannah Carmody-Brown, Committee and Member Services Officer

Bill Lewis, Financial Accounting Manager

Jonathan Malton, Committee and Member Services Manager

Alistair Rush, Interim Group Finance Director

Tom Hook, Deputy Chief Executive - Citizen and City Services

Emma Jackman, Director of Law, Governance and Strategy

Caroline Green, Chief Executive

Toni Henderson, Corporate Fire Safety Manager

Rocco Labellarte, Chief Technology and Information Officer

Gail Malkin, Head of People

Roger Martin, Insurance, Risk Management and Business Continuity Officer

Sandeep Brar, Compliance Manager

Andrew Brittain, External Auditor (EY)

Gurpreet Dulay, Internal Auditor (BDO)

Also present:

Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services and Council Companies

81. Apologies for Absence

No apologies were received.

It was noted that Councillor Regisford would be arriving late.

The Chair welcomed Alistair Rush as the new Group Finance Director.

The Chair reordered the agenda to consider the reports from the External Auditors first; items originally marked 10 and 11, became 7 and 6 respectively.

82. Declarations of Interest

None.

83. Minutes of the previous meeting

The Committee resolved to **approve** the minutes of the meeting held on 28 January 2026 as a true and accurate record.

84. Addresses by members of the public

There were no addresses.

85. Councillor addresses on any item for discussion

There were no addresses.

86. External Audit Results 2024/2025

The External Auditor (EY) had submitted a report to update the Committee.

The External Auditor, the Chief Executive, and the Financial Accounting Manager were present to respond to questions.

The External Auditor provided a comprehensive summary of the report which outlined the outcome of the External Audit for 2024-2025. The Committee was informed that a disclaimed opinion on the accounts had been signed on 27 February, in advance of the

government's backstop date. Reference was made to the detailed explanations within the report, and Members heard that a disclaimed opinion had been issued due to several areas not providing sufficient assurance.

The Committee was directed by the Chair to reserve any questions for the discussion under item 7.

The Committee reviewed and **noted** the report.

87. External Audit Annual Report 2024/2025

The External Auditor (EY) had submitted a report to update the Committee.

The External Auditor, the Chief Executive, and the Financial Accounting Manager were present to respond to questions.

The External Auditor provided a comprehensive summary of the report which included the conclusions of the audit and commentary on value for money work. The Committee heard a summary of matters relating to weaknesses relating to governance arrangements in place to support the external audit and recommendations of the External Auditor to improve this, including a workflow review, and reviews of capacity, resources and responsibilities within the finance directorate. The External Auditor noted that necessary plans have now been made and shared within a management plan amongst CLT. The Committee was also assured that EY is keen to work with the Council on these matters and has met in the intervening period to establish progress ahead of the next audit; work is also ongoing with the new Group Finance Director to obtain any formal responses previously requested. The External Auditor emphasised that if progress relating to governance arrangements does not continue to make progress, then escalation to section 24 recommendations may be necessary.

The Chair invited the Chief Executive to respond.

The Chief Executive welcomed the new Group Finance Director and noted their conversations relating to matters included within the External Audit. The Committee was assured that the Council's senior leadership team is alert to the seriousness of the situation and is taking steps to make the necessary improvements. The Chief Executive outlined that a comprehensive action plan has been developed to address the recommendations. In relation to property issues specifically, the Committee heard that progress is being made, and additional meetings has taken place with the External Auditor to plan a workable solution. In relation to capacity and resourcing, the Chief Executive noted that a review has been undertaken, and context relating to long term sickness and vacancies was noted. In respect of quality and timeliness of responses, Members heard that the senior leadership team has discussed the matter

and is ensuring that support is being provided to the finance team where necessary; the action plan also notes the necessary actions for this. Progress on the action plan will be reported to the senior leadership team on a regular ongoing basis. The Chief Executive reiterated a willingness to work closely with the External Auditors and explore ways to improve the process to make necessary adjustments to new audit requirements, for example, early clarification of the requirements of working papers.

Councillor Regisford joined the meeting.

The Chair thanked the Chief Executive and requested that the Committee be given sight of the action plan; the Chief Executive committed to sharing this.

The Chair invited the Director of Law, Governance and Strategy to comment.

The Director of Law, Governance and Strategy clarified that the governance issues noted within the External Auditor's report relate more to operational audit aspects, and not the governance of the Council in the sense that is outlined within the Annual Governance Statement.

The Chair invited the Group Finance Director to comment.

The Group Finance Director emphasised his commitment to working with the External Auditors on the matters raised and emphasised his collaboration with the Financial Accounting Manager to deliver on the requirements of the action plan. The Committee heard that since joining the Council, he has met with the External Auditors and has implemented regular catchups going forwards in addition to those which take place at the operational level. Members were also informed that the closure of accounts was brought forward this year. In relation to governance, it was noted that the statutory officers will have regular discussions to ensure awareness and appropriate planning is in place to address any issues arising.

The Chair invited the Financial Accounting Manager to comment in relation to the statement of accounts.

The Financial Accounting Manager informed the Committee that in addition to those already mentioned, internal meetings have also taken place within the finance team to discuss the highlighted problems and to develop solutions for the next year. The Committee was assured that officers are motivated to take the necessary actions, and reviews of workflows are ongoing to avoid bottlenecks. The Financial Accounting Manager noted his positivity in relation to the coming year.

The Chair invited questions from the Committee.

Councillor Ottino queried the timeframe for resolutions to points on the action plan being reached and asked whether there are any anticipated barriers. Councillor Ottino also queried whether the mention of failures to provide sufficient responses relate to only senior management, or whether it is a council-wide issue.

The Group Finance Director emphasised that the focus must not just be on speed in relation to the action plan, but also on delivering outcomes in the correct sequence to ensure that actions are sustainable in the longer term. An update on ongoing actions linked to additional resourcing was provided, and an explanation of the time taken to understand some issues more deeply was delivered.

In response to Councillor Ottino, the Chief Executive also explained that the Council is currently handling additional workloads, such as Local Government Reorganisation preparations, and these have been factored into the next business plan to ensure capacity is appropriately allocated. The Committee was also informed that CLT utilises a dashboard which enables outstanding actions to be tracked and for concerns to be escalated; this ensures that risks are actively tracked.

Councillor Smith emphasised the seriousness of the External Audit report and requested sight of the action plan. In relation to capacity, Councillor Smith noted that the Council has historically made mistakes which are now being compounded by additional current workloads. It was suggested that to support governance, independent observers be appointed to the Committee.

The Financial Accounting Manager emphasised the importance of buy-in from senior managers in relation to the action plan. Historic issues with capacity within the finance team were outlined in detail, and the Committee heard of the Financial Accounting Manager's confidence for the year ahead.

The Group Finance Director, in response to Councillor Smith, committed to sharing the action plan and offered an informal meeting to discuss it. The Committee also heard of the specific actions required to ensure that the Council is in a strong financial position ahead of Local Government Reorganisation, and to ensure a fair set of accounts for the next two years when transferring assets and liabilities into the new authority following LGR.

Councillor Smith appreciated the offer of an informal meeting and asked whether there are timescales set within the action plan; this was confirmed.

The Chief Executive welcomed the Committee's view of the action plan, noting that it would help illustrate the granularity of the steps being taken.

The Chair queried whether issues relating to floorplans of Council properties had been resolved.

The Group Finance Director outlined that a way forward has been found, however this is yet to be actioned. The Committee understood that this plan would be developed in partnership with the External Auditors.

Councillor Ottino queried whether there is a plan ready in the instance that staffing capacity issues arise again.

The Group Finance Director emphasised that a focus is being paid to identifying and mitigating risks as early as possible. The Committee were reminded that not all eventualities can be predicted, however the Council will seek to respond and work through any capacity issues as they are encountered following appropriate preparations.

The Chair requested the External Auditors views on the resolutions outlined during the discussion.

The External Auditor noted appreciation for the recent and ongoing conversations with the Group Finance Director, emphasising the value of a continuous and communitive approach. Support for the approach being taken by senior managers was noted, and the Committee was reminded that the results of this would be apparent over time. The External Auditor also emphasised that timely and sufficient audit evidence is expected and critical to assessing success. Support was offered in respect of reporting requirements, and it was noted that the level of clarity required must be delivered from teams across the Council. The External Auditor welcomed the additional meetings being put in place.

Councillor Smith queried whether a review is ongoing into the failure to prevent fraud legislation against the new Home Office guidance, and whether it has been considered within the action plan.

The Director of Law, Governance, and Strategy confirmed that the review is due this financial year and an update would be offered in due course. The Committee understood this will be managed by the policy officer group work program.

Councillor Smith emphasised that this must also include consideration of the procedures of the new act.

The Financial Accounting Manager reminded the Committee that the accounts had been successfully signed off by the backstop date and published in time; in doing so, the Council was compliant.

The Committee reviewed and **noted** the report.

The Chair thanked Chief Executive and the External Auditor.

The Chief Executive left the meeting and did not return.

88. Risk Management Update

The Group Finance Director had submitted a report to update the Audit and Governance Committee on corporate and service risks as of 28 February 2026.

The Insurance, Risk Management, and Business Continuity Officer was present to respond to questions.

The Insurance, Risk Management, and Business Continuity Officer introduced the report. The Committee was reminded that the risk register had been distributed earlier to allow time for Members to review and question any risks; this would be a repeated practice going forward. The Insurance, Risk Management, and Business Continuity Officer noted that the risk registers were reviewed and signed off by CLT on 23 February. Changes within the risks were summarised to the Committee.

The Chair had previously queried risk scores and he and the Insurance, Risk Management, and Business Continuity Officer agreed that outstanding written responses from risk owners would be distributed via the clerk to the Committee once received.

The Chair invited questions from the Committee.

Councillor Ottino queried why, in appendix 3, risk 00030 remains classified as a risk.

The Insurance, Risk Management, and Business Continuity Officer explained that despite the mitigations listed on page 49 of the report having been completed, this example remains a risk due to the serious impact it would have should it occur.

As the risk owner, the Financial Accounting Manager noted that the risk in question related to treasury management and explained that the controls in place are critical, but that it would not be preferable to remove it from the register given its importance. As such, the risk should remain on the register to encourage continual monitoring of the controls.

Councillor Ottino queried whether the registers could be separated out to demonstrate clearly to the Committee the risks which remain on the register due to their severity if they occurred, and the ones which require additional work to manage.

The Insurance, Risk Management, and Business Continuity Officer noted that this could be done and offered to present the risks in the manner the Committee finds most beneficial.

The Chair noted other examples, such as climate change, for which little can be done however it is important for them to remain on the register to ensure the Council remains alert. Councillor Smith agreed. The risk registers would continue to be presented in their current format.

The Committee reviewed and **noted** the report.

The Insurance, Risk Management, and Business Continuity Officer left the meeting and did not return.

89. Internal Audit Progress Report

The Internal Auditor (BDO) had submitted a report to update the Committee. The Internal Auditor, the Head of People, and the Corporate Fire Safety Manager were present to respond to questions.

The Internal Auditor introduced the report, noting that it included the medium-term financial plan and the fire safety review; both of which demonstrated positive progress. The Committee understood that three remaining reports for the 2025-2026 plan would be presented at the next meeting along with the annual opinion.

In relation to the fire safety report, the Internal Auditor summarised that a moderate opinion had been reached with two main findings of note. A comprehensive history of this review was delivered to the Committee with an explanation of the steps taken by the Council to achieve previous improvements, including the appointment of six contractors to reassess all fire safety assessments. Following issues with subcontractors and the recording of fire risk assessment data, another review was issued and this has highlighted significant improvements. The Internal Auditor summarised that in-house teams are now utilised instead of contractors, and an action list of over 300 items has been reduced to 28 as of December 2025. A summary of staffing allocations and the use of the QL system was also delivered. To summarise, the Internal Auditor outlined the remaining areas for improvement, including the need to clarify commentary on some actions and the need to make clearer use of the QL system. The Committee heard that ongoing work with a software provider is occurring to create a dashboard for photographic evidence and

improvements to procurement are being assessed in relation to one outstanding subcontractor.

The Chair, noting that the report on the medium-term financial plan concluded a substantial opinion, suggested that the Committee were content; the Committee had no questions on this report.

The Chair invited the Corporate Fire Safety Manager to comment on the fire safety review.

The Corporate Fire Safety Manager praised the work of relevant teams and emphasised the creation of the in-house fire safety team since last February. The Committee heard that the team is in control of the actions inherited through the 2024 audit and the success of an in-house team has been evident. An update on the procurement of Auroura was provided, and Members were informed that the in-house team is currently the smallest it could be whilst covering the scope of work that it does. The value of new software was emphasised for supporting the team and the future use of QR codes for all residents was detailed. The Corporate Fire Safety Manager also addressed issues raised in relation to subcontractors and emphasised the ongoing work with BDO to avoid similar procurement issues in the future. The Corporate Fire Safety Manager emphasised how pleased she was with the work of her team and the progress made in a short period of time to address the Internal Auditor's recommendations.

Councillor Smith thanked the Corporate Fire Safety Manager for the ongoing work and progress made, noting the reassurance she found in the report.

The Chair queried whether all data recording has now been transferred to the QL system.

The Corporate Fire Safety Manager clarified that this transfer would be complete within the coming weeks, at which time all data will be automatically dropped into the QL system.

The Internal Auditor explained that weekly meetings are now also in place between the fire safety team and ODS which allows them to live edit existing spreadsheets together in the interim until the new software solution arrives in the coming weeks.

The Committee reviewed and **noted** the report.

90. Internal Audit Follow up of Recommendations

The Internal Auditor provided a comprehensive summary of the report, noting a 94% completion rate, the highest achieved by the Council recently. The Committee were reminded of one overdue recommendation in relation to the procurement of the asset management software. The Internal Auditor explained that this is taking longer to procure than expected but will be completed in the early part of this financial year. Progress was also emphasised in relation to recommendations on purchase card spend and GDPR.

The Chair invited questions from the Committee.

Councillor Smith queried the status of progress in relation to the procurement of the new income generation system.

The Financial Accounting Manager outlined issues with the procurement and the need for the process to be restarted. The Committee heard that this was paused due to Local Government Reorganisation, however in recent weeks it has been picked up again by the asset management team to ensure the Council is in the position to press ahead swiftly, if required, when the outcome of LGR is revealed.

The Committee reviewed and **noted** the report.

91. Internal Audit Plan for 2026-27

The Internal Auditor (BDO) had submitted a report to update the Committee. The Internal Auditor was present to respond to questions.

The Chair, in relation to appendix 2 and page 178, queried whether the four areas noted as being in the fieldwork stage had progressed since publication of the report.

The Internal Auditor explained that work on leisure centre contracts and data analytics had progressed to management and reporting stages, with responses having been received. The Committee were informed that reports on these topics, as well as client commissioning, would be presented at the next Committee.

The Internal Auditor also explained that one strategy review has been removed from the plan as it had been superseded by Local Government Reorganisation.

The Chair invited comments or questions from the Committee; there were none.

The Committee reviewed and **noted** the report.

The Internal Auditor, the External Auditor, the Corporate Fire Safety Manager, the Head of People, and the Compliance Manager left the meeting and did not return.

92. Exempt Matters and Confidential Session

The Committee resolved that under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the remaining items of business on the grounds that their presence would involve the likely disclosure of exempt information as described in Paragraph 3 of Part 1 of Schedule 12A of the Act.

93. Cyber Incident – Post Incident Review

The Committee reviewed and **noted** the report.

94. Dates of future meetings

The Committee noted the date of the next meeting.

The meeting started at 6.03 pm and ended at 7.40 pm

Chair

Date: Tuesday 7 July 2026

When decisions take effect:

Cabinet: after the call-in and review period has expired

Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

All other committees: immediately.

Details are in the Council's Constitution.

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