

## **Minutes of a meeting of the Audit and Governance Committee on Wednesday 28 January 2026**

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### **Committee members present:**

Councillor Fry (Chair)

Councillor Roz Smith (Vice-Chair)

Councillor Ottino

Councillor Corais

Councillor Jupp

### **Officers present for all or part of the meeting:**

Hannah Carmody-Brown, Committee and Member Services Officer

Nigel Kennedy, Group Finance Director

Bill Lewis, Financial Accounting Manager

Laura Bessell, Local Tax & Benefit Service Delivery Manager

Emma Jackman, Director of Law, Governance and Strategy

Phil McGaskill, Revenues Service Delivery Manager

Ryan Taylor, Technical Accountant

Grace Wigham, Senior Information Governance Officer

Roger Martin, Insurance, Risk Management and Business Continuity Officer

Andrew Brittain, External Auditor (Ernst & Young)

Gurpreet Dulay, Internal Auditor (BDO)

Joe Taylor, Internal Auditor (BDO)

### **68. Declarations of Interest**

Councillor Regisford sent apologies.

Councillor Harley sent apologies and attended online.

## **69. Minutes of the previous meeting**

Councillor Smith noted that at the last meeting of the Committee, a report on fire risk assessments had been requested and was expected at this meeting. The Internal Auditor (GD) explained that the Fire Risk Safety Review has been issued to managers, and a response is awaited; once completed, the report will be issued to the Committee.

The Committee resolved to **approve** the minutes of the meeting held on 21 October 2025 as a true and accurate record.

## **70. Addresses by members of the public**

There were no addresses.

## **71. Councillor addresses on any item for discussion**

There were no addresses.

## **72. Housing Benefit Audit Report 2024/2025**

The Group Finance Director had submitted a report to present the outcome of the 2024/2025 KPMG external review of Housing Benefit Expenditure. The Local Tax & Benefit Service Delivery Manager was present to respond to questions.

The Local Tax & Benefit Service Delivery Manager informed the Committee of the progress made on housing benefits service expenditure following the previous audit, including a £36m spend. Members heard that there had been no subsidy loss to the council in terms of claims, and the council also fell under the threshold for LA error. The success of the previous year was emphasised and the sustained progress this year was noted as part of an improvement across the whole service.

In response to a query from the Chair, the Local Tax & Benefit Service Delivery Manager explained that the Department for Work and Pensions had updated their approach; a summary of the new process for identifying errors was provided.

Councillor Ottino asked what could be done to encourage landlords to become registered providers, noting the financial burden which can be placed on the Council when this does not occur. The Local Tax & Benefit Service Delivery Manager explained that a financial burden presents when the Council is required to pay the full subsidy allowance to charities, but the government does not provide 100% of this amount to

the Council. To encourage more landlords to become registered providers, the Committee heard that commissioning sites are actively encouraged, however the difficulties faced by housing associations when becoming landlords were also acknowledged.

Councillor Smith noted the loss due to supported accommodation claims in the city, which needs to be addressed, and the positive results within the audit, including the embedding of staff training and improved morale. The Local Tax & Benefit Service Delivery Manager agreed, noted the high rents in Oxford, and emphasised the need to work with partners such as the NHS and the Home Office who have obligations to ensure people are housed and supported; this would ensure that the entire cost does not fall on the Council.

Councillor Smith suggested that the Committee could have been provided sight of the KPMG report when it was first received in November to allow more time for review.

The Chair thanked the Local Tax & Benefit Service Delivery Manager and praised the improvements made within the service.

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

### **73. Setting of the Council Tax Base 2026-27**

The Group Finance Director had submitted a report to set the “Council Tax Base” for 2026-27 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The Technical Accountant was present to respond to questions.

The Technical Accountant provided a comprehensive summary of the report, noting that the increases based on the previous year were due to the embedding of the second home premium and the long-term empty premiums.

Councillor Smith noted that the number of long-term empty properties is increasing substantially and asked how classification of ‘uninhabitable’ is determined and assessed by the Council. The Technical Accountant explained that assessment of whether a property is habitable or not occurs through a revenues inspection and declarations from owners. The Local Tax & Benefit Service Delivery Manager confirmed that this can involve a physical visit to confirm reporting from residents.

In response to queries from Councillor Ottino, it was also explained that the Local Tax and Benefit Service Delivery Team conduct the visits and the Committee learned that in August 2025, a review of all long-term empties and second home premiums was

conducted to ensure that the Council understood the status of each address and whether it complied with the necessary legislation for various council tax discounts. The Local Tax & Benefit Service Delivery Manager provided comprehensive detail on recent analysis conducted on the matter and noted issues with engagement of owners.

Councillor Ottino requested that information regarding second homes and empty properties be shared with ward councillors, to which the Local Tax & Benefit Service Delivery Manager committed to circulating addresses, but not details of the owners. The Committee also heard of ongoing efforts, including leafleting, to encourage rental of empty properties in Oxford.

The Chair queried the nature and number of council tax exemptions relating to charities and the universities in Oxford. The Local Tax & Benefit Service Delivery Manager provided a comprehensive explanation of the exemptions from paying long-term empty premiums, and consideration of business rates. The Committee were also informed of difficulties the Council experiences when seeking to communicate with the universities and the blocks they place on the Council's use of empty student accommodation. The Local Tax & Benefit Service Delivery Manager emphasised that exemptions cost the Council £35m across business rates and council tax charitable relief.

In response to Councillor Smith, it was confirmed that university enterprises, such as Oxford University Press, also qualify for the exemptions as they are a trading arm of the university.

The Revenues Service Delivery Manager informed the Committee that currently 5750 of around 60,000 in Oxford qualify as exempt from at least one form of council tax payment.

In relation to page 42 of the report, Councillor Smith queried whether the addition of 339 properties into the council tax base was a significant rise. The Local Tax & Benefit Service Delivery Manager confirmed that it is, and provided a comprehensive explanation of relevant context, including the lack of land for development in Oxford which encourages larger properties to be split into HMOs.

The Committee and the Local Tax & Benefit Service Delivery Manager also discussed the occurrence of residences within one unit being merged to reduce council tax payments, and the common denial of these requests via planning applications. The Committee understood that any alterations to council tax in relation to this is at the decision of the Valuations Office; this is out of the Council's control. The Local Tax & Benefit Service Delivery Manager provided a summary of refund issues and delays the Valuation Office often cause for the Council.

Councillor Ottino queried what the Council can do to support people who query whether their property is valued at a higher rate of council tax in comparison to near identical

properties in the same area. The Local Tax & Benefit Service Delivery Manager explained that this is a matter for the Valuations Office and provided a summary of possible reasons for the variance in council tax rates.

The Chair suggested that Members be offered a briefing session on council tax valuations, the banding system, and exemptions.

The Chair proposed, and Councillor Smith seconded, all three recommendations.

**The Committee resolved to:**

1. **Agree** that the 2026/27 Council Tax Base for the City Council’s area as a whole is set at **48,724.9** (as shown in Appendix 1)
2. **Agree** that the projected level of collection is set at **98%**.
3. **Agree** that the tax bases for the Parishes, and for the Unparished Area of the City (as shown in Appendix 2) be set as follows:

Unparished Area of the City	40,729.2
Littlemore Parish	2,138.8
Old Marston Parish	1,319.8
Risinghurst & Sandhills Parish	1,604.0
Blackbird Leys Parish	2,933.4
City Council Total	48,725.2

*The Local Tax & Benefit Service Delivery Manager left during this item and did not return.*

**74. Risk Management Reporting at 31st December 2025**

The Group Finance Director had submitted a report to update the Audit and Governance Committee on corporate and service risks as of 31 December 2025. 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 and provided a comprehensive summary of the process undertaken by all departments for updating the registers. The Committee were informed of a correction in relation to table 9 within the report whereby a note of four new risks should read as three. Details surrounding some specific risk examples were also outlined.

The Chair, in relation to corporate risk 99, titled utilities infrastructure, queried what control the Council has over this, and if none, why it remains on the risk register. The Insurance, Risk Management, and Business Continuity Officer explained that although the Council has little control over this risk, they can exert influence by bringing pressure where required, for example, when working with local planning authorities and lobbying.

The Chair also queried service risk 55, titled income target, and asked whether this had not been achieved due to lack of capacity. The Director of Law, Governance and Strategy explained that the department's budget is income-driven and therefore control is limited as this income derives from section 106 agreements and prosecutions which can be unpredictable and intermittent.

Councillor Ottino queried why the climate change red risk remains on the register when the Council has little to no control over this. The Risk Management, and Business Continuity Officer explained that such risks must remain on the register to account for the significant impact they may have should they occur, and to ensure that the Council remains cognisant of this. The Committee were assured that relevant discussions are ongoing at CLT in line with the corporate priorities regarding similar risks in order to inform readiness for any locally related catastrophes; a water outage was referenced as an example. The Group Finance Director also supported the risks remaining on the register as means for the Council to remain responsive to the potential outcomes of risks.

*Councillor Corais joined the meeting during this item.*

Councillor Smith asked several questions:

- On page 70, in relation to risks relating to workforce and people, it was asked which team(s) the six new apprentices had been assigned to.
- On page 71, in relation to the urgent need to review and enforce sign-off processes within the Law, Governance and Strategy directorate, it was asked what progress has been made with this.
- A comment on the need for a corporate approach to project management across all directorates, as opposed to a service-by-service approach, was requested.
- It was recommended that cross-party working groups be used for making major decisions within the Council, as mentioned in the report.
- In reference to page 75, plans to increase tree capacity were praised.
- On page 87, in relation to property assets, it was noted that the required skills and capacity are not available to deliver necessary work processes, which is a risk. It was therefore asked how this would be improved; a management comment was requested.
- On page 92, in relation to communities and systems budget and income, it was noted that the event hire budget target had not been met; a management comment was requested.

The Insurance, Risk Management, and Business Continuity Officer explained that directorate-specific responses would need to be collected from relevant managers and reported back to the Committee.

The Director of Law, Governance and Strategy informed the Committee that some new apprentices had been placed within the Planning team. In response to queries regarding lack of capacity within the Law, Governance and Strategy directorate, The Director of Law, Governance and Strategy also explained that unplanned approaches to projects can have bearing on capacity, and in relation to project management, it was explained that improvement work has been ongoing with regard to tracking reporting and clearance responsibilities; the results of this should be apparent soon.

Councillor Ottino queried whether risk targets are set and how the Council seeks to manage the number or risks on the registers. The Insurance, Risk Management, and Business Continuity Officer confirmed that risk targets are set and reminded the Committee that these were previously included within the reports, however, were removed at the request of Members to make the reports visually clearer.

Councillor Smith queried the risk on page 99 relating to lack of capacity to deliver services within the People Team and asked whether there is still an ongoing issue with the ASM system. Councillor Smith also queried, in relation to data protection and non-compliance, the lack of progress with clearing records.

The Committee suggested that responsible officers draft a response to these questions, and the Committee and Member Services Officer circulate a document to Members via email following this Committee meeting.

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

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

## **75. Internal Audit Progress Report**

The Internal Auditors had submitted a report to update the Audit and Governance Committee. The Internal Auditor (GD) and the Internal Auditor (JT) were present to respond to questions.

The Internal Auditor (JT) summarised the report and highlighted the progress made against the audit plan. The Committee heard that the draft Fire Safety Follow-Up Report was awaiting management comments and progress is ongoing in relation to the fieldwork for audits of the medium-term financial strategy, leisure contracts, and data analytics. The Internal Auditor (JT) also informed the Committee that work is ongoing to plan the remaining two audits relating to cyber security and ODS client and

commissioning. Finally, Members understood that the audit plan for 2026/27 is being developed in conversation with the Group Finance Director.

The Committee considered items 75 and 76 together.

The Chair commented on the outstanding record of incomplete reports in relation to income generation and GDPR, which had been overdue since the 23/24 audit.

The Revenues Service Delivery Manager updated the Committee on progress made on the overdue recommendations relating to the use of Council payment cards. Members heard that only £615.17 remains outstanding as unapproved spend which relates to only two officers who are currently on long-term sick leave; efforts to find alternative ways to approve these transactions is ongoing. Furthermore, the average spend per month is now averaging around £3700. Regarding monitoring and security of payment card usage, the Revenues Service Delivery Manager explained that action is being taken based on the Internal Auditor's recommendations and that a list of agreed restricted spend is being consolidated; this will be reported at the next Committee. In relation to securing accommodation, the Committee were informed that a process is now in place whereby management accountants pay hotels and accommodation suppliers through invoicing and PO processes, rather than via the use of payment cards. As this is a recent change, evidence will be delivered at the next Committee meeting.

The Group Finance Director noted his confidence in the Revenues Service Delivery Manager's actions and ability to act in line with the auditor's recommendations. In relation to the overdue income generation recommendation, the Committee heard a summary of longstanding issues relating to the procurement of a new asset management system; assurance was provided that this will be actioned urgently and Members understood that a retender is in progress. The Group Finance Director suggested that relevant service managers be present at the next Committee meeting to respond to recommendations relating to property, recruitment, and retention.

The Internal Auditor (JT) explained that correspondence had been provided by the relevant managers since the publication of the agenda to confirm that recommendations are now completed in relation to recruitment and retention and selective licensing; evidence of this would be presented at the next Committee meeting.

The Chair requested that the Head of People attend the next meeting of the Committee.

The Director of Law, Governance and Strategy provided a response in relation to GDPR recommendations, noting that the retention schedule is now complete and is due to be published shortly. The record of processing activity (ROPA) and data sharing lists are also complete. The Committee were informed that outstanding work lies with the IT department. Finally, the Director of Law, Governance and Strategy explained that

the new corporate system is being procured to support training and should be live in March; this will include data protection training and an FOI specific module. The Senior Information Governance Officer clarified that the ROPA and data sharing lists would only be published internally.

In relation to the recommendation to combine the data sharing lists and the retention schedule, the Director of Law, Governance and Strategy explained that this is not currently possible due to the mismatched means by which data is captured. The Senior Information Governance Officer corroborated this and outlined the difficulties in achieving the recommendation given the variable private and public data contained.

The Revenues Service Delivery Manager, in response to the recommendation regarding data analytics, informed the Committee of delays and committed to providing an update at the next Committee meeting in March.

Councillor Ottino emphasised that responsible officers should be present to respond to the Committee's questions regarding outstanding and overdue recommendations. Councillor Smith agreed and suggested that the relevant Cabinet Members also be invited.

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

## **76. Internal Audit Follow Up of Recommendations**

The Internal Auditors had submitted a report to update the Audit and Governance Committee. The Internal Auditor (GD) and the Internal Auditor (JT) were present to respond to questions.

The content of this report was considered within the previous item.

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

*The Chair informed the Committee that consideration of items 11 and 12 on the agenda would be swapped.*

## 77. Annual Governance Statement 2024/2025

The Director of Law, Governance and Strategy had submitted a report to present the 2024/2025 Annual Governance Statement for approval and to present the refreshed Code of Corporate Governance for approval. The Director of Law, Governance and Strategy was present to respond to questions.

The Director of Law, Governance and Strategy provided a comprehensive summary of the report, noting that it builds on work within the previous year and the refreshed Code of Corporate Governance. The Committee were reminded that the Annual Governance Statement looks back on the previous year and that this report considers significant recent events, including the cyber incident in 2025. The Committee were provided a summary of all the topics considered within the statement, including the future action plan.

Councillor Smith queried when the Committee could expect to appoint independent members. The Director of Law, Governance and Strategy committed to discussing this with the new section 151 officer and outlined the recruitment processes which have already been completed for independent members on the Standards Committee and Remuneration Panels.

The Chair asked what governance changes had resulted from the LGA peer review mentioned within the report. The Director of Law, Governance and Strategy clarified that the peer review did not focus on governance as it was not set as a parameter of the review.

The Chair proposed, and Councillor Corais seconded, all three recommendations.

### **The Audit and Governance Committee resolved to:**

1. **Approve** the Annual Governance Statement for 2024/2025;
2. **Note** the action plan appended to the Annual Governance Statement and that progress will be reported on in 2026; and;
3. **Delegate** authority to the Director of Law, Governance & Strategy to make any typographical changes to the Annual Governance Statement for 2024/25 that may be required before publication on the Council's website.

## 78. Statement of Accounts for the Year Ending 31st March 2025

The Group Finance Director had submitted a report to outline the Council's draft Statement of Accounts and Letter of Representations to the Committee and to obtain delegated authority for approval and authorisation. The Financial Accounting Manager was present to respond to questions.

The Financial Accounting Manager provided a comprehensive summary of the report and informed the Committee that the summary of accounts remains subject to change pending the final audit results. The Financial Accounting Manager highlighted several points within the report including changes to the audit requirements resulting in increased capacity needs on both ends, fixed asset suspension, the cyber-attack, and understaffing. The Committee also heard the planned steps which would be taken to move the Council out of a disclaimed position.

The Chair sought to confirm whether a loss of £4.5m had been made following the disposal of fixed assets and specifically queried the nature of these. The Financial Accounting Manager informed the Committee that there had been a net loss in the accounts for the disposal of fixed assets due to the normal receipts being netted down by the incorporation of an accounting adjustment relating to the adoption of a new leasing standard (IFRS 16) for 2024/25 whereby a number of assets were written out of the balance sheet and then recognised as leases.

The Chair also queried the Council's contract with Fusion Leisure and requested an update on the present position. The Group Finance Director confirmed that discussions with Fusion are still ongoing, and they are in the process of paying off their outstanding debt to the Council.

The Chair, in reference to registered housing providers, requested a comment in relation to the lobbying that the Council has committed to and the reception this has received. The Group Director noted that the response has not been favourable and provided a narrative description of the relevant government consultation process and ongoing work with the housing team which is seeking to convert non-registered providers in Oxford. The Committee were heard that this is of concern in the future budgets, however, were also assured that some loss is offset by recovery of overpaid housing benefits.

Councillor Harley, in relation to paragraph 7 on page 177, sought clarification on the timeframe mentioned, and asked what the impacts of Local Government Reorganisation may be on this. The Financial Accounting Manager clarified that the report referred to the previous financial years from 2023 up to the present and noted that the impacts of Local Government Reorganisation could not be speculated on at this stage. It was noted that the process will be determined by national level decisions, and many local authorities will experience the changes.

The Chair proposed, and Councillor Smith seconded, both recommendations.

**The Audit and Governance Committee resolved to:**

1. **Approve** the latest 2024/25 Statement of Accounts as agreed by the Group Finance Director and **authorise** the Chair of the Committee to sign the Accounts incorporating any further changes arising from the ongoing audit.

2. **Agree** that a Letter of Representations for 2024/25 incorporating any statements required by the external auditor arising from the ongoing audit be signed and issued by the Group Finance Director and the Chair of the Audit & Governance Committee to enable the external auditor's opinion to be issued (paragraphs 14 to 15).

## **79. External Audit Progress Report (Year ended 31 March 2025)**

The External Auditor had submitted a report to update the Audit and Governance Committee. The External Auditor was present to respond to questions.

The External Auditor provided a comprehensive summary of the report, noting that the audit is ongoing and the report presents the status at this point in time. The Committee heard that since July, the assessment of materiality has been updated which now reflects an increased higher gross expenditure, upon which the draft accounts have been based. Since the report's publication, the testing of pensions has progressed, and other audits have concluded, as listed in appendix A. The External Auditor also provided a summary of the new government measures which seek to clear the audit backlog; the Committee understood that the reset and recovery process has installed a series of back-stop dates for audits to be completed by which has placed additional pressure on the Council and the auditors. Finally, the Committee heard a summary of the report findings and recommendations which focused on capacity constraints and the need to better allocation of responsibility within the Council for responding to audit queries. Specific emphasis was placed on the contents of page 477 and 478.

The Group Finance Director responded to the External Auditor's summary and noted that the Council has experienced a period impacted by decreased capacity and depleted resources within the finance team which has directly impacted on efficiencies in closing accounts and producing working papers. The Committee heard that the responsibility is shared across team managers and training is being offered to support cost centre tasks. The Group Finance Director noted that standards have increased in recent months, and close working has taken place with the External Auditors to make the necessary improvements in relation to the disclaimed opinion. The Committee understood that Council officers are now required to submit more samples to the External Auditors, and this has been a big undertaking; additional support from the External Auditors was requested with this endeavour.

The Chair queried the status of vacancies within the finance team at present, to which the Group Finance Director noted that three new officers have been hired, and one vacancy remains. It was noted that temporary resources would be brought in to plug any gaps in the immediate future.

In response to a comment from the Chair regarding page 478, The Financial Accounting Manager noted that improvements must be made in relation to the concentration of information in various areas of the Council, in order to improve general understanding across the workforce. The Committee heard of measures, including

training with management accountants and service manager, which are being taken to support the audit processes.

Councillor Smith thanked all officers for their open and transparent reflections on the audit results and emphasised that the Committee need to be clear about conclusions given by EY and take the situation seriously.

At Councillor Smith’s suggestion, the Committee agreed to highlight the conclusions of the report to the responsible Cabinet Members.

*The Senior Information Governance Officer left the meeting and did not return.*

The External Auditor committed to providing additional support to the Council for the work required by officers during the audit process and noted the collective interest EY shares with the Council.

The Chair and Councillor Smith emphasised that the Chief Executive must also be made aware of the audit results.

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

**80. Dates of future meetings**

The Committee noted the date of the next meeting.

**The meeting started at 6.00 pm and ended at 8.05 pm**

**Chair .....**

**Date: Thursday 9 April 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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