

## ***AUDIT COMMITTEE Agenda***

Date	Wednesday 22 <sup>nd</sup> October 2025
Time	6.00 pm
Venue	J R Clynes Second Floor Room 2 - The JR Clynes Building
Notes	<p>1. DECLARATIONS OF INTEREST- If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Alex Bougatef or Peter Thompson/Constitutional Services at least 24 hours in advance of the meeting.</p> <p>2. CONTACT OFFICER for this agenda is Peter Thompson/Constitutional Services, email – <a href="mailto:peter.thompson@oldham.gov.uk">peter.thompson@oldham.gov.uk</a> or, <a href="mailto:constitutional.services@oldham.gov.uk">constitutional.services@oldham.gov.uk</a></p> <p>3. PUBLIC QUESTIONS - Any Member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the contact officer by 12.00 noon on Friday, 17<sup>th</sup> October 2025.</p> <p>4. FILMING - The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.</p> <p>Please note that anyone using recording equipment both audio and visual will not be permitted to leave the equipment in the room where a private meeting is held.</p>

### **MEMBERSHIP OF THE AUDIT COMMITTEE**

Mr. G. Page (Independent Chair), Councillors Al-Hamdani, Aslam, Chauhan, Chowhan, Ghafoor, Malik, Rustidge, Sykes and Woodvine

Item No	
1	Apologies For Absence
2	Urgent Business
	Urgent business, if any, introduced by the Chair

- 3       Declarations of Interest  
  
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4       Public Question Time  
  
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5       Minutes of Previous Meeting (Pages 5 - 14)  
  
The Minutes of the Audit Committee held on 23<sup>rd</sup> July 2025 are attached for approval.
- 6       Audit Progress Report (Pages 15 - 32)  
  
Representatives of Forvis Mazars to report.
- 7       Treasury Management Update Report (Pages 33 - 52)  
  
Report covering the first Quarter period of 2025/16 (April – June)
- 8       Housing Benefit Subsidy Audit 2023/24 (Pages 53 - 60)
- 9       Payroll Audit Progress (Pages 61 - 84)
- 10      Members' Allowances (Pages 85 - 94)
- 11      Quarter 2 - 2025/26: Internal Audit and Counter Fraud Progress Report (Pages 95 - 104)
- 12      Quarter 2- 2025/26: Audit Opinion Reports with Weak or Limited Assurance Opinions (Pages 105 - 118)
- 13      External Audit – Enquiries of Those Charged with Governance 2024/25 (Pages 119 - 144)
- 14      Counter Fraud and Corruption Policies and Procedures (Pages 145 - 234)
- 15      Audit Committee Self-Assessment and Annual Report of the Audit Committee to Council (Pages 235 - 260)
- 16      Failure to Prevent Fraud Duty - Briefing Note (Pages 261 - 270)
- 17      Proposed Audit Committee Work Programme for 2024/25 & 2025/26 (Pages 271 - 276)
- 18      Progress update on Audit Opinion Reports contributing to the 2024/25 Limited Assurance Annual Audit Opinion (Pages 277 - 454)
- 19      Exclusion of the Press and Public

To consider that the press and public be excluded from the meeting for the following two items of business, pursuant to Section 100A(4) of the Local Government Act 1972 on the grounds that discussions may involve the likely disclosure of exempt information, under paragraph 3, as defined in the provisions of Part 1 of Schedule 12A of the Act, to the Local Government Act 1972 and public interest would not be served in publishing the information.

- 20      Quarter 2- 2025/26: Audit Opinion Reports with Weak or Limited Assurance Opinions- Confidential Appendix (Pages 455 - 472)
- 21      Progress update on Audit Opinion Reports contributing to the 2024/25 Limited Assurance Annual Audit Opinion (Confidential Appendices) (Pages 473 - 560)

This page is intentionally left blank





**Oldham**  
Council

**AUDIT COMMITTEE**  
**23/07/2025 at 6.00 pm**

**Present:** Mr Grenville Page (Independent Chair)  
Councillors Al-Hamdani, Aslam, Chowhan and Kenyon  
(Substitute for Councillor Sykes)

Also in Attendance:

Mike Barker	Deputy Chief Executive (Health and Social Care)
Emma Barton	Deputy Chief Executive (Place)
Nasir Dad	Director of Environment
Julie Daniels	Executive Director (Children's Services)
Sheila Garara	Assistant Director – Children's Services
Fiona Greenway	Executive Director (Resources)
Steve Hughes	Assistant Director – Strategy, Policy and Performance
John Miller	Head of Audit and Counter Fraud
Shelley Kipling	Chief Executive
Kaidy McCann	Constitutional Services
Darren McGrattan	Assistant Director – Environment Services
Jayne Ratcliffe	Director of Adult Social Services
Councillor Arooj Shah	Leader of the Council
Lee Walsh	Director of Finance
Nick Whitbread	Assistant Director – Children's Services

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Chauhan, Lancaster, Rustidge and Sykes.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF PREVIOUS MEETING**

**RESOLVED** that the minutes of the meeting held on 23<sup>rd</sup> March 2025 be approved as a correct record.

6 **EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it contains exempt information, as defined under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the report.

## **WEAK AND INADEQUATE / LIMITED ASSURANCE AUDIT REPORTS**



The Audit Committee received a report of the Head of Audit and Counter Fraud which provided Members with details of those opinion reports with Weak or Inadequate/Limited assurance opinions issued/followed up in the 2024/25 financial year, or Quarter 1 of the 2025/26 financial year. The submitted report, in combination with the quarterly progress report on Internal Audit progress; and the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2024/25, assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

At the Committee's last meeting on 23<sup>rd</sup> March 2025, it had been requested that further details of those reports receiving Weak or Inadequate/Limited assurance opinions be presented for further scrutiny by the Committee.

The reports reproduced in the appendices to the submitted, confidential report had been edited to remove the following in line with Data Protection and Confidentiality requirements to protect the Council, its staff, partners, contractors and clients from potential harm.

- Personal details of staff graded below Head of Service level.
- Personal details of clients and service users which may be used to identify them in contravention of the requirements of the Data Protection Act.
- Details relating to contractual arrangements with the Council's partners and providers.

Except for the removal of personal details of staff graded below Head of Service, the details removed related to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details did not affect the findings or recommendations contained in the attached reports, and these are reproduced in full.

The reports are included in the private part of the agenda due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

The reports attached as confidential appendices were as follows:

Appendix 1 - Delegated Reports Review

Appendix 2 - Contract Register Review

Appendix 3 - Recruitment, Selection, and Disciplinary Policies and Procedures Review

Appendix 4 - Corporate Performance Management Review  
 Appendix 5 - Debt Recovery Review  
 Appendix 6 – 2024/25 Payroll FFS Review  
 Appendix 7 – 2024/25 Children’s Social Care FFS Review  
 Appendix 8 – 2024/25 Residential Care Payments FFS Review  
 Appendix 9 – 2024/25 Direct Payments and Community  
 Homecare FFS Review  
 Appendix 10 – IT Asset Management Review  
 Appendix 11 – Cloud Service Management Review  
 Appendix 12 – IT Supplier Management Review  
 Appendix 13 – Fleet Management & Follow-up Review (March  
 2025)  
 Appendix 14 – Building Control & Follow-up Review (March  
 2025)  
 Appendix 15 - Overtime Management Review  
 Appendix 16 - Transitioning from Children’s Social Care to  
 Adult’s Social Care Review  
 Appendix 17 – IT Physical Security & Environmental Controls  
 Review.

In considering the report, in some detail Members expressed their concerns at the performance of the Council's Payroll Service and requested that a report on this matter be submitted to the next meeting of the Committee.

**RESOLVED** That:

1. The report be noted
2. That a report detailing the performance of the Council’s Payroll Service be submitted to the next meeting of the Committee, on 22<sup>nd</sup> October 2025.

8 **INCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:** That the press and public be readmitted to the meeting.

9 **TREASURY MANAGEMENT 2024/25 ANNUAL REPORT**

The Committee received a report of the Director of Finance which advised Members of the performance of the Treasury Management function for the Council for 2024/25 and provided a comparison of performance against the 2024/25 Treasury Management Strategy and Prudential Indicators.

Members were informed that the Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2021). This outturn report provided an update and included the new requirement in the 2021 Code, mandatory from 1<sup>st</sup> April 2023, of quarterly reporting of the treasury management prudential indicators. This report therefore set out the key Treasury Management issues for Members’ information and reviews and outlines:

- An economic update for 2024/25.
- A review and updates of the Council’s current treasury management position.
- Council Borrowing.

- Treasury Investment Activity.
- Treasury Performance for 2024/25; and
- Treasury Management Prudential Indicators.

The submitted report had previously been presented to and considered by the Audit Committee at this meeting. The Audit Committee has responsibility for scrutinising all of the Council's treasury management arrangements. All questions and issues raised at the meeting were addressed to the satisfaction of the Committee Members. The Committee was content to recommend the report to Cabinet. After consideration by the Cabinet, the report was due to be presented to the Council on 17<sup>th</sup> September 2025.

Options/alternatives considered: the Committee is required to assess that the Council is complying with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. Therefore, no options/alternatives were presented.

**RESOLVED:**

1. That the Audit Committee recommends for approval, by the Cabinet, the Treasury Management Outturn report for 2024/25 and the Treasury Management activity and commends the report to Council.
2. That the Audit Committee recommends for approval the proposed increases in the Operational Boundary and Authorised Limit in relation to PFI and Finance Lease debt liabilities as detailed in section 2.5 of the submitted report and accordingly commends it to Council.

10

**EXTERNAL AUDIT UPDATE AND AUDIT STRATEGY  
MEMORANDUM**

The Audit Committee received the Audit Strategy Memorandum for Oldham Metropolitan Borough Council for the year ending 31<sup>st</sup> March 2025, from the external auditors Forvis Mazars.

The report summarised their audit approach, including the significant audit risks and areas of key judgement which they had identified, and provided details of their audit team. In addition, as it was a fundamental requirement that an auditor is, and is seen to be, independent of an audited entity, the section of the report titled 'Confirmation of our independence' summarised their considerations and conclusions on their independence as auditors.

Two-way communication with the Council was described as being key to a successful audit and is important in:

- a. Reaching a mutual understanding of the scope of the audit and our respective responsibilities.
- b. Sharing information to assist each of us to fulfil our respective responsibilities.
- c. Providing you with constructive observations arising during the audit process.
- d. Ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the

internal and external operational, financial, compliance, and other risks facing Oldham Metropolitan Borough Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.



With that in mind, the submitted report, which had been prepared following their initial planning discussions with management, was intended to facilitate a discussion with the Council on their audit approach.

Forvis Mazars were appointed to perform the external audit of Oldham Metropolitan Borough Council (the Council) for the year ending 31<sup>st</sup> March 2025. The scope of their engagement was set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA), which was available from the PSAA website: Statement of responsibilities of auditors and audited bodies from 2023/24. The responsibilities of the external auditors were principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO).

The external auditors were responsible for forming and expressing an opinion on whether the financial statements had been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Their audit does not relieve management or 'Those Charged With Governance', as those charged with governance, of their responsibilities.

The Director of Finance is ultimately responsible for the assessment of Oldham Metropolitan Borough Council's ability to continue as a going concern.

The 2024 Code now requires the auditor to issue the draft Auditor's Annual Report by 30<sup>th</sup> November following each year end. For the 2024/25 audit, this means that they must issue their draft Auditor's Annual Report by 30<sup>th</sup> November 2025, whether their audit was complete or not. In instances where the audit work was not complete by 30<sup>th</sup> November for any given year, the 2024 Code required external auditors to provide a summary of the status of the audit at the time of issuance and should reflect the work completed to date. In such instances, they would issue an Interim Auditor's Annual Report to meet the 30<sup>th</sup> November deadline. On completion of any outstanding financial statement audit work or Value for Money arrangements work, the auditors will re-issue the Auditor's Annual Report which will include an updated commentary on Value for Money arrangements.

**RESOLVED:** That the report be noted.

## **2024/25 DRAFT FINANCIAL STATEMENTS**

The Committee received a report of the Director of Finance, which presented the Council's Draft Financial Statements for 2024/25.

The Council's Statement of Accounts for 2024/25 were published on the Council's website on 30<sup>th</sup> June 2025 along with the Notice of Public Inspection. The draft Statement of Accounts for 2024/25 were detailed at Appendix 1 of the submitted report.

The Director of Finance gave a presentation outlining the key issues for Members at the meeting.

**Resolved:**

That the presentation and the 2024/25 Draft Financial Statements be noted.

12

**2024/25 HEAD OF AUDIT ANNUAL REPORT AND OPINION TO AUDIT COMMITTEE**

The Committee considered the report that presented the 2024/25 Head of Audit Annual report and Opinion. In considering the report, attention was drawn to the Audit Committee's Terms of Reference, which stated that: "The Audit Committee shall, having regard to the CIPFA 'audit committee' guidance:

- (i) approve the performance criteria for the Internal Audit Service.
- (iv) consider the annual report from the Chief Internal Auditor.
- (vi) review the effectiveness of the system of Internal Audit on an annual basis as per statutory requirements and the outcome of the review of compliance with Public Sector Internal Audit Standards.

The purpose of the submitted report therefore was to provide Members with the Annual Report and Opinion for 2024/25 on the Systems of Governance and Internal Control for the year ended 31<sup>st</sup> March 2025 presented by the Head of Audit and Counter Fraud, and report to the Audit Committee on the matters required for the Committee charged with Governance by International Auditing Standards, and the 2013 UK Public Sector Internal Audit Standards (Revised 2017) and Local Government Application Note (LGAN).

The report summarised the work of Internal Audit and Counter Fraud Team carried out for the financial year 2024/25, which informed the Annual Report and Opinion of the Head of Audit and Counter Fraud on the System of Internal Control for the year ended 31<sup>st</sup> March 2025.

The Annual Report for 2024/25 has the following sections:

- a. Appendix 1: Annual Report and Opinion of the Head of Audit and Counter Fraud on the System of Internal Control for the year ended 31 March 2025, to assist the Committee's review of the 2024/25 Annual Governance Statement (AGS) and to assist with the review of the Statement of Accounts.
- b. Appendix 2: Counter Fraud Service comparative data 2021/22 to 2024/25.

**Resolved:**



That the Audit Committee notes the Annual Report on the System of Internal Control presented by the Head of Audit and Counter Fraud and the continued developments in overall internal control and financial administration across the Council.

13

## **2024/25 AUDIT COMMITTEE SELF-ASSESSMENT AND ANNUAL REPORT TO COUNCIL**

The Audit Committee considered a report of the Head of Audit and Counter Fraud, which presented the Committee's self-Assessment for 2024/25 and the Committee's Annual Report for submission to Council. The Committee were advised that CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, stated that: to discharge its responsibilities effectively, the committee should - "report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public."

The Council's Audit Committee represented a key component of this Authority's governance framework. Its function was to provide an independent review and assurance role to support good governance and sound public financial management.

The draft report had been prepared for review by the Audit Committee in order to advise full Council of the work undertaken by the Committee in the financial year 2024/25.

A summary draft report outlining the work of the committee, and the Committee's assessment of its own effectiveness was included at Appendix 1, to the submitted report.

In considering the report the Committee was aware that an elected member would be required to present the report at a meeting of the Council. Usually, this task would be the responsibility of the Committee's Vice Chair. However, the Audit Committee currently did not have a Vice Chair.

### **Resolved:**

1. That the Audit Committee approves the Annual Report of the Audit Committee as set out at Appendix 1, to the submitted report, for onwards reporting to full Council.
2. That the Committee recommends that Councillor Al-Hamdani be appointed Vice Chair of the Audit Committee 2025/26.

14

## **Q4 2024/25 & Q1 2025/26 AUDIT UPDATE**

The Committee considered a report of the Head of Audit and Counter Fraud that provided Members with a high-level progress report on the work of the Internal Audit and Counter Fraud team for the 2024/25 financial year, and for the first Quarter of the 2025/26 financial year (April – June). Which, alongside the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2024/25, assisted the Committee in discharging its responsibilities as set out in the

Audit Committee's Terms of Reference, which formed part of the Council's Constitution.



The submitted report summarised the work carried out by the team from 1<sup>st</sup> April 2024 to 30<sup>th</sup> June 2025.

Work on the Council's Fundamental Financial Systems (FFS) reviews for 2024/25 had been completed and all reports were issued.

The Audit and Counter Fraud Team's activity during 2024/25 included:

- Completion of thirty-nine audit reports in connection with a wide variety of systems of governance and internal control in place to help ensure good governance and sound financial management across all Council Directorates.
- Completion of three Grant Assurance reviews.
- Corporate Counter Fraud activities have identified £448,786 of fraud, errors and overpayments.

The Audit and Counter Fraud Team's activity during Quarter 1 of 2025/26 included:

- Completion of seventeen audit reports in connection with a wide variety of systems of governance and internal control in place to help ensure good governance and sound financial management across all Council Directorates.
- Corporate Counter Fraud activities have identified £33,297 of fraud, errors and overpayments.

**Resolved:**

That the report be noted.

15

**2025/26 COMMITTEE WORK PROGRAMME**

The Audit Committee considered its Work Programme for 205/26.

**RESOLVED:**

That the Audit Committee's Work Programme for 2025/26 be noted.

16

**ENQUIRIES OF MANAGEMENT, INTERNAL AUDIT AND THOSE CHARGED WITH GOVERNANCE**

The Committee considered a report of the Head of Audit and Counter Fraud, which presented 'Enquiries of Management, Internal Audit and Those Charged with Governance'. In considering the report, Members were advised that the Audit Committee's Terms of Reference stated that: "The Audit Committee shall:

- a) be responsible for oversight of the Council's relationship with the External Auditor, including consideration of -
- (iv) issues arising from the audit of the Annual Statement of Accounts."



To enable the Council's External Auditor, Forvis Mazars LLP, to carry out duties required under the Local Audit and Accountability Act 2014, the Council was obliged to provide the auditors with the necessary assurances required under International Standards on Auditing (ISA).

In carrying out the annual audit of the Council, Forvis Mazars LLP had to comply with the International Standards on Auditing (ISA) as adopted by the UK Financial Reporting Council (FRC).

ISA require the auditor to make enquiries of 'Management, Internal Audit' and 'Those Charged with Governance' (TCWG) to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity.

Forvis Mazars LLP had sent two questionnaires setting out their enquiries. The questionnaires, and the Council's proposed responses, were set out at Appendix 1, 2, 3 and 4 as follows:

- a. Appendix 1 – Forvis Mazars Enquiries of Those Charged with Governance (Audit Committee).
- b. Appendix 2 – Audit Committee response to Forvis Mazars Enquiries of Those Charged with Governance.
- c. Appendix 3 – Forvis Mazars Enquiries of Those Charged with Governance (Director of Finance).
- d. Appendix 4 – Director of Finance response to Forvis Mazars Enquiries of Those Charged with Governance

**Resolved:**

That the Audit Committee note the responses attached to the report at Appendices 1 – 4 and note the Council's responses to the External Auditors, Forvis Mazars LLP.

The meeting started at 6.00 pm and ended at 9.04 pm

(a)

(b)

This page is intentionally left blank



# Audit Progress Report

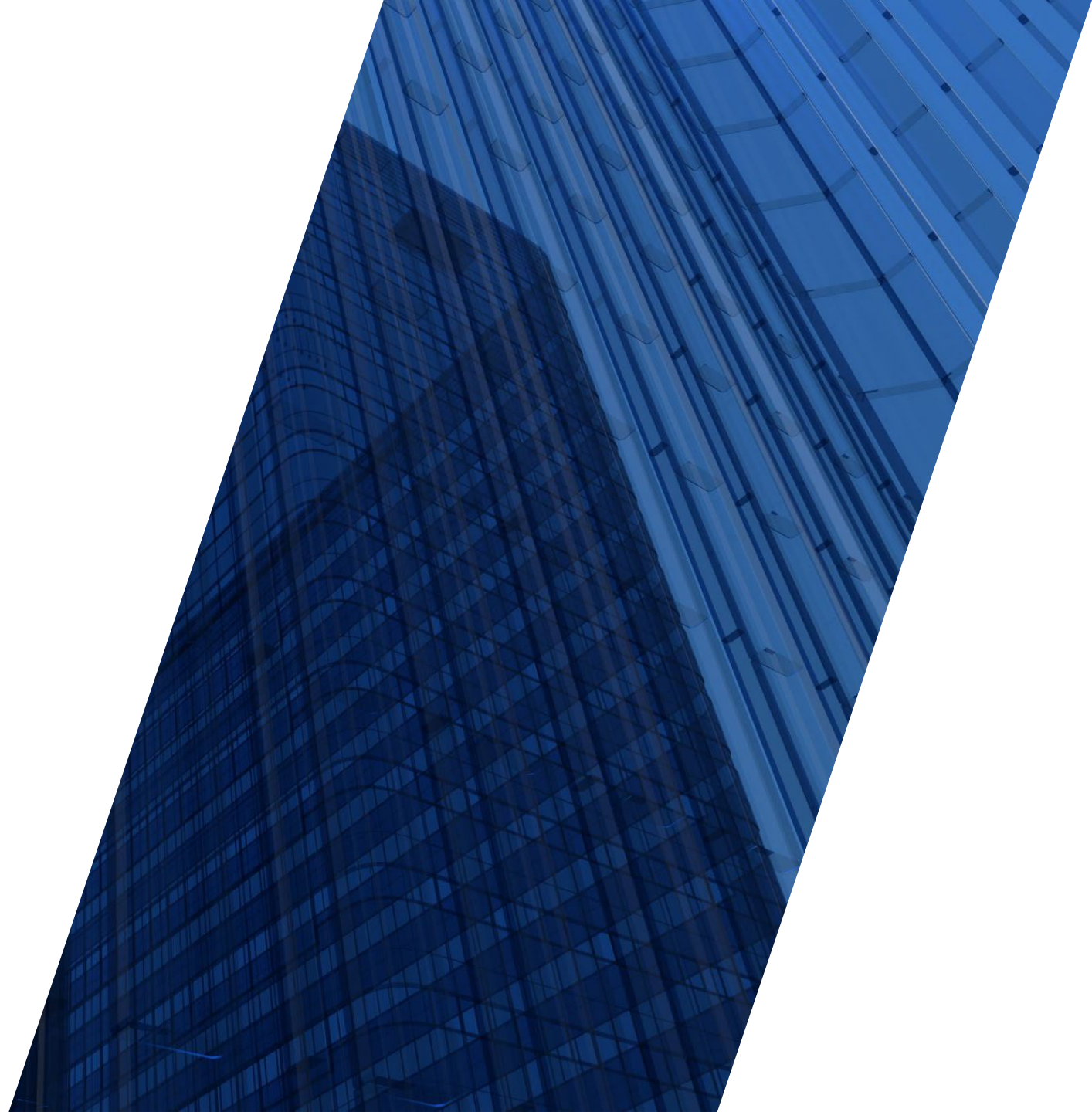
## Oldham Metropolitan Borough Council

October 2025



# 01

## Audit update



# Audit progress

## Purpose of this report

This report provides the Audit Committee with information about progress in delivering our responsibilities as the external auditors for the Council.

## 2024/25 Financial Statements Audit

We issued our Audit Strategy Memorandum at the July Audit Committee. We have commenced our planning work and fieldwork in September and are making good progress to date. At this time there are no significant findings to report. We anticipate concluding our work and issuing our completion reports in November 2025.

## 2024/25 Value for Money work

The Code of Audit Practice was updated in 2024 and revises the timetable for completing our work on the Council’s value for money arrangements. From 2024-25 we are required to issue our draft Auditor’s Annual Report by 30 November each year. This will conclude on whether there are any significant weaknesses in the Council’s arrangements based on work completed to date. Should we identify any further significant weaknesses between issuing our draft Auditor’s Annual Report and concluding our audit of the Council’s financial statements, we are able to reissue our Auditor’s Annual Report to include any additional weaknesses identified.

As part of our 2023/24 audit, we identified no significant weaknesses in the Council’s arrangements for delivering value for money. However we did make a number of recommendations where we identified areas for potential improvement, the table overleaf sets out the recommendations made and the work we intend to carry out as part of our 2024/25 audit.

Value for Money – Our work to follow up on previous recommendations

Previously identified area for improvement	Relevant reporting criteria	Our 2023-24 recommendations	Planned procedures for 2024-25
<p><b>Planned use of reserves</b></p> <p>The Council have continued to include planned use of reserves to balance the budget in 2024/25, and in the recent MTFS.</p> <p>While the Council has demonstrated that it has arrangements in place to identify plans to bridge funding gaps and achieve savings plans, the continued reliance on reserves to balance the budget is not sustainable in the long term.</p>	<p><b>Financial Sustainability</b></p>	<p>The Council should ensure that it continues its arrangements to identify and monitor efficiency savings included in the annual budget throughout 2025/26.</p> <p>They should also continue to monitor the progress of the transformation plan, to ensure that the financial impact of projects continues to be measured, and feeds into updating the MTFS.</p>	<p>Within our work we will:</p> <ul style="list-style-type: none"><li>• review the Council’s financial budget and monitoring reporting made available to members;</li><li>• review the Council’s final outturn position;</li><li>• consider savings targets set at the beginning of the year and understand any overspends;</li><li>• consider the medium-term financial strategy of the Council; and</li><li>• review the detailed budget setting process to understand the assessment undertaken to consider the affordability of services and understand how these align with the Council’s corporate plan.</li></ul>

# Audit progress

## Value for Money – Our work to follow up on previous recommendations

Previously identified significant weakness in arrangements	Relevant reporting criteria	Our 2023-24 recommendations	Planned procedures for 2024-25
<p><b>Internal Audit</b></p> <p>The internal audit report relating to Payroll noted that there were issues with recruiting to senior roles and made a number of control recommendations. A significant proportion of these relate to reviews completed in 2021/22 and 2022/23.</p> <p>The review of payroll has found that the system continues to meet the main objectives, however the staffing issues are impacting how controls in the department operate.</p>	<p><b>Governance</b></p>	<p>The Council should look to recruit and retain suitable qualified staff. Monitor progress on the recommendations made to date to ensure there is sufficient progress being made to rectify the control weaknesses identified.</p>	<p>Within our work we will:</p> <ul style="list-style-type: none"><li>review the Council’s progress on implementing recommendations made to date.</li></ul>

# 02

## National Publications





# National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletins	CIPFA has issued one Bulletin since we provided our last progress report.
2	Audit Committee Update issue 42 Governance of Internal Audit	This issue explains the new Code of Practice for the Governance of Internal Audit in UK Local Government. <b>For information only.</b>
3	CIPFA Advisory note five: Statement of Responsibilities	The note reinforces good practice principles that local government bodies in the UK should adopt and uses the experience of others to identify examples of good practice. <b>For information only.</b>
4	Audit Committee Update issue 41 – the local audit backstop	A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help. <b>For information only.</b>
National Audit Office ('NAO')		
5	NAO report: Managing children's residential care	This report assesses DfE's response to challenges faced by local authorities in placing looked-after children in cost-effective, high-quality residential care in England.
6	NAO report: Local government financial sustainability	This report focuses on MHCLG as the department responsible for the framework within which local authorities operate, and provides transparency over the current position of local government finances. <b>For information only.</b>
7	NAO insight: Overcoming challenges to managing risks in government	This guide is for senior leaders and risk practitioners across government with ways to help overcome the challenges to managing risks. <b>For information only.</b>
8	NAO insight: Good practice in annual reporting	This interactive guide sets out the NAO's good practice principles for annual reporting. <b>For information only.</b>
Ministry of Housing, Communities and Local Government ('MHCLG')		
9	Local Government Pension Scheme (England and Wales): Fit for the future – Consultation outcome	The government has responded to the Fit for the Future consultation. <b>For information only.</b>
10	Local audit reform: a strategy for overhauling the local audit system in England – Consultation outcome	This annual report sets out the activities of the Ministry of Housing, Communities and Local Government over the past year. <b>For information only.</b>
Other		
11	PSAA news - Press release: Local government audit opinion data	As 28 February 2025 was the backstop date for the 2023/24 audits, PSAA issued a press release on the local government audit opinion position at this date. <b>For information only.</b>

# National publications

## CIPFA

### 1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments.

CIPFA Bulletin 19: Closure of the 2024/25 financial statements

This bulletin covers the closure of accounts for the 2024/25 year and provides further guidance and clarification to complement the 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses, where relevant, frequently asked questions and other issues that have arisen, along with corrections to both the 2024/25 Code and 2024/25 Code Guidance Notes.

Link: [CIPFA Bulletin 19 Closure of the 2024/25 financial statements](#) – 09 April 2025

### 2. Audit Committee Update issue 42 Governance of Internal Audit

This issue explains the new Code of Practice for the Governance of Internal Audit in UK Local Government. The Code addresses the responsibilities of the audit committee and senior management towards the internal audit service. It applies whether you have an in-house team or have a shared, partnership or outsourced service arrangement. It supports internal auditing in the sector aligned to professional standards and the statutory regulations for local authorities.

The Code is applicable from 1 April 2025 alongside new professional standards for public sector internal audit teams.

Link: [Audit Committee update issue 42 Governance of Internal Audit](#) – 24 March 2025

**3. CIPFA Advisory note five: Statement of Responsibilities**

This advisory note formalises key messages from the CIPFA Practice Oversight Panel on the crucial importance of seeking assurance that the annual accounts are true and fair. The note reinforces good practice principles that local government bodies in the UK should adopt and uses the experience of others to identify examples of good practice.

Link: [Advisory note five: Statement of Responsibilities](#) - 13 February 2025

**4. Audit Committee Update issue 41 – the local audit backstop**

A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help.

Link: [Audit Committee Update issue 41 – the local audit backstop](#) - 03 December 2024

5. NAO report: Managing children’s residential care

This report focuses on MHCLG as the department responsible for the framework within which local authorities operate, and provides transparency over the current position of local government finances. By examining the current finance system and context for local government finances, the NAO aim to help inform MHCLG’s consideration of future reforms.

The NAO considered:

- the context of local government finances in 2024;
- service and financial pressures; and
- the government’s approach to local government financial sustainability.

Link: [Managing children’s residential care](#) - 12 September 2025

# National publications

## NAO

### 6. NAO report: Local government financial sustainability

This report focuses on MHCLG as the department responsible for the framework within which local authorities operate, and provides transparency over the current position of local government finances. By examining the current finance system and context for local government finances, the NAO aim to help inform MHCLG's consideration of future reforms.

The NAO considered:

- the context of local government finances in 2024;
- service and financial pressures; and
- the government's approach to local government financial sustainability.

Link: [Local government financial sustainability](#) - 28 February 2025

### 7. NAO insight: Overcoming challenges to managing risks in government

This guide is for senior leaders and risk practitioners across government with ways to help overcome the challenges to managing risks. The guide outlines ten approaches to overcome these challenges and each approach is supported by:

- An outline of why this is a priority for government;
- Case studies and quotes; and
- Practical tips.

The NAO have drawn their insights from their reports, the experiences of their insight teams, and the thoughts of a range of leaders and practitioners from audited bodies and external organisations across industry and academia.

Link: [Overcoming challenges to managing risks in government](#) - 17 February 2025

8. NAO insight: Good practice in annual reporting

Transparent, timely, and clear annual reporting in the public sector has never been more important. Annual reports and accounts are more than just numbers. They tell the story of an organisation’s performance, impact and aspirations. A good annual report is a key opportunity for bodies in the public sector to weave a compelling narrative that resonates with the public, serve as a tool for accountability by shedding light on how taxpayer’s money has been spent, and equip stakeholders with information to hold organisations to account.

This interactive guide sets out the NAO’s good practice principles for annual reporting. A good annual report should support accountability, be transparent, be accessible and be understandable.

Link: [Good practice in annual reporting](#) - 11 February 2025

9. Local Government Pension Scheme (England and Wales): Fit for the future – Consultation outcome

This consultation has concluded. The government has responded to the Fit for the Future consultation on a package of proposed reforms to the structure, investments, and governance of the Local Government Pension Scheme.

On 14 November 2024 the government launched its consultation on proposals to reform the LGPS. The consultation included proposals in three areas:

- reforming asset pooling by mandating certain minimum standards deemed necessary to strengthen the foundations of the scheme in line with international best practice;
- boosting investment in local areas and regions of the UK; and
- strengthening the governance of LGPS Administering Authorities and LGPS pools, building on the recommendations of the Scheme Advisory Board in their 2021 Good Governance Review.

Link: [Local Government Pension Scheme \(England and Wales\): Fit for the future](#) - 29 May 2025

10. Local audit reform: a strategy for overhauling the local audit system in England – Consultation outcome

This consultation has concluded. The government has responded to the consultation to overhaul local audit in England.

On 18 December 2024, the government published a statement of intent and consultation on proposals to overhaul the current local audit system in England. Each of the 239 responses have been given full consideration, including where these provided views and commentary beyond the questions themselves, alongside other representations made during the consultation period. This included a meeting between system and sector leaders and the Minister of State for Local Government and English Devolution, as well as additional engagement and workshops on specific areas.

Link: [Local audit reform: a strategy for overhauling the local audit system in England](#) - 9 April 2025

11. Public Sector Audit Appointments (‘PSAA’) News – Press release: Local government audit opinion data

*Extract from press release*

Auditors have reported issuing 224 disclaimed or qualified opinions due to the backstop of 28 February 2025 for the 2023/24 audits of accounts covered by PSAA’s appointing person scheme. There were 7 modified opinions that auditors have not attributed to the backstop, including 2 disclaimed opinions. There are a further 48 opinions that remain outstanding. This includes 6 authorities where there is an exemption due to a material objection or legal matter or due to VFM arrangements work.

For the years 2018/19 – 2022/23, there are a further 46 opinions at 16 authorities that remain outstanding, a reduction of 31 from the 77 outstanding as at 13 December 2024 (the first backstop date). This includes 22 opinions at 7 authorities that are exempt.

Link: [February 2025: audit opinion data](#) – 11 March 2025



# 03

## Financial Reporting Council's Audit Quality Inspection and Supervision Report 2025



# Financial Reporting Council's Audit Quality Inspection and Supervision Report 2025

## Audit quality

The Financial Reporting Council's (FRC) [Audit Quality Inspection and Supervision Report 2025](#) on Forvis Mazars LLP was published on 15 July 2025, based on work undertaken during the 2024/25 inspection cycle, through review of a sample of our Public Interest Entities and other FRC scope audits and other wider measures of audit quality such as the firm's systems of quality management (SoQM). The report does not cover our audit of Public Sector entities.

### Audit quality inspections

We are pleased that this year's AQR results reflect our significant progress in delivering audit quality, showing a **90%** profile of audits inspected as good or limited improvements required. Moreover, the combined results of FRC inspections together with the firm's internal file inspections of FRC-scope audits this cycle show **86%** as either good or limited improvements required. This is a testament to our team's commitment to audit quality and their hard work, and the effectiveness of our long-term investment in audit quality through training, technology, leadership and a culture of continuous improvement.

We are encouraged that the FRC recognises that the firm has continued to invest in audit quality and made good progress through our Audit Quality Transformation Plan (AQTP). The FRC also noted that the firm's communications remain clear and consistent around the importance of audit quality, and the firm's new four-year strategy and the firm's new senior management continue to reinforce this message.

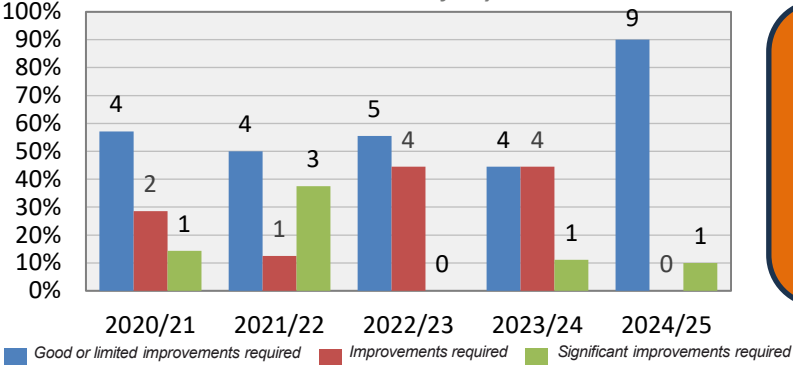
### System of quality management (SoQM)

This is the first inspection cycle when ISQM (UK) has been applicable for the whole period, as 2023/24 was a transitional cycle from the ISQC (UK) 1. We have invested considerable time and resources in developing our SoQM and in monitoring responses, and we are pleased to see the FRC recognise this commitment. We recognise that whilst significant improvements have been made in the last year, we continue to enhance and develop our approach and documentation. We are in the process of addressing the findings raised this cycle – strengthening our responses to quality risks, design assessment and monitoring activities.

### Key actions

To sustain and build on our progress, we will keep working hard and putting quality first, every time. We have strengthened our team, bringing in experienced individuals and top talent to support our success. We have taken robust actions to address the findings and root causes and apply the positive learnings. These include strengthening the firm's policy on file archiving, reinforcing the guidance on group audits, and further improving our portfolio reviews and project management. We will sustain our efforts in ensuring that our quality plan and actions are fully embedded in our firm's SoQM as part of 'business as usual' (BAU) and within the firm's culture.

Results of inspection of individual audits  
at Forvis Mazars over last five years



**90%** of audits inspected by the FRC in 2024/25 were assessed as requiring no more than limited improvements

### Good practice on individual file inspections

The FRC has identified examples of good practice, including on revenue, group audits and technical insurance provisions (including the involvement of actuarial specialists). These are positive indications of the effectiveness of our actions to enhance quality which are now better embedded into our firm's SoQM. We are sharing these good practice examples with our teams to drive consistency and enhance audit quality.

### Commitment to audit quality

Audit quality remains a strategic priority for our firm and our people. Our commitment and key strategic priority is to ensure the delivery of high-quality audits and to play our part in safeguarding the public interest, restoring trust in audit and corporate governance. Whilst we are encouraged by the improvements, we know that audit quality is not a fixed point: sustaining the delivery of quality requires consistent focus on people, processes and technology. We remain focused on continuous improvement and on delivering audits that serve the public interest in the long term.

# Contact

## Forvis Mazars

**Daniel Watson**

Partner

[Daniel.Watson@mazars.co.uk](mailto:Daniel.Watson@mazars.co.uk)

**Yogita Das-Patel**

Audit manager

[Yogita.das-patel@mazars.co.uk](mailto:Yogita.das-patel@mazars.co.uk)

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

This page is intentionally left blank

## Report to Audit Committee

### Treasury Management Quarter One Report 2025/26

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

**Officer Contact:** Lee Walsh – (Director of Finance & Section 151 Officer)

**Report Author:** Paula Buckley, Finance Manager (Capital & Treasury)/James Postle (Senior Finance Manager)

**22 October 2025**

---

#### Reason for Decision

In April 2023 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This quarterly report advises the Audit Committee of the performance of the Treasury Management function of the Council for the first quarter of 2025/26 and provides a comparison of performance against the 2025/26 Treasury Management Strategy and the Treasury Management Prudential Indicators.

#### Executive Summary

The Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). This quarterly report provides an additional update and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators. This report therefore sets out the key Treasury Management issues for Members' information and review and outlines:

- An economic update for the first quarter of 2024/25 (External Context)
- Net Borrowing and Investments (Local Context)
- A review and updates of the Council's current treasury management position;
- Council Borrowing;
- Treasury Investment Activity;
- Treasury Performance for the Quarter;

- Treasury Performance for the Quarter;
- Compliance
- Treasury Management Prudential Indicators;

The report is presented to the Audit Committee to enable it to have the opportunity to review and scrutinise the Quarter One Treasury Management report.

**Recommendation**

That the Audit Committee, considers and comments upon the Treasury Management Quarter One report and the Treasury Management activity and projected outturn.

## **1 Background**

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with surplus monies being invested with low-risk counterparties, providing adequate liquidity initially before considering optimising investment returns.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 As a consequence, treasury management is defined as:  
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

## **2 Current Position**

### **2.1 Requirements of the Treasury Management Code of Practice**

- 2.1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (Revised 2021) (the CIPFA Code) which requires the Authority to produce a quarterly treasury management update report; a requirement in the 2021 Code which is mandatory from 1 April 2023.
- 2.1.2 This report provides an additional update to that previously received by Members to reflect the new requirement in the 2021 Code of quarterly reporting on treasury management prudential indicators. The treasury and prudential indicators are also incorporated at Appendix 1 to this report.
- 2.1.3 The Council's treasury management strategy for 2025/26 was approved at a meeting on 6 March 2025. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's Treasury Management Strategy.
- 2.1.4 This Quarter One report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for the first quarter of 2025/26 (External Context)
  - Net Borrowing and Investments (Local Context)
  - A review and updates of the Council's current treasury management position;
  - Council Borrowing;
  - Treasury Investment Activity;
  - Treasury Performance for the Quarter;
  - Compliance
  - Treasury Management Prudential Indicators;

## 2.2 External Environment Quarter One 2025/26

### Economic background

- 2.2.1 The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns
- 2.2.2 President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.
- 2.2.3 UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
- 2.2.4 Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly Gross Domestic Product (GDP) data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.
- 2.2.5 Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would no doubt be welcome news to Bank of England (BoE) policymakers. Regular earnings growth (excluding bonuses) was 5.2% for the 3 months year on year while total earnings growth was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and the number of vacancies fell.
- 2.2.6 The May Monetary Policy Report (MPR) highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second calendar quarter 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.
- 2.2.7 Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 0.25% cut, two members voting to hold rates at 4.5% and two voting for a 0.50% reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee is expected to continue.
- 2.2.8 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.



- 2.2.9 Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the main interest rate and came despite forecasts from Fed policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.
- 2.2.10 The European Central Bank (ECB) cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.

#### Financial markets

- 2.2.11 After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off, but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have since gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.
- 2.2.12 Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30th June.

#### Credit review

- 2.2.13 Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.2.14 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

### 2.3 The Oldham Council Treasury Position

- 2.3.1 On 31 March 2025, the Authority had net borrowing of £187.231m arising from its revenue and capital income and expenditure. This had fallen to £160,630m by the end of Quarter One.
- 2.3.2 The actual and planned level of capital expenditure are the drivers of borrowing for capital purposes. **Appendix 1** shows the actual level of capital expenditure at the end of 2024/25 and includes the Quarter One forecast for 2025/26, 2026/27 and 2027/28. It also shows the financing including the level of prudential borrowing.
- 2.3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

**Table 1 - Balance Sheet Summary**

	31/3/25 Actual £000	31/3/2026 Forecast £000
General Fund CFR	559,839	580,398
<b>Total CFR</b>	<b>559,839</b>	<b>580,398</b>
Less: *Other debt liabilities PFI/Leases	223,812	217,038
<b>Borrowing CFR</b>	<b>336,027</b>	<b>363,630</b>
External borrowing	234,817	238,424
<b>Internal borrowing</b>	<b>101,209</b>	<b>124,936</b>
Less: Usable reserves	(124,555)	(110,237)
Less: Working capital	(24,230)	(59,470)
<b>Net Investments</b>	<b>(47,586)</b>	<b>(44,771)</b>

- 2.3.4 Table 1 shows the forecast CFR for 2025/26 is £580.398m, an increase of £20.559m compared to £559.839m at the end of 2024/25. The CFR excluding other debt liabilities relating to Private Finance Initiative schemes and leases (Borrowing CFR) is forecast at £363.630m an increase of £27.333m compared to the position at the end of 2024/25.
- 2.3.5 The table clearly highlights that the Council borrowing is well below the CFR and the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. The Council will continue to analyse and assess the market to determine the optimum time to externally borrow.
- 2.3.6 The treasury management position as at 30 June 2025 and the change over the quarter is shown in Table 2 below.

**Table 2 - Treasury Management Summary**

<b>Borrowing/Investment</b>	<b>31.3.25 Balance £'000</b>	<b>Movement £'000</b>	<b>30.06.25 Balance £'000</b>	<b>31.06.25 Average Rate %</b>
Long-term borrowing				
- PWLB	84,059	-	84,059	3.82%
- LOBOs	85,500	(4,416)	81,084	4.04%
- Other	40,001	-	40,001	4.00%
Short-term borrowing	25,257	-	25,257	5.23%
<b>Total borrowing</b>	<b>234,817</b>	<b>(4,416)</b>	<b>230,401</b>	
Long-term investments	13,611	-	13,611	5.16%
Short-term investments	-	-	-	-
Cash and cash equivalents	33,975	22,185	56,160	4.37%
<b>Total investments</b>	<b>47,586</b>	<b>22,185</b>	<b>69,771</b>	
<b>Net borrowing</b>	<b>187,231</b>	<b>(26,601)</b>	<b>160,630</b>	

As can be seen in the table above, borrowing has remained similar in the first three months of the year. However, borrowing will increase during the year in line with planned capital expenditure. Overall, the level of investments was £22.185m higher than at the end of 2024/25, principally due to capital grant funding being received in advance of it being spent and council incomes are generally greatest at the start of a financial year.

## 2.4 Borrowing

- 2.4.1 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.4.2 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates. Gilt yields have been volatile, but have reduced slightly except in the longer term in response to expectations of lower future interest rates. There has been a slight increase in gilt yields for period of around 30 years and longer, which is due primarily to an increased uncertainty premium being priced into the longer period.
- 2.4.3 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.27% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.56%. Rates for 20-year maturity loans ranged from 5.71% to 6.16% during the period, and 50-year maturity loans from 5.46% to 5.97%.
- 2.4.4 The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.75%.

- 2.4.5 CIPFA's 2021 Prudential Code is clear that Local Authorities must not borrow to invest primarily for financial return and that it is not prudent for Local Authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority.
- 2.4.6 Public Works Loan Board (PWLB) loans are no longer available to Local Authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 2.4.7 Oldham Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council, and it has no plans to do so in future.

## Loans Portfolio

- 2.4.8 As at 30 June 2025 Oldham Council held £230.402m of long term loans. There has been no new borrowing undertaken in the first three months of the year and one LOBO loan was called in the period so the position is £4.416m lower than the position at 31 March 2025, as part of its strategy for funding previous years' capital programmes. Outstanding loans on 30 June (borrowing position) are summarised in Table 3 below.

**Table 3 - Borrowing Position**

Borrowing Sources	31.3.25 Balance £'000	Movement £'000	30.6.25 Balance £'000	30.6.25 Weighted Average Rate %	30.6.25 Weighted Average Maturity (years)
Public Works Loan Board	84,059	-	84,059	3.82%	10.52
Banks (LOBO)	85,500	(4,416)	81,084	4.04%	42.43
Banks (fixed-term)	40,000	-	40,000	4.00%	44.02
Local Authorities (short term)	25,000	-	25,000	5.23%	0.00
Local Bonds (long-term)	1	-	1	1.00%	0
Local Bonds (short-term)	22	-	22	0.00%	0
Local Charitable Trusts (short-term)	235	-	235	4.90%	1
<b>Total borrowing</b>	<b>234,817</b>	<b>(4,416)</b>	<b>230,401</b>	<b>0</b>	

The Authority's short-term borrowing cost have reduced over the course of quarter one. The average rate on the Authority's short-term loans as at 30th June 2025 on £25m is 4.64%, this compares with 5.28% on £25m loans at 31<sup>st</sup> March 2025.

## LOBO Loans

- 2.4.9 Oldham Council currently holds £81.084m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate and terms or to repay the loan at no additional cost. This a reduction of £4.416m from the position as at 31 March 2025 due to one of the lenders, FMS Wertmanagement, exercising its option to revise the rate payable on the loan in April. The revised interest rate offered was 7.67% and the Council exerised its option to repay the loan in full, utilising available cash balances.
- 2.4.10 With market interest rates having risen, the probability of LOBOs being called has been higher than in the recent past. A total of £20.000m of other LOBO loans, all held with Dexia Finance had annual/semi-annual call option dates during the April-June quarter, however none of the options were exercised.
- 2.4.11 Currently Oldham Council has £34m LOBO loans with call dates during the remaining nine months of this financial year. Of this sum, £14m is held with Dexia Finance, £10m is held with KBC Bank NV and the remaining £10m evenly split between two other providers, Danske Bank and Just Retirement. At the time of writing no call options have been exercised.
- 2.4.12 There may be opportunities to repay the Council's historical LOBO borrowing. The Council will investigate all opportunities including consultation with the council's treasury manager advisors Arlingclose and will ensure any repayments create revenue savings. If required, the Authority will repay the LOBO loans with available cash or by borrowing from other local authorities or the PWLB.
- 2.4.13 Council officers will liaise with treasury management advisors, Arlingclose, over the likelihood of the options being exercised for LOBO's within the loan portfolio. If any option is exercised the Authority plans to repay the loan at no additional cost. If required, the Authority will repay the LOBO loans with available cash or by borrowing from alternative sources or the PWLB, always providing that overall savings can be demonstrated.

## **2.5 Treasury Investment Activity**

- 2.5.1 CIPFA published a revised the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 2.5.2 At 30 June, the Council held £69.711m invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first quarter of 2025/26 the Authority's Money Market Fund Investment balances ranged between £28.220m and £68.341m due to timing differences between income and expenditure. The investment position is shown in Table 4 below.

**Table 4 - Treasury Investment Position**

	31.3.25 Balance £'000	Movement £'000	30.06.25 Balance £'000	31.06.25 Income Return %	30.6.25 Weighted Average Maturity days
Money Market Funds	33,975	22,185	56,160	4.37%	
- <i>Property funds</i>	13,611	21	13,632	5.63%	90
<b>Total investments</b>	<b>47,586</b>	<b>22,206</b>	<b>69,711</b>		

- 2.5.3 Both the CIPFA Code and Government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 2.5.4 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 2.5.5 The Council in previous years has invested £15.000m in the Churches, Charities & Local Authorities (CCLA) pooled property fund. As this is a longer-term investment short term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. This fund generated an average total return in 2024/25 of £0.518m, 5.16% income return. The value is estimated at £13.632 as at 30 June 2025.

#### Statutory Override

- 2.5.6 Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1 April 2029 for investments already in place before 1<sup>st</sup> April 2024. The override will not apply to any new investments taken out on or after 1<sup>st</sup> April 2024.
- 2.5.7 The Authority had set up a provision of £2.000m to mitigate the impact of the statutory override not being extended. In view of the fact that the override may not be extended past 2029 the authority has decided to maintain this provision.

## 2.6 Treasury Performance

- 2.6.1 The Treasury Team measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in Table 5 below.

**Table 5 – Treasury Performance**

	Budgeted Performance Rates/Benchmark SONIA Return %	Benchmark SONIA Return % Plus 5%	30.06.25 Income Return % (Actual)
Budgeted Investment Rates	4.50%		4.62%
Overnight SONIA	4.31%	4.53%	4.37%

2.6.2 The budgeted investment rate of 4.5% above included within the annual strategy for 2025/26 was based on the average rate over the full financial year as expectations were for a number of interest rate rises to take place during 25/26. The actual rate achieved in the first quarter exceeds this budgeted rate. The total budget for treasury management income for 2025/26 is £1m, to date General Fund income of £0.5m has been achieved.

2.6.3 Previously the benchmark return was measured on the London Interbank Bid Rate (LIBID) which was a forward-looking interest rate. The Bank of England replaced LIBID with SONIA in December 2021. SONIA is calculated differently to LIBID in that it is a backward looking rate, based on actual results. The benchmark of SONIA plus 5% has not been achieved, however the actual rate achieved for overnight investments is higher than the average SONIA rate over the period.

### Compliance

2.6.4 The Director of Finance reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Table 6 below.

**Table 6 - Investment Limits**

Investment Limit	Maximum during Q1 2025/26	30.6.25 Actual	Maximum allowable in 2025/26	Compliance Yes/No
Any single organisation, except the UK Government	-	-	30,000	Yes
Any group of organisations under the same ownership	-	-	20,000	Yes
Any group of pooled funds under the same management	13,632	13,632	15,000	Yes
Unsecured investments with building societies	-	-	20,000	Yes
Money Market Funds	68,341	56,160	80,000	Yes
Strategic pooled funds	13,632	13,632	15,000	Yes

2.6.6 Compliance with the Operational Boundary and Authorised Limit for external debt is demonstrated in Table 7 below.

**Table 7 – Debt and the Authorised Limit and Operational Boundary**

	Maximum debt Q1	Debt at 30/6/2025	2025/26 Authorised Limit	2025/26 Operational Boundary	Complied? Yes/No
	2025/26				
Borrowing	240,855	230,405	356,000	356,000	Yes
PFI and Finance Leases	223,812	223,812	230,250	235,250	Yes
<b>Total debt</b>	<b>464,667</b>	<b>454,217</b>	<b>586,250</b>	<b>591,250</b>	

2.6.7 The Operational Boundary represents the expected maximum borrowing position for the Council for the year and was set and then revised at £591.250m

2.6.8 The Authorised Limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 and for 2025/26 was set and then revised at £533.500m Once this has been set, the Council does not have the power to borrow above this level although it can be revised if required.

2.6.9 Since the Operational Boundary is a management tool for in-year monitoring it is not significant if the Operational Boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. No breaches have occurred, and it is not anticipated that there will be any breaches in 2025/26.

## **2.7 Treasury Management Prudential Indicators**

2.7.1 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

### Liability Benchmark

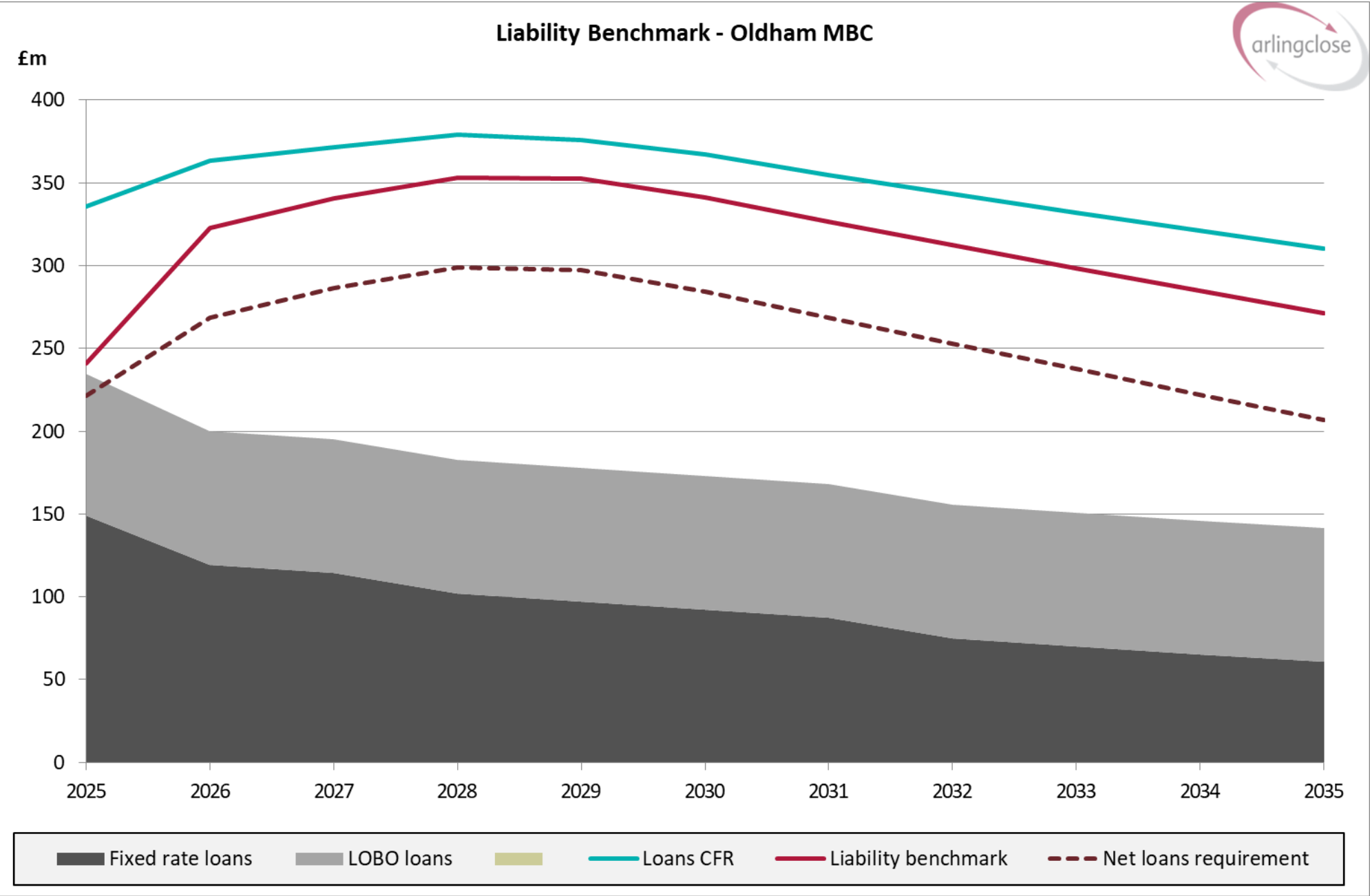
2.7.2 This indicator compares the Authority’s actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £20.000m, the level required to manage day-to-day cash flow.



**Table 8 - Liability Benchmark**

<b>Liability Benchmark Measurement</b>	<b>31 March 2025 Actual £'000</b>	<b>31 March 2026 Forecast £'000</b>	<b>31 March 2027 Forecast £'000</b>	<b>31 March 2028 Forecast £'000</b>
Loans CFR	336,027	363,360	371,421	378,985
Less: Balance sheet resources	148,795	124,936	129,936	134,936
<b>Net loans requirement</b>	<b>187,232</b>	<b>238,424</b>	<b>241,485</b>	244,049
Plus: Liquidity allowance	20,000	20,000	20,000	20,000
<b>Liability benchmark</b>	<b>207,232</b>	<b>258,424</b>	<b>261,485</b>	<b>264,049</b>
<b>Existing /forecast borrowing</b>	<b>234,817</b>	<b>238,424</b>	<b>241,485</b>	<b>244,049</b>

- 2.7.3 As demonstrated by the liability benchmark in the table above, the Council expects to be a long-term borrower to finance the expected capital spend. There could be timing differences between when the Council externally borrows compared to when the expenditure is required due to the nature of capital works, but new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 2.7.4 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £35.199 in 2025/26.



- 2.7.5 Table 9 below sets out the maturity structure of borrowing at the end of the first quarter of 2025/26 compared to the upper and lower limits set in the Treasury Management Strategy for 2025/26.

**Table 9 - Maturity Structure of Borrowing**

Borrowing Timeframe	Upper Limit	Lower Limit	30.6.2025	Complied?
Under 12 months	35%	0%	27.87%	Yes
12 months and within 24 months	35%	0%	8.65%	Yes
24 months and within 5 years	35%	0%	23.33%	Yes
5 years and within 10 years	35%	0%	13.74%	Yes
10 years to 20 years	60%	0%	2.47%	Yes
20 years to 30 years	60%	0%	2.18%	Yes
30 years to 40 years	60%	0%	2.18%	Yes
40 years to 50 years	60%	0%	10.88%	Yes
50 years to 60 years	60%	0%	8.71%	Yes

- 2.7.6 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. In the case of LOBO loans, the next option date has been used as the measure to determine if it is potentially repayable.

#### Long-term Treasury Management Investments

- 2.7.7 The purpose of the Long-Term Treasury Management indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are set out in the table below.

**Table 10- Limit / Actual Investments exceeding one year**

Limit/Actual Investments Exceeding One Year	2025/26	2026/27	2027/28	No fixed date
Limit on principal invested beyond year end	£50m	£50m	£50m	£50m
Actual principal invested beyond year end	£15m	0	0	0
Complied?	Yes	N/A	N/A	N/A

- 2.7.8 Long-term investments with no fixed maturity date include strategic pooled funds. For the Council, this is currently the CCLA Property Fund. Long term investments exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term investments.

### **3 Options/Alternatives**

- 3.1 In order that the Council complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Audit Committee has no option other than to consider and approve the contents of the report. Therefore, no options/alternatives have been presented.

### **4 Preferred Option**

- 4.1 The preferred option is that the contents of the report are agreed and recommended to Cabinet for approval.

### **5 Consultation**

- 5.1 There has been consultation with the Council's, Treasury Management Advisors, Arlingclose in the production of this report.
- 5.2 The presentation of the Treasury Management Quarter One Report to the Audit Committee for detailed scrutiny on 22 October 2025 will be in compliance with the requirements of the CIPFA Code of Practice. The report will then be presented to Cabinet and then subsequently Council for approval.

### **6 Financial Implications**

- 6.1 All included within the report.

### **7 Legal Services Comments**

- 7.1 None.

### **8 Co-operative Agenda**

- 8.1 The Council ensures that any Treasury Management decisions comply as far as possible with the ethos of the Co-operative Council.

### **9 Human Resources Comments**

- 9.1 None.

### **10 Risk Assessments**

- 10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which has previously been acknowledged in both Internal and the External Auditors' reports presented to the Audit Committee.

### **11 IT Implications**

- 11.1 None.

### **12 Property Implications**

- 12.1 None.

**13 Procurement Implications**

13.1 None.

**14 Environmental and Health & Safety Implications**

14.1 None.

**15 Equality, community cohesion and crime implications**

15.1 None.

**16 Equality Impact Assessment Completed?**

16.1 No.

**17 Key Decision**

17.1 No

**18 Key Decision Reference**

18.1 N/A

**19 Background Papers**

19.1 The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as defined by that Act.

File Ref: Background papers are contained with Appendix 1  
Officer Name: James Postle/Paula Buckley

**20 Appendix 1 - Prudential and Treasury Indicators**

## Appendix 1 - Prudential and Treasury Indicators

The Council measures and manages its capital expenditure, borrowing with reference to the following indicators. The Council has not taken out any Commercial or Service Investments.

The following tables show a summary of the prudential indicators for Quarter 1 2025/26

### Capital Expenditure

Capital Expenditure/Financing	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Budget £'000	2027/28 Budget £'000
<b>Expenditure</b>				
General Fund services	81,790	116,726	36,165	34,366
HRA	1	1,403	7,195	2,220
<b>Total Capital Expenditure</b>	<b>81,791</b>	<b>118,129</b>	<b>43,360</b>	<b>36,586</b>
<b>Financing</b>				
Grants & Contributions	(29,875)	(75,931)	(21,254)	(16,024)
Prudential Borrowing	(46,961)	(35,199)	(17,347)	(18,260)
Revenue	(28)	(1,437)	(2,195)	(210)
Capital Receipts	(4,927)	(5,562)	(2,563)	(2,092)
<b>Total Financing</b>	<b>(81,791)</b>	<b>(118,129)</b>	<b>(43,360)</b>	<b>(36,586)</b>

### Capital Financing Requirement (CFR)

Capital Financing Requirement	31 March 2025 Actual £'000	31 March 2026 Forecast £'000	31 March 2027 Budget £'000	31 March 2028 Budget £'000
General Fund Services	559,839	580,398	581,431	581,509
<b>Total CFR</b>	<b>599,839</b>	<b>580,398</b>	<b>581,431</b>	<b>581,509</b>

### Gross Borrowing and the Capital Financing Requirement

Statutory guidance is that debt should remain below the capital financing requirement except in the short term. The Authority has complied with and expects to comply with this requirement in the medium term as it is shown below

Gross Borrowing /CFR	31 March 2025 Actual £'000	31 March 2026 Forecast £'000	31 March 2027 Budget £'000	31 March 2028 Budget £'000	Debt at 30 June 2025 £'000
Gross Borrowing (incl. PFI & leases)	458,630	475,462	471,495	465,573	464,667
Capital Financing Requirement	599,839	580,398	581,431	581,509	-

### Debt and the Authorised Limit and Operational Boundary

The authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower 'operational boundary' is also set as a warning level should debt approach this limit

	Maximum debt Q1	Debt at 30/6/2025	2025/26 Authorised Limit	2025/26 Operational Boundary	Complied? Yes/No
	2025/26				
Borrowing	240,855	230,405	356,000	356,000	Yes
PFI and Finance Leases	223,812	223,812	230,250	235,250	Yes
<b>Total debt</b>	<b>464,667</b>	<b>454,217</b>	<b>586,250</b>	<b>591,250</b>	

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cashflow, and this is not counted as a compliance failure. Total Debt has not exceeded either Authorised or Operational Boundary limits in the period April to June 2025.

### Proportion of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP/loans fund repayments are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream (ie the amount funded from Council Tax, business rates and general government grants).

Financing Stream	Cost/Net Revenue	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Budget £'000	2027/28 Budget £'000
Financing costs (£m)		26.252	17,879	19,932	22,069
Proportion of net revenue stream		7.61%	5.54%	5.66%	5.88%

### Treasury Management Indicators

These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long Term Treasury Management investments) are included within the main body of the report.

This page is intentionally left blank





## Report to Audit Committee

# Housing Benefit Subsidy Audit 2023/24

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

**Officer Contact:** Adam Parsey, Interim Head of Revenues

**Report Author:** Adam Parsey, Interim Head of Revenues

**Ext.** 1656

**22 October 2025**

---

## Reason for Decision

This report outlines for Members the outcome of the external audit of the Housing Benefit Subsidy claim for the financial year 2023/24..

## Executive Summary

In accordance with the DWP's Housing Benefits Assurance Process, the Council is required to undergo an annual review of its Housing Benefit Subsidy claim. This review was conducted by external auditors, KPMG LLP. Appendix 1 includes a report prepared by the KPMG LLP officer who led the audit process..

Overall, the report is reasonably positive but highlights several issues that have been reviewed in preparation for the 2024/25 audit process

The findings are as follows:

- There were five cases where the claimant's earnings had been miscalculated. This resulted in a mix of underpayments and overpayments, affecting the subsidy claim by an overstatement of £2,990
- There were five cases where tariff income from capital was assessed incorrectly. Only one case resulted in an overpayment, affecting the subsidy claim by an overstatement of £99
- A system issue caused some temporary and supported accommodation claims to have overpayments incorrectly created. This was due to the Universal Credit migration and has now been resolved. It affected the subsidy claim by an overstatement of £2,755.

- Two cases involved prior year overpayments being misclassified as eligible rather than technical overpayments. This affected the subsidy claim by £1,101.
- In two cases, the effective date of change to tariff income in HRA claims was applied incorrectly, resulting in an overpayment of £30..
- Eight cases involved miscalculated childcare costs, resulting in both overpayments and underpayments, and affecting the subsidy claim by £1,419.
- One observation noted a service charge being incorrectly included in a rent calculation. As no benefit was paid, there was no impact on the subsidy claim.

### **Recommendation**

That Members of the Audit Committee note the outcome of the 2023/24 audit of the Housing Benefit Subsidy claim form.



# Oldham Metropolitan Borough Council

## Housing Benefit Assurance Procedures Reporting 2023/24

July 2025

# Housing Benefit Assurance Procedures Reporting 2023/24

## Introduction

In accordance with the DWP's Housing Benefits Assurance Process, the Council is required to have an annual review of its Housing Benefit Subsidy claim.

Our work on the Council's Housing Benefit claim is carried out in accordance with the DWP's prescribed process and includes:

- Agreeing parameters within the Council's housing benefits system to the DWP's published standard rates for the year;
- Checking that the subsidy claim has been prepared using the specified version of the benefits software;
- Sample testing claims to check the calculation of benefit entitlement and (and that it was supported by evidence);
- Undertaking testing over modified schemes payments.

## Work undertaken

Tested 20 individual cases for each of the following cells on the claim form:

- 011 (Non HRA)
- 055 (rent rebates);
- 094 (rent allowance); and
- 225 (modified schemes).

Additional focused testing is either based on our findings in the prior year (2022/23) or by the results of our initial testing in the current year. We undertook additional testing of 40 cases (or 100% of cases if less than 100 cases had the error characteristic) on six areas:

- Cell 011: Assessment of earned income;
- Cell 033: Overpayment misclassification;
- Cell 055: Effective date of Capital Tariff income changes;
- Cell 094: Calculation of Child Care Costs
- Cell 094: Assessment of capital tariff; and
- Cell 102: Inclusion of correct Service Charges in Eligible Rent

# Housing Benefit Assurance Procedures Reporting 2023/24

Our work on the 2023/24 audit, including all procedures required by the DWP is complete. We submitted our final report dated 23rd May 2025.

## Findings

The results of our testing are outlined below:

### Errors (Appendix A)

We reported two areas with exceptions/errors:

- Testing in 2022/23 identified that the Local Authority had assessed earned income incorrectly in Non HRA cases. Initial testing in 2023/24 identified one case where earnings were miscalculated, but this did not affect the amount of subsidy claimed. The additional random sample of 40 cases tested identified four cases where the earnings were miscalculated resulting in both overpayments and underpayments of benefit and misclassification of subsidy on the claim form. Altogether the impact was an overstatement of £1,186, with an extrapolated effect of the headline cell of £2,990.
- Testing in 2022/23 identified that the Local Authority had assessed tariff income from capital incorrectly in Rent Allowance cases. Initial testing in 2023/24 identified no errors. The additional random sample of 40 cases tested identified five cases where tariff income was incorrectly assessed resulting in one overpayments and the rest of the errors and no impact on the amount of benefit paid. The impact was an overstatement of £3, with an extrapolated effect of the headline cell of £99.

### Observations (Appendix B)

We reported one observation:

- An issue with the assessment of service charges in the eligible rent amount used in Cell 102 cases. Our testing identified one case where the authority had incorrectly assessed the service charges in the eligible rent. In this case, the error led to an underpayment of housing benefit paid. Additional testing identified no further errors. As there is no eligibility to subsidy for benefit which has not been paid, this was recorded as an observation only.

# Housing Benefit Assurance Procedures Reporting 2023/24

## Amendments to the claim form (Appendix C)

We reported four areas where the claim form needed amending:

- After submitting their MPF720A dated 02 May 2024 for the year ended 31 March 2024, the authority identified that a small number of temporary and supported accommodation claims, that had migrated to Universal Credits, had not been netted off correctly by the system due to incorrectly creating overpayments. The issue, which caused the overpayments, has now been fixed by Capita and therefore is not an ongoing issue. The amendments needed were : Cell 011 overstated by £2,755 ,Cell 028 overstated by £2,755, Cell 094 overstated by £232, Cell 114 overstated by £232, and Cell 121 overstated by £5,078.
- Testing in 2022/23 identified that the Local Authority had misclassified prior year technical overpayments as eligible error overpayments in some Non HRA rent rebate cases. All cases with this characteristic were tested this year and we found 2 cases where the errors were misclassified. The impact was to misclassify expenditure of £1,101.
- Initial testing of HRA rent rebate cases identified that the LA had made an error in applying the effective date of change to tariff income. Testing of effective date of change to tariff income in initial HRA rent rebate cases and in an additional random sample of 40 cases, found two cases where benefit was overpaid resulting total amendments of £30.
- Initial testing of Rent Allowance cases identified that the LA had miscalculated childcare costs in one case. Testing of 100% of cases with childcare costs, found eight cases where childcare costs were incorrectly calculated resulting in underpayments of benefit, overpayments of benefit and misclassification of benefit. Total amendments for this error was £1,419.

The impact of the errors identified above are reflected in the amendment made to Form MPF720A dated 1 May 2025.

## Other Matters (Appendix D)

No other matters were reported.



# Thank you





This report is provided pursuant to the terms of our engagement letter. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in our engagement letter. This report is for the sole benefit of Oldham Metropolitan Borough Council . In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Oldham Metropolitan Borough Council, even though we may have been aware that others might read this report. This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than Oldham Metropolitan Council) for any purpose or in any context. Any party other than Oldham Metropolitan Borough Council that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through the Oldham Metropolitan Borough Council Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than Oldham Metropolitan Borough Council. Any disclosure of this report beyond what is permitted under our engagement letter may prejudice substantially our commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If Oldham Metropolitan Borough Council receives a request for disclosure of the product of our work or this report under the Freedom of Information Act 2000 or the Freedom of Information (Scotland) Act 2002, having regard to these actionable disclosure restrictions Oldham Metropolitan Borough Council should let us know and should not make a disclosure in response to any such request without first consulting KPMG LLP and taking into account any representations that KPMG LLP might make.

This report has been prepared solely for Oldham Metropolitan Borough Council in accordance with the terms and conditions set out in our engagement letter. We do not accept or assume any liability or duty of care for any other purpose or to any other party. This report should not be disclosed to any third party, quoted or referred to without our prior written consent.

© 2025 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. | CREATE: CRT128147

## Report to Audit Committee

Date: 22 October 2025

### Subject:

Payroll Audit Progress

### For Information

### Report of:

Eleanor Devlin  
Assistant Director of Workforce &  
Organisational Culture

### Portfolio holder:

Cllr Abdul Jabbar

### Sign-off:

Fiona Greenway, Director of Resources

---

## 1. Introduction

- 1.1. This report is designed to provide background and insight into the current context for the Payroll service at Oldham Council. It also provides detail on the recently agreed HR & OD ReBuild Recovery Plan and aspects designed to support improved quality, governance and resilience of Payroll services over the medium to long term.
- 1.2. This paper also gives update on progress against actions as included in the Payroll Audit Report 24/25.

## 2. Background

- 2.1. The Payroll service at Oldham Council has several, long-standing identified issues, which has led to it being classified as “*Inadequate*” by Internal Audit for a number of years.
- 2.2. The service provides a wide ranging and complex service across the borough. It provides a full range of Payroll and Pension service to Oldham Council. It also provides Payroll services to several schools and additional providers in the area, including Miocare Limited.

- 2.3. In total it provides 27 Payrolls monthly<sup>1</sup>, across two pay dates (15<sup>th</sup> and 20<sup>th</sup>) across a staffing headcount of almost 8,500. This is a significant headcount, spanning several organisations, payscales and sets of T&Cs.
- 2.4. The service has seen significant challenges in recent years. Structures were changed following transfer in from Unity Partnership. In addition, there has been turnover of established staff within the team, and difficulties recruiting and retaining team members. Payroll specialists, in particular, are often considered “hard to fill” roles due to the specialist knowledge involved.
- 2.5. There has also been recent turnover at senior level, including the HR Employment Services Manager, the Systems Lead, the Head of HR and the Assistant Director of HR & OD (as previously known).
- 2.6. Structural changes, budget restrictions and significant change within the team and in their senior structure has led to a lack of investment in the system (iTrent), a lack of specialist knowledge in the team and a lack of capacity to focus on required improvements.

### **3. Data**

- 3.1. Following a request in July 2025, this report contains high level information relating to pay errors for 24/25 and 25/26, specifically.
- 3.2. This report will not reference councillors’ pay, as this is covered through a separate report.
- 3.3. It is important to recognise that there is not one straightforward way to categorise or track “pay errors”. To date, this has not been systematically captured and reported on, including the reasons why this has happened. This is something that the HR & OD ReBuild plan (below) will look to address over time, through development of clearer payroll related metrics.
- 3.4. It is also important to recognise that pay errors occur across all Payrolls in all organisations, either due to late notification of changes or human/system error within HR teams.
- 3.5. It is possible to report on the number of overpayments made to staff or ex-staff, which is linked to either late notification of changes or an error within transactional or payroll services. In 2024/25 records suggest 104 overpayments across Payrolls, which required action to recover. In 2025/26 to date there are 48 recorded.

---

<sup>1</sup> This number changes periodically based on buy-back arrangements through Oldham Connect and/or academisation of schools.

- 3.6. A separate piece of work has commenced following this review to ensure all overpayments over this period have been appropriately reclaimed or are in the process of being reclaimed. This work will be completed by 15<sup>th</sup> November. The service will also scope whether this information can and should be included as part of Corporate Performance reporting in the future.
- 3.7. It is also possible to report on the number of underpayments made, which is where it is recorded that a staff member has payment owed but not received at the expected time.
- 3.8. Across 2024/2025 there are 153 recorded “underpayments” according to Payroll records and 85 across 2025/26 to date. These were all rectified by 3-day payment, same day payment or invoice.
- 3.9. For context, the above under and overpayments cover all Payrolls provided by the Council, which as stated in s2.3 above, is currently 27 Payrolls across a headcount of 8,500. In August/September there were over 7,500 payroll transactions across each month. This would be the equivalent of 45,000<sup>2</sup> transactions to date for 25/26 alone.
- 3.10. Recorded reasons for overpayments are historically limited. There are some recent records relating to underpayments, however, linked to requests to make supplementary payment. Records in 25/26 to date suggest potentially about 50% relate to late or incorrect notification of changes from managers. Other errors include human and system issues across HR and payroll.
- 3.11. A query has been raised about redundancy payments and application of NI and tax. This had on an occasion been applied inappropriately due to the incorrect application of an element in the system. This has been corrected, and a review of recent redundancy payments has not highlighted similar errors.

#### **4. Improvement Plan and progress**

- 4.1. A permanent Assistant Director of Workforce & Organisational Culture commenced at the end of July 2025, providing consistent leadership to the HR & OD team.
- 4.2. Subsequently, HR & OD ReBuild Recovery Plan has been drafted in partnership with the senior HR & OD team. This is a 12-month plan focused on ensuring compliant and resilient services across the HR team. It is acknowledged that improvements will take longer than 12 months to develop and embed, so further plans will need to be developed.

---

<sup>2</sup> This is a combination of automatic transaction and transactions which require manual input

- 4.3. The ReBuild plan structures improvements into 5 pillars – *strategy, systems and infrastructures, structures, team development and engagement and governance, legal and audit.*
- 4.4. A breakdown of intended actions for Payroll services as included in the plan is outlined in Appendix 1, note that some actions span the whole HR & OD team. The HR & OD ReBuild Plan spans wider than Payroll services, therefore Appendix 1 focuses specifically on actions relevant to this Payroll Audit.
- 4.5. Plan progress and achievements/risks will be overseen through HR & OD DMT and also through a Resources Scrutiny Committee, currently in formation. Progress will also report through to Management Board.
- 4.6. This plan launched from 1 September 2025, with key short-term achievements so far being as follows:
  - Appointment of permanent HR Employment Services Manager and recruitment process underway for a permanent Head of Operational HR.
  - Launch of a monthly Payroll Reconciliation Working Group, inaugural meeting September 2025, consisting of HR, payroll and Finance. Initial analysis was able to highlight cause of imbalance between ledger and payroll, which was due to a specific LGPS element. This is being investigated.
  - Seeking and obtaining approval for a programme of work to optimise the iTrent system, with a 12-month programme of work to improve specialist understanding of the system and to create processes which will create capacity e.g. batch uploading of 27 payrolls rather than individual uploading.
  - Launch of monthly reminders to manager on new starters, absence and expenses deadlines via Viva Engage and HR DMT reports.
  - Appointment of temporary 6-month Payroll resource which will – once trained – free up capacity for Payroll senior team to create Standard Operating Procedures.
  - Provisional identifying of Payroll colleagues to undertake the Chartered Institute of Payroll, Pensions and Reward qualification or similar, to support greater specialist knowledge in the team.
  - Appointment and launch of 6-month resource to undertake a full HR file audit and create standards/training for the wider team.
  - Implementation of stricter approvals for CHAPs payments, now approved by the Assistant Director of Workforce & Organisational Culture.

- (for wider team) launch of monthly HR & OD engagement sessions and launch of weekly “HR Stars” via Teams chat to say thank you to team members for good work and support.

## **5. Progress against Audit actions**

- 5.1. Progress against specific actions as outlined in the Payroll Audit 24/25 are included in Appendix 2. Several actions are also included above in section 4.6.
- 5.2. The most significant area of focus relates to more robust documentation and governance (e.g. formalised/documented Payroll reconciliation, overpayments and Standard Operating procedures).
- 5.3. The second biggest area of focus will be driving organisational compliance with deadline and transactional/payroll processes by managers, as this is the most common reason for pay affecting errors. This has commenced with monthly reminders through Viva Engage and DMTs. This will develop into targeted communication and compliance discussions through senior managers, where concerns persist. This will be a core objective of the Employment Services Manager.
- 5.4. The Audit Committee are asked to note delays against the originally agreed deadlines. This has been due to capacity constraints within the HR & OD function and some turnover in senior leadership. Progress against Audit actions plans is now a key priority for the service.
- 5.5. There is now action underway against all Audit actions, albeit at different stages of delivery.
- 5.6. Programmes of work to deliver against Audit actions will take time to roll out and embed. It is anticipated that actions will still be required following the next Payroll Audit, although it is expected that this will show progress compared to the previous audit.

## **6. Risks and interdependencies**

- 6.1. While work is underway at pace, sustained improvement will take consistent time, energy and dedication.

- 6.2. There are several interdependencies with other teams in the Council. For example, based on initial analysis of CHAPS requests and overpayments, most root causes are linked to manager error or late notification. While there is an action in the HR & OD ReBuild Plan to raise awareness of this, it will be incumbent on wider management teams to appreciate the importance of this.
- 6.3. Progress against the HR & OD ReBuild plan and the Payroll Audit Action plan is predicated on their being continued senior and team resource to deliver actions. While the team is in a stronger position than previously, the risk remains if further changes occur.

## **7. Conclusion**

- 7.1. Following some delay due to capacity and turnover of senior leadership, improvement work linked to the Payroll Audit action plan has now commenced at pace. Improvement will take time and consistent focus.
- 7.2. The Audit Committee is asked to note and acknowledge the above.



## Appendix 1 – Payroll specific actions as included in HR & OD Rebuild Recovery Plan

### SHORT TERM ACTIONS (1 – 3 MONTHS)

Theme	Key actions	HR DMT Lead
Strategy	Review and scope current progress for an Oldham Workforce/People & Culture Strategy, with informal discussions with stakeholders on their workforce priorities.	AD of Workforce & Organisational culture
Systems & infrastructure	Create business case and commission ITrent to lead on key actions as outlined in their Optimisation report. Specific separate working group to manage specific details and timelines (Payroll Audit action).	AD of Workforce & Organisational culture
	Scope clearer payroll reconciliation process with Finance (Payroll Audit action)	Head of HR
	Start catch-all “reminders” for payroll processing dates for managers (Payroll Audit action)	AD of Workforce & Organisational culture
Structure	Advertise for substantive Head of HR and Employment Services Manager (the latter is Payroll Audit action)	AD of Workforce & Organisational culture
	Commence additional, temporary Payroll resource to support Senior Payroll team in creating SOPs and improving processes (Payroll Audit action)	Head of HR

Team development & engagement	<p>Identify senior Payroll colleagues to undertake CIPP (payroll qualification) (linked to Payroll Audit)</p> <p>Scope and confirm buddying/network offer for Payroll team from external organisations e.g. Tameside Council.</p> <p>Commence a “skills audit” for HR Advisory &amp; Employment Services to create wider learning plan (linked to Resourcing and Advisory Audit action), based on ‘what good looks like’</p> <p>Plan inaugural HR &amp; OD Team Away Day to discuss team effectiveness and strategic links.</p>	<p>Head of HR</p> <p>AD of Workforce &amp; Organisational culture</p> <p>Strategic Workforce Partner</p> <p>Strategic Workforce Partner</p>
Governance, Audit & Legal	<p>Commence 6 month programme (additional resource) to create standards for pre employment checks and retention of resourcing/payroll/advisory documentation and audit against this (Resourcing and Advisory Audit action)</p> <p>Review Overtime Policy to identify when Grade 6 and above should receive OT/TOIL and communicate this out to managers (Overtime Audit action)</p> <p>Implement approval process for CHAPS payments via Head of HR/Assistant Director of Workforce &amp; Organisational Culture</p>	<p>Head of HR</p> <p>Head of HR</p> <p>AD of Workforce &amp; Organisational culture</p>

## MEDIUM TERM ACTIONS (3 – 6 MONTHS)

Theme	Key actions	HR DMT Lead
Strategy	Develop, consult on and agree organisation-wide Workforce Strategy, providing clear direction and focus for the organisation & HR & OD function.	AD of Workforce & Org Culture
Systems & infrastructure	Continue/escalate work to reconcile payroll and finance ledger (Payroll Audit action)	Head of HR
	Implement “new ways of working” in Payroll following specific resource and review (Payroll Audit action)	Head of HR
	Provide oversight to roll out of ITrent optimisation programme – achievements, risks and issues (linked to Payroll Audit)	AD of Workforce & Org Culture
	Commence targeted review/campaign of support for areas where pay errors occur regularly due to management error.	Head of HR
	Undertake full process map of resourcing, system and payroll workflow to streamline and reduce duplication.	Head of HR
Structure	Implement/recruit to vacancies as agreed/highlighted in the HR & OD structure.	AD of Workforce & Org Culture

Team development & engagement	<p>Hold inaugural HR &amp; OD Away Day and agree programme of engagement moving forward.</p> <p>Review progress/uptake of CIPP training and buddying offer.</p>	<p>All</p> <p>Head of HR</p>
Governance, Audit & Legal	<p>Commence reporting on Overtime payments at Grade 6 or above (Overtime Audit action)</p> <p>Monitor 6 month programme (additional resource) to create standards for pre employment checks and retention of resourcing/payroll/advisory documentation and audit against this (Resourcing and Advisory Audit action) – during this time “standards” should be agreed, with the bulk of the work being auditing.</p>	<p>AD of Workforce &amp; Org Culture</p> <p>Head of HR</p>

### LONGER TERM ACTIONS (6 – 12 MONTHS)

Theme	Key actions	HR DMT Lead
Strategy	<p>Develop workstreams (if not already in existence) based around agreed Workforce Strategy.</p> <p>Develop &amp; roll out governance, reporting and monitoring requirements to support delivery and impact of Workforce Strategy</p>	<p>AD of Workforce &amp; Org Culture</p> <p>AD of Workforce &amp; Org Culture</p>

Systems & infrastructure	Ensure work to reconcile payroll and finance ledger is BAU (Payroll Audit action)	Head of HR
	Implement “new ways of working” in Payroll and Resourcing following specific resource and review and/or review progress (Payroll Audit action)	Head of HR
	Provide oversight to roll out of ITrent optimisation programme – achievements, risks and issues (linked to Payroll Audit)	AD of Workforce & Org Culture
	Agree and roll out programme of organisational wide workforce metrics – including over/under payments (linked to Payroll Audit)	AD of Workforce & Org Culture
Structure	No specific actions but review likely to be ongoing	AD of Workforce & Org Culture
Team development & engagement	Hold inaugural HR & OD Away Day and agree programme of engagement moving forward.	All
	Review progress/uptake of CIPP training and buddying offer.	Head of HR
	Implement HRA & Employment Services programme of learning based on output of skills matrix (linked to Recruitment and Disciplinary Audit).	Strategic Workforce Partner
Governance, Audit & Legal	6 month project to create standards for pre-employment checks/HR records/Payroll records plus organisational-wide audit and cleanse complete – learning and follow up spot-check audits agreed.	Head of HR

## APPENDIX 2 – UPDATE AGAINST AUDIT ACTION PLAN

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress October 2025
1	<p><u>Payroll Reconciliations</u></p> <p>Monthly Payroll Reconciliations should be carried out in a timely manner. The review noted that there were delays in performing the reconciliations.</p> <p>The working group established should continue to take steps to address the issues identified in connection with the payroll to General Ledger reconciliation process.</p> <p><b>Brought forward from 2023/24</b></p>	<b>High</b>	<p>Agreed. The Payroll Service continues to face challenges in recruitment and retention of staff. However, this issue has been raised and discussed and work continues to address a timely resolution to this issue.</p>	<p>Finance Manager</p> <p>Payroll Manager</p>	<p><del>June</del> 2025</p> <p>September 2025</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>From September 2025 a monthly Payroll Reconciliation working group has been set up, currently led by the AD of Workforce &amp; Organisational Culture, although will ultimately be led by Head of Operational HR.</p> <p>The first meeting was able to identify the elements causing imbalance between Payroll and ledger, with actions for the</p>

						<p>Payroll Manager to address with GMPF.</p> <p>In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team and allow for greater focus on this area. It is anticipated this programme will start from November.</p>
2	<p><u>Pre-employment and Right to Work Checklist- Schools</u></p> <p>The Payroll Service should liaise with the Head of Education Support Services and HR</p>	<b>High</b>	Agreed. This issue will be addressed.	HR Employment Services Manager	<p><del>June 2025</del></p> <p>March 2026</p>	<p>This action is included in the Payroll report also, however this is a wider HR issue and is not specifically a Payroll issue.</p>

	<p>colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment and DBS checks.</p> <p>The review has noted that this action has not progressed as expected and steps should be taken around storage of supporting information on pre-employment checks.</p> <p><b>Brought forward from 2023/24</b></p>			Head of Education Support Services	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.</p> <p>Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.</p> <p>A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.</p>
--	---	--	--	------------------------------------	--



3	<p><u>Policies and Procedures</u></p> <p>Management should ensure the following:</p> <ol style="list-style-type: none"> <li>1. That the documentation of payroll procedures for the use of staff within the Payroll Team is expedited. Once complete, they should be circulated to all relevant staff within the Team and training provided if necessary.</li> <li>2. All policies and procedures including the Pay Policy and Procedures documentation should be regularly updated so that they remain relevant and refer to current systems.</li> <li>3. Set out formally (in writing) the roles and responsibilities of staff within the Payroll Team.</li> </ol>	High	<p>Agreed. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.</p>	<p>HR Employment Services Manager</p> <p>Payroll Manager</p>	<p>September 2025</p> <p>March 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Approval has been given for additional Payroll resource to support the team, which will commence imminently. This is for 6 months to create capacity for the Payroll Manager and Payroll seniors to focus on creation of SOPs.</p> <p>In addition a new HR Employment Services Manager has been appointed and will start in October 2025, who will oversee progress with this work in partnership with the Head of Operational HR.</p>
---	--	------	--	--	---	---

	<b>Brought forward from 2023/24</b>					In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team. It is anticipated this programme will start from November.
4	<p><u>CHAPS Payments – Review of all Chaps Requests</u></p> <p>A full review of CHAPS payment requests should be analysed in order to identify any common system or process issues, which can be addressed and rectified to reduce the number of CHAPS requests.</p> <p><b>Brought forward from 2023/24</b></p>	<b>Medium</b>	Agreed. This should be occurring on a monthly basis and this will be raised internally within the Service for action.	Payroll Manager	<p><del>May 2025</del></p> <p>August 2025</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>However, from August 2025 it has been agreed all CHAPs payments will be approved by Assistant Director of Workforce &amp; Organisational Culture.</p> <p>An initial review of reasons for CHAPs payments suggests</p>

						<p>that late new starter forms is the primary reason so far.</p> <p>The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.</p>
5	<p><u>Starters</u></p> <p>All supporting documentation should be retained in the central drive, in respect of starter details, including salary details, to ensure they are processed accurately and to ensure accurate data can be obtained should any future queries arise.</p> <p>The starters forms should be signed and dated by the appropriate line manager. If</p>	<b>Medium</b>	<p>Agreed. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.</p>	<p>HR Employment Services Manager</p>	<p><del>June 2025</del></p> <p>March 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>There is a wider piece of work underway to support HR folder compliance.</p> <p>An extra resource has been appointed for 6 months to undertake a whole review of all</p>

	<p>errors are identified in the supporting recruitment documentation, they should be highlighted to the relevant authorising officer and rectified accordingly.</p> <p><b>Brought forward from 2023/24</b></p>					<p>HR files on the drive, highlighted gaps and risks. Where needed, information to fill gaps will be obtained.</p> <p>The end point will be clear SOPs and training where there are regular patterns of this being missed.</p> <p>The iTrent optimisation work highlighted above will also create capacity in the team allowing for more time to focus on documentation.</p> <p>In the meantime, teams are regularly reminded on the importance of saving approvals.</p>
6	<u>Exceptional Payments</u>	<b>High</b>	Agreed. This should be occurring on a monthly basis and this will be raised internally	Payroll Manager	June 2025	Complete.

	<p>Where exceptional payments are authorised by Services, Payroll Services should ensure it is line with policy and calculated correctly.</p> <p>Any decisions made outside the pay policy needs to be authorised by the relevant Service Director through the relevant form and supporting documentation. The documentation should be retained on the employees personnel file for audit and transparency purposes.</p> <p><b>Brought forward from 2023/24</b></p>		within the Service for action.			The HR Team now works in line with <a href="#">Special Severance Payments - GOV.UK</a> in partnership with our Legal Team.
7	<p><u>Overpayments -Communications to Managers</u></p> <p>Communication should be sent to all Managers responsible for staff to reiterate the importance of submitting leavers forms in a</p>	<b>Medium</b>	Agreed. The Service recruited an additional management grade post to address this issue in September 2024. However, the postholder left the Authority at short	HR Employee nt Services Manager	July-2025  October 2025	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.

	<p>timely manner to prevent overpayments</p> <p>Good practice needs to be re-enforced, potentially through a training / awareness campaign and/or targeted communications in cases of non-compliance.</p> <p><b>Brought forward from 2023/24</b></p>		<p>notice in December 2024. This task remains outstanding. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.</p>			<p>From August 2025 regular monthly communication on pay affecting deadline dates is shared via Viva Engage and via HR reports through to DMTs.</p> <p>The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.</p>
8	<p><u>Salary Overpayment Repayment Plans</u></p> <p>When an overpayment has been created, Payroll should adhere to the Overpayment Policy wherever possible.</p>	<b>Medium</b>	<p>Agreed. The Service recruited an additional management grade post to address this issue in September 2024. However, the postholder left the Authority at short notice in December 2024. This task</p>	Payroll Manager	<p><del>July 2025</del></p> <p>January 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p>

	<b>This is a new recommendation for 2024/25</b>		remains outstanding. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.			<p>More is needed to ensure that overpayments are reclaimed in an appropriate and robust way.</p> <p>The iTrent optimisation work highlighted above will also create capacity in the team.</p> <p>The HR Employment Services Manager due to start October has this as an objective.</p>
9	<p><u>Employee Contracts</u></p> <p>Employees should be issued with employment contracts within a timely manner.</p> <p>In the absence of an employment contract outlining terms and</p>	<b>High</b>	Agreed. To be implemented immediately.	HR Employment Services Manager	January 2025	<p>This should be included in the Recruitment &amp; Disciplinary Audit as Payroll are not responsible for contracts of employment.</p> <p>An extra resource has been appointed for 6 months to undertake a whole review of all</p>

	<p>conditions of employment there is a risk that disputes may arise, and claims may be brought against the Authority.</p> <p><b>Brought forward from 2023/24</b></p>					<p>HR files on the drive, highlighted gaps and risks. Where needed, information to fill gaps will be obtained.</p> <p>In addition, the HR Employment Services Manager will have an objective based on auditing and tracking compliance with this action.</p>
10	<p><u>External Consultant Managers file – Communication to Recruiting Managers</u></p> <p>Starters forms for External Consultant Managers should be fully completed by an authorising officer prior to entering the individual in to the i-Trent system.</p>	<b>High</b>	Agreed. To be implemented immediately.	HR Employment Services Manager	<p>January 2025</p> <p>March 2026</p>	<p>This is partially implemented but there are gaps in the process. All external contractor/agency requests should come through the Corporate Vacancy Panel for approval, but currently this is not the case.</p> <p>An Agency Spend Working Group has been set up from October, whose role will be to create more robust governance</p>



	<p>A personnel file should be set up and include (where appropriate) the recorded delegation decision demonstrating the appointment process and employee timesheets, including a copy of a REC1.</p> <p>Managers should be reminded that external consultant staff members will not be processed unless the relevant paperwork is present.</p> <p><b>Brought forward from 2023/24</b></p>					<p>around agency workers and off framework workers.</p> <p>Therefore the date of this action has changed as this area will continue to have weakness until approval processes are strengthened.</p>
11	<p><u>Leavers Documentation</u></p> <p>All supporting documentation should be retained in respect of leavers details and stored in the appropriate folder.</p> <p><b>Brought forward from 2023/24</b></p>	<b>Low</b>	<p>Agreed. The Service will look to make further communication to Managers receiving resignations to help address delays in the receipt of these within the Payroll Service.</p>	<p>HR Employment Services Manager</p>	June 2025	Complete

--	--	--	--	--	--	--

**Report to Audit Committee**



## **Members' allowances**

**Officer Contact:** Executive Director Resources

**Report Author:** Heather Moore, Assistant Director of Governance and  
John Miller, Head of Audit and Counter Fraud

**Email:** heather.moore@oldham.gov.uk, john.miller@oldham.gov.uk

**22 October 2025**

---

### **Reason for Decision**

This report provides the Audit Committee with an overview of issues identified in the administration of members' allowances, specifically relating to underpayments and overpayments. It sets out the underlying causes, the lessons learnt, and the measures implemented to strengthen controls and reduce the risk of recurrence.

### **Recommendations**

The Audit Committee is asked to note the findings of this report and the actions taken to improve the robustness of processes relating to members' allowances.

## **Members' Allowances**

### **1 Background**

- 1.1 Members are entitled to allowances in accordance with the Council's Members' Allowances Scheme. Payments are administered via the payroll system, with information provided by Democratic Services and processed by the HR and Payroll teams. All Members are entitled to the basic allowance, and certain roles agreed by the full Council have a special responsibility allowance (SRA). An Independent Remuneration Panel (IRP) reviews Member allowances and makes recommendations to the full Council, who have a duty to consider the recommendations, but the final decision regarding allowances is with the full Council.
- 1.2 Once full council has made a decision about the Members' Allowance Scheme, which includes the setting of basic and special responsibility allowance rates, they have no further involvement in its operation or implementation, for example, Members are not required to submit a claim for basic allowance or special responsibility allowance. The responsibility for applying, administering, and ensuring compliance with the scheme rests entirely with officers.
- 1.3 In light of some members raising a query with their allowances in June, following the Annual Council meeting where roles which have a special responsibility allowance are agreed, the Assistant Director of Governance undertook a quality assurance exercise of allowances. This was ahead of the full quality assurance work, which is good practice in many other Councils, which was planned to take place during recess. Through the quality assurance exercise, discrepancies were identified in the payment of allowances, leading to both underpayments and overpayments dating back to the 2022/2023 members' allowances scheme.
- 1.4 The Chief Executive instructed a full review be undertaken by Internal Audit, Democratic Services, Finance, HR and Payroll to identify the issues and lessons learnt, which would inform the report to the Audit Committee.

### **2 Process for the review**

- 2.1 Finance and Democratic Services carried out detailed checks of historical records to ensure that payments made were in line with approved rates. This process was particularly complex as it has required us to examine c2500 individual payslips, alongside minutes of council and committee meetings in order to confirm the precise appointment details and allowances applicable to each member at different points in time, including the tracking through when there have been changes in political groups and roles during each year.

- 
- 2.2 A review of communication between teams was also undertaken to establish what records were held and what instructions had been given.
- 2.3 Internal Audit subsequently carried out sample testing of the overpayment calculations based on the information provided by the Assistant Director of Governance, and the calculations performed by the Finance Team. No errors were identified based on the information provided.
- 2.4 The Head of Internal Audit and Counter Fraud has also reviewed the proposed process for notification of future changes to Members' allowances between Democratic Services, Finance, HR and Payroll and has confirmed that the proposed processes and controls appear reasonable and fit for purpose.

### 3. **Outcome of the Review**

- 3.1 Errors were identified across all serving Members and some former Members. The responsibility for applying, administering, and ensuring compliance with the scheme rests entirely with officers, because once full council made its decision about the Members' Allowance Scheme, they had no further involvement in its operation or implementation. The discrepancies arose from weaknesses in process, communication, and validation.
- 3.2 The following factors contributed to the errors:
- a) Inconsistency with dates entered into the payroll system  
Start and end dates for allowances were not consistently recorded accurately. For example, there was evidence of Councillors who retired or did not return following the election, and they had been paid until the end of May, resulting in overpayments. There was also evidence that newly elected councillors had not been paid until the end of May, resulting in underpayments.
  - b) Lack of process for Members who forgo allowances  
The Local Authorities (Members' Allowances) (England) Regulations 2003 Part 3, Regulation 13 provides that a person may forgo all or part of any allowances to which they are entitled, and must do so in writing. There was no evidence of records retained centrally in this regard. There was also lack of clarity when members forwent their allowance in one year, and how the national pay award would be applied in subsequent years.

c) Incorrect rates applied

Payments were made because inaccurate percentage rates had been applied as detailed below.

Financial Year	Correct Basic Allowance	Approved % increase	Actual Paid	Annual Variance	Actual £ increase	Actual % increase
2021/22	10151.04		10151.04			
2022/23	10502.27	3.46%	10459.39	(£43) underpayment	£308	3.04%
2023/24	10909.75	3.88%	10922.04	£12 overpayment	£463	4.42%
2024/25	11182.50	2.50%	12212.04	£1,030 overpayment	£1,290	11.81%

d) Incorrect roles applied

Some members were in receipt of more than one Special Responsibility Allowance (SRA) related to council business, which is not permitted under the scheme. Whilst payslips can be accessed via the online system, there was no evidence that Members had been told about the availability of this, or how to access the online system. Members therefore would not have had access to detailed breakdowns of payments. Once full council have agreed the Members' Allowance Scheme, they are not involved in the operational administration of the process, for example, they do not submit claims for SRA payments, it is purely a procedural matter for which officers are responsible for implementing.

e) Poor communication

There was no evidence to confirm documented instructions between teams had been implemented, for example, when national pay awards had been applied.

f) No, or limited record keeping

There was insufficient documented evidence that appointments and roles had been shared with HR and Payroll. When any in-year changes occurred there was no evidence of records being retained to track any changes which would impact on allowances, this included those members who forwent their allowance, or changed roles in-year. There was also no evidence of informing Members about their allowances, or when their allowances changed. There was evidence of partial compliance with the requirement to publish details of the total sum paid to each member in respect of basic allowance, special responsibility allowance, dependents' carers' allowance, travelling and subsistence allowance and co-optees allowance; as the Council published details of travel and subsistence; however, there was no evidence of publication of the amounts paid in respect of basic and special responsibility allowances, as required under the Local Authorities (Members' Allowances) (England) Regulations 2003, which may have brought these matters to light earlier.

- 
- g) No quality assurance  
There was no regular quality assurance in place.

The factors outlined above contributed to overall issues relating to lack of clarity of roles and responsibilities, and no accountability of ownership.

3.3 To strengthen controls and prevent recurrence, the following measures have been introduced in response to the issues identified.

a) Agreeing clear start and end dates for payment

- i. Basic Allowance start date will be on the fourth day after the election day, when the newly elected councillors officially take up office
- ii. Basic allowance / SRA will cease on the fourth day after the election day, when the Councillor has retired / not returned
- iii. SRA start date will be from date of Annual Council meeting until the following Annual Council meeting (unless Councillor is retiring or not returned at the election, in which case (ii) above will apply)
- iv. For Councillors not standing for election, the Assistant Director of Governance will notify Finance, HR and Payroll within 3 days of the close of nominations, so that arrangements can be made to cease payments
- v. The day after the election, the Assistant Director of Governance will notify Finance, HR and Payroll of the Councillors that have not returned so that payments can cease in time for May payroll.

b) Improved communication and accountability

- i. A new process is attached at Appendix 1. This has been agreed between Democratic Services, Finance, HR and Payroll. This includes retention of records and instructions between teams, which will be held centrally.
- ii. Recording of information on an agreed form will be introduced as a way of issuing formal instructions, which will provide an audit trail for quality assurance purposes, and these will be held centrally.
- iii. Finance will verify any rates. All allowance rates will be subject to an independent check by Finance before being applied to the payroll system.
- iv. Introducing Member notification. Letters are to be issued to all Members at key points detailed below, to confirm any changes to their allowance rates or entitlements, as an additional layer of oversight, and this will include details on how to access payslips
  - Following elections
  - Following changes to appointments/roles
  - Following the national pay award
  - When members forgo allowances

- 
- v. When Members opt to forgo allowances, they will be required to complete a declaration for each relevant financial year and to submit this to the Assistant Director of Governance who will receive these on behalf of the Chief Executive. For example, if a member forgoes the national pay award in 2025/2026, they would be asked to complete a form and their allowance rate will remain unchanged until the next national pay award in 2026/2027, at which time they would be required to complete a new declaration for that financial year, or they would move in line with the new pay award (the uplift would not be applied to their previous rate). Records will be retained centrally of members who forgo their allowances, and this will also prompt a letter to the Member.

c) **Auditing of control measures**

Regular internal audits are scheduled to review councillor allowances, ensuring compliance and accuracy, as part of the audit of payroll. Democratic Services will also undertake quality assurance dip-sampling.

d) **Remedial actions will be carried out to adjust allowances where required and to notify affected Members and former Members.**

e) **A process for Members who wish to forgo their allowance will be introduced, whereby the member will be required to complete a form for the financial year to which it relates. If a member forgoes their allowance one year, it will be assumed that the following year that they will move onto the new basic allowance the following year unless**

3.3 **The Local Authorities (Members' Allowances) (England) Regulations 2003 requires the Council to keep a record of the payments made by it, in accordance with the scheme. At the end of the year the Council also has to make arrangements to publish the total sum paid in the year under the scheme to each recipient in respect of basic allowance, special responsibility allowance, dependents' carers' allowance, travelling and subsistence allowance and co-optees allowance.**

3.4 **In conclusion, the review has highlighted control weaknesses in the processing of Members' allowances. While underpayments and overpayments have occurred, there is no evidence to attribute these to individual error. Instead, they reflect shortcomings in processes and communication between services. With the lessons learnt and new measures in place, the Council is strengthening its assurance framework and reducing the likelihood of recurrence.**

## 4 **Financial Implications**

4.1 **The total cost of the issues identified in the administration of members' allowances, specifically relating to underpayments and overpayments is a gross amount of £110k before deductions/tax pending the verification process which is currently underway with Members.**

Lee Walsh – Director of Finance



---

5      **Legal Implications**

- 5.1      The actions within the report will strengthen compliance with the requirements within the Local Authorities (Members Allowances) (England) Regulations 2003. It is important that the Council operates to best practice standards and avoids a situation like this occurring again.

Alex Bougatef – Director of Legal Services

6.      **Procurement Implications**

- 6.1      None.

7      **Equality Impact, including implications for Children and Young People**

- 7.1      No.

8      **Key Decision**

- 8.1      No.

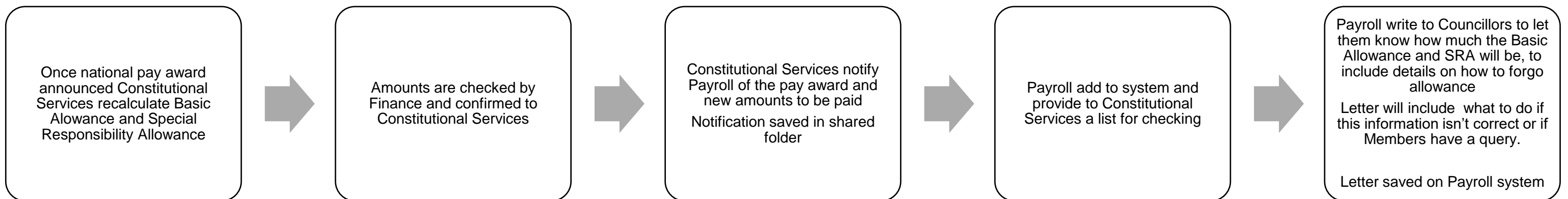
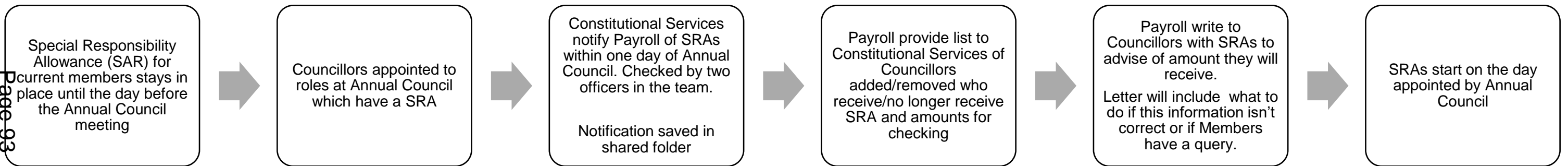
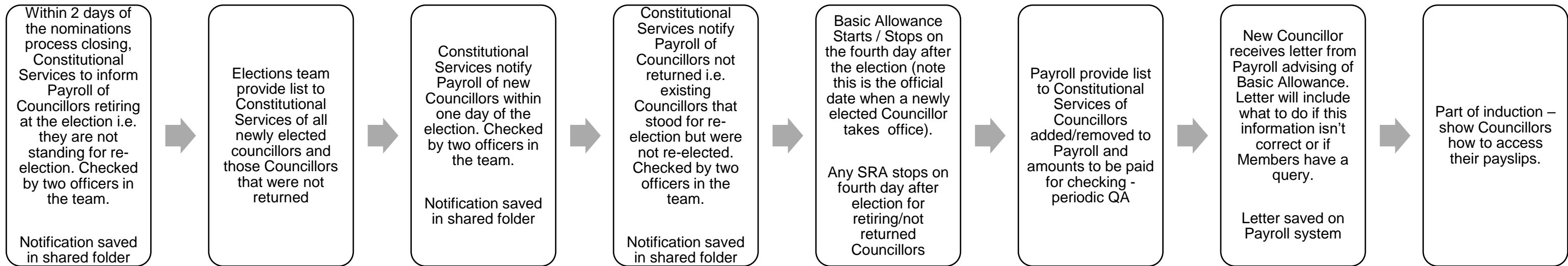
9      **Background Papers**

- 9.1      None

10      **Appendices**

- 10.1      Appendix 1 – internal process to strengthen controls

This page is intentionally left blank



This page is intentionally left blank



## Report to Audit Committee

# Q2 2025/26 Internal Audit and Counter Fraud Progress Report

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

**Officer Contact:** John Miller – Head of Audit & Counter Fraud

**Report Author:** John Miller – Head of Audit & Counter Fraud

**22 October 2025**

---

### Reason for Decision

The Audit Committee's Terms of Reference state that:

***4.4.2 The Audit Committee shall:***

***a) be responsible for oversight of the Council's Internal Audit arrangements and will;***  
***(ii) review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary;***

This report provides Members with a high-level progress report on the work of the Internal Audit and Counter Fraud team for Q2 of the 2025/26 financial year. Which, alongside the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26, assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

### Executive Summary

Audit and Counter Fraud Team activity during Q2 2025/26 included:

- Completion of seven audit reports in connection with a variety of systems of governance and internal control in place to help ensure good governance and sound financial management across Council Directorates.

- Corporate Counter Fraud activities have identified £127,882 of fraud, errors and overpayments in the year to date.

**Recommendation**

Members are requested to consider the 2025/26 Q2 Audit and Counter Fraud Progress Report.

**2025/26 Q2 Internal Audit and Counter Fraud Progress Report****1. Background**

- 1.1 This report summarises the work of the Audit and Counter Fraud Team between 1 April 2025 and 30 September 2025.
- 1.2 The main content of the report is structured as follows:
- Section 2: 2025/26 Audit and Counter Fraud Service: Progress Update.
  - Section 3: Corporate Counter Fraud.

**2. 2025/26 Audit and Counter Fraud Service: Progress Update**

- 2.1 Priorities for the 2025/26 Audit and Counter Fraud Plan include:
- Fundamental Financial Systems (FFS) reviews to provide assurance in support of the Authority's Annual Financial Statements.
  - Audits which are considered high priority and included in the Annual Internal Audit Plan.
  - Counter Fraud work to prevent and detect fraud, theft and corruption.
  - Investigations of both internal and external fraud.
  - Support in connection with postal votes for local, regional, and parliamentary elections.

Progress against these priorities is summarised below:

**2025/26 Fundamental Financial Systems (FFS) reports**

- 2.2 Work on the 2025/26 FFS reviews has commenced with the issue of Terms of Reference for selected reviews. The outcomes of the 2025/26 FFS reviews will be reported in due course.

**Other work completed**

- 2.3 Seven pieces of planned work were completed and reported in Q2 in connection with:
- Housing Options Service
  - SEND Mainstream Placements
  - Street Lighting – Follow up
  - Energy Management – Follow up
  - St Theresa's RC Primary School – Follow up
  - Children's Services Complaints
  - Payment Card Industry Data Security Standards

The outcomes of these reviews are shown at Appendix 1.

Work is also ongoing in respect of:

- Miocare Supported Living
- Oldham Total Care
- Let Estate – Follow up
- Home to School Transport – Follow up
- Fostering Service
- Highways Maintenance
- Waste Management

### Other Work Undertaken

- 2.5 The team has also supported both the Director of Finance and other colleagues within the Finance Service, and in other service areas, with ad hoc requests for support and assistance throughout the period as required.
- 2.6 The Head of Audit and Counter Fraud continues to support the Committee, with a number of reports produced for review and consideration at this meeting.

### Follow up of Audit Recommendations

- 2.7 A summary of the outcomes of the follow up work undertaken to monitor the implementation of audit recommendations arising from audit reports receiving a Reasonable or better assurance opinion during the period is shown in the table below:

Status / Progress	Q2 2025/26
Recommendations/Actions Complete	7
Recommendation/Actions Not Agreed / No Response	8
Recommendation/Actions Ongoing / Revised Timescale	7
<b>Total</b>	<b>22</b>

- 2.8 Revised timescales for implementation have been requested by Management in respect of all recommendations contained within a review of the Council's Public Health Grant due to resource constraints. We are liaising with the Service in agreeing revised timescales. This request will go to the Chief Executive's Strategy group for approval.
- 2.9 No management responses have been received in connection with the most recent VAT Report. We are liaising with Service management to review and agree implementation dates for the recommendations in this report.
- 2.10 The Audit and Counter Fraud Service will continue to monitor and report on implementation on an aggregate basis and, going forward in 2025/26, on an individual report basis for all reports receiving a Limited or lower assurance opinion. Limited assurance reports issued during Q2 2025/26 are reported separately on this agenda.

### 3. Corporate Counter Fraud

- 3.1 The Corporate Counter Fraud Team continues to perform well. Appendix 2 sets out the key outcomes from the work conducted.
- 3.2 Highlights include the identification of:

Performance Indicator/Output Measure	2025/26 (Q2)
No. of Corporate Cases - Positive Results	14
No. of CTR cases amended as a result of an investigation	22
Corporate cases Fraud, Error & Overpayments	£43,329.62
HB Fraud, Error & Overpayments from CTR investigations	£8,369.70
CTR Fraud, Error & Overpayments identified	£42,885.96
<b>Total Financial Outcomes from Counter Fraud</b>	<b>£94,585.28</b>

- 3.3 The latest bi-annual National Fraud Initiative (NFI) commenced in Quarter 3 of 2024/25. The Counter Fraud team co-ordinated the collation and submission of multiple datasets to the



Cabinet Office, carrying out all necessary data quality checks in preparation for nationwide data matching.

3.4 Initial results from this NFI cycle are included in the outcomes reported at Appendix 2, with early successes identified in the areas of Single Person Discounts and Blue Badge misuse.

3.5 Further outcomes from the exercise will be monitored and reported to Members through future committee updates.

#### **4 Options/Alternatives**

4.1 The Audit Committee can either:

- a) choose to accept and note the progress achieved and performance by the Audit and Counter Fraud Team; or,
- b) decline to accept and note the progress achieved and performance by the Audit and Counter Fraud Team and suggest an alternative approach.

#### **5 Preferred Option**

5.1 The preferred option is that the Audit Committee accepts and notes the progress achieved and performance by the Audit and Counter Fraud Team.

#### **6 Consultation**

6.1 N/A.

#### **7 Financial Implications**

7.1 N/A.

#### **8 Legal Services Comments**

8.1 N/A.

#### **9 Co-operative Agenda**

9.1 N/A.

#### **10 Human Resources Comments**

10.1 N/A.

#### **11 Risk Assessments**

11.1 The 2025/26 Audit and Counter Fraud Plan was prepared, reviewed, and updated using a risk-based approach. The Terms of Reference for each agreed project are also determined using a risk-based methodology. (John Miller)

#### **12 IT Implications**

12.1 N/A.

#### **13 Property Implications**

13.1 N/A.

## 14 **Procurement Implications**

14.1 N/A.

## 15 **Environmental and Health & Safety Implications**

15.1 N/A.

## 16 **Equity, Community Cohesion and Crime Implication**

16.1 N/A.

## 17 **Equality Impact Assessment Completed**

17.1 No.

## 18 **Forward Plan Reference**

18.1 N/A.

## 19 **Key Decision**

19.1 No.

## 20 **Background Papers**

20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act

File Ref:	Background papers are included as Appendices 1 & 2
Officer Name:	John Miller
Contact:	john.miller@oldham.gov.uk

## 21 **Appendices**

21.1 The following Appendices are available to support this Report:

- **Appendix 1:** Summary of Audit Reports & Outcomes – 1 April to 30 September 2025
- **Appendix 2:** Counter Fraud Results – 1 April to 30 September 2025

## Audit and Counter Fraud 2025/26- Summary of Audit Reports/Outcomes - 1 April 2025 to 30 September 2025

Report Ref	Directorate	Audit Review/Counter Fraud Report	Report/Briefing Note	Quarter	Opinion
	2025/26				
1	Corporate Resources	2024/25 FFS – Accounts Receivable	Report	Q1	Reasonable
2	Corporate Resources	2024/25 FFS – Accounts Payable	Report	Q1	Reasonable
3	People	2024/25 FFS – Direct Payments	Report	Q1	Limited
4	People	2024/25 FFS – Residential Care	Report	Q1	Limited
5	Corporate Resources	2024/25 FFS – Debt Recovery	Report	Q1	Limited
6	Place	Housing Options	Report	Q1	Reasonable
7	People	St. Agnes C of E Primary School	Report	Q1	Reasonable
8	Corporate Resources	IT Supplier Management	Report	Q1	Limited
9	Corporate Resources	Cloud Service Management	Report	Q1	Limited
10	Corporate Resources	2024/25 FFS – Fixed Assets	Report	Q1	Reasonable
11	Corporate Resources	2024/25 FFS – Treasury Management	Report	Q1	Reasonable
12	People	Corporate Performance Management,	Report	Q1	Limited
13	Corporate Resources	Overtime Review	Report	Q1	Limited
14	People	Children's to Adults Social Care Transitions	Report	Q1	Limited
15	Corporate Resources	Procurement Act 2023	Report	Q1	Reasonable
16	Corporate Resources	2024/25 FFS – Income Control	Report	Q1	Reasonable
17	People	Whitegate End Primary School	Report	Q1	Reasonable
18	Corporate Resources	IT Physical Security & Environmental Controls	Report	Q1	Limited
19	Place	Housing Options Service	Report	Q2	Reasonable
20	People	SEND Mainstream Placements	Report	Q2	Reasonable
21	Place	Street Lighting – Follow up	Report	Q2	Reasonable
22	Place	Energy Management – Follow up	Report	Q2	Reasonable
23	People	St Theresa's RC Primary School – Follow up	Report	Q2	Reasonable
24	People	Children's Services Complaints	Report	Q2	Limited

25	Corporate Resources	Payment Card Industry Data Security Standards	Report	Q2	Limited
----	---------------------	---	--------	----	---------

**Key:**

Opinion	Description
Advisory	The work in this area is either not audit work in nature, such as provision of advice and consultancy, and/or is undertaken on behalf of third parties.
Assurance	The work in this area has been undertaken in order to provide assurance that, e.g. funding has been spent as intended and/or procedures and controls have operated effectively
Weak/No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited
Inadequate/Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
Adequate/Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Good/Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

## Audit and Counter Fraud Q2 2025/26

Counter Fraud Results 1 April 2025 to 30 September 2025

Counter Fraud Team 2025/2026	Quarter 1	Quarter 2	Total
Corporate Cases - Positive Results	65	14	79
Fraud and Error Overpayments identified as part of Corporate Cases (£)	£7,296.39	£43,329.62	£50,626.01
CTR cases amended as a result of an investigation	18	22	40
HB Fraud and Error Overpayments identified as part of a CTR investigation (£)	£117.26	£8,369.70	£8,486.96
CTR Fraud and Error Overpayments identified (£)	£25,883.94	£42,885.96	£68,769.90
<b>Financial Outcomes</b>	<b>£33,297.59</b>	<b>£94,585.28</b>	<b>£127,882.87</b>

This page is intentionally left blank



## Report to Audit Committee

### Q2 2025/26 Audit Opinion Reports with Weak or Limited assurance opinions

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

**Officer Contact:** John Miller – Head of Audit & Counter Fraud

**Report Author:** John Miller – Head of Audit & Counter Fraud

**22 October 2025**

---

#### Reason for Decision

The Audit Committee's Terms of Reference state that:

***4.4.2 The Audit Committee shall:***

- a) be responsible for oversight of the Council's Internal Audit arrangements and will;***
- (ii) review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary;***

This report provides Members with details of those opinion reports with Weak or Limited assurance opinions issued / followed up in Q2 of the 2025/26 financial year. This report, in combination with:

- Quarterly progress reports on Internal Audit progress.
- The Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26.

Assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

---

## **Executive Summary**

At the Audit Committee meeting of 23<sup>rd</sup> March 2025, Members requested further details of those reports receiving Weak or Limited assurance opinions for further scrutiny by the Committee.

The reports reproduced in the attached appendix has been edited to remove the following in line with Data Protection and Confidentiality requirements in order to protect the Council, it's staff, partners, contractors and clients from potential harm.

- Personal details of staff graded below Head of Service level.
- Personal details of clients and service users which may be used to identify them in contravention of the requirements of the Data Protection Act.
- Details relating to contractual arrangements with the Council's partners and providers.

With the exception of the removal of personal details of staff graded below Head of Service, the details removed relate to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details does not affect the findings or recommendations contained in the attached reports, and these are reproduced in full.

IT related reports are included in the private part of the agenda due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

The reports attached as appendices are:

Appendix 1 - Children's Services Complaints

Appendix 2 – Payment Card Industry Data Security Standard (PCI-DSS) Compliance

## **Recommendation**

Members are requested to consider the Audit Reports reproduced in the attached appendices.



# Oldham Council Internal Audit

## Children's Complaints Review

### Draft Report

29 September 2025

**Prepared by**  
Internal Audit Service

**Reviewed by**  
John Miller                      Head of Internal Audit and Counter Fraud.

**Issued to**  
Fiona Greenway              Executive Director of Corporate Resources  
Anthony Decrop              Acting Director Children's Social Care and Early Help  
Sheila Garara                Assistant Director Children's Services Integration  
Kimberley Nield             Assistant Director of Safeguarding  
Fran Lautman                Assistant Director of Customer Experience  
Complaints Manager

## Children's Complaints Review

### 1 Background

- 1.1 A review of the Children's Services Complaints process has been undertaken as part of the 2025/26 Internal Audit Plan.
- 1.2 The complaints process provides local authorities with an opportunity to listen to public concerns and use any learning to drive continuous improvement. Without an effective complaints process, local authorities could face increases in customer dissatisfaction, financial loss, service disruption and damage to reputation.
- 1.3 Depending on the nature of the complaint, it will be investigated either through the Council's corporate complaints procedure or via the statutory complaint's procedure.
- 1.4 Under section 26(3) of the Children Act 1989, every local authority is required to establish a procedure for considering certain complaints about children's services. The procedure covers complaints about:
  - the Council's services to children in need or in care
  - how a Council applies to take a child into care
  - fostering and adoption services
  - services to children leaving care
- 1.5 The guidance 'Getting the best from Complaints' provides advice for local authorities on implementing the Children Act 1989 complaints procedure for children and young people. The procedure has three stages:
  - The first is a response from the department concerned.
  - The second stage is an investigation which is overseen by an independent person.
  - The third stage is a review panel made up of three independent people.

If the customer remains unhappy with how their complaint has been dealt with they have the right to have the matter reviewed by the relevant Ombudsman, for example, the LGSCO (Local Government and Social Care Ombudsman).

### 2 Objectives and Scope

- 2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review will be conducted in accordance with the Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024.
- 2.2 The scope of the audit included examining whether:
  - Complaints are handled efficiently and in line with Council policy.
  - Public information relating to the complaints process is informative, clear, and accessible.
  - Complaint handling processes result in good quality responses to complainants.
  - Processes and statutory timescales have been followed in line with policy.
  - Complaint statistics are reviewed, reported and lessons learned are implemented.
  - Benchmarking across GM authorities is utilised to evaluate performance and reporting.

### **3 Main Findings**

#### **3.1 Policies and Procedures**

Policies and Procedures help ensure that management directives are carried out, and that necessary actions are taken to address risks to achieving the Council's objectives. Whilst policies and procedures are in place for complaints, it was noted that they are not reviewed on a regular basis with many of the procedures out of date. For example, outdated policies include the Statutory CSC Complaints Policy and the Single Point of Contact Procedure.

Having a detailed, up to date, and regularly reviewed procedure, helps to ensure that consistent procedures are being followed by all staff and that they remain consistent with the Council's overall objectives.

**See Recommendation 1 in Section 6 of this report.**

#### **3.2 Staff Training**

Training for Children's Services is largely completed internally; however, this learning and training is not currently being documented using training logs or any other alternative method. Discussions with officers also identified that there is also a low attendance rate for the training.

Staff training and learning logs would provide a clear means of reviewing individual training history and ultimately help to identify any gaps in knowledge and make training plans for future coverage.

**See Recommendation 2 in Section 6 of this report.**

#### **3.3 Case Management System**

The Complaints Manager demonstrated a walkthrough of the Case Management System and explained that the technology of the platform is over 15 years old. The software was written some years ago, and there are no upgrades available to enable potential for development. This system no longer supports efficient and effective working hence the need to progress implementation of a replacement.

It is recommended that the Complaints Team embed a new electronic casework management system across all directorates including Children's Services to provide better oversight and monitoring.

**See Recommendation 3 in Section 6 of this report.**

#### **3.4 Complaints Response Time**

In 2024/25 the review identified that 49% of Children's Services Complaints were responded to on time. It was highlighted in discussions with Officers that the key challenges include:

- Delays in resolving service requests, resulting in escalation of complaints.
- Delays in receiving draft responses.
- Lack of consistency in response quality.
- Timeliness of responses to Ombudsman enquiries and recommendations.

It is important that investigating managers continue to communicate any expected delays to the complainants in a timely manner. Where responses to complaints are not sent within

the prescribed timescales and complainants are not notified of potential delays in responding, there is a risk of complaints being escalated.

It is recommended that the Council compare its complaints statistics with other similar Authorities as a means of determining whether the quality and level of service are comparable. It also provides an opportunity to identify areas of good practice which can be adopted as a means of service improvement

**See Recommendation 4 in Section 6 of this report.**

### 3.5 Lessons Learned

Every complaint presents an opportunity to put things right for the complainant and for the Council to learn and improve. From discussions with officers and evidence from the working papers it was found that complaint findings are not consistently shared and discussed within Children's Services Teams.

Lessons learned are not consistently shared within Children's Services Teams, and service improvements are not regularly reviewed and shared as best practice. If a service improvement is identified, an implementation date should be agreed, and management should check that it has been completed. Whilst individual services may improve as a result of feedback, the Council is unable to corporately evidence lessons learned, outcomes achieved, or changes implemented

**See Recommendation 5 in Section 6 of this report.**

### 3.6 Scrutiny Reporting Lines

Currently there is limited reporting of complaint statistics to either Children's Services DMT or members. The Complaints Team currently only report to Governance Strategy and Resources Scrutiny Board. It is recommended that a process is put in place to improve elected member oversight of Ombudsman complaints. The LGSCO is keen that Scrutiny Members play an active role in holding their Local Authority to account on complaints and has created a wide range of information to support Members to carry out the Scrutiny function for complaints handling.

A process should be put in place to notify all Senior Managers in Children's Services and relevant Cabinet Members about LGSCO cases and decisions.

**See Recommendation 6 in Section 6 of this report.**

### 3.7 Vexatious, Persistent and Unreasonable Complaints

The Policy and Guidance for Dealing with Unreasonable Customer Behaviour was reviewed in December 2024 and updated to include guidance from the Local Government Ombudsman. It makes specific reference to the use of racist, sexist, homophobic or other discriminatory language as being unacceptable.

There is currently no corporate area to record complaints which will aid in the identification of persistent, unreasonable and vexatious complainants. Vexatious, persistent and unreasonable complaints should be recorded centrally to ensure that Children's Services staff are aware of any potential risks.

**See Recommendation in 7 Section 6 of this report.**

### 3.8 Quality Assurance Checks

There is currently no formal quality assurance process in place for the purpose of reviewing complaints records and responses. Once a complaint has been drafted by the Investigating Officer, quality assurance checks should consistently be conducted by the Head of Service responsible for the area, prior to the response being returned to the Complaints Team.

Quality assurance checks would help to limit non-compliant responses and promote communication that is in line with LGSCO best practice guidance. Results of quality assurance checks could also be used to inform further training and guidance for members of the Service.

**See Recommendation 8 in Section 6 of this report.**

### 3.9 Recording of Complaints on Mosaic

Complaints and responses are not currently uploaded onto the personal Mosaic file of the complainant or the child. It is important transparent records are kept in Mosaic for continuity purposes and to provide a clear picture of the Child's journey.

Documents such as complaints, responses, emails or letters should be saved to Mosaic and not stored off-system; relevant staff should have their authorisation levels revised, if necessary, to enable them to complete this action.

**See Recommendation 9 in Section 6 of this report.**

### 3.10 Review of Ombudsman Recommendations

Where failings are identified, the LGSCO can put action plans in place for the Local Authority to remedy these. While Oldham Council saw a reduction in the overall number of complaints and enquiries escalated to the LGSCO in 2024/25, the uphold rate remained relatively high at 73%.

Recommendations raised by the Ombudsmen should be recorded on a central tracker and implementation reviewed and reported regularly to senior management to ensure that they are responded to in a timely manner. The tracker should be shared with Complaints colleagues for continuity purposes.

**See Recommendation 10 in Section 6 of this report.**

## 4 **Overall Opinion**

4.1 There is a **Limited level** of assurance that the controls within the Children's Complaints system are effective in supporting the Council in this area. This level of assurance is based on the following key findings:

- Our sample testing found that complaints were not always dealt with in a timely manner
- Lessons learnt and best practice are not considered as part of the complaints process.

## **5 Way Forward**

5.1 We would like to thank all staff involved for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

### **5.2 Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. This review has been conducted in accordance with the Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6. 2025/26 Draft Action Plan

The table below shows the recommendations for the findings arising from our audit review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
- Medium Priority** - Moderate risk to the Service it is important that the recommendation is completed
- Low Priority** - Small risk to the Service it would improve control if the recommendation were to be completed.

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date
1	<u>Policies and Procedures</u>  Management should ensure that all policies and procedures should be regularly updated so that they remain relevant and up to date for staff and service users.	High	As part of the Complaints Service Business Plan for 2025-2026 a full policy and procedure schedule has been included.  Most policies are due to be agreed by our Scrutiny Board in October 2025. We will continue to monitor and ensure timely progress.	Assistant Director of Customer Experience	31 December 2025
2	<u>Staff Training</u>  Where necessary Children's Services staff should be provided with relevant training to support their role effectively. It is recommended that a training log is produced and monitored to aid in this.	High	<u>Assistant Director of Customer Experience</u>  We are developing e-learning modules to support staff understanding of complaints, which are due to go live by Q3 2025. Annual training is also offered by the Complaints Team. Additionally, we can provide further training/support as requested by Children's Services.	Assistant Director of Customer Experience  Assistant Director Children's Service Integration	31 December 2025

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date
			<u>Assistant Director</u> <u>Safeguarding and Quality Assurance:</u>  There were 2 training sessions delivered by the complaints team to CSC managers during 2024 and in 2025 we have had a further 2 sessions delivered on 05/08/25 and 06/08/25. These drop-in sessions are arranged as required by the service and support consistency across the service in approach to complaint responses.  The implementation of the new e-learning platform will support the upkeep of accurate training logs for all staff.		
3	<u>Case Management</u>  It is recommended that the Service procure a new case management system to provide better oversight and monitoring.	Medium	We are actively pursuing a new case management system in collaboration with internal colleagues. Our aim is to have a system sourced and approved by October 2025.	Assistant Director of Customer Experience	31 March 2026
4	<u>Complaints Response Time</u>  All Directors and Officers should ensure that responses are completed and reviewed for quality assurance purposes within the prescribed timescales.	High	All directors and officers are aware of complaints timescales and the complaints team have presented to senior leadership meetings across Children's Services  Complaints are tracked weekly by services, monitored fortnightly by senior leaders, complaints reports are scrutinised monthly at the CSC	Assistant Director Safeguarding and Quality Assurance	In Progress



No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date
			<p>management meeting, themes and trends at the monthly Quality Improvement Group, reported monthly to the Children's DMT and council management board, and scrutinised quarterly by the lead member and children and young people scrutiny board.</p> <p>In August 2025 there are now 19 open complaints with 52.6% currently within timescale so far in Q2 evidencing significant improvement since April 2025.</p>		
5	<p><u>Lessons learned</u></p> <p>Lessons learned and service improvement plans should be produced and shared at senior level.</p>	Medium	Trends are monitored monthly through the Quality Improvement Group chaired by the Director of Social Care and Early Help. This informs service development plans and practitioner forum topics to ensure relevant learning is widely shared.	Assistant Director Safeguarding and Quality Assurance	Complete
6	<p><u>Scrutiny Reporting Lines</u></p> <p>Complaints reporting and monitoring should be introduced in Children's Services Management meetings, service panels and Members briefings.</p>	Medium	Complaints are tracked weekly by services, monitored fortnightly by senior leaders, complaints reports are scrutinised monthly at the CSC management meeting, themes and trends at the monthly Quality Improvement Group, reported monthly to the Children's DMT and council	Assistant Director Safeguarding and Quality Assurance	Complete

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date
			<p>management board, and scrutinised quarterly by the lead member and children and young people scrutiny board.</p> <p>In August 2025 there are now 19 open complaints with 52.6% currently within timescale so far in Q2 evidencing significant improvement since April 2025.</p>		
7	<p><u>Vexatious, Persistent and Unreasonable Complaints</u></p> <p>A corporate review of how complaints are monitored and reviewed should be conducted to ensure trends of vexatious, persistent and unreasonable complaints are monitored effectively to protect staff and service users.</p>	Medium	We plan to review our Unreasonable Behaviour Policy by October 2025. As part of this, we will strengthen oversight and reporting mechanisms, including the development of a shared SPOC database to support effective monitoring.	Assistant Director of Customer Experience	31 December 2025
8	<p><u>Quality Assurance Checks</u></p> <p>Children's Services Management are advised, as part of the assurance process to QA all responses throughout the life cycle of the complaint.</p>	Medium	<p>Complaint responses are subject to Quality Assurance oversight from the complaints team and the line manager of the complaint respondent.</p> <p>The complaint tracker is shared with the senior leadership team on a weekly basis to ensure that ownership for timely response to complaints is held at a senior level.</p>	<p>Assistant Director Safeguarding and Quality Assurance</p> <p>All Assistant Directors</p>	Complete

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date
9	<u>Recording Complaints on Mosaic</u>  Documents such as complaints, responses, emails or letters should be saved to Mosaic and not stored off-system.	Medium	The complaints team hold records of complaints received and complaint responses issued.  A case note will be recorded on Mosaic to ensure that a summary of the complaint is clearly recorded.	Assistant Director Safeguarding and Quality Assurance  All Assistant Directors	31 December 2025
10	<u>Ombudsman Recommendations</u>  Children's Services should maintain a LGSCO recommendation tracker and review and report on implementation on a regular basis.	Medium	The complaints team will report monthly to Children's DMT LGSCO recommendations as part of the monthly children's complaints overview. The tracker will be updated with information shared via Children's DMT and tracked through monthly QIG meeting.	Assistant Director Safeguarding and Quality Assurance	31 December 2025

This page is intentionally left blank



## Report to Audit Committee

# External Audit – Enquiries of Those Charged with Governance 2024/25

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader / Cabinet Member for Finance, Corporate Services and Sustainability.

**Officer Contact:** Fiona Greenway, Interim Executive Director of Corporate Resources.

**Report Author:** John Miller, Head of Audit and Counter Fraud.

**22 October 2025**

## Reason for Decision

---

The Audit Committee's Terms of Reference state that:

### ***4.4.2 The Audit Committee shall:***

- a) be responsible for oversight of the Council's relationship with the External Auditor, including consideration of:**
- (iv) issues arising from the audit of the Annual Statement of Accounts.**

To enable the Council's External Auditor, Forvis Mazars LLP, to carry out duties required under the Local Audit and Accountability Act 2014, the Council is required to provide the auditors with the necessary assurances required under International Standards on Auditing (ISA).

## Executive Summary

In carrying out the annual audit of the Council, Forvis Mazars LLP must comply with the International Standards on Auditing (ISA) as adopted by the UK Financial Reporting Council (FRC).

ISA require the auditor to make enquiries of Management, Internal Audit and Those Charged with Governance (TCWG) to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity.

Forvis Mazars LLP has sent two questionnaires setting out their enquiries. The questionnaires, and the Council's proposed responses, are set out at Appendix 1, 2, 3 and 4 as follows:

At the Committee's meeting of 23<sup>rd</sup> July 2025, Members asked for a further addition to the proposed responses in the appendices attached in order to make clear that regular reporting on progress against audit report action plans to Executive Management and the Audit Committee will continue during the year. This has been clarified in the attached appendices.

Appendix 1 – Forvis Mazars Enquiries of Those Charged with Governance (Audit Committee)

Appendix 2 – Audit Committee response to Forvis Mazars Enquiries of Those Charged with Governance

Appendix 3 – Forvis Mazars Enquiries of Those Charged with Governance (Director of Finance)

Appendix 4 – Director of Finance response to Forvis Mazars Enquiries of Those Charged with Governance

## **Recommendation**

That Members of the Audit Committee are asked to consider the attached responses, suggest any amendments they believe are appropriate and to note the Council's responses to the External Auditors, Forvis Mazars LLP.

One St Peter's Square  
Manchester  
M2 3DE

Tel: +44 (0)161 238 9200  
[forvismazars.com/uk](http://forvismazars.com/uk)



Members of the Audit Committee  
Oldham Metropolitan Borough Council  
Civic Centre, West Street  
Oldham  
OL1 1UT

Direct line +44 (0) 161 238 9333  
Email [yogita.das-patel@mazars.co.uk](mailto:yogita.das-patel@mazars.co.uk)  
Date 3<sup>rd</sup> April 2025

Dear Councillors,

### Audit 2024/25 - understanding those charged with governance processes and arrangements

We are required by auditing standards to maintain a good understanding of the Authority's management processes and arrangements. This enables us to deliver an efficient audit and reduces the time the Authority's staff need to spend responding to auditors' queries. As part of this process, I would be grateful if you could provide a response to the following questions on behalf of the Audit Committee:

- How do you exercise oversight of management's processes in relation to:
  - undertaking an **assessment of the risk that the financial statements may be materially misstated due to fraud or error** (including the nature, extent and frequency of these assessments);
  - identifying and responding to risks of fraud in the Authority, including any specific **risks of fraud** which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
  - **communicating to employees its view on business practice and ethical behaviour** (for example by updating, communicating and monitoring against the Authority's code of conduct); and
  - communicating to you the processes for **identifying and responding to fraud or error**.
- How do you **oversee management processes** for identifying and responding to the risk of fraud and possible breaches of internal control? Are you aware of any breaches of internal control during 2024/25? If so, please provide details.
- How do you gain assurance that **all relevant laws and regulations have been complied with**? Are you aware of any instances of non-compliance during 2024/25? If so, please provide details.
- Are you aware of any **actual or potential litigation or claims that would affect the financial statements**? If so, please provide details.
- Are you aware of any **actual or potential litigation or claims that would affect the financial statements**? If so, please provide details.
- Have you carried out a **preliminary assessment of the going concern assumption** and if so have you identified any events which may cast significant doubt on the Authority's ability to continue as a going concern? If so, please provide details.

One St Peter's Square  
Manchester  
M2 3DE

Tel: +44 (0)161 238 9200  
[forvismazars.com/uk](https://forvismazars.com/uk)



In addition to the above, which cover the Authority's processes and controls, **Appendix 1 includes further questions to ascertain your views on fraud.** Your responses will inform our assessment of the risk of fraud and error within the financial statements, which in turn determines the extent of audit work undertaken in 2024/25.

I would be grateful if you could respond by letter or email on behalf of the Audit Committee. In the meantime, please don't hesitate to contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Yogita Das-Patel  
Audit Manager



One St Peter's Square  
Manchester  
M2 3DE

Tel: +44 (0)161 238 9200  
[forvismazars.com/uk](http://forvismazars.com/uk)



## Appendix 1

Question	Answer
1. Are you aware of any actual, suspected or alleged instances of fraud during the period 1 April 2024 - 31 March 2025? (if yes, please provide details)	
2. Do you suspect fraud may be occurring within the Council?	
3. Have you identified any specific fraud risks within the Council?	
4. Are you satisfied that internal controls, including segregation of duties, exist and work effectively? (if yes, please provide details)	
5. If not where are the risk areas?	
6. How do you encourage staff to report their concerns about fraud?	
7. What concerns about fraud are staff expected to report?	
8. Are you aware of any related party relationships or transactions that could give rise to instances of fraud?	
9. How do you mitigate the risks associated with fraud related to related party relationships and transactions?	
10. Are you aware of any entries made in the accounting records that you believe or suspect are false or intentionally misleading?	
11. Are there particular balances in the accounts where fraud is more likely to occur?	
12. Are you aware of any assets, liabilities or transactions that you believe have been improperly included or omitted from the accounts of the Council?	

One St Peter's Square  
Manchester  
M2 3DE

Tel: +44 (0)161 238 9200  
[forvismazars.com/uk](http://forvismazars.com/uk)



13. Could a false accounting entry escape detection? If so, how?	
14. Are there any external fraud risk factors, such as collection of revenues?	
15. Are you aware of any organisational or management pressure to meet financial or operating targets?	
16. Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?	
17. What arrangements has the Council put in place in response to the Bribery Act 2010?	

Question	Audit Committee Response
<ul style="list-style-type: none"> <li>How do you exercise oversight of management's processes in relation to:</li> </ul>	
<ul style="list-style-type: none"> <li>undertaking an <b>assessment of the risk that the financial statements may be materially misstated due to fraud or error</b> (including the nature, extent, and frequency of these assessments);</li> </ul>	<p>The Committee can advise that the Director of Finance provides regular updates to the Audit Committee on matters relating to the production of the Statement of Accounts. Arrangements are in place for staff within the Finance Team to attend appropriate training courses so that they have up-to-date technical knowledge and skills. The Council has in place a robust quality assurance system to review the accuracy and quality of its accounts. This includes checks to ensure the financial statements are correct and are supported by detailed records.</p> <p>This is supported by the review of fundamental financial systems (FFS), which are audited by the Internal Audit function. These audits include a follow up of previously agreed actions. The findings arising from the financial audits are reported to the Audit Committee on a regular basis and updates are provided against specific areas and/or systems as requested by the Audit Committee.</p> <p>The detailed audit programme, for each financial system, reflects the risk of fraud and error and the Council's External Auditors review the work completed as appropriate. This review contributes to the assessment of the risk of material misstatement.</p> <p>The Annual Report from the Head of Audit and Counter Fraud gives an opinion on the overall control environment and this includes the conclusions from the audit reviews of the financial systems.</p> <p>Audit Committee Members have received training in their role and responsibilities, including their role in reviewing the Authority's Financial Statements most recently through training provided by CIPFA on 3 and 19 June 2024. Further training, based on Member self-assessment of their own knowledge and skills is planned in November / December 2025.</p>
<ul style="list-style-type: none"> <li>identifying and responding to risks of fraud in the Council, including any specific <b>risks of fraud</b> which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure</li> </ul>	<p>The Audit and Counter Fraud (A&amp;CF) Team identifies and responds to the risk of fraud via the on-going review of the A&amp;CF Plan. This is an annual plan based on strategic audit needs assessment, the Fraud Response Plan, and the Fraud and Loss Risk Assessment.</p> <p>This includes the risk of fraud identified by the National Audit Office (NAO) Fraud Advisory Panel, the CIPFA Fighting Fraud and Corruption Locally guidance and the Cabinet Office in their role as lead for the National Fraud Initiative (NFI).</p>

Question	Audit Committee Response
for which a risk of fraud is likely to exist;	The Head of Audit and Counter Fraud ensures that the risk of fraud is highlighted to the Audit Committee the regular service updates submitted to the Audit Committee.
<ul style="list-style-type: none"> <li>communicating to employees its view on business practice and ethical behaviour (for example by updating, communicating, and monitoring against the Council's code of conduct); and</li> </ul>	<p>The Staff Code of Conduct and its appendices set out the standards expected around a range of matters, including the Nolan Principles (Standards of Public Life), gifts and hospitality, disclosure of information, relationships.</p> <p>The Code of Conduct is available via the Council's Intranet and is included as part of the Council's induction training.</p> <p>The Members Code of Conduct sets out the standards expected from elected Members.</p> <p>Respective Codes of Conduct are regularly reviewed.</p>
<ul style="list-style-type: none"> <li>communicating to you the processes for identifying and responding to fraud or error.</li> </ul>	<p>The Audit Committee can advise that fraud risks and issues are reported by the Head of Audit and Counter Fraud in the A&amp;CF Plan, the Fraud and Loss Risk Assessment and via regular specific reporting.</p> <p>A suite of updated Counter Fraud policies was presented to, reviewed by and approved by the Council's Audit Committee on 22 October 2025.</p>
<ul style="list-style-type: none"> <li>How do you oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control? Are you aware of any breaches of internal control during 2024/25? If so, please provide details.</li> </ul>	<p>The A&amp;CF Plan as reported to the Audit Committee includes reviews of management process and controls. The conclusions and actions arising from the audits in the plan, and any ad hoc reviews, are reported to the Audit Committee regularly as part of the summary of Internal Control Matters in each Directorate/Service area.</p> <p>A&amp;CF agree recommendations with managers to improve internal control, which are routinely subject to follow-up. The 2024/25 Annual Report by the Head of Audit and Counter Fraud sets out his opinion to inform the Audit Committee.</p>
<ul style="list-style-type: none"> <li>How do you gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2024/25? If so, please provide details</li> </ul>	<p>In accordance with the appropriate financial thresholds/scheme of delegation, all reports to the Council's Committees include formal comments from appropriate statutory officers.</p> <p>Internal Audit reviews whether the Council has adhered to relevant legislation and guidance as part of its ongoing audit arrangements and programmes.</p>
<ul style="list-style-type: none"> <li>Are you aware of any actual or potential litigation or claims that would affect the financial</li> </ul>	All appropriate and significant matters have been incorporated into the production and review of the Council's AGS.

Question	Audit Committee Response
<b>statements?</b> If so, please provide details.	As at 31 March 2025, there is no specific matter which is required to be reported upon in the accounts.
<ul style="list-style-type: none"> <li>Have you carried out a <b>preliminary assessment of the going concern assumption</b> and if so have you identified any events which may cast significant doubt on the Council's ability to continue as a going concern? If so, please provide details.</li> </ul>	<p>By compliance with professional standards, the Director of Finance (Section 151) presents a balanced budget for approval at full Council and prepares the Council's financial statements on the going concern basis of accounting. This confirms the ability of a business to meet its financial obligations when they fall due.</p> <p>The 2024/25 Draft Statement of Accounts sets out that the financial statements are prepared on a going concern basis. Additional reports are submitted to this Committee to provide additional assurance on the going concern basis.</p> <p>Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement it would influence the decisions made by users of the accounts. This could be due to the value or the nature of the disclosure.</p> <p>All significant matters affecting the Council are discussed in the Council's AGS and in the Director of Finance' narrative report to the Annual Statement of Accounts.</p> <p>The Committee liaises with the Head of Audit and Counter Fraud and the Director of Finance and can therefore receive specific briefings on the overall financial position of the Council. The Committee can request detailed information on any issues should it have any concerns.</p>

Question	Response
1. Are you aware of any actual, suspected, or alleged instances of fraud during the period 1 April 2024 – 31 March 2025 ( <i>if 'yes', please provide details</i> )?	During this period of time there has been no significant (i.e., greater than £10k) corporate (in-house) fraud reported to the Committee, by internal staff, which has required investigation.
2. Do you suspect fraud may be occurring within the Council?	<p>As at 31 March 2025, the Committee has been assured that all instances of suspected fraud within the organisation have been investigated.</p> <p>The Council is a complex multidisciplinary organisation. The Audit Committee is aware that there is a risk that Officers are unaware of some fraud occurring that they would otherwise bring to the Committee's attention.</p>

Question	Response
	<p>The routine reports to the Audit Committee by the Head of Audit and Counter Fraud on progress against the Annual Audit Plan set out the position on any fraud uncovered.</p>
<p>3. Have you identified any specific fraud risks within the Council?</p>	<p>Fraud Risks are captured, reported, and monitored by the Audit Committee via the Fraud and Loss Risk Assessment, the Fraud Response Plan, and the FFCL checklist, and fraud risks are routinely assessed for each audit review.</p>
<p>4. Are you satisfied that internal controls, including segregation of duties, exist and work effectively (<i>if 'yes', please provide details</i>)?</p>	<p>In all financial systems for 2024/25, Officers have provided assurance that there are agreed processes to review transactions.</p> <p>There are issues identified in the operation of some systems which have been highlighted to the Audit Committee.</p> <p>Where appropriate, extra audit testing is conducted by Internal and External Audit to provide extra assurance around known issues.</p> <p>Detailed Action Plans are in place, subject to regular follow-up.</p> <p>This follow-up will include regular reporting on progress against action plans to Executive Management and the Audit Committee.</p>
<p>5. If not where are the risk areas?</p>	<p>As above, potential risks and issues are reported in the Council's AGS and Corporate Risk Register, and updates are reported to the Audit Committee on a regular basis. Risks are assessed annually and as part of detailed audit planning.</p> <p>The Council continues to experience budgetary challenges. The Council continues to track the potential risks in this area, as this is clearly an area of management focus.</p> <p>Large Capital Programme projects will also provide additional fraud opportunities in areas such as mandate fraud.</p>
<p>6. How do you encourage staff to report their concerns about fraud?</p>	<p>The Council's Whistleblowing Policy sets out the arrangements for staff to anonymously report potential concerns and it is included in the Council's Staff Code of Conduct. Following a risk assessment process, the A&amp;CF Team will investigate allegations discretely, agree a course of action and agree recommendations. Where significant issues arise, External Audit will be briefed.</p>

Question	Response
7. What concerns about fraud are staff expected to report?	The Whistleblowing Policy includes the reporting by employees of suspected misconduct, illegal acts, or failure to act. The aim of the Policy is to encourage employees and others who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.
8. Are you aware of any related party relationships or transactions that could give rise to instances of fraud?	None are recorded. Contract Procedure Rules set out the procedures for procurement and this service is subject to regular review by Internal Audit. No significant issues which will impact the financial statements have been reported in 2024/25.
9. How do you mitigate the risks associated with fraud related to related party relationships and transactions?	<p>The Council's Contract Procedure Rules set out the procedures for Procurement and this service is subject to review by Internal Audit. Other policies (and internal controls) to mitigate this risk include:</p> <ul style="list-style-type: none"> <li>• Members' Code of Conduct.</li> <li>• Members' Register of Interests in line with the 2011 Localism Act.</li> <li>• Member's Allowances are disclosed in Notes to the Council's Statement of Accounts.</li> <li>• Officers' Code of Conduct requires staff to record Gifts and Hospitality in accordance with the Code of Conduct.</li> <li>• The Council operates a Standards Committee.</li> <li>• Levying Bodies are subject to a separate external audit process.</li> <li>• The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. These details are included in Note 12 to the Statement of Accounts. In support of this Senior Officers are required to declare interests in companies, organisations, and entities with which the Council may interact in order to ensure transparency.</li> </ul>
10. Are you aware of any entries made in the accounting records that you believe or suspect are false or intentionally misleading?	The Committee is not aware of any entries in the accounting records of this nature. The Committee is assured, supported by past External Audit feedback that the Finance Service applies a detailed quality assurance process, which incorporates independent, fresh eye, documented review of the Statement of Accounts by senior management prior to submitting its draft Accounts to the External Auditor.

Question	Response
<p>11. Are there particular balances in the accounts where fraud is more likely to occur?</p>	<p>The balances of Accounts Payable (AP) and Accounts Receivable were reviewed in 2024/25 as part of the yearly FFS programme of audits. The systems for AP are exposed to the potential risk of bank mandate fraud, whereby a “fraudster” contacts the Council to inform them that their bank details have changed, in an attempt to persuade the Council to make the payment to the erroneous account.</p> <p>Staff in the AP service and Procurement team are aware off these risks and apply manual checks to mitigate them.</p>
<p>12. Are you aware of any assets, liabilities, or transactions that you believe have been improperly included or omitted from the accounts of the organisation?</p>	<p>The Committee not aware of any assets, liabilities, or transactions that have been improperly included or omitted from the accounts of the organisation.</p> <p>The Quality Assurance process in the preparation of the draft financial statements by the Finance Team ensures the detailed review of the draft accounts prior to the submission to the External Auditors.</p>
<p>13. Could a false accounting entry escape detection? If so, how?</p>	<p>This is considered to be unlikely given the internal and external assurance provided to the Audit Committee of the controls in place for processing transactions.</p> <p>The Council is a complex multidisciplinary organisation so there is a potential risk that management is unaware of some false accounting occurring.</p>
<p>14. Are there any external fraud risk factors, such as collection of revenues?</p>	<p>During 2024/25, the collection of revenue from Sundry Debtors, Council Tax and Business Rates were reviewed by Internal Audit as part of the fundamental financial systems audits.</p> <p>The external frauds in this area have become more sophisticated as fraudsters use information obtained to test the systems of all Authorities.</p>
<p>15. Are you aware of any organisational or management pressure to meet financial or operating targets?</p>	<p>The Committee is not aware of any inappropriate organisational or management pressure being applied, or incentives offered, to meet financial or operating targets. Regular budget monitoring is reported to Cabinet and feedback to the Audit Committee indicates reconciliations of key accounts are conducted monthly, and significant variances are investigated.</p>



Question	Response
<p>16. Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?</p>	<p>The Committee is not aware of any inappropriate organisational or management pressure being applied, to meet financial or operating targets. The Executive Director of Corporate Resources arranges for monthly budget monitoring to be conducted with service managers and reconciliations of key balances are conducted monthly, and significant variances are investigated.</p>
<p>17. What arrangements has the Council put in place in response to the Bribery Act 2010?</p>	<p>The Council's intranet includes information on the responsibilities around the Bribery Act 2010 in the Fraud Response Plan. The Staff Code of Conduct sets out the responsibilities for staff re: Bribery and Corruption.</p> <p>As part of the regular review of the suite of Counter Fraud policies the "Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan" was reviewed and revised and approved by the Council's Audit Committee on 26 March 2024.</p>

This page is intentionally left blank

One St Peter's Square  
Manchester  
M2 3DE

Tel: 0161 238 9200  
[forvismazars.com/uk](https://forvismazars.com/uk)



Fiona Greenway (Director of Finance)  
Oldham Metropolitan Borough Council  
Civic Centre, West Street  
Oldham  
OL1 1UT

Direct line +44 (0) 161 238 9333  
Email [yogita.das-patel@mazars.co.uk](mailto:yogita.das-patel@mazars.co.uk)  
Date 3<sup>rd</sup> April 2025

Dear Fiona,

### Audit 2024/25 - understanding management processes and arrangements

We are required by auditing standards to maintain a good understanding of the Authority's management processes and arrangements. This enables us to deliver an efficient audit and reduces the time the Authority's staff need to spend responding to auditors' queries. As part of this process, I would be grateful if you could provide a response to the following questions on behalf of the Audit Committee:

- What processes are in place to:
  - undertake an **assessment of the risk that the financial statements may be materially misstated due to fraud or error** (including the nature, extent and frequency of these assessments);
  - identifying and responding to **risks of fraud**
  - **communicating to employees its view on business practice and ethical behaviour** (for example by updating, communicating and monitoring against the Authority's code of conduct); and
  - **communicate to the Audit Committee the processes for identifying and responding to fraud or error.**
- How does management gain assurance that **all relevant laws and regulations have been complied with?** Have there been any instances of non-compliance during 2024/25?
- Are there any **actual or potential litigation or claims that would affect the financial statements?**
  - **What controls are in place to: identify, authorise, approve, account for and disclose related party transactions and relationships.** For any new related parties (i.e. any not already disclosed in the previous year's audited financial statements) please provide a list of them, explain their nature, and whether there have been any transactions with these related parties during the year to 31 March 2025.

In addition to the above, which cover the Authority's processes and controls, **Appendix 1 includes further questions to ascertain your views on fraud.** Your responses will inform our

One St Peter's Square  
Manchester  
M2 3DE

Tel: 0161 238 9200  
[forvismazars.com/uk](https://forvismazars.com/uk)



assessment of the risk of fraud and error within the financial statements, which in turn determines the extent of audit work undertaken in 2024/25.

I would be grateful if you could respond by letter or email on behalf of the Audit Committee. In the meantime, please don't hesitate to contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Yogita Das-Patel  
Audit Manager

One St Peter's Square  
Manchester  
M2 3DE

Tel: 0161 238 9200  
[forvismazars.com/uk](http://forvismazars.com/uk)



## Appendix 1

Question	Answer
1. Are you aware of any actual, suspected or alleged instances of fraud during the period 1 April 2024 - 31 March 2025? (if yes, please provide details)	
2. Do you suspect fraud may be occurring within the Council?	
3. Have you identified any specific fraud risks within the Council?	
4. Are you satisfied that internal controls, including segregation of duties, exist and work effectively? (if yes, please provide details)	
5. If not where are the risk areas?	
6. How do you encourage staff to report their concerns about fraud?	
7. What concerns about fraud are staff expected to report?	
8. Are you aware of any related party relationships or transactions that could give rise to instances of fraud?	
9. How do you mitigate the risks associated with fraud related to related party relationships and transactions?	
10. Are you aware of any entries made in the accounting records that you believe or suspect are false or intentionally misleading?	
11. Are there particular balances in the accounts where fraud is more likely to occur?	
12. Are you aware of any assets, liabilities or transactions that you believe have been	

One St Peter's Square  
Manchester  
M2 3DE

Tel: 0161 238 9200  
[forvismazars.com/uk](http://forvismazars.com/uk)



improperly included or omitted from the accounts of the Council?	
13. Could a false accounting entry escape detection? If so, how?	
14. Are there any external fraud risk factors, such as collection of revenues?	
15. Are you aware of any organisational or management pressure to meet financial or operating targets?	
16. Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?	
17. What arrangements has the Council put in place in response to the Bribery Act 2010?	

Question	Management Response
<ul style="list-style-type: none"> <li>• What processes are in place at the Council to:</li> </ul>	
<ul style="list-style-type: none"> <li>○ undertake an <b>assessment of the risk that the financial statements may be materially misstated due to fraud or error</b> (including the nature, extent, and frequency of these assessments);</li> </ul>	<p>Staff within the Finance Team attend appropriate training courses and have up-to-date technical knowledge and skills to enable them to prepare the financial statements.</p> <p>The Council has in place a robust system to review the accuracy and quality of its accounts. This includes checks to ensure the financial statements are correct and are supported by detailed records. There is also management oversight and review of the accounts.</p> <p>This is supported by the review of fundamental financial systems (FFS), which are audited by the Internal Audit function each year. These audits include a follow-up of previously agreed actions.</p> <p>The detailed audit programme for each financial system reflects the risk of fraud and error and are discussed where required with the Council's External Auditors, who also review the work completed where they deem necessary.</p> <p>The Annual Report from the Head of Audit and Counter Fraud gives an opinion on the overall control environment.</p>
<ul style="list-style-type: none"> <li>○ identify and respond to <b>risks of fraud</b>;</li> </ul>	<p>The Audit and Counter Fraud (A&amp;CF) Teams identify and respond to the risk of fraud via the on-going review of the A&amp;CF Plan. This is an annual plan based on strategic audit needs assessment, the Fraud Response Plan, and the Fraud and Loss Risk Assessment. This includes the risk of fraud identified by the National Audit Office (NAO) Fraud Advisory Panel, the CIPFA Fighting Fraud and Corruption Locally guidance and the Cabinet Office in their role as lead for the National Fraud Initiative (NFI).</p>
<ul style="list-style-type: none"> <li>○ <b>communicate to employees the Council's views on business practice and ethical behaviour</b> (for example by updating, communicating, and monitoring against the Authority's code of conduct); and</li> </ul>	<p>The Staff Code of Conduct and its appendices set out the standards expected around a range of matters, including the Nolan Principles (Standards of Public Life), gifts and hospitality, disclosure of information, relationships.</p> <p>The Code of Conduct is available via the Council's Intranet and is included as part of the Council's induction training.</p> <p>The Code of Conduct is regularly reviewed.</p> <p>The Council's Contract Procedure Rules also set out the Council's expectations of staff in relation to procurement.</p>
<ul style="list-style-type: none"> <li>○ <b>communicate to the Audit Committee the</b></li> </ul>	<p>Fraud risks and issues are reported by the Head of Audit and Counter Fraud in the A&amp;CF Plan, the Fraud and Loss Risk Assessment and via regular</p>

Question	Management Response
<p><b>processes for identifying and responding to fraud or error.</b></p>	<p>specific reporting, e.g., updates on specific risks in the Council's Annual Governance Statement.</p> <p>A suite of refreshed Counter Fraud policies was presented to, reviewed by, and approved by the Council's Audit Committee on 22 October 2025.</p> <p>Ad hoc matters requiring a report to the Audit Committee are also prepared by the Head of Audit and Counter Fraud as required.</p>
<ul style="list-style-type: none"> <li>How does management gain assurance that <b>all relevant laws and regulations have been complied with?</b> Have there been any instances of non-compliance during 2024/25?</li> </ul>	<p>In accordance with the appropriate financial thresholds/scheme of delegation, all reports to the Council's Committees include formal comments from appropriate statutory officers.</p> <p>Internal Audit reviews whether the Council has adhered to relevant legislation and guidance as part of its ongoing audit arrangements and programmes.</p> <p>Specific training is also arranged by relevant teams, e.g. Legal Services.</p>
<ul style="list-style-type: none"> <li>Are there any <b>actual or potential litigation or claims that would affect the financial statements?</b></li> </ul>	<p>All appropriate matters have been incorporated into the production and review of the Annual Governance Statement. As at 31 March 2025 there is no specific matter which is required to be reported upon in the accounts.</p> <p>Looking forward the perceived risks in the financial year 2025/26 have been considered and appropriately reported to the Audit Committee by inclusion in the AGS.</p>
<ul style="list-style-type: none"> <li><b>What controls are in place to: identify, authorise, approve, account for, and disclose related party transactions and relationships.</b> For any new related parties (i.e., any not already disclosed in the previous year's audited financial statements) please provide a list of them, explain their nature, and whether there have been any transactions with these related parties during the year to 31 March 2025.</li> </ul>	<p>The controls in place are:</p> <ul style="list-style-type: none"> <li>The separate disclosure Note to the Council's Statement of Accounts "Note 12: Related Parties" (which is subject to audit) sets out the key transactions with all related parties.</li> <li>Members' Code of Conduct.</li> <li>Members' Register of Interests in line with the 2011 Localism Act.</li> <li>Members' Allowances are disclosed in Note 8 to the Council's Statement of Accounts.</li> <li>Officers' Code of Conduct requires staff to record Gifts and Hospitality in accordance with the Code of Conduct.</li> <li>Officers' Remuneration is disclosed in Note 9 to the Council's Statement of Accounts.</li> <li>Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 sets out the relevant information to disclose, together with CIPFA Bulletins on Closure of the 2024/25 Financial Statements.</li> <li>Internal and External Audit monitor compliance.</li> <li>The Council operates a Standards Committee.</li> <li>Levy Bodies are subject to a separate external audit process.</li> </ul>



Question	Response
1. Are you aware of any <b>actual, suspected, or alleged instances of fraud</b> during the period 1 April 2024 – 31 March 2025 ( <i>if 'yes', please provide details</i> )?	During this period of time (excluding business grants administered by the Council), there has been no significant (i.e., greater than £10k) corporate (in-house) fraud committed by internal staff which has required investigation.
2. Do you suspect fraud may be occurring within the organisation?	<p>As at 31 March 2025 all instances of suspected fraud within the organisation had been investigated.</p> <p>The Council is a complex multidisciplinary organisation so there is a potential risk that management is unaware of some fraud occurring.</p>
3. Have you identified any specific fraud risks within the Council?	Fraud risks are captured, reported, and monitored via the Fraud and Loss Risk Assessment, the Fraud Response Plan and potential fraud risks are assessed for each audit review.
4. Are you satisfied that internal controls, including segregation of duties, exist and work effectively ( <i>if 'yes', please provide details</i> )?	<p>Yes. In all central financial systems for 2024/25 there are agreed processes to review transactions. The Fundamental Financial Systems reviews support this process.</p> <p>Action Plans are in place to address any control deficiencies identified during the FFS reviews and are subject to regular follow-up.</p> <p>This follow-up will include regular reporting on progress against action plans to Executive Management and the Audit Committee.</p>
5. If not where are the risk areas?	<p>As above, potential risks and issues are reported in the Council's AGS, and updates are reported to the Audit Committee on a regular basis. Risks are assessed annually and as part of detailed audit planning.</p> <p>The Council continues to experience significant challenge in social care and, due to the on-going integration with health partners, it continues to track the potential risk around these service areas as this is clearly an area of management focus.</p>

Question	Response
	<p>Large Capital Programme projects will also provide additional fraud opportunities in areas such as mandate fraud.</p> <p>The overarching risk area for the Council going forward are the challenges identified in connection with the Medium-Term Financial Strategy.</p>
<p>6. How do you encourage staff to report their concerns about fraud?</p>	<p>The Whistleblowing Policy sets out the arrangements for staff to anonymously report potential concerns and it is included in the Staff Code of Conduct. Following a risk assessment process, the Council will investigate allegations discretely, agree a course of action and agree recommendations. Where significant issues arise, External Audit will be briefed.</p>
<p>7. What concerns about fraud are staff expected to report?</p>	<p>The Whistleblowing Policy includes the reporting by employees of suspected misconduct, illegal acts, or failure to act within the Council. The aim of the Policy is to encourage employees and others who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.</p>
<p>8. Are you aware of any related party relationships or transactions that could give rise to instances of fraud?</p>	<p>None are recorded. Contract Procedure Rules set out the procedures for procurement and this service is subject to regular review by Internal Audit. No significant issues which will impact the financial statements have been identified in 2024/25.</p>
<p>9. How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>As above, the Council's Contract Procedure Rules set out the procedures for Procurement and this service is subject to review by Internal Audit. Other policies (and internal controls) to mitigate this risk include:</p> <ul style="list-style-type: none"> <li>• Members' Code of Conduct.</li> <li>• Members' Register of Interests in line with the 2011 Localism Act.</li> <li>• Members' Allowances are disclosed in Note 8 to the Council's Statement of Accounts.</li> </ul>

Question	Response
	<ul style="list-style-type: none"> <li>• Officers' Code of Conduct requires staff to record Gifts and Hospitality in accordance with the Code of Conduct.</li> <li>• The Council operates a Standards Committee.</li> <li>• Levying Bodies are subject to a separate external audit process.</li> <li>• The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. These details are included in Note 12 to the Annual Financial Statements. In support of this Senior Officers are required to declare interests in companies, organisations, and entities with which the Council may interact in order to ensure transparency.</li> </ul>
<p>10. Are you aware of any entries made in the accounting records that you believe, or suspect are false or intentionally misleading?</p>	<p>No, I am not aware of any entries in the accounting records of this nature. The Council applies a detailed quality assurance process which incorporates independent, fresh eye, documented review of the Statement of Accounts by senior management prior to submitting its draft Accounts to the External Auditor.</p>
<p>11. Are there particular balances in the accounts where fraud is more likely to occur?</p>	<p>The balances of Accounts Payable (AP), Accounts Receivable were reviewed in 2024/25 as part of the yearly FFS programme of audits. The systems for AP are exposed to the potential risk of bank mandate fraud, whereby a "fraudster" contacts the Council to inform them that their bank details have changed, in an attempt to persuade the Council to make the payment to the erroneous account.</p> <p>Colleagues in the AP service and Procurement team are aware off these risks and apply manual checks to mitigate them.</p>
<p>12. Are you aware of any assets, liabilities, or transactions that you believe have been improperly included or omitted from the accounts of the organisation?</p>	<p>No, I am not aware of any assets, liabilities, or transactions that I believe have been improperly included or omitted from the accounts of the organisation.</p>

Question	Response
	<p>The Council's Quality Assurance process ensures the detailed review of the draft accounts prior to the submission to the External Auditors.</p>
<p>13. Could a false accounting entry escape detection? If so, how?</p>	<p>This is unlikely given the controls in place for processing transactions.</p> <p>The Council is a complex multidisciplinary organisation so there is a potential risk that management is unaware of some false accounting occurring.</p>
<p>14. Are there any external fraud risk factors, such as collection of revenues?</p>	<p>During 2024/25, Sundry Debtors, Council Tax and Business Rates transactions were sample reviewed by Internal Audit as part of the Fundamental Financial Systems audit, and as part of the National Fraud Initiative. "Fraud" in areas such as SPD is not uncommon and is addressed annually and minimised via these tools.</p>
<p>15. Are you aware of any organisational or management pressure to meet financial or operating targets?</p>	<p>No, I am not aware of any inappropriate organisational or management pressure being applied, or incentives offered, to myself or to colleagues to meet financial or operating targets.</p> <p>Monthly budget monitoring is conducted with service managers and reconciliations of key balances are conducted monthly, and significant variances are investigated.</p>
<p>16. Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?</p>	<p>No, as above, I am not aware of any inappropriate organisational or management pressure being applied, or incentives offered, to myself or to colleagues to meet financial or operating targets. Monthly budget monitoring is conducted with service managers and reconciliations of key balances are conducted monthly, and significant variances are investigated.</p>
<p>17. What arrangements has the Council put in place in response to the Bribery Act 2010?</p>	<p>The Council intranet includes information on the responsibilities around the Bribery Act 2010 in the Fraud Response Plan. The Staff Code of</p>

Question	Response
	<p>Conduct sets out the responsibilities for staff re: Bribery and Corruption.</p> <p>As part of the regular review of the suite of Counter Fraud policies the “Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan” was reviewed and revised and approved by the Council’s Audit Committee on 26 March 2024. These policies are regularly reviewed.</p>

This page is intentionally left blank



## Report to Audit Committee

# Counter Fraud and Corruption Policies and Procedures

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

**Officer Contact:** Fiona Greenway – Executive Director of Corporate Resources

**Report Author:** John Miller – Head of Audit and Counter Fraud

**22 October 2025**

---

## Reason for Decision

This report sets out the updated Counter Fraud and Corruption Policies and associated planning documents. These documents support the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption.

## Executive Summary

The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.

The Head of Audit and Counter Fraud is responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud service at Oldham Council operates as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Cabinet Office also provides guidance on professional Counter Fraud standards across the public sector, and such guidance is followed in Counter Fraud activities undertaken by Oldham Council.

The Director of Finance is responsible for the development and maintenance of the Counter Fraud suite of strategies and for directing the Council's efforts in fraud investigation. The Audit and Counter Fraud Team is responsible for investigating potential fraud, for identifying potential fraud risks, conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated routinely.

---

## **Recommendations**

Members note the contents of this report and approve the updated Policies and Planning documents.



**Counter Fraud and Corruption Policies and Procedures****1. Background**

- 1.1 The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.
- 1.2 The Council’s Financial Procedure Rules Section 6.8: Investigations and Suspected Fraud or Corruption, require the Chief Internal Auditor (Head of Audit and Counter Fraud) to be responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud Team at Oldham Council operates in accordance with practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the team also adheres to guidance issued by the Cabinet Office relating to professional Counter Fraud standards across the public sector.
- 1.3 The Audit and Counter Fraud Team is responsible for investigating potential fraud, for identifying potential fraud risks and conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated routinely. This report sets out the proposed revised policies and planning documentation.

**2. Current Position: Policies and Procedures**

- 2.1 Effective policies and procedures are essential to ensure that all officers and Members are aware of their roles and responsibilities in identifying and managing the risk of fraud. The Audit and Counter Fraud Team will continue to review and update these policies and procedures on an ongoing basis.
- 2.2 During 2025, the following policy and planning documents were reviewed. These are attached to this report as the following Appendices:
  - Appendix 1: Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan
  - Appendix 2: Council Tax and Council Tax Reduction Scheme Sanction Policy
  - Appendix 3: Covid Business Grants Prosecution Policy
  - Appendix 4: Anti-Money Laundering Policy
  - Appendix 5: CIPFA Fighting Fraud and Corruption Locally Checklist
  - Appendix 6: Fraud and Loss Risk Assessment

**3 Options/Alternatives**

- 3.1 The Audit Committee may approve or not approve the attached policies and planning documentation.

**4 Preferred Option**

- 4.1 The Audit Committee approves the attached policies and planning documentation.

**5 Consultation**

- 5.1 N/A.

- 6      **Financial Implications**
- 6.1    N/A.
- 7      **Legal Services Comments**
- 7.1    N/A.
- 8      **Co-operative Agenda**
- 8.1    N/A.
- 9      **Human Resources Comments**
- 9.1    N/A.
- 10     **Risk Assessments**
- 10.1   Risk assessments are considered as part of the Annual Audit and Counter Fraud Planning process and in advance of, and during, proactive reviews and investigations. (Andrew Bloor Assistant Manager- Counter Fraud)
- 11     **IT Implications**
- 11.1   N/A.
- 12     **Property Implications**
- 12.1   N/A.
- 13     **Procurement Implications**
- 13.1   N/A.
- 14     **Environmental and Health & Safety Implications**
- 14.1   N/A.
- 15     **Equity, Community Cohesion and Crime Implication**
- 15.1   N/A.
- 16     **Equality Impact Assessment Completed**
- 16.1   N/A.
- 17     **Forward Plan Reference**
- 17.1   N/A.
- 18     **Key Decision**
- 18.1   N/A.

## 19 **Background Papers**

- 19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are included as Appendices

Officer Name: John Miller

Contact: [john.miller@oldham.gov.uk](mailto:john.miller@oldham.gov.uk)

## 20 **Appendices**

- 20.1 Appendix 1: Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan  
Appendix 2: Council Tax and Council Tax Reduction Scheme Sanction Policy  
Appendix 3: Covid Business Grants Prosecution Policy  
Appendix 4: Anti-Money Laundering Policy  
Appendix 5: CIPFA Fighting Fraud and Corruption Locally Checklist  
Appendix 6: Fraud and Loss Risk Assessment

This page is intentionally left blank

# Oldham Council Audit and Counter Fraud

Counter Fraud, Anti-Bribery Strategy and  
Counter Fraud Response Plan

22 October 2025

## Version Control

<b><i>Version</i></b>	<b><i>Version Date</i></b>	<b><i>Revised by</i></b>	<b><i>Description</i></b>
1	July 2006	Janette Parkin	New Policy
2	July 2012	Andrew Bloor	Revised – Bribery Act 2010
3	July 2015	Andrew Bloor	Revised – Sanctions Policy and Counter Fraud Response Plan
4	August 2019	Andrew Bloor	Revised – Suitability of Offenders for Prosecution
5	November 2022	John Miller	Reviewed – Fighting Fraud and Corruption Locally
6	September 2025	Andrew Bloor	Reviewed - Fighting Fraud and Corruption Locally

## Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan

### 1. Introduction

- 1.1 Oldham Council recognises that it has a responsibility to protect the public purse. In order to meet these responsibilities, the Council has an effective Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan and has set out to ensure that it creates a zero-tolerance culture.

### 2. Fraud and Theft

- 2.1 Fraud can be broadly described as acting dishonestly with the intention of making a gain for oneself or another, or inflicting a loss (or a risk of loss) on another; including:
- Dishonestly making a false representation
  - Dishonestly failing to disclose to another person, information which you are under a legal duty to disclose
  - Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006 (see Annex A).
- 2.2 Theft is defined in the 1968 Theft Act. It is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession. The maximum sentence is 7 years imprisonment.
- 2.3 The Economic Crime and Corporate Transparency Act 2023 came into effect on 1 September 2025 and introduced a new corporate offence of Failure to Prevent Fraud. Large organisations will risk facing criminal prosecution and unlimited fines if they fail to prevent fraud.
- 2.4 The offence applies to all large bodies, corporate entities, subsidiaries and partnerships. This means that in addition to businesses, large not-for-profit organisations such as charities are also in scope, as well as incorporated public bodies.
- 2.5 The only defence available to an organisation will be that reasonable counter fraud defences and procedures are in place at the time the fraud offence was committed. Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.

### 3. Bribery

- 3.1 The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.
- 3.2 Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority. The Bribery Act 2010 repealed all Corruption Acts in whole and therefore there is now no offence of corruption. Therefore, whilst corruption exists as a term, it no longer exists as an offence.
- 3.3 Section 7 of the Act creates a new offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing adequate procedures to prevent bribery occurring within the organisation. If these

cannot be demonstrated and an offence of bribery is committed within the organisation, senior officers of the Council can be held accountable. An extract of the Bribery Act is shown at Annex B.

#### 4 Aims

- 4.1 The Council has a duty to reduce fraud and bribery to an absolute minimum in order to **protect** its customers and itself. This Strategy sets out the Council's commitment to preventing, detecting and deterring fraud, corruption, bribery or other irregularity.
- 4.2 By adopting the Strategy, the Council has **acknowledged** the fraud risk. The Strategy aims to improve the integration of fraud awareness, **prevention** and detection into the culture and working practices of the Council, its partnerships and contracts.
- 4.3 The Strategy requires that adequate and effective **governance** measures are in place, with all perpetrators being **pursued** in order to effect **redress**, recover losses and, where appropriate, **prosecute**.
- 4.4 The Strategy outlines the Council's stance in implementing a zero-tolerance approach towards fraud and irregularity and actions to **deter** it.

#### 5. Approach

- 5.1 The Council takes the threat of fraud, corruption, financial loss and bribery seriously, in that it has the necessary dedicated and specialist resource, comprising of the Internal Audit and Counter Fraud Team. The team is focussed on co-ordinating the approach that Oldham Council takes in protecting its assets and finances from fraud, financial loss, corruption and bribery.
- 5.2 Fraud, by its very nature, is hidden, and conducted in such a manner that fraudulent actions are actively concealed. It is therefore vital to provide a strong anti-fraud culture and advocate a zero-tolerance approach. If done effectively this will not only provide a deterrence effect to potential fraudsters, but also encourage an environment where individuals feel comfortable coming forward to raise concerns.
- 5.3 In compiling the strategy, we have considered the Council's objectives and have also incorporated guidance and best practice of combatting fraud and loss within Local Government from a number of different sources, including:

##### a) CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

- 5.4 The CIPFA Code of Practice on Managing the Risk of Fraud and Corruption identifies five key principles to be adopted in the fight against fraud, these are:

- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop an appropriate counter fraud and corruption strategy
- provide resources to implement the strategy
- take action in response to fraud and corruption.

##### b) Fighting Fraud and Corruption Locally (FFCL) Strategy



5.5 The Fighting Fraud and Corruption Locally Strategy has been developed by Local Government in collaboration with anti-fraud and corruption professionals. There are five key elements of the strategy:

- **Govern:** Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.
- **Acknowledge:** Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.
- **Prevent:** Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.
- **Pursue:** Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.
- **Protect:** Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. For a Local Authority this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.

5.6 The Fighting Fraud and Corruption Locally (FFCL) Strategy also identifies “six Cs” as central to an effective counter fraud approach:

- **Culture** – creating a culture where fraud and corruption are unacceptable and that is measurable.
- **Capability** – assessing the full range of fraud risks and ensuring that the range of counter fraud measures deployed is appropriate.
- **Capacity** – deploying the right level of resources to deal with the level of fraud risk which is monitored by those charged with governance.
- **Competence** – having the right skills and standards commensurate with the full range of counter fraud and corruption activity.
- **Communication** – raising awareness internally and externally, deterring fraudsters, sharing information, celebrating successes.
- **Collaboration** – working together across internal and external boundaries: with colleagues, with other Local Authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information.

5.7 In addition to compiling this strategy in line with these principles, the Council also assesses its compliance with them against the self-assessment checklist for Local Authorities contained in FFCL Strategy.

## 6. Policy Statement

6.1 The Council expects all elected Members, employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of honesty and integrity.

6.2 Elected Members and staff at all levels should be aware of their respective roles in preventing and detecting fraud and lead by example in ensuring adherence to rules, procedures, Codes of Conduct and recommended practices.

- 6.3 The Council supports and promotes zero tolerance to any form of theft, fraud, bribery or corruption and will pursue perpetrators to the full extent of the law.
- 6.4 Our strategy to reduce fraud is based on prevention, deterrence, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole.

## **7. Fraud Prevention - the Corporate Framework and Responsibilities**

- 7.1 The corporate framework which underpins this strategy includes the following:

- The relevant Codes of Conduct for elected Members and employees
- The Council's Constitution including the Finance Procedure Rules, Contract Procedure Rules and the Scheme of Delegation
- The Whistleblowing Policy
- The Anti- Money Laundering Policy
- Sanctions/Prosecutions Policies
- The work by the Audit and Counter Fraud Service in National Anti-Fraud Initiatives (NFI) and the National Anti-Fraud Network (NAFN)
- The ICT Acceptable Use Policy
- Recruitment procedures
- Staff disciplinary procedures
- The Annual Governance Statement to support the production of the Statement of Final Accounts.

- 7.2 The responsibilities of various parties in relation to managing the risk of fraud and corruption are detailed below.

### **7.3 Responsibilities of Elected Members**

- 7.3.1 Elected members have a responsibility for approving major policies on the use of the Council's physical, financial and human resources and participating in the governance and management of the Council. All elected Members should be familiar with the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan and support its application in all activities, in order to help maintain a culture which will not tolerate fraud or corruption. At all times, elected Members must maintain the highest standards of conduct and ethics as the public would expect of their elected representatives and observe the Members' Code of Conduct.

### **7.4 Responsibilities of the Audit Committee**

- 7.4.1 The role of the Council's Audit Committee in relation to fraud and corruption includes:

- Reviewing and ensuring the adequacy of the Council's Counter Fraud, Anti-Bribery and Counter Fraud Strategy and related documents, and to consider the effectiveness of the arrangements for counter fraud;
- Reviewing and ensuring that adequate arrangements are established and operating to deal with situations of suspected or actual fraud, financial loss and corruption;
- Reviewing the annual Internal Audit work programme to consider the proposed and actual Internal Audit coverage and whether this provides adequate assurance on the main business risks;
- Receiving and considering the Council's Annual Governance Statement.

### **7.5 Responsibilities of Management**

Counter Fraud, Anti Bribery Strategy and Counter Fraud Response Plan 2025

- 7.5.1 It is acknowledged that fraud may be committed from within the organisation. The responsibility for managing the risk of fraud and corruption lies with management. Management includes all of the Council's Directors, Heads of Service, managers, line managers and supervisors. These are all responsible for establishing and maintaining sound systems of internal control in all of their service's operations to prevent and detect fraud, bribery, corruption and theft.
- 7.5.2 Management must promote staff awareness of the risk of fraud and corruption and ensure that all suspected or reported irregularities are immediately referred in accordance with the Fraud Response Plan.
- 7.5.3 Where fraud or corruption has occurred because of a breakdown in the systems or procedures in place, management must ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.
- 7.5.4 Managers must ensure that awareness is raised about the need to register interests and to include in the Register of Gifts and Hospitality any gifts or hospitality. They should also ensure that compliance with procedures is maintained in accordance with the Code of Conduct for Employees.

## **7.6 Responsibilities of All Employees**

- 7.6.1 The Council expects all elected Members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions in line with the Principles of Public Life (The Nolan Principles) shown at Annex C. All employees are expected to give the highest possible standard of service and to act with propriety in the use of public funds. Employees are required to avoid activity that breaches this policy and must:
- Ensure that they read and comply with this policy.
  - Report suspicions of theft, fraud, serious and intentional breaches of financial regulations, bribery or corruption.
  - Comply with the Council's 'Code of Conduct for Employees'.
  - Declare all offers of gifts, hospitality, and potential conflicts of interest.

## **7.7 Responsibilities of Suppliers, Contractors, Consultants, Agency workers, Public and Partner Organisations**

- 7.7.1 All outside individuals, including suppliers, contractors, consultants, agency workers, public and partner organisations are expected to conduct themselves towards the Council with honesty and integrity, and not do anything that involves fraud or corruption. All those working on behalf of the Council should be aware of procedures to be followed if they suspect that fraudulent or corrupt acts have been committed and must report their concerns.

## **7.8 Role of Internal Audit**

- 7.8.1 Internal audit provides an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Internal audit work, undertaken by the Audit and Counter Fraud Service, in reviewing the standard of internal control, assists management to fulfil their responsibilities in preventing incidents of fraud and corruption. The Audit and Counter Fraud Service develops and reviews the Counter Fraud, Anti-Bribery Strategy

and Counter Fraud Response Plan and, where appropriate, investigates issues reported under the Fraud Response Plan or the Whistleblowing Policy where fraud is suspected.

## **7.9 Role of Counter Fraud Team**

- 7.9.1 The Counter Fraud Team is a dedicated resource which has been established to investigate potential irregularities in relation to a number of different areas administered by the authority. This includes categories such as Council Tax Discounts, Council Tax Support, Non-Domestic Rates (Business Rates) & Direct Payments. The consideration of sanctions or prosecution of offenders is governed by the Council's Sanctions and Suitability of Offenders for Prosecution Policies. The team forms part of the Audit and Counter Fraud Service and develops and reviews the Council's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

## **7.10 Role of External Audit**

- 7.10.1 As part of their work plan, the Council's External Auditors are required to identify any risk of material misstatement (whether due to fraud or error) and to reach a conclusion on the Authority's arrangements to secure value for money.

## **8. Deterrence**

- 8.1 The Council is committed to maintaining a culture which will not tolerate theft, fraud, bribery or corruption and will deal swiftly and firmly with any persons who defraud or attempt to defraud the Council, or who are corrupt. Such action may include:

- Disciplinary action;
- Prosecution;
- Recovery of financial loss;
- Publicising successful prosecutions.

## **8.2 Disciplinary Action**

- 8.2.1 All cases of fraud, bribery corruption or theft, will be referred for disciplinary investigation and will be treated as gross misconduct. If any allegations are made maliciously or for personal gain, disciplinary action may be taken against the person making the malicious allegation. Any elected Member found to have acted fraudulently or corruptly will also face action. Where appropriate, the Council's Monitoring Officer will be consulted about the action to be taken.

## **8.3 Prosecution**

- 8.3.1 Where sufficient evidence exists to suggest that a criminal offence may have been committed, it is the policy of the Council to refer the matter for prosecution in line with the Council's Sanctions and Suitability of Offenders for Prosecution policies and seek to recover losses incurred.

## **8.4 Recovery of financial loss**

- 8.4.1 The Council will seek to recover any financial loss incurred as a result of fraudulent activity. The Council is committed to taking further appropriate action against fraudulent claims submitted for financial assistance in relation to any service which the Council delivers such as Council Tax, Non Domestic Rates (Business Rates) and Social Care. Consideration will be given to either prosecuting or applying alternative

sanctions where it is considered appropriate to do so, in accordance with the Council's Sanctions and Suitability of Offenders for Prosecution policies. Disciplinary action will be taken in all cases where employees are found to have either made or participated in the making of fraudulent applications to this or any other public body.

## **8.5 Publicising Successful Prosecutions**

- 8.5.1 Press releases will be issued in suitable cases to seek to maximise the deterrent effect and raise the level of public fraud awareness. Consideration will be given to the amounts involved, the nature of the offence, public interest and the deterrent value of publicising a particular case.

## **9. Detection**

### **9.1 The Role of Management**

- 9.1.1 Management must ensure that an effective system of internal control is in place. Controls in place should be adequately documented and implemented. It is the responsibility of management to ensure that appropriate controls are established, and that the operation of all controls is kept under review.

### **9.2 Reporting Suspected Incidents of Fraud or Corruption**

- 9.2.1 All elected Members and employees have a vital role in the detection of fraud and corruption and must be vigilant against the possibility of fraudulent and corrupt activity. All suspicions of illegality, financial impropriety or breach of procedure should be reported in accordance with the requirements of the Fraud Response Plan.
- 9.2.2 The Council has a Whistleblowing Policy to give confidence to employees who wish to raise concerns in a confidential manner. The policy provides a framework for reporting, investigating and following up such concerns in accordance with the Public Interest Disclosure Act 1998 (PIDA).
- 9.2.3 Where any person indicates that they wish to raise a concern in relation to suspected fraud, they should be referred to the contact details shown in the Fraud Response Plan for guidance on how to report their concerns in confidence. Contact details and guidance for reporting fraud are included on the Council website and reflected in the Fraud Response Plan. Any referrals received via these contact details will be allocated accordingly depending on the nature of the allegation received.
- 9.2.4 A list of common fraud indicators is shown at Annex D.

### **9.3 The Investigation of Incidents of Fraud or Corruption**

- 9.3.1 The Council's Audit and Counter Fraud Service is responsible for receiving all referrals of suspected theft, fraud and corruption. Responsibility for conducting the investigation will depend on the nature of the alleged offence(s).
- 9.3.2 The relevant investigating team will liaise with other relevant services, to agree an appropriate approach to ensure that action is taken to research allegations of suspected fraud in accordance with this policy. Account will be taken of the particular circumstances of each case to ensure appropriate services are involved in the process. There will be liaison with the Human Resources team and other functions / individuals as necessary such as Legal Services, relevant service managers and other internal and/or external services.

- 9.3.3 Where theft, fraud or corruption has occurred, management will be advised about any recommended improvements to systems and procedures as appropriate. The Council's Director of Finance (as the Section 151 Officer) will be informed of all incidents of fraud where it is alleged that the incident involves a member of staff, partner, contractor or councillor. Action for undertaking an investigation will be agreed in liaison with Human Resources in accordance with investigation processes set out as part of the Council's Disciplinary Procedure.

#### **9.4 Data Matching**

- 9.4.1 Data Matching Arrangements are in place, and will continue to be developed, which encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative (NFI). All such arrangements will adhere to data protection legislation.

### **10. Sanctions and Redress**

- 10.1 In all cases of theft, fraud, financial misconduct, serious and intentional breach of Financial Procedure Rules or Contract Procedure Rules, bribery or corruption committed by employees the Council will seek disciplinary action for gross misconduct. This includes fraud related to employment with the Council as well as other forms of engagement e.g., through applications for financial assistance made to the Council by employees or members.
- 10.2 Where evidence of fraud exists this will be reported to the Police or the Council's Legal Services where appropriate and considered for criminal prosecution, in line with the Sanctions and Suitability of Offenders for Prosecution Policies. Where a financial loss has been identified, the Council will seek to recover this loss either through civil or criminal processes.
- 10.3 The Council will seek prosecution in all cases involving theft from vulnerable clients or where there is evidence of bribery or corruption of public officials.
- 10.4 The Council's Sanctions Policy (Fraud and Bribery) is shown at Annex E, and the Policy on the Suitability of Offenders for Prosecution (Prosecution Policy) is shown at Annex F

### **11. Fraud Response Plan**

- 11.1 Our staff are our first line of defence against most acts, or attempts, of fraud, corruption, financial loss or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption, potential financial loss or bribery and to raise any such concerns at the earliest opportunity.
- 11.2 Staff have a duty to protect the assets of the Council, including information, as well as property. When an employee suspects that there has been fraud or corruption, they have a duty to report the matter to the Internal Audit and Counter Fraud Team.

### **12. Reporting Lines - Reporting a Fraud**

- 12.1 Suspicions of fraud will be treated seriously and will be reviewed and investigated in accordance with the Public Interest Disclosure Act, the Human Rights Act and the Council's fraud investigation procedures

12.2 Concerns may also be raised by writing direct to the Internal Audit and Counter Fraud Team, Spindles Shopping Centre, George Street, Oldham, OL1 1HD, and/or by email at [investigations@oldham.gov.uk](mailto:investigations@oldham.gov.uk)

12.3 This Fraud Response Plan is intended to provide employees with an avenue within the Council to raise concerns. If it is felt that the Council has not acted appropriately, the matter may be reported to one of the following:

- The Council's External Auditor.
- One of the Council's recognised Trade Unions, i.e. UNISON or GMB.
- Public Concern at Work (see paragraph 13.3 below).
- Citizens' Advice Bureau.
- Relevant professional bodies or regulatory organisations such as the Health and Safety Executive and utility regulators.
- The police.

If the matter is reported to a person or body outside of the Council, care should be taken not to disclose confidential information.

### **13. Whistleblowing**

13.1 The Council's Whistleblowing Policy encourages employees (and those of contractor and partner organisations) to report concerns that are in the public interest. The Policy outlines the process for raising concerns and the types of conduct that should be reported. For example:

- Criminal offences.
- Failure to comply with legal obligations.
- Actions which endanger the health or safety of any individual.
- Actions which cause damage to the environment.
- Actions which are intended to conceal any of the above.

All referrals are treated in the strictest confidence and callers who wish to may remain anonymous.

13.2 The Council will not tolerate any harassment or victimisation of anyone raising a genuine concern. All such acts of harassment or victimisation will be referred for disciplinary investigation.

13.3 Employees unsure of whether or how to raise a concern or for those who may want confidential advice are advised to contact the independent charity, Public Concern at Work. Public Concern at Work provides free confidential advice on how to raise a concern about serious malpractice at work. Their contact details are:

- Telephone: 020 7404 6609
- Website: [www.pcaw.co.uk](http://www.pcaw.co.uk)
- E-mail: [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk)

13.4 Where allegations are found to be malicious, they will also be considered for further investigation and subject to appropriate disciplinary action.

### **14. Action by Managers/Heads of Service**

14.1 Managers must take action to deal with suspicions of theft, fraud or corruption. Managers should:

- Listen to the concerns raised by staff and treat every report received seriously and sensitively.
- Make sure that all concerns are given a fair hearing.
- Reassure staff that they will not suffer because they have raised suspicions. The Council will not tolerate any harassment or victimisation (including informal pressures) of anyone raising a genuine concern.
- Get as much information as possible, including any notes and any evidence that may support the allegation.
- Report the matter as outlined in this document.
- NOT interfere with any evidence and make sure it is kept in a safe place.
- NOT try to carry out an investigation. This may hinder any subsequent investigation action that may be taken.

## **15. Fraud Investigation**

- 15.1 The Council's Audit and Counter Fraud Service is responsible for receiving all referrals of suspected theft, fraud and corruption. Responsibility for conducting the investigation will depend on the nature of the alleged offence(s).
- 15.2 The relevant investigating team will liaise with other relevant services, to agree an appropriate approach to ensure that action is taken to research allegations of suspected fraud in accordance with this policy. Account will be taken of the particular circumstances of each case to ensure appropriate services are involved in the process. Liaison will take place with Human Resources and other functions / individuals as necessary such as Legal Services, relevant service managers and other internal and/or external services.
- 15.3 Where theft, fraud or corruption has occurred, management will be advised about any recommended improvements to systems and procedures as appropriate.

## **16. Disciplinary procedure**

- 16.1 Cases of theft, fraud, bribery or corruption by employees will be referred for disciplinary investigation in accordance with the procedures set out in the Council's Disciplinary Policy and will be treated as gross misconduct.
- 16.2 Where sufficient evidence exists, this will be reported to the police in accordance with the Sanctions and Suitability of Offenders for Prosecution Policy.
- 16.3 Where there is evidence that an allegation of misconduct was made maliciously or for personal gain, disciplinary action will be taken against the person making the malicious allegation.

### **List of Annexes**

**Annex A - Summary of the Fraud Act 2006**

**Annex B - Extract from the Bribery Act 2010**

**Annex C - The Principles of Public Life (The Nolan Principles)**

**Annex D - Fraud Indicators**

**Annex E - Sanctions Policy (Fraud & Bribery)**

**Annex F – Suitability of Offenders for Prosecution.**



## Summary of the Fraud Act 2006

### Key areas of the Fraud Act 2006

There are a number of other areas that are not included within this summary. This summary focuses on those issues that are more likely to affect counter fraud investigations in the public sector.

### Section 1 - Fraud

A person is guilty of fraud if he/she is in breach of any of the Sections listed in subsection (2) (which provide for different ways of committing the offence).

The Sections are:

- Section 2 - Fraud by false representation
- Section 3 - Fraud by failing to disclose information
- Section 4 - Fraud by abuse of position
- Section 7 – Making or supplying articles for use in fraud.

Maximum penalty is imprisonment for a term up to 10 years (note: this was previously 7 years).

### Section 2 - Fraud by false representation

A person is in breach of this Section if he/she:

- Dishonestly makes a false representation; and
- Intends, by making the representation to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

#### *Explanatory notes*

- Note a gain need not have taken place, intent suffices
- 'Gain' includes keeping what one has, as well as a gain by getting what one does not have
- 'Loss' means not getting what one might get, as well as losing something that one has
- Importantly the loss can be permanent or temporary (previously the onus was on intention to permanently deprive)
- 'Dishonest' is defined in case law (R v Gosh 1982) and is based upon the two-tier test of whether his behaviour was regarded as being dishonest by the ordinary standards of reasonable and honest people (Clapham Omnibus) and whether the defendant was aware that his conduct was dishonest.

#### *A representation is false if:*

- It is untrue or misleading; and
- The person making it knows that it is, or might be, untrue or misleading
- The term 'representation' is defined under s.2 (3) of the Act as

- Any representation as to fact or law, including a representation as to the state of mind of the person making it, or any other person.

Subsection (4) states the representation may be expressed or implied.

### **Section 3 - Fraud by failing to disclose information**

A person is in breach of this Section if he/she:

- Dishonestly fails to disclose to another person information which he is under a legal duty to disclose; and
- Intends, by failing to disclose the information, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

#### *Explanatory notes*

This section applies to all parties where a person is under a duty to disclose something and by not doing so could create some gain (e.g. not disclosing an illness for medical insurance) or where the failure to disclose causes a loss or puts another at a risk of a loss.

This may include verbal or written contracts. The Law Commission's Report of Fraud on the concept of 'legal duty' is as follows:

### **Section 4 - Fraud by abuse of position**

A person is in breach of this Section if he/she:

- Occupies a position, in which he is expected to safeguard, or not act against, the financial interests of another person
- Dishonestly abuses that position; and
- Intends, by means of the abuse of that position to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

#### *Explanatory notes*

S.4 (2) A person may be regarded having abused his position even though his conduct consisted of an omission rather than an act.

This offence focuses on those persons who are in positions of financial trust and have insight and possibly control of another's financial situation. There will be some form of relationship or agreement between both parties for the offence to operate: the relationship can be one of client, employee, family, trustee and beneficiary or simple trust. Although the offence focuses on the area of finance of the victim, it appears by the wording of the section that the actual gain to the offender may not be monetary, although it invariably will be.

The following examples are given:

- Where an employee fails to take up a contract to allow a rival company to obtain the contract at the expense of the employee's company
- Where someone is looking after elderly or vulnerable persons and has access to their bank account and abuses their position by removing money from the account.

**Section 7 – Making or supplying articles\* for use in frauds**

Under section (1) a person is guilty of an offence if he makes, adapts, supplies or offers to supply any article:

- Knowing that it is designed or adapted for use in the course of or in connection with fraud: or
- Intending it to be used to commit, assist in the commission of, fraud.

An article includes any program or data held in electronic form and can also include anything that can be used to make, alter, remove, supply or store something by electronic means in connection with fraud.

Fraud under this section may be manipulating or amending the date on a Blue Badge or photocopying a badge and supplying to another.

## Extract from the Bribery Act 2010

### 1 Offences of bribing another person

- (1) A person ("P") is guilty of an offence if either of the following cases applies.
- (2) Case 1 is where—
  - (a) P offers, promises or gives a financial or other advantage to another person, and
  - (b) P intends the advantage—
    - (i) to induce a person to perform improperly a relevant function or activity, or
    - (ii) to reward a person for the improper performance of such a function or activity.
- (3) Case 2 is where—
  - (a) P offers, promises or gives a financial or other advantage to another person, and
  - (b) P knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.
- (4) In case 1 it does not matter whether the person to whom the advantage is offered, promised or given is the same person as the person who is to perform, or has performed, the function or activity concerned.
- (5) In cases 1 and 2 it does not matter whether the advantage is offered, promised or given by P directly or through a third party.

### 2 Offences relating to being bribed

- (1) A person ("R") is guilty of an offence if any of the following cases applies.
- (2) Case 3 is where R requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly (whether by R or another person).
- (3) Case 4 is where—
  - (a) R requests, agrees to receive or accepts a financial or other advantage, and
  - (b) the request, agreement or acceptance itself constitutes the improper performance by R of a relevant function or activity.
- (4) Case 5 is where R requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance (whether by R or another person) of a relevant function or activity.
- (5) Case 6 is where, in anticipation of or in consequence of R requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly—
  - (a) by R, or

- (b) by another person at R's request or with R's assent or acquiescence.
- (6) In cases 3 to 6 it does not matter—
  - (a) whether R requests, agrees to receive or accepts (or is to request, agree to receive or accept) the advantage directly or through a third party,
  - (b) whether the advantage is (or is to be) for the benefit of R or another person.
- (7) In cases 4 to 6 it does not matter whether R knows or believes that the performance of the function or activity is improper.
- (8) In case 6, where a person other than R is performing the function or activity, it also does not matter whether that person knows or believes that the performance of the function or activity is improper.

### **3 Function or activity to which bribe relates**

- (1) For the purposes of this Act a function or activity is a relevant function or activity if—
  - (a) it falls within subsection (2), and
  - (b) meets one or more of conditions A to C.
- (2) The following functions and activities fall within this subsection—
  - (a) any function of a public nature,
  - (b) any activity connected with a business,
  - (c) any activity performed in the course of a person's employment,
  - (d) any activity performed by or on behalf of a body of persons (whether corporate or unincorporate).
- (3) Condition A is that a person performing the function or activity is expected to perform it in good faith.
- (4) Condition B is that a person performing the function or activity is expected to perform it impartially.
- (5) Condition C is that a person performing the function or activity is in a position of trust by virtue of performing it.
- (6) A function or activity is a relevant function or activity even if it—
  - (a) has no connection with the United Kingdom, and
  - (b) is performed in a country or territory outside the United Kingdom.
- (7) In this section “business” includes trade or profession.

### **4 Improper performance to which bribe relates**

- (1) For the purposes of this Act a relevant function or activity—
  - (a) is performed improperly if it is performed in breach of a relevant expectation, and

- (b) is to be treated as being performed improperly if there is a failure to perform the function or activity and that failure is itself a breach of a relevant expectation.
- (2) In subsection (1) “relevant expectation”—
  - (a) in relation to a function or activity which meets condition A or B, means the expectation mentioned in the condition concerned, and
  - (b) in relation to a function or activity which meets condition C, means any expectation as to the manner in which, or the reasons for which, the function or activity will be performed that arises from the position of trust mentioned in that condition.
- (3) Anything that a person does (or omits to do) arising from or in connection with that person's past performance of a relevant function or activity is to be treated for the purposes of this Act as being done (or omitted) by that person in the performance of that function or activity.

## **5 Expectation test**

- (1) For the purposes of sections 3 and 4, the test of what is expected is a test of what a reasonable person in the United Kingdom would expect in relation to the performance of the type of function or activity concerned.
- (2) In deciding what such a person would expect in relation to the performance of a function or activity where the performance is not subject to the law of any part of the United Kingdom, any local custom or practice is to be disregarded unless it is permitted or required by the written law applicable to the country or territory concerned.
- (3) In subsection (2) “written law” means law contained in—
  - (a) any written constitution, or provision made by or under legislation, applicable to the country or territory concerned, or
  - (b) any judicial decision which is so applicable and is evidenced in published written sources.

## **6 Bribery of foreign public officials**

- (1) A person (“P”) who bribes a foreign public official (“F”) is guilty of an offence if P's intention is to influence F in F's capacity as a foreign public official.
- (2) P must also intend to obtain or retain—
  - (a) business, or
  - (b) an advantage in the conduct of business.
- (3) P bribes F if, and only if—
  - (a) directly or through a third party, P offers, promises or gives any financial or other advantage—
    - (i) to F, or
    - (ii) to another person at F's request or with F's assent or acquiescence,
  - and

- (b) F is neither permitted nor required by the written law applicable to F to be influenced in F's capacity as a foreign public official by the offer, promise or gift.
- (4) References in this section to influencing F in F's capacity as a foreign public official mean influencing F in the performance of F's functions as such an official, which includes—
  - (a) any omission to exercise those functions, and
  - (b) any use of F's position as such an official, even if not within F's authority.
- (5) "Foreign public official" means an individual who—
  - (a) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside the United Kingdom (or any subdivision of such a country or territory),
  - (b) exercises a public function—
    - (i) for or on behalf of a country or territory outside the United Kingdom (or any subdivision of such a country or territory), or
    - (ii) for any public agency or public enterprise of that country or territory (or subdivision), or
  - (c) is an official or agent of a public international organisation.
- (6) "Public international organisation" means an organisation whose members are any of the following—
  - (a) countries or territories,
  - (b) governments of countries or territories,
  - (c) other public international organisations,
  - (d) a mixture of any of the above.
- (7) For the purposes of subsection (3)(b), the written law applicable to F is—
  - (a) where the performance of the functions of F which P intends to influence would be subject to the law of any part of the United Kingdom, the law of that part of the United Kingdom,
  - (b) where paragraph (a) does not apply and F is an official or agent of a public international organisation, the applicable written rules of that organisation,
  - (c) where paragraphs (a) and (b) do not apply, the law of the country or territory in relation to which F is a foreign public official so far as that law is contained in—
    - (i) any written constitution, or provision made by or under legislation, applicable to the country or territory concerned, or
    - (ii) any judicial decision which is so applicable and is evidenced in published written sources.
- (8) For the purposes of this section, a trade or profession is a business.

## **7 Failure of commercial organisations to prevent bribery**

- (1) A relevant commercial organisation (“C”) is guilty of an offence under this section if a person (“A”) associated with C bribes another person intending—
  - (a) to obtain or retain business for C, or
  - (b) to obtain or retain an advantage in the conduct of business for C.
- (2) But it is a defence for C to prove that C had in place adequate procedures designed to prevent persons associated with C from undertaking such conduct.
- (3) For the purposes of this section, A bribes another person if, and only if, A—
  - (a) is, or would be, guilty of an offence under section 1 or 6 (whether or not A has been prosecuted for such an offence), or
  - (b) would be guilty of such an offence if section 12(2)(c) and (4) were omitted.
- (4) See section 8 for the meaning of a person associated with C and see section 9 for a duty on the Secretary of State to publish guidance.
- (5) In this section—
  - “partnership” means—
    - (a) a partnership within the Partnership Act 1890, or
    - (b) a limited partnership registered under the Limited Partnerships Act 1907,
 or a firm or entity of a similar character formed under the law of a country or territory outside the United Kingdom,
  - “Relevant commercial organisation” means—
    - (a) a body which is incorporated under the law of any part of the United Kingdom, and which carries on a business (whether there or elsewhere),
    - (b) any other body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom,
    - (c) a partnership which is formed under the law of any part of the United Kingdom, and which carries on a business (whether there or elsewhere), or
    - (d) any other partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom,
 and, for the purposes of this section, a trade or profession is a business.

## **8 Meaning of associated person**

- (1) For the purposes of section 7, a person (“A”) is associated with C if (disregarding any bribe under consideration) A is a person who performs services for or on behalf of C.
- (2) The capacity in which A performs services for or on behalf of C does not matter.
- (3) Accordingly, A may (for example) be C’s employee, agent or subsidiary.
- (4) Whether or not A is a person who performs services for or on behalf of C is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between A and C.



- (5) But if A is an employee of C, it is to be presumed unless the contrary is shown that A is a person who performs services for or on behalf of C.

## **9 Guidance about commercial organisations preventing bribery**

- (1) The Secretary of State must publish guidance about procedures that relevant commercial organisations can put in place to prevent persons associated with them from bribing as mentioned in section 7(1).
- (2) The Secretary of State may, from time to time, publish revisions to guidance under this section or revised guidance.
- (3) The Secretary of State must consult the Scottish Ministers [and the Department of Justice in Northern Ireland] before publishing anything under this section.
- (4) Publication under this section is to be in such manner as the Secretary of State considers appropriate.
- (5) Expressions used in this section have the same meaning as in section 7.

### The Principles of Public Life (The Nolan Principles)

The Council expects all elected Members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions. All elected Members and employees of Oldham Council are expected to comply with their relevant Code of Conduct. Underpinning the Codes of Conduct are the seven Principles of Public Life:

1. **Selflessness** — Holders of public office should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
2. **Integrity** — Holders of public office should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
3. **Objectivity** — Holders of public office should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
4. **Accountability** — Holders of public office should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
5. **Openness** — Holders of public office should be as open as possible about their actions and those of their authority and should be prepared to give reasons for those actions.
6. **Honesty** - Holders of public office should be truthful.
7. **Leadership** — Holders of public office should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

## Fraud Indicators

A number of frauds can come to light because of suspicions aroused by, for instance, the behaviour of certain individuals. It is impossible to give a definitive list of fraud indicators or warning signs. The following are types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of fraud and may therefore warrant further investigation or enquiry.

- **Unusual employee behaviour:** Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long-hours, job dissatisfaction/unhappy employee, secretiveness or undue defensiveness.
- **Financial irregularities:** Key documents missing (e.g. invoices, contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; excessive variations to budgets or contracts.
- **Bad procurement practice:** Too close a relationship with suppliers/contractors; suppliers/contractors who insist on dealing with only one particular member of staff; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to get under small purchase requirements or to avoid prescribed levels of review or approval.
- **Disorganisation:** Understaffing in key control areas; consistent failures to correct major weaknesses in internal control; inadequate or no segregation of duties.
- **Inadequate supervision:** Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); low staff morale, weak or inconsistent management.
- **Lax corporate culture:** Management frequently override internal control; climate of fear or a corporate culture; employees under stress without excessive workloads; new employees resigning quickly; crisis management coupled with a pressured business environment; high employee turnover rates in key controlling functions.
- **Poor work practices:** Lack of common-sense controls; work is left until the employee returns from leave; post office boxes as shipping addresses; documentation that is photocopies or lacking essential information; lack of rotation of duties; unauthorised changes to systems or work practices.

## **Sanctions Policy (Fraud & Bribery)**

### **Introduction:**

Oldham Council (Oldham) is committed to delivering public services in an efficient and effective way and takes its responsibility for protecting public funds seriously. Oldham has a duty to reduce fraud and bribery to a minimum, the strategy for doing so is detailed within the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

The use of sanctions is governed by this policy and principles.

### **Objectives:**

The objectives of Oldham are to ensure that:

- Sanctions are applied fairly and consistently
- Sanctions are applied in an effective and cost-effective way
- The sanction decision making process is robust, transparent and fair.

The sanction decision will have regard to Oldham's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan and the overall impact of any decision on the individual and the wider community.

Oldham has a range of sanctions that will be considered:

- No further action
- Disciplinary action and/or referral to professional bodies
- Civil proceedings
- Criminal proceedings
- Parallel sanctions (i.e. combination of the above options 2- 4).

#### *No further action*

Oldham may consider closing a case without taking any further action. This may be due to the following factors:

- Evidence is not robust or reliable
- The offence is minor
- The cost to pursue the case is not proportionate to the offence committed.

#### *Disciplinary action*

In the event that an allegation is made against an Oldham employee, the Internal Audit and Counter Fraud Team will consult with Human Resources, in accordance with the HR Disciplinary Policy and the relevant Head of Service. Any disciplinary action will be taken in conjunction with Human Resources, and the decision as to whether to refer the issue to any other enforcement agencies, for example, Police, HM Revenue & Customs will be a joint decision between the Director of Finance, the relevant Head of Service and Human Resources.

Sanctions may include warnings or dismissal.

### *Civil Proceedings*

Where it is considered that a criminal prosecution will not be pursued, as evidence is not sufficient to prove a case beyond reasonable doubt, Oldham may consider civil proceedings.

For civil proceedings the standard of proof is on the balance of probabilities.

Where it is evident that Oldham has been defrauded by one of its employees (or service users/customers) – the proceeds of fraud may be preserved through civil proceedings without notice to the subject, by the following measures:

- Freezing/tracing injunctions – an interim measure which restrains a person from removing or dealing with assets located within the jurisdiction
- Search order – an interim order for the preservation of evidence
- Recovery of money.

Regardless of whether or not any sanction action is taken, Oldham Council, will always seek to recover any overpayments or misused monies.

The Accounts Receivable Team will be consulted, and their usual procedures applied, including civil action when necessary.

### *Criminal proceedings*

Where Oldham considers that there is sufficient evidence to indicate that a criminal act has taken place, the Internal Audit and Counter Fraud Team, under the direction of the Assistant Director of Corporate Governance and Strategic Financial Management, would refer the matter in the first instance to either the local Police or via the Action Fraud helpline.

The decision taken by the Police or Crown Prosecution Service will be the final decision as to whether or not to pursue the case. Before a decision is taken whether or not to prosecute, the following factors will be considered:

Evidential criteria – the evidence must be:

- Clear, reliable and admissible in court
- Strong enough for a realistic chance of prosecution, i.e. to prove a case ‘beyond reasonable doubt.’

The Public Interest Test will also need to be considered, i.e. the prosecutor will decide whether there are public interest factors tending against prosecution. In making this decision, the following factors will be considered:

- Seriousness &/or monetary value of the offence
- Cost and proportionality of the prosecution
- Age & medical conditions
- Other social factors
- Vulnerability of subject.

However, Oldham is also empowered, under Section 222 of the Local Government Act, where they consider it ‘expedient for the promotion or protection of the inhabitants of their area’ to:

- Prosecute or defend or appear in legal proceedings and, in the case of civil proceedings, institute them in their own name, and:
- In their own name, make representations in the interests of the inhabitants at any public inquiry held by or on behalf of and Minister or public body under any enactment.'

Oldham will consider undertaking prosecution through this route if appropriate, usually in exceptional circumstances, as referral to the Police/Action Fraud is the preferred route.

### *Parallel Sanctions*

As a matter of principle, it would be wrong to assume that any sanction(s) should be held in abeyance to wait for another to proceed to conclusion. The option of pursuing parallel sanctions may be considered.

It is preferable for the appropriate sanctions to proceed simultaneously, but it is not necessary for anyone to await the result of another before concluding. However, due consideration must be given to all proceedings to ensure that one does not impact improperly upon another.

In such instances Oldham will carry out an investigation with a view to pursuing criminal prosecution whilst, simultaneously, Human Resources will coordinate an internal disciplinary investigation. The advantage of this approach is that all appropriate action is taken by Oldham at the earliest opportunity to avoid any additional costs that may be incurred e.g. continuing salary whilst subject is on suspension and/or cost of employing replacement staff in the interim.

The decision to run parallel sanctions will be determined on a case-by-case basis with emphasis, for the majority of cases, on a successful criminal sanction being of the highest priority. In any event advice should always be sought from the Internal Audit and Counter Fraud Team and Human Resources before progressing any course of action.

## **Suitability of Offenders for Prosecution**

When considering whether it is appropriate to instigate proceedings, consideration will be given as to whether there is sufficient admissible evidence to justify bringing a prosecution and if the prosecution is in the public interest.

The following paragraphs outline factors that will be considered, to ensure consistent and equitable treatment of those accused of fraud.

### **Evidential Test**

In making a decision to prosecute, the Local Authority must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, Magistrate or Judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence. Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source.

If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage, then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

### **Public Interest Test**

Oldham Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered.

#### Financial Limits

Careful consideration will be given to commencing a prosecution where the fraudulent activity has not resulted in 'significant financial gain' to the offender, for example the amount of the reduction or discounts overpayment is less than the cost of proceedings.

Where there is no significant financial gain a prosecution could still be considered if it is felt that the fraud was a deliberate attempt to gain (if, for example, the fraud has been discovered after a relatively short space of time and a significant financial gain has not yet occurred), or in the case of a persistent offender or any other case where prosecution would be warranted.

#### Physical / Mental Factors

Consideration will be given to the defendant's mental and physical condition (including age) when deciding whether to prosecute. The Counter Fraud Officer will consider whether there are significant personal or mental problems that may have contributed to the reasons for committing the offence. In addition, due consideration will be given where there is any evidence to suggest that the claimant or partner or a third party (for example a child) would be severely affected by the action.

#### Voluntary Disclosure

It may not be appropriate to prosecute those, whose disclosure of their own free will, has led to the identification of a fraud of which the Council was unaware. Admissions made after enquiries, or an investigation had commenced do not constitute voluntary disclosure.

### Previous Incidence of Fraud

Any evidence of previous benefits-related fraudulent activity would form part of the overall "prosecution assessment", regardless of whether any previous offences resulted in prosecution.

### Social Factors

If it is considered that the defendant's failure to declare the correct circumstances has been caused by significant extenuating social or financial factors these would be fully evaluated. (The fact that an individual was in debt or has limited assets would not in itself meet this requirement.)

### Adequacy of Evidence

Substantive evidence is essential to secure any conviction. Proceedings would not be sought if there is any doubt that the required evidence is not available. It must be clear that the fraudulent act was actually committed, that it was committed in the full knowledge of benefit regulations and that it was committed with the clear and deliberate intention to obtain property by deception. Satisfying the requirements of the Code for Crown Prosecutors Evidential Test will ensure that evidence is of the standard required by the courts.

### Failure in Investigation

It should be evident on the case file that all appropriate procedures have been adhered to with regard to satisfying the requirements of the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996 and other relevant legislation. Particular consideration would also be given to any delay in the course of enquiries, which may be considered as unacceptable by the court.

### Failure in Administration

Full account will be taken of poor administration or fault on the part of the Authority that has contributed to the processing of the fraudulent claim and subsequent award of discount or reduction in liability.

### **Authorisation of Prosecution**

Cases being referred for prosecution will be authorised by the Audit and Counter Fraud Manager or the Assistant Director of Corporate Governance and Strategic Financial Management. Cases involving Council Members or employees will also be referred to the Group Solicitor or appropriate Head of Service so that any standards issues can be addressed.

Cases may also be referred to the police where it is considered that the nature of the offence, or the procurement of evidence require them to undertake or assist in the investigation.



# Oldham Council Audit and Counter Fraud Service

**Council Tax and Council Tax Reduction Scheme  
Sanction Policy**

**22 October 2025**



## Version Control

<b><i>Version</i></b>	<b><i>Version Date</i></b>	<b><i>Revised by</i></b>	<b><i>Description</i></b>
1	April 2013	Andrew Bloor	New Policy
2	July 2015	Andrew Bloor	Reviewed Policy
3	June 2019	Andrew Bloor	Reviewed Policy
4	November 2022	Andrew Bloor	Reviewed Policy
5	September 2025	Andrew Bloor	Reviewed Policy

## Council Tax and Council Tax Reduction Scheme Sanction Policy

### 1. Introduction

- 1.1 This policy statement provides the agreed framework for Council officers working on the investigation, sanction and prosecution of cases involving suspected fraud in connection with:

- Reducing the liability for paying Council Tax by inappropriately claiming discounts.
- Inappropriate claims on the Council Tax Reduction Scheme.

The Council is committed to protecting the public funds it administers:

- By making it clear that residents have a responsibility to provide accurate and timely information about claims for reductions, discounts and /or exemptions,
- Through the investigation of suspected fraudulent claims, and
- Through the appropriate sanctioning and prosecution of offenders.

The sanction policy for other areas of fraud can be found in the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

### 2. Post-Investigation Considerations

- 2.1 Following the receipt of an allegation, or other indicator of fraud, the Audit and Counter Fraud Team will undertake an investigation in liaison with other relevant investigating Authorities as appropriate. The Assistant Manager – Counter Fraud within the Internal Audit and Counter Fraud Team will consider each case on its merits applying the criteria in this policy and in the Code for Crown Prosecutors and any other circumstances relevant to the case.
- 2.2 The Assistant Manager - Counter Fraud will decide whether there is sufficient evidence to provide a realistic prospect of securing a conviction and if so, whether it is in the public interest to recommend prosecution or an alternate sanction.
- 2.3 To ensure a consistent and equitable application of sanctions and prosecutions the following guidelines, as set out in the paragraphs below, will normally apply.

### 3. Cautions

- 3.1 A Caution is a warning (of which a written record is made), given in certain circumstances to a person who has committed an offence.
- 3.2 A Caution can only be considered when:
- there is sufficient evidence to justify instituting criminal proceedings;
  - the person has admitted the offence during an interview under Caution and agrees to the Caution;
  - there are no previous convictions or Cautions for Council Tax Reduction or national benefit fraud, and;
  - there was no other person involved in the fraud.

- 3.3 A Caution can be offered when there is no loss to public funds following the presentation of a false document. For example: a false statement on an initial claim form that was identified prior to payment being made. Although there is no loss of funds, there may be an offence of making a false statement to obtain a reduction in Council Tax liability.
- 3.4 However, a Caution cannot be offered in cases where there is no loss to public funds following a customer's failure to declare a change of circumstances.
- 3.5 If someone refuses a Caution, the Council's policy is to commence criminal proceedings. The court will be informed that proceedings have been brought because the person refused the offer of a Caution.
- 3.6 If the person is subsequently prosecuted for reducing the liability for Council Tax by inappropriately claiming discounts or another Council Tax Reduction Scheme offence, the Caution may be cited in court.

## **4. Financial Penalties**

- 4.1 Regulation 11 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 allows Oldham Council to offer a person the opportunity to pay a Financial Penalty as an alternative to prosecution where certain conditions are satisfied. The Financial Penalty is laid down in the legislation and is 50% of the excess reduction subject to a:
- minimum of £100; and
  - maximum of £1,000.
- 4.2 In cases where an offence has been committed, but the fraud was discovered before any Council Tax liability is reduced, the Financial Penalty as laid down in the legislation is £100.
- 4.3 The offer of a Financial Penalty may be made where there is sufficient evidence to justify the prosecution of an offence, where the offence is not so serious and where the overpayment is low enough that it would not be in the public interest to prosecute.
- 4.4 A Financial Penalty will only be considered when:
- there is sufficient evidence to justify instituting criminal proceedings,
  - the person has admitted the offence during an interview under caution and agrees to the Caution,
  - there are no previous convictions or Cautions for Council Tax fraud,
  - there was no other person involved in the fraud, and
  - it is clear that the offender can afford to pay a Financial Penalty.

## **5. Civil Penalties – Incorrect Statements**

- 5.1 Regulation 12 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows Oldham Council to impose a penalty of £70 where an incorrect statement or representation has been made.
- 5.2 The £70 penalty can only be imposed where a person has not been charged with a Council Tax Reduction Scheme offence or been offered a Caution or Financial Penalty

under regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

## **6. Civil Penalties – Failure to notify change of circumstances**

- 6.1 Regulation 13 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows Oldham Council to impose a penalty of £70 where without reasonable excuse; there is a failure to report a relevant change of circumstances promptly.
- 6.2 The £70 penalty can only be imposed where a person has not been charged with a Council Tax Reduction Scheme offence or been offered a Caution or Financial Penalty under regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

## **7. Civil Penalties – Council Tax**

- 7.1 Schedule 3 of the Local Government Finance Act 1992 allows Oldham Council to impose a penalty of £70 where a person fails to comply with certain requirements as to the supply of information.
- 7.2 A penalty can be imposed on any person who:
- has been requested by the Council to supply information to identify the liable person for Council Tax and has failed to supply this information; or
  - has knowingly supplied information, with regard to identifying the liable person, which is inaccurate in a material particular; or
  - has failed, without reasonable excuse, to notify the Council that the dwelling will not be, or was no longer an exempt dwelling; or
  - has failed, without reasonable excuse, to notify the Council that the chargeable amount is not subject to a discount or is subject to a discount of a lesser amount.

## **8. Prosecution**

- 8.1 Prosecutions relating to this policy are pursued by the Director of Legal Services and involve cases where an individual has committed an offence either to receive Council Tax Reduction inappropriately or reducing the liability for Council Tax by inappropriately claiming a discount.
- 8.2 The Council is likely to prosecute a Council Tax Reduction scheme offence in the following circumstances where:
- the alleged offence involves a flagrant breach of the law;
  - the excess Council Tax Reduction exceeds £2,000;
  - there is a history of similar offences.
  - the offender refuses to accept a Council Tax Reduction scheme penalty or Caution.

A Council Tax Reduction scheme offence means:

- making a false statement to obtain a Council Tax Reduction, or:

- knowingly failing to give a prompt notification of a change in circumstances affecting Council Tax Reduction.

8.3 Prosecution of an offender will take place in a Magistrates or Crown Court.

## **9. Suitability of Offenders for Prosecution**

9.1 When considering whether it is appropriate to instigate proceedings, consideration will be given as to whether there is sufficient admissible evidence to justify bringing a prosecution and if the prosecution is in the public interest.

9.2 The following paragraphs outline factors that will be considered, to ensure consistent and equitable treatment of those accused of fraud.

### Evidential Test

9.3 In making a decision to prosecute, the Local Authority must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, Magistrate or Judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence. Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source.

9.4 If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage, then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

### Public Interest Test

9.5 Oldham Council will always consider the public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered.

#### (a) Financial Limits

Careful consideration will be given to commencing a prosecution where the fraudulent activity has not resulted in 'significant financial gain' to the offender, for example the amount of the reduction or discounts overpayment is less than the cost of proceedings.

Where there is no significant financial gain, a prosecution could still be considered if it is considered that the fraud was a deliberate attempt to gain (if, for example, the fraud has been discovered after a relatively short space of time and a significant financial gain has not yet occurred), or in the case of a persistent offender or any other case where prosecution would be warranted.

#### (b) Physical / Mental Health Factors

Consideration will be given to the defendant's mental and physical condition (including age) when deciding whether to prosecute. The Counter Fraud Officer will consider whether there are significant personal or mental health concerns that may have contributed to the reasons for committing the offence. In addition, due consideration will be given where there is any evidence to

suggest that the claimant or partner or a third party (for example a child) would be severely affected by the action.

(c) Voluntary Disclosure

It may not be appropriate to prosecute those, whose disclosure of their own free will, has led to the identification of a fraud of which the Council was unaware. Admissions made after enquiries, or an investigation had commenced do not constitute voluntary disclosure.

(d) Previous Incidence of Fraud

Any evidence of previous benefits-related fraudulent activity would form part of the overall "prosecution assessment", regardless of whether any previous offences resulted in prosecution.

(e) Social Factors

If it is considered that the defendant's failure to declare the correct circumstances has been caused by significant extenuating social or financial factors these would be fully evaluated (the fact that an individual was in debt or has limited assets would not in itself meet this requirement).

Adequacy of Evidence

- 9.6 Substantive evidence is essential to secure any conviction. Proceedings would not be pursued if there is any doubt that the required evidence is not available. It must be clear that the fraudulent act was actually committed, that it was committed in the full knowledge of Council Tax Reduction regulations and that it was committed with the clear and deliberate intention to obtain Council Tax Reduction by deception. Satisfying the requirements of the Code for Crown Prosecutors Evidential Test will ensure that evidence is of the standard required by the courts.

Failure in Investigation

- 9.7 It should be evident on the case file that all appropriate procedures have been adhered to with regard to satisfying the requirements of the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996 and other relevant legislation. Particular consideration would also be given to any delay in the course of enquiries, which may be considered as unacceptable by the court.

Failure in Administration

- 9.8 Full account will be taken of poor administration or fault on the part of Authority that has contributed to the processing of the fraudulent claim and subsequent award of discount or reduction in liability.

## **10. Authorisation of Prosecution**

- 10.1 Cases being referred for prosecution will be authorised by the Head of Audit and Counter Fraud. Cases involving Council Members or employees will also be referred to the Borough Solicitor and Monitoring Officer or appropriate Director so that any standards issues can be addressed.

- 10.2 Cases may also be referred to the Police where it is considered that the nature of the offence, or the procurement of evidence, require them to undertake or assist in the investigation.

## **11. Proceeds of Crime Act 2003**

- 11.1 The Council will refer all suitable cases for financial investigation with a view to applying to the courts for restraint and/or confiscation of identified assets. A restraint order prevents a person from dealing with specified assets. A confiscation order enables the Council's agents to seek to recover its losses from assets found to be the proceeds of crime.

## **12. Recovery of Debt**

- 12.1 In addition to any criminal proceedings or sanction it may impose in respect of offences committed, the Council will use all methods available to vigorously recover any overpayment arising from fraud, including taking action in the civil courts if necessary.

## **13. Publicity**

- 13.1 Press releases will be issued in suitable cases to seek to maximise the deterrent effect and raise the level of public fraud awareness. Consideration will be given to the amounts involved, the nature of the offence, public interest and the deterrent value of publicising a particular case.

## **14. Review of Policy**

- 14.1 The policy will be reviewed in the light of any legislative changes; trends or other factors that impact on the effectiveness of the policy.



# Oldham Council Audit and Counter Fraud Service

**Covid Business Grants Prosecution Policy**

**22 October 2025**

## Version Control

<b><i>Version</i></b>	<b><i>Version Date</i></b>	<b><i>Revised by</i></b>	<b><i>Description</i></b>
1	April 2020	Andrew Bloor	New Policy
2	May 2020	Anne Ryans	Reviewed Policy
3	November 2022	Andrew Bloor	Reviewed and updated
4	September 2025	Andrew Bloor	Reviewed - Covid Business Grants Prosecution Policy

# **Covid Business Grants Prosecution Policy**

## **1. Introduction**

- 1.1 In response to the COVID-19 pandemic the Government placed a requirement on the Council to administer the grant schemes it introduced to assist small businesses and retail, leisure and hospitality businesses with cash flow during the pandemic. The Council was expected to follow the guidance produced by Central Government to aid relevant Authorities in administering the grants.
- 1.2 Initially the Department for Business, Energy and Industrial Strategy (BEIS) directed Local Authorities to prioritise the speed of the grant payments, subject to minimal pre-payment checks.
- 1.3 In order to assist in undertaking pre-payment checks, the Cabinet Office made available to the Council its Spotlight Tool. This was utilised by Oldham Council for undertaking pre-payment checks on all applications for business grants.
- 1.4 This policy statement provides the agreed framework for Council officers involved in investigation, sanction and prosecution following appropriate pre and post payment checks of the:
  - Small Business Grant Fund
  - Retail, Hospitality and Leisure Grant Fund
  - Local Authority Discretionary Grant Fund
  - Restart Scheme
  - Local Restrictions Support Grant
  - Additional Restrictions Grant Fund
  - Omicron Hospitality and Leisure Grant scheme

The range of Business Grants regimes ran from March 2020, with the last payments made in March 2022.

- 1.5 The Council is committed under its wider fiduciary duty to protect the public funds it administers. As such the Council has agreed this policy which supports the Council's approach of zero tolerance to all fraud and loss.
- 1.6 Central Government indicated in the "frequently asked questions" section of the available guidance (number 63) that it "will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error."

## **2. Risk Assessment of Loss due to Fraud on Grant Payments**

- 2.1 The Council, in developing its agreed procedures to administer these grants, has followed the direction of the Department of Business, Energy and Industrial Strategy (BEIS). There were several categories of organisation/individual entitled to these payments including:
  - Limited Companies.
  - Sole Traders who were also the Property Owners.

- Sole Traders who were leasing the property from a third party.
  - Sports and Athletic Clubs.
- 2.2 One challenge to the Council in administering these payments was the initial data quality on its Academy System used to administer Business Rates linked into Small Rates Business Relief. These businesses had not been required to pay business rates since 2017 and as such any contact to amend the records held by the Council on its systems only occurred when instigated by the business. An added benefit from the payment of these grants is that it has improved the quality of data held to support the administration of Small Business Rate Relief.
- 2.3 The system therefore adopted by the Council to mitigate this risk of the initial poor data quality required applicants to complete an on-line form and make an appropriate declaration that they were entitled to receive the grant and provide evidence of a current bank account (preferably in the name of the business) to demonstrate they were currently operating. This was required as a pre-payment check to demonstrate the business was still operating before payment and businesses would only be paid on the production of such information. A further requirement (where applicable) was to include a VAT number, although the provision of such information was not mandatory.
- 2.4 Prior to payment, the Council, in undertaking pre-payment checks, utilised the Spotlight System provided by the Cabinet Office. This tool enabled a decision to be made on the status of a limited company, and whether it was in operation during the relevant period. As such the pre-payment checks for this type of payee gave reasonable assurance that it was a reasonable risk to pay the grant. For other organisations, such as Sole Traders, Spotlight did not enable such a decision to be made so the specific pre-payment check relied upon by the Council was the submission of bank account details to demonstrate the business was currently operating. In following the Government advice to prioritise speed of payment over further checks, a policy decision was taken not to continue to undertake further checks, such as searching social media, to demonstrate businesses such as Sole Traders were still operational before the grant payment was made. In doing so the Council has followed the Government advice which stated “Provided they are an eligible ratepayer with an eligible rating assessment then they will qualify.”.
- 2.5 In order to process the payments, the Council took the decision not to wait until the provider of the Academy system developed an automated payment facility. This enabled the Council to act in line with Government policy to speed up the payment process. It did however present extra risks to the Council which needed to be managed, such as potential duplicate payments for multiple grant applications relating to a single property. It also added to the Council’s routine administration as the payments made needed to be reconciled to both its Academy system and Financial Ledger.
- 2.6 Under the Transparency Agenda the Council published grant payments in excess of £500. This allowed further fraud scrutiny by members of the public.
- 2.7 The Authority made an assessment of the risk of fraud based upon the agreed level of pre-payment checks undertaken and the need to utilise its Agresso system to make the grant payments. This Risk Assessment was maintained by the Counter Fraud Manager and was used to determine the post payment checks of the grant payments undertaken by the Internal Audit and Counter Fraud team.
- 2.8 It is anticipated that any inappropriate payments, including those assessed as fraudulent, which cannot be recovered will be borne by Central Government.

### **3. Investigation of Suspected Inappropriate Grant Payments**

- 3.1 All allegations of suspected inappropriate grant payments will be investigated by the Audit and Counter Fraud Function. Following investigation, a report is produced with a recommendation of whether to prosecute or not in relation to fraud. The standard of the investigation enables a criminal prosecution to be undertaken if appropriate. This will be reviewed by the Head of Audit and Counter Fraud who will agree the decision on whether to prosecute or not.

### **4. Prosecution**

- 4.1 Prosecutions relating to this policy following the review of the investigation are to be pursued by Oldham Council's Borough Solicitor and Monitoring Officer and involve cases where someone who has committed an offence in order to receive one or more of the Covid Business Rates Grants. The presumption of the Council, given the value of the grant payments, is to prosecute in all cases.
- 4.2 Prosecution of an inappropriate grant claimant will take place in a Magistrates or Crown Court.

### **5. Suitability of Offenders for Prosecution**

- 5.1 When considering whether it is appropriate to instigate proceedings, consideration will be given as to whether there is sufficient admissible evidence to justify bringing a prosecution and if the prosecution is in the public interest.
- 5.2 The following paragraphs in Section 5 outline factors that will be considered, to ensure consistent and equitable treatment of those accused of fraud.

#### **Evidential Test**

- 5.3 In making a decision to prosecute, the Local Authority must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, if properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence. Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source.
- 5.4 If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage, then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

#### **Public Interest Test**

- 5.5 Oldham Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered.

### **Financial Limits**

- 5.6 Careful consideration will be given to commencing a prosecution where the fraudulent activity has not resulted in 'significant financial gain' to the offender.

### **Physical / Mental Health Factors**

- 5.7 Consideration will be given to varying factors when deciding whether to prosecute. Officers will consider whether there are significant personal or mental health issues that may have contributed to the reasons for committing the offence. In addition, due consideration will be given where there is any evidence to suggest that the claimant or partner or a third party (for example a child) would be severely affected by the action. Other remedies are available to the Council where prosecution is deemed unsuitable.

### **Voluntary Disclosure**

- 5.8 It may not be appropriate to prosecute those, whose disclosure of their own free will, has led to the identification of a fraud of which the Council was unaware. Admissions made after enquiries, or an investigation had commenced do not constitute voluntary disclosure.

### **Previous Incidence of Fraud**

- 5.9 Any evidence of previous fraudulent activity would form part of the overall "prosecution assessment", regardless of whether any previous offences resulted in prosecution.

### **Social Factors**

- 5.10 If it is considered that the failure to declare the correct circumstances has been caused by significant extenuating social or financial factors these would be fully evaluated. (The fact that an individual was in debt or has limited assets would not in itself meet this requirement.)

### **Failure in Investigation**

- 5.11 It should be evident on the case file that all appropriate procedures have been adhered to with regard to satisfying the requirements of the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996 and other relevant legislation. Particular consideration would also be given to any delay in the course of enquiries, which may be considered as unacceptable by the court.

### **Failure in Administration**

- 5.12 Full account will be taken of poor administration or fault on the part of the Authority that has contributed to the processing of the fraudulent claim and subsequent award of the grant.

## **6. Authorisation of Prosecution**

- 6.1 Cases being referred for prosecution will be authorised by the Head of Audit and Counter Fraud. Cases involving Council Members or employees will also be referred to the Director of Legal Services or appropriate Head of Service so that any standards issues can be addressed.

- 6.2 Cases may also be referred to the police where it is considered that the nature of the offence, or the procurement of evidence, require them to undertake or assist in the investigation.

## **7. Proceeds of Crime Act 2003**

- 7.1 The Council will refer all suitable cases for financial investigation with a view to applying to the courts for restraint and/or confiscation of identified assets. A restraint order prevents a person from dealing with specified assets. A confiscation order enables the Council's agents to seek to recover its losses from assets found to be the proceeds of crime.

## **8. Recovery of Debt**

- 8.1 In addition to any criminal proceedings or sanction it may impose in respect of offences committed, the Council will use all methods available to vigorously recover any overpayment arising from fraud, including taking action in the civil courts if necessary.

## **9. Publicity**

- 9.1 Press releases will be issued in suitable cases to seek to maximise the deterrent effect and raise the level of public fraud awareness. Consideration will be given to the amounts involved, the nature of the offence, public interest and the deterrent value of publicising a particular case.

## **10. Review of Policy**

- 10.1 The policy will be reviewed in the light of any legislative changes; trends or other factors that impact on the effectiveness of the policy.

This page is intentionally left blank



# Oldham Council Audit and Counter Fraud Service

## Anti-Money Laundering Policy

A guide to the Council's anti-money laundering safeguards and reporting arrangements.

22 October 2025

## Version Control

<b><i>Version</i></b>	<b><i>Version Date</i></b>	<b><i>Revised by</i></b>	<b><i>Description</i></b>
1	September 2008	Mark Stenson	New Policy
2	August 2019	Andrew Bloor	Revised – Anti-Money Laundering Policy
3	November 2022	Andrew Bloor	Revised – Anti-Money Laundering Policy
4	September 2025	Andrew Bloor	Reviewed – Anti-Money Laundering Policy

# Anti-Money Laundering Policy

## 1. Introduction

The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 came into force on 10 January 2020. The 2019 Regulations introduced changes to the Government's 2017 Money Laundering Regulations (MLRs). The changes update the UK's Anti Money Laundering regime to incorporate international standards set by the Financial Action Task Force (FATF). The 2019 Regulations can be found here:

- [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

As an overview, the changes incorporate requirements to:

- keep an up-to-date list of exact functions that qualify as prominent public functions
- the requirement for enhanced due diligence when working with high-risk countries
- the requirement to maintain registers of beneficial owners
- introduce a reduced limit of pre-paid cards and electronic money
- apply enhanced due diligence on virtual currencies, crypto currencies, digital tokens
- bring letting agency activities within the scope of Anti Money Laundering Regulations

Although Anti Money Laundering legislation does not specifically cover Local Authorities, it is implied best practice that we assess the risk and put sufficient controls in place to prevent the Council from being used for money laundering purposes.

We are required to:

- assess the risk of Oldham Council being used by criminals to launder money
- check the identity of our customers
- check the identity of 'beneficial owners' of corporate bodies and partnerships
- monitor our customers' business activities and report anything suspicious to the [National Crime Agency](https://www.nca.gov.uk) (NCA)
- make sure we have the necessary management control systems in place; keep all documents that relate to financial transactions, the identity of our customers, risk assessment and management procedures and processes for a period of 5 years
- make sure our employees are aware of the regulations and have had the necessary training
- have policies to undertake risk assessments prior to the launch or use of new products or business practices, as well as new technologies

## **2. Scope of the Policy**

This Policy applies to all employees whether permanent or temporary and Members of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside of work should contact the Police.

Not all of the Council's business is "relevant" for the purposes of the legislation. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council; therefore, all staff are required to comply with the reporting procedure.

Failure by a member of staff to comply with the procedures set out in the Policy should be escalated for appropriate action to be taken.

## **3. What is Money Laundering?**

Money laundering is a general term for any method of disguising the origin of "dirty" or criminal money. This money may be the proceeds of any criminal activity including terrorism, drugs trafficking, corruption, tax evasion and theft. The purpose of money laundering is to hide the origin of the dirty money so that it appears to have come from a legitimate source. Unfortunately, no organisation is safe from the threat of money laundering, particularly when it is receiving funds from sources where the identity of the payer is unknown. It is, therefore, possible that Oldham Council will be targeted by criminals wishing to launder the proceeds of crime.

In addition, it is possible that the proceeds of crime may be received from individuals or organisations that do not realise that they are committing an offence. It is no defence for the payer or the recipient to claim that they did not know that they were committing an offence if they should have been aware of the origin of the funds.

There are two main types of offences which may be committed:

- Money laundering offences.
- Failure to report money laundering offences.

The main types of money laundering offences are:

- Acquiring, using or possessing criminal property.
- Handling the proceeds of crimes such as theft, fraud and tax evasion.
- Being knowingly involved in any way with criminal or terrorist property.
- Entering into arrangements to facilitate laundering criminal or terrorist property.
- Investing the proceeds of crime in other financial products.
- Investing the proceeds of crimes through the acquisition of property/assets.
- Transferring criminal property.

Under the legislation if staff assist an individual to launder funds from a criminal source, they may be guilty of an offence and, if found guilty, could be subject to a fine or a prison sentence up to 14 years. It is important therefore that staff are aware of the rules and procedures that the Council has in place to ensure that they comply with the relevant legislation and approach taken by the Council as set out in this policy.

#### **4. What are the Obligations on the Council?**

Organisations conducting “relevant business” must appoint a Money Laundering Reporting Officer (“MLRO”) to:

- receive disclosures from employees of money laundering activity (their own or anyone else’s);
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

#### **5. The Money Laundering Reporting Officer**

The Officer nominated to receive disclosures about money laundering activity within the Council is:

Director of Finance  
Oldham Council  
Spindles Shopping Centre  
George Street  
Oldham  
OL1 1HD

#### **6. Identification of potential money laundering situations**

Criminals have various ways of concealing, moving and legitimising the proceeds of crime. It is not possible to give a definitive list of ways in which to identify money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity:

- Use of cash where other means of payment are normal.
- Unusual transactions or ways of conducting business.
- Use of shell companies.
- Payment of deposits which are subsequently requested back.
- Lack of ‘traceability’ of persons involved.
- Individuals and companies that are insolvent yet have funds.
- Payment of a substantial sum in cash over £10,000, or lower amount where any member of staff has reasonable grounds to believe that money laundering is taking place or is being attempted.
- A new customer.

- A secretive customer e.g. refuses to provide requested information without a reasonable explanation.
- Concerns about the honesty, integrity, identity or location of a customer.
- Illogical third-party transaction such as unnecessary routing or receipt of funds from third parties or through third party accounts.
- Involvement of an unconnected third party without logical reason or explanation.
- Overpayments by a customer.
- Absence of an obvious legitimate source of funds.
- Movement of funds overseas, particularly to a higher risk country or tax haven.
- Transactions which are out of the line of normal expectations, without reasonable explanation.
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational.
- The cancellation or reversal of an earlier transaction.
- Requests for release of customer account details other than in the normal course of business.
- Transactions at substantially above or below fair market values.
- Poor business records or internal accounting controls.
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.

In addition to the money laundering offences, the legislation sets out further offences of failure to report suspicions of money laundering activities. Such offences are committed where, in the course of conducting relevant business in the regulated sector, you know or suspect, or have reasonable grounds to do so (even if you did not know or suspect), that another person is engaged in money laundering and you do not disclose this as soon as is practicable to the MLRO.

## **7. Reporting Procedure**

If you know or suspect that money laundering activity is taking place, has taken place, or that your involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed immediately to the MLRO. This disclosure should be within hours of the information coming to your attention, not weeks or months later. If you do not disclose information immediately, then you may be liable to criminal prosecution.

Your disclosure should be made using the form MLRO1, Money Laundering Suspicion Report Form, which is attached at Annex A. The disclosure report must contain as much detail as possible, for example:

- Where known, full details of the people involved (including yourself if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc.
- Full details of the nature of your and their involvement.

- The types of money laundering activity suspected.
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent.
- Where they took place.
- How they were undertaken.
- The (likely) amount of money/assets involved.
- Why, exactly, you are suspicious?

You should also supply any other available information to enable the MLRO to make a sound judgement as to the next steps to be taken and you should enclose copies of any relevant supporting documentation.

If you are a legal adviser and consider that legal professional privilege may apply to the information, you should explain fully in the MLRO1 form the reasons why you contend the information is privileged. The MLRO, in consultation with the Director of Legal Services, will then decide whether the information is exempt from the requirement to report suspected money laundering to the National Crime Agency (NCA).

Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself. Any necessary investigation will be undertaken by the NCA. All employees will be required to co-operate with the MLRO and the investigating authorities during any subsequent money laundering investigation.

At no time, and under no circumstances, should you voice any suspicions to the person(s) whom you suspect of money laundering or to any other individual without the specific consent of the MLRO. If you do so you may commit the offence of 'tipping off'.

Do not make any reference on records held to the fact that you have made a report to the MLRO. If a customer exercises their right to see their record, any such note would obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

In all cases no further action must be taken in relation to the transaction(s) in question until either the MLRO or NCA (if applicable) has specifically given their written consent to proceed.

## **8. Record Keeping**

The MLRO will retain all disclosure reports referred to them and reports made by them to the National Crime Agency (NCA) for a minimum of five years.

## **9. Conclusion**

The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This document has been written to enable the Council to meet the legal requirements in a way that is proportionate to the risk to the Council of contravening the legislation. Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO. This policy will be reviewed and updated/amended when new legislation/guidance is issued.



Date of Disclosure	
Officer making the disclosure (including job title)	
Contact details	

Subject Details	
Surname	
Forename(s)	
Date of Birth (if known)	

Or if the matter relates to a company	
Company Name	
Address	
Company Number (if known)	

Reason for Disclosure

This page is intentionally left blank



# Oldham Council Audit and Counter Fraud Service

**CIPFA Fighting Fraud and Corruption Locally (FFCL) checklist and  
action plan**

**22 October 2025**

## **1 Background**

- 1.1 In developing the Council's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, the Council incorporated guidance and best practice of combatting fraud within Local Government from the Fighting Fraud and Corruption Locally (FFCL) Strategy.
- 1.2 The Fighting Fraud and Corruption Locally (FFCL) Strategy has been developed by Local Government in collaboration with anti-fraud and corruption professionals as part of a Joint Taskforce. The Joint Fraud Taskforce is a partnership between banks, law enforcement agencies and Government to deal with economic crime. FFCL contains a checklist against which Local Authorities can measure their compliance with the strategy. Local Authorities are required to assess their performance against this checklist annually
- 1.3 The completed checklist on the pages which follow meets this requirement by identifying both the Council's current assessment of its performance against the FFCL checklist and, where areas for improvement have been identified, an Action Plan to address these areas. The Audit and Counter Fraud Service will lead on the improvements identified in the Action Plan.

Ref	Statement	Response	Conclusion	Action Plan
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its Senior board and its members.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas.	Satisfied	
2	The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. The assessment includes the understanding of the harm that fraud may do in the community.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas. The Council also produces an annual Anti-Fraud and Corruption Strategy which acknowledges, in line with FFCL, the harm that fraud may do in the community.	Satisfied	
3	There is an annual report to the Audit Committee, or equivalent detailed assessment, to compare against FFCL 2020 and its checklist.	Assessment against FFCL (this checklist) reported to the Audit Committee in October 2025.	Satisfied	

4	The relevant portfolio holder has been briefed on fraud risks and mitigation.	The Deputy Leader/Cabinet Member for Finance and Low Carbon (Portfolio Holder) is briefed on the Internal Audit and Counter Fraud Plan, including any emerging fraud risks.	Satisfied	
5	The Audit Committee supports Counter Fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	The Audit Committee considers Counter Fraud activity on a regular basis and has the opportunity to challenge and discuss counter fraud activity via the Audit and Counter Fraud Progress Reports to Audit Committee.	Satisfied	
6	There is a counter fraud and corruption strategy applying to all aspects of the local authority business which has been communicated throughout the local authority and acknowledged by those charged with governance.	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is updated regularly and presented to the Audit Committee. The policies are communicated via Team Brief on a regular basis.	Satisfied	

7	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	The Council has, and adheres to, a number of governance policies and codes including The Council Constitution, Local Code of Corporate Governance, Employee and Member Codes of Conduct, Contract Procedure Rules and Financial Procedure Rules which help to ensure that the Council conducts its business in a transparent and ethical manner.	Satisfied	
8	The risks of fraud and corruption are specially considered in the local authority overall risk management process.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas. The Council also produces an annual Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan. Any areas identified as high risk to the Council are detailed in the Annual Governance Statement.	Satisfied	.
9	Counter Fraud Staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	The Internal Audit and Counter Fraud Team undertake fraud proofing on policies/documents where applicable or when consulted upon directly.	Satisfied	

10	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Appropriate cases have been reported with appropriate sensitivity via the Audit Committee.	Satisfied	
11	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	The Council has adopted the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan and Anti-Money Laundering Policy, all of which are approved by the Audit Committee, and the Whistleblowing Policy, approved by full Council. Fraud figures are regularly reported to the Audit Committee.	Satisfied	
12	<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> <li>Codes of conduct including behaviour for counter fraud, anti-bribery and corruption,</li> <li>register of interests,</li> <li>register of gifts and hospitality.</li> </ul>	<p>Officers Code of Conduct includes section on the Principals of Public Life (The Nolan Principles), Whistleblowing, Hospitality and Gifts, Access to information and IT, Financial and Non-Financial interests and Criteria for Politically Restricted Posts. Members also have their own Code of Conduct.</p> <p>An audit review of Standards and Gifts and Hospitality (Officers/Members) was undertaken during 2024/25 and will be reviewed annually.</p>	Satisfied	



13	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL to prevent potentially dishonest employees from being appointed.	<p>Standard recruitment procedures are in place to vet staff prior to them being employed by the authority. These include taking up 2 references, DBS checks where appropriate, verification of qualifications, declaration of interests and right to work checks. An HR Officer can be requested to sit in on the interview panel if required.</p> <p>A review of Recruitment, Selection, and Disciplinary Policies and Procedures Review was undertaken during 2024/25 and will be reviewed annually.</p>	Satisfied	
14	Members of staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to Audit Committee.	This is covered by the closedown exercise under final accounts as part of the year end process for elected Members. Expanding this exercise to encompass Officer declarations as part of an annual audit is to be explored.	Partly Satisfied	<p>Explore options for collecting data and reporting on:</p> <p>Uptake of Anti-Fraud training and awareness raising events.</p>
15	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by Counter Fraud experts.	The Internal Audit and Counter Fraud Team have a planned programme of work throughout the Directorates, including co-ordinating the Council's work in connection with the National Fraud Initiative and investigation of returned data matches. These areas of risk are covered in the Fraud and Loss Risk Assessment and Internal Audit and Counter Fraud Plan.	Satisfied	

16	There is an independent and up to date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressures.	There is a Whistleblowing Policy in place, last reviewed May 2020, the policy is available on the intranet and internet. All whistleblowing cases are treated seriously and investigated in line with the policy. The Monitoring Officer has overall responsibility for ensuring that this takes place.	Satisfied	
17	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	The policy applies to all employees of Oldham Council and Agency Workers. The Council's Standard Terms cover areas such as corruption but do not make it a contractual obligation for the supplier to sign up to the principles of whistleblowing.	Review /Action Required	Examine whether the Council's Standard Contract Terms can be amended to allow suppliers to voluntarily "sign up" to the Council's whistleblowing policy.
18	Fraud resources are accessed proportionally to the risk the local authority faces and are adequately resourced.	The Internal Audit and Counter Fraud Team is structured based on current and emerging fraud risks. Resources appear adequate at the present time but will be reviewed on an ongoing basis.	Satisfied	

<b>19</b>	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The annual Audit and Counter Fraud Plan is in place and approved by the Audit Committee. The plan is based on the Audit Needs Assessment and emerging fraud risks.	Satisfied	
<b>20</b>	Statistics are kept and reported by the fraud team which covers all areas of activity and outcomes.	The Internal Audit and Counter Fraud Team report performance on a regular basis to the Audit Committee on a range of key deliverables, including fraud.	Satisfied	
<b>21</b>	Counter Fraud Officers have unfettered access to premises and documents for the purposes of counter fraud investigations.	Counter Fraud Officers have access to premises and documentation for the purposes of counter fraud investigations through their links with Internal Audit. The Counter Fraud Team has access to external information through the National Anti-Fraud Network (NAFN) and powers such as the Local Government Finance Act 1992.	Satisfied	
<b>22</b>	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the Councils communication team.	Results of counter fraud activity are published regularly to members via the Audit Committee where it is appropriate to do so.	Satisfied	

<b>23</b>	All allegations of fraud and corruption are risk assessed.	A Counter Fraud Risk Assessment is in place and is adopted for all allegations received.	Satisfied	
<b>24</b>	The fraud and corruption response plan covers all areas of counter fraud work namely prevention, detection, investigation, sanctions and redress	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan covers all areas of counter fraud work.	Satisfied	
<b>25</b>	The fraud response plan is linked to the audit plan and is communicated to senior managers and members.	Collaboration between the Internal Audit and Counter Fraud Team and the Departmental Management Teams ensures appropriate risks are captured in the Fraud and Loss Risk Assessment, Internal Audit and Counter Fraud Plan and the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan. This information feeds into the Annual Audit and Counter Fraud Plan.	Satisfied	
<b>26</b>	Asset recovery and civil recovery is considered in all cases.	Yes. The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan notes that prioritising fraud recovery is key. The use of civil penalties, civil proceedings, criminal proceedings are all reasonable measures to recover any losses from fraudulent activity.	Satisfied	

27	There is a zero-tolerance approach to fraud and corruption which is always reported to committee.	A zero-tolerance approach is specified in the Counter Fraud, Ant-Bribery and Counter Fraud Response Plan. Any identified incidences are reported to the Director of Finance (Section 151 Officer), The Head of Internal Audit and Counter Fraud and Audit Committee.	Satisfied	
28	There is a programme of proactive counter fraud work which covers risks identified in assessment.	There is a proactive programme of counter fraud work which is included in planned activity in the Internal Audit and Counter Fraud Plan, e.g. National Fraud Initiative (NFI).	Satisfied	
29	The Counter Fraud Team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activities.	The Counter Fraud Team uses a multi-agency approach when undertaking investigations, including DWP. The Counter Fraud Team work closely with Greater Manchester Police and have contacts within Greater Manchester councils to seek advice and intelligence as appropriate.	Satisfied	
30	The local authority shares data across its own departments and between other enforcement agencies.	The Internal Audit and Counter Fraud team have a working relationship with Greater Manchester Police and acts as the Single Point of Contact (SPOC) for Police Data Protection Requests. Service Level Agreements are in place for such sharing of data. The Council shares data and co-ordinates actions internally across Departments to respond to and address fraud risks on an individual basis, and also as an organisation as a whole in the prevention and detection of fraud by taking part in the annual NFI exercises.	Satisfied	

31	Prevention measures and projects are undertaken using data analytics where possible.	Data analytic techniques are used where applicable. The Council partakes in the National Fraud Initiative which shares data across other organisations for the purpose of detecting fraud and error.	Satisfied	
32	The counter fraud team has registered with the knowledge hub so it has access to directories and other tools.	The Counter Fraud Team have access to resources from their professional bodies and local/national networks, including the Knowledge Hub.	Satisfied	
33	The counter fraud team has access to the FFCL regional network	The Counter Fraud Team have access to resources from their professional bodies and local/national networks and attend training/conferences.  The Counter Fraud Team are members of NAFN, LGMFIG and the FFCL Network	Satisfied	
34	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they must be trained in this area	Counter Fraud Officers hold the Accredited Counter Fraud Specialist qualification (Professionalism in Security). The qualification is accredited by the University of Portsmouth. The team regularly undertake CPD training to keep abreast of new ways of working and emerging fraud risks. The Head of Internal Audit and Counter Fraud also holds a certified Counter Fraud Technician qualification.	Satisfied	
35	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas	The Counter Fraud Team have adequate knowledge in all areas of the local authority. The team work side by side with Internal Audit who are able to provide advice and guidance when required.	Satisfied	

36	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recover and financial investigations.	Any need for specialist resources would be considered on a case by case basis. Requests in this area are rare but may be required from time to time.	Satisfied	
37	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Fraud and Corruption weaknesses are identified as part of the Internal Audit process. Outcomes of Counter Fraud work are reported to the Head of Internal Audit and Counter Fraud, the service area in question (to effect improvements), and consideration is given to undertaking a review of the affected area.	Satisfied	

This page is intentionally left blank





# Oldham Council Audit and Counter Fraud Service

Fraud and Loss Risk Assessment

22 October 2025

## 1 Background

- 1.1 In developing the Council's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, the Council incorporated guidance and best practice of combatting fraud within Local Government from a number of different sources, as follows:
- **Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption**
  - **Fighting Fraud and Corruption Locally (FFCL) Strategy**
- 1.2 The CIPFA Code of Practice on Managing the Risk of Fraud and Corruption requires that, in Local Authorities fraud risks are routinely considered as part of the organisation's risk management arrangements.
- 1.3 The Fighting Fraud and Corruption Locally (FFCL) Strategy has been developed by Local Government in collaboration with anti-fraud and corruption professionals as part of a Joint Taskforce. The Joint Fraud Taskforce is a partnership between banks, law enforcement agencies and Government to deal with economic crime. FFCL contains a checklist against which Local Authorities can measure their compliance with the strategy.
- 1.4 This fraud and loss risk assessment meets these requirements by identifying both the risks of fraud and loss to the Authority, and the actions (risk mitigation) the Council has in place to address these risks. This risk assessment informs the work of the Audit and Counter Fraud Service.

Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
Grant Fraud/Misuse	<p><b>False information provided to secure grant funding –</b> External parties provide false or inaccurate information in order to qualify for grants/loans for which they are not entitled to or will use for other purposes.</p> <p><b>Grant Collusion –</b> An applicant colludes with a member of staff in order to obtain a grant for personal use to which they are not entitled.</p> <p><b>Failure to use Grant for intended purpose –</b> Applicant deliberately uses the grant provided for purposes other than that for which it was intended.</p> <p><b>Council misuse of ring-fenced grants –</b> Ring-fenced grants not used for the purpose for which they were intended.</p>	<p>Pre-payment checks undertaken prior to grant payment.</p> <p>Grant assurance reviews and Chief Internal Auditor sign off where appropriate.</p> <p>Undertake investigations/reviews into referrals received from Whistleblowers / the Council's Senior Management Team.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>
Bribery	<p><b>Corporate Bribery –</b> The Council fails to take appropriate steps to prevent bribery and is held accountable by law which can be punishable by a prison sentence.</p> <p><b>Bribery –</b> Officers/Members accepting bribes to act improperly in order to influence Council policy, procurements, processes or procedures for the benefit of themselves or another.</p>	<p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p>

<b>Fraud and Loss Risk Assessment</b> <b>2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Blue Badge Fraud</b>	<p><b>Application</b> – False or exaggerated information submitted in order to secure a blue badge parking permit.</p> <p><b>Inappropriate Usage</b> – The use of a blue badge by those not entitled to use them and without the company of the badge holder.</p> <p><b>Deceased Usage</b> – Blue badges are used or sold on after the badge holder has deceased.</p> <p><b>Fake or Amended</b> – Blue badges in use are fake or have been amended (i.e. dates) in order to abuse the system.</p>	<p>Cabinet Office (National Fraud Initiative) data match against the DWP Mortality Register.</p> <p>Reacting to referrals from Whistleblowers, Council Officials and Parking Services.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>
<b>Money Laundering</b>	<p><b>Money Laundering</b> – The Council and its cash handling arrangements are abused by a third party wishing to launder money. This can include the payment of accounts in cash and then requesting an electronic repayment because accounts have been overpaid.</p>	<p>Review of the Money Laundering Policy.</p> <p>Undertake investigations as directed by the Money Laundering Officer.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p>

<b>Fraud and Loss Risk Assessment</b> <b>2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Council Tax Reduction/Council Tax/Discounts Fraud/Misuse</b>	<p><b>Failure to report a change in circumstances</b> – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p><b>Fail to register for Council Tax</b> – Failure to register a property that should be subject to Council Tax.</p> <p><b>Exemptions/Discounts</b> – Fraudulently providing incorrect information in order to gain a reduction in Council Tax (e.g. Single Person Discount).</p> <p><b>No Recourse to Public Funds</b> – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Information and Housing Benefit Matching Series – data matching exercises against numerous data sets.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p> <p>Assist colleagues in the fraud proofing of Council Tax documentation issued by the Council.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>
<b>Housing Benefit Fraud</b>	<p><b>Failure to report a change in circumstances</b> – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p><b>False Representation</b> – Providing incorrect information in order to claim benefits.</p> <p><b>No Recourse to Public Funds</b> – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Indicators and Housing Benefit Matching Service – Series of data matching exercises against numerous data sets. Counter Fraud Team to undertake investigations on a risk-based approach, with referral back to DWP as appropriate.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
NDR Fraud	<p><b>Failure to report a change in circumstances</b> – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p><b>Failure to Register for Business Rates</b> – Failing to register a property for business rates payments.</p> <p><b>False or inaccurate claims for discounts or exemption</b> – providing false or inaccurate information to qualify for reductions to which they are not entitled.</p> <p><b>Insolvency</b> – Businesses going to into liquidation only to set up again under a different name in order to avoid NDR liability.</p> <p><b>Avoidance</b> – Avoidance of empty NDR through periods of artificial/contrived occupation (including charities).</p>	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
Bank Mandate	<b>Mandate Fraud</b> – External parties target the Council by pretending to be from a legitimate supplier and attempt to change bank account details in order to remove funds to their own bank account.	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Bank Mandate Fraud alerts received from the National Anti-Fraud Network and the Barclays Bank Security Team will be forwarded to key stakeholders within the Council.</p> <p>Independent verification of mandate change requests.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p> <p>Identified as a Risk in the Annual Governance Statement.</p>

Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
Procurement Fraud	<p><b>Inflated Invoices</b> – External parties inflate invoices in order to receive additional funds or charge VAT for services when they are not VAT registered.</p> <p><b>Duplicate Invoices</b> – External parties submit multiple invoices for payment.</p> <p><b>Payment to fictitious suppliers</b> – Staff request set up of a fictitious supplier in order to obtain funds.</p> <p><b>Conflict of interest</b> – Employees fail to declare conflicts of interest or gifts to award contracts to related companies for their own benefit.</p> <p><b>Contract splitting to avoid tender threshold</b> – Split of contracts into smaller amounts to avoid thresholds.</p>	<p>Contract Procedure Rules.</p> <p>Undertake as much procurement activity as possible through “The Chest” procurement system to prevent abuse of the procurement cycle.</p> <p>Cabinet Office (National Fraud Initiative) data match reviewing Duplicate Payments, Duplicate Suppliers and Incorrect VAT payments.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p> <p>Duplicate payments review exercise (Meridian)</p>



Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
<b>Social Care Fraud</b>	<p><b>Inaccurate or Incomplete financial information and hidden assets</b> - false or inaccurate information in order to qualify for support towards care costs and residential / homecare.</p> <p><b>Direct Payment Misuse</b> – payments are misused by social care clients or those responsible for their finances.</p> <p><b>Financial Misuse</b> – Personal Assistants and/or Family Members claiming money for time they had not worked or were spending the allocated budget inappropriately.</p>	<p>Direct Payment Audit Function to review 100% of Adult and Children's Direct Payments on an annual basis.</p> <p>Implementation of the Adult Social Care and Counter Fraud Protocol.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p> <p>Fraud/Finance skills training for Social Care Staff.</p> <p>Assist colleagues in the fraud proofing of Social Care documentation issued by the Council.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

<b>Fraud and Loss Risk Assessment</b> <b>2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Insurance Fraud</b>	<p><b>False claim for slips and trips</b> – Individuals or groups submit claims for compensation relating to incidents that did not occur or are exaggerated.</p> <p><b>Collusion with Accident Management Companies</b> – Employees collude with management companies to exploit known weaknesses on roads.</p>	<p>Dedicated Risk and Insurance function.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p>
<b>Educational Fraud</b>	<p><b>Placement Fraud</b> – Families provide false information about their families and residency information in order to ensure that they get their child into the chosen school.</p> <p><b>Ghost Students/Nursery Placing</b> – Schools and Nurseries submit inflated pupil numbers in order to artificially increase budgets.</p> <p><b>Schools</b> – Lack of regular scrutiny by Senior Management and Governors.</p>	<p>Schools Audit reviews by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

<b>Fraud and Loss Risk Assessment</b> <b>2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Housing Fraud</b>	<p><b>Subletting</b> – Properties are illegally sublet by tenants for personal gain.</p> <p><b>False Succession</b> – Succession of tenancies by persons not entitled to the property.</p> <p><b>False Information</b> – Information provided by applicants when applying for social housing in order to qualify for housing to which they may not be entitled.</p> <p><b>Right to Buy</b> – Individuals submit false information in order to purchase a council property or receive a right to buy discount to which they are not entitled.</p>	<p>Inclusion of “Right to Buy” data in National Fraud Initiative data matching exercise and undertake investigations where applicable.</p> <p>National Fraud Initiative – Housing tenant details matched to identify potential duplicate tenants between and with the Local Authority.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>
<b>Car Parking Fraud</b>	<p><b>Concessionary Parking Permits</b> – The abuse of residential parking permits for personal gain.</p> <p><b>Pop Up Car Park</b> – emerging fraud risk of unauthorised use of Council land to charge car parking and illegal clamping fees.</p>	<p>Undertake investigations into any reported abuse of Blue Badge or residential parking permits.</p> <p>National Fraud Initiative – Blue badge and Residential Parking permits data matched to identify potential duplicate/fraudulent permits between and within the local authority.</p> <p>Internal Audit review of the Council's Estates function including issues around encroachment.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

<b>Fraud and Loss Risk Assessment 2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Right to Work</b>	<b>Right to Work</b> – False identity/right to work documentation in order to gain Council employment.	<p>Cabinet Office (National Fraud Initiative) data match reviewing immigration data against payroll data.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p>

<b>Fraud and Loss Risk Assessment</b> <b>2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Cash Handling and Employee Fraud</b>	<b>Theft</b> – Employees/Third parties dishonestly take monies with the intent to deprive the Council or its clients.	<p>Rolling programme of Fundamental Financial Systems Audits by Internal Audit.</p> <p>Annual programme of pro-active and reactive internal audit and fraud focussed reviews across Council Departments to ensure appropriate prevention and detection controls are in place and operating effectively.</p> <p>Investigate referrals received by the Counter Fraud and Human Resources Teams, including the use of CCTV where appropriate.</p> <p>Financial Procedures Rules.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p> <p>Register of Interests (Officers and Members).</p>

Fraud and Loss Risk Assessment 2025/2026		
Risk Area	Risk Description	Risk Mitigation
Cyber Fraud	<p><b>External hosted systems</b> – unauthorised access to Council systems in order to obtain personal data, or commercially sensitive data.</p> <p><b>Vishing</b> – the use of telephone systems by external parties to obtain personal or sensitive information that can be used for identity theft.</p> <p><b>Phishing</b> – personal information by a cyber-attack for personal gain.</p> <p><b>Smishing</b> – the use of SMS by external parties to obtain personal or sensitive information that can be used for identity theft.</p> <p><b>Malware</b> – the introduction of malicious software via spam emails and pop up websites.</p> <p><b>Electronic Data theft</b> – theft of electronic data by electronic means (i.e. key loggers).</p>	<p>Specialist Computer audit reviews by Salford Computer Audit Service.</p> <p>Cyber and information security training.</p> <p>Fraud awareness training</p> <p>PSN certification.</p>

<b>Fraud and Loss Risk Assessment 2025/2026</b>		
<b>Risk Area</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>HR/Payroll Fraud</b>	<p><b>Falsification</b> – Falsification of expenses, overtime, additional hours, flexitime etc.</p> <p><b>False sickness absences</b> – working whilst on sick leave.</p> <p><b>Ghost Employees</b> – the creation of false employees in an attempt to exploit monies from the Council</p> <p><b>False documentations</b> – False identity documents, references, qualifications, right to work etc. in order to obtain employment.</p> <p><b>Agency/Contractor</b> – False or exaggerated payments for agency workers by the individual or by collusion with their line manager.</p> <p><b>Failure to declare something of relevance</b> – i.e. conflict of interest, criminal convictions etc.</p>	<p>Cabinet Officer (National Fraud Initiative) data match reviewing immigration data against payroll data.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p> <p>Pre-employment checks, including take up of references.</p> <p>Employee Code of Conduct.</p> <p>Members Code of Conduct.</p> <p>Register of gifts and hospitality (Officers and Members).</p> <p>Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, and Sanctions Policies.</p> <p>Whistleblowing Policy.</p> <p>Fraud awareness training.</p>

This page is intentionally left blank



## Appendix 1

### Report to Council

## 2024/25 Annual Report of the Audit Committee to Council

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

**Officer Contact:** Fiona Greenway, Interim Executive Director of Corporate Resources

**Report Author:** Fiona Greenway, Interim Executive Director of Corporate Resources

**22 October 2025**

---

### Reason for Decision

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, states that:

***To discharge its responsibilities effectively, the committee should:***

- ***report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.***

The Council's Audit Committee is a key component of this Authority's governance framework. Its function is to provide an independent review and assurance role to support good governance and sound public financial management. This report has been prepared for full Council to advise of the work undertaken by the Committee in the financial year 2024/25 and for Council to note the views of the Committee on internal control.

### Executive Summary

To discharge its role, the Audit Committee met on eight separate occasions during the municipal year 2024/25 undertaking the work detailed in this report. Two of these meetings were to receive training on their role and responsibilities as Members of the Audit

Committee, and one was to undertake a private meeting with the Council's External Auditors, Forvis Mazars.

The Committee's annual work programme is built around its responsibilities for corporate governance, internal audit, external audit, risk management, anti-fraud and corruption, Treasury Management, and the review of the annual Statement of Accounts. This report summarises the work undertaken by key programme area for the financial year 2024/25.

This report is to inform Members of the work of the Audit Committee in the previous financial year and to report on the Committee's assessment of its own effectiveness against the CIPFA Position Statement and associated guidance.

At the Committee's meeting of 23<sup>rd</sup> July 2025, Members discussed the Committee's draft Annual Self-Assessment and Report to full Council for the year 2024/25.

At that meeting Members requested certain additions to the report, in summary:

- The report should make reference to the ongoing recruitment to the second Independent Member vacancy on the Committee.
- Members' concern at not receiving an update on progress against the latest Payroll audit report recommendations as a separate agenda item.
- Members' wish to be kept informed of the Council's reserves position.
- Members' desire for closer working arrangements with the Council's Scrutiny Committees.
- Members' attendance figures to be moved from appendices to the body of the report.
- That the report should reflect the discussions held at the Committee's meeting of 23<sup>rd</sup> July 2025.

Please see attached the revised report for consideration.

## **Recommendation**

That Council accepts the Annual Report of the Audit Committee.

## Annual Report of the Audit Committee to Council

### 1 Background

- 1.1 The Council's Audit Committee is a key component of this Authority's governance framework. Its function is to provide an independent review and assurance role to support good governance and sound public financial management.
- 1.2 The purpose of the Committee is to provide, to those charged with governance, independent assurance on the adequacy of the internal control environment / governance processes, integrity of financial reporting and adequacy of the risk and information management framework.
- 1.3 To discharge its role, the Audit Committee met on eight separate occasions, five of which were formal meetings of the committee, during the municipal year 2024/25 undertaking the work detailed in this report. Member attendance details are shown in the table below.

Member	Present	Apologies	Absent	Total attendance
Grenville Page	5			100%
Cllr Al-Hamdani	5			100%
Cllr Arnott	3		2	60%
Cllr Aslam	4	1		80%
Cllr Chowhan	1	2	2	20%
Cllr Davis	4	1		80%
Cllr Hince*		1		-
Cllr S Hussain	3	2		60%
Cllr Rustidge	5			100%
Cllr Sykes*	2	2		50%
Cllr Wilkinson	5			100%

\*For the first meeting of the year, Cllr Hince was a member of the Committee but, due to changes to the political balance of the Council, Cllr Hince was subsequently replaced by Cllr Sykes.

- 1.4 The Committee has been unsuccessful on a number of occasions over the last two years in recruiting a second, suitably qualified and experienced, independent member to broaden the skills and knowledge available to assist Members in discharging their role and responsibilities. Members have raised concerns in this area and a recruitment exercise is ongoing to address this at the earliest opportunity.

### 2 Work of the Committee during 2024/25 in accordance with the Committee's Terms of Reference

- 2.1 The Committee's work programme was built around its responsibilities for corporate governance, internal audit, external audit, risk management, fraud and corruption, Treasury Management, Information Governance, and the review of the annual Statement of Accounts.
- 2.2 The paragraphs below outline the work undertaken in each of the key areas of responsibility.

## **Statement of Accounts**

- 2.3 The Council published its draft Statement of Accounts for the financial year 2023/24 for submission to the External Auditor on 7 June 2024. The accounts were considered by the Audit Committee at its meeting on 27 June 2024. Whilst not a statutory requirement for the Audit Committee to review the draft Statement of Accounts, it is considered good practice that appropriate scrutiny occurs at this stage. It provides Members with the opportunity to ask detailed questions and seek assurances before the accounts are finalised.
- 2.4 Many local Authorities across the UK are experiencing significant delay in the completion of both their annual financial statements and the associated audit work in connection with those statements. Whilst Oldham submitted its 2023/24 annual financial statements to its external auditor one week beyond the deadline, the Council remains in a significantly better position than many others.
- 2.5 At the meeting of 23 July 2025 Members noted the Council's use of reserves to support revenue expenditure over a number of preceding financial years. Members expressed a wish to be kept informed of the Council's financial position in relation to the use of reserves going forward by way of updates in this area through the financial year 2025/26.

## **Audit Completion Report**

- 2.6 At its meeting on 26 February 2025 the Audit Committee considered the Auditor's Annual Report produced by the External Auditor to the Council (Forvis Mazars LLP) which set out the draft findings of the audit of the 2023/24 Statement of Accounts. Overall, the findings of the External Auditor continued to be positive with an unqualified audit opinion, including the value for money judgement, as in previous financial years, reflecting the good practice adopted by Oldham in preparing its accounts.

## **Annual Governance Statement and Local Code of Corporate Governance**

- 2.7 The main purpose of the Annual Governance Statement (AGS) is to provide the necessary assurance that a reliable framework is in place for the financial year that aligns to the Statement of Accounts. The Annual Governance Statement for 2023/24 was presented as part of the draft Statement of Accounts at the meeting on 27 June 2024. An update on progress against AGS actions was submitted to the Committee in November 2024. The Annual Governance Statement complies with the framework set out in the Chartered Institute of Public Finance and Society of Local Authority Chief Executives (CIPFA/SOLACE) guidance.
- 2.8 The Committee also reviewed the Local Code of Corporate Governance at its meeting on 27 June 2024. It is considered good practice to review the Code as a minimum every two years.

## **Partnership Governance**

- 2.9 An emerging challenge for all Councils to consider is whether they have appropriate oversight, from a governance perspective, over the partnerships in which they have a financial and operational interest. There have been several matters reported in the public domain which has highlighted that in other public bodies those charged with the provision of this oversight have not fully understood the risk. The Audit Committee therefore considered reports, as part of the Annual Governance Statement and update on 27 June 2024 and 28 November 2024 on the wider risks from entities in which the Council has an interest.

At the Committee's meeting of 23 July 2025, Members also expressed a wish for closer working arrangements with the Council's Scrutiny Committee's in order to strengthen the assurance provided by all of these Committees.

### **Internal Audit and Annual Report of the Chief Internal Auditor**

- 2.10 The Internal Audit service was provided in-house during 2024/25 with specialist support from Salford City Council for computer audit. The Committee received regular quarterly updates on Internal Audit and Counter Fraud progress, and an update to the Audit Charter at its meeting on 27 March 2025. At its meeting on 27 June 2024, it reviewed the system of internal audit for the financial year 2023/24 in line with good practice. In accordance with expected professional standards, which requires a review of the Internal Audit Service every five years, CIPFA were commissioned to undertake an External Quality Assurance review which was completed in 2023. This reviewed whether Internal Audit Practices adopted by the Service in Oldham conformed with the requirements of the Public Sector Internal Audit Standard. The outcome, which was reported in the municipal year 2023/24 was that the Service "Generally Conforms to the Standard". As such the work undertaken by internal audit is in line with best practice as "Generally Conforms to the Standard" is the highest rating. A self-assessment of conformance for the year 2024/25 by the Head of Audit and Counter fraud confirmed that the Service remained in conformance with the required standards in that year.
- 2.11 At the meeting which considered the draft Statement of Accounts on 27 June 2024, the Audit Committee considered the Annual Report of the Head of Audit for 2023/24. This highlighted that the overall control environment was adequate during 2023/24. The report did however highlight the challenges associated with the internal control environment in Social Care and Payroll.
- 2.12 At the meeting which considered the draft Statement of Accounts on 23 July 2025, the Audit Committee considered the Annual Report of the Head of Audit for 2024/25. The Head of Audit's Annual Opinion for 2024/25 is that the systems of governance and internal control during that year provided Limited assurance that they were effective in aiding the Council in achieving its objectives and goals. The Committee expressed concern at the Limited assurance opinion and, looking forward into 2025/26, the Audit Committee will receive progress updates on improvement actions to address audit recommendations in the areas contributing to this Limited assurance opinion.
- 2.13 At the meeting of 23 July 2025 Members expressed concern that the update report on progress against agreed actions from the latest Internal Audit Report on Payroll was not presented as a separate agenda item.

### **Treasury Management**

- 2.14 Recent corporate failings of other local authorities reported in the public domain have identified the importance of appropriate independent scrutiny of Treasury Management which is therefore a key task of the Audit Committee. In line with recently updated best practice the Audit Committee now receives quarterly, as opposed to half yearly, reports on Treasury Management. The Quarter 3 treasury management report was, however, submitted late to the committee alongside the Treasury Management Annual report in July 2025.

### **Senior Information Risk Owner (SIRO) / Information Governance**

- 2.15 Another key role in the Governance Framework is the SIRO who considers the Council's risks in relation to information governance and when information is disclosed, often inadvertently, to an individual who has no right to access that data. During 2024/25 this role

was undertaken by the Director of Finance who submitted half yearly reports to the Audit Committee detailing breaches.

### **Risk Management**

- 2.16 The Audit Committee reviewed the Council's risk management arrangements during the year. Effective risk management can have a major impact on the successful achievement of the objectives, policies, and strategies of the Authority. In particular, the Audit Committee concentrated on reviewing the Corporate Risk Register.

### **3 Audit Committee self-assessment and review of its own effectiveness.**

- 3.1 CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, contains two self-assessment questionnaires for the Committee to complete each year to assist the Committee in conducting a self-assessment of the Committee's own effectiveness.
- 3.2 The completed questionnaires are reproduced as Annexes 1 and 2 to this report. The outcome of the self-assessment is positive, with the Committee able to demonstrate high levels of adherence to best practice (Annex 1) and high levels of effectiveness (Annex 2). Areas where potential improvements have been identified are highlighted in yellow, and associated actions to implement improvements are noted in the annexes.
- 3.3 A summary of the actions identified during the 2024/25 review for the Committee to take forward during 2025/26, and progress against these actions, is shown in the table below:

#### **Audit Committee Effectiveness Review 2024/25 and Action Plan for 2025/26.**

<b>No.</b>	<b>Actions from 2023/24 Review</b>	<b>Progress at 2024/25 Review and areas to take forward into 2025/26</b>
1	Explore opportunities to liaise across Greater Manchester with other Local Authority Audit Committee Chairs to share knowledge and experience as required.	<b><u>Ongoing</u></b> Audit Committee Chair is liaising with both the CFO of GMCA and Forvis Mazars to explore options and opportunities in this area. The Chair has also received an invitation to join the LGA North-West Chair's Forum.
2	Review protocol for inviting Officers to appear at Audit Committee.	<b><u>Complete</u></b> Going forward all Limited or Weak Audit Opinion Reports will be brought to the Committee and Service representatives invited to attend to answer Member questions.
3	Committee to receive reports for information on results from other assurance providers, e.g. Ofsted, CQC etc.	<b><u>Ongoing</u></b> The Council is awaiting outcomes of its latest CQC review and the results will be distributed to members when available.
4	Committee to meet privately with both Internal and External Auditors during 2024/25.	<b><u>Complete</u></b> Meeting took place on 10 <sup>th</sup> March 2025. Members expressed the opinion that they considered the opportunity to meet with the External Auditor privately was beneficial.

5	Review plain English induction sheet for new Members outlining the role and functions of the Committee based on the Committee's Terms of Reference.	<b><u>Complete</u></b> Summary Induction distributed to Members on 3 <sup>rd</sup> June 2024. Comprehensive CIPFA Guidance materials distributed to members 14 <sup>th</sup> June 2024.
6	A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference to be circulated and completed and utilised to identify additional Member training and development needs.	<b><u>Complete/Ongoing</u></b> Comprehensive CIPFA Guidance materials distributed to members 14 <sup>th</sup> June 2024. Members also received comprehensive training from CIPFA on their roles and responsibilities in June 2024. Self-assessment questionnaire issued to members for completion and inclusion in 2024/25 effectiveness review and to be utilised as a basis for further training. All documents re-issued to new and existing Members 25 <sup>th</sup> June 2025. Self-assessment questionnaire issued to existing Members 9 <sup>th</sup> May 2025, and to new Members 25 <sup>th</sup> June 2025. Responses received indicate that members feel they have either a good or adequate knowledge in most areas pertinent to their role.  The Council continues to seek to recruit a second independent member to support the committee in undertaking its role.
7	Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.	<b><u>Ongoing</u></b> Head of Audit and Counter Fraud liaising with the recently appointed Assistant Director (Governance) on updating the Committee's Terms of Reference in line with CIPFA's Model Terms of Reference.
8	Seek feedback from the Cabinet Portfolio Holder and Council following presentation of the Committee's annual report to full Council.	<b><u>Complete</u></b> Meeting between the Audit Committee Chair, the Executive Member for Value for Money and Sustainability, the Director of Finance and Head of Audit and Counter Fraud took place on 10 <sup>th</sup> July 2024 to discuss the outcome of the Committee's self-assessment of its own effectiveness for 2023/24. Good feedback on the work of the Committee was received. Next meeting to be arranged following Audit Committee approval of 2024/25 effectiveness review.

- 3.4 Ongoing actions will be taken forward during 2025/26 and their implementation reviewed as part of the Committee's subsequent annual review process. The Committee also continues to seek to appoint a second suitably qualified and experienced second independent member to support the work of the Committee.

#### **4 Options**

- 4.1 There are two options as follows:
- a) Accept the Annual Report of the Audit Committee.
  - b) Reject the Annual Report of the Audit Committee and request an alternative style of report.

##### **Preferred Option**

Option (a) at 4.1 is the preferred option, that the proposed Annual Report of the Audit Committee is accepted by Council.

#### **5 Consultation**

- 5.1 There has been consultation with the Audit Committee on the preparation of this report.

#### **6 Financial Implications**

- 6.1 There are no specific financial implications arising from this report.

#### **7 Legal Services Comments**

- 7.1 There are no direct legal implications arising from the report.

#### **8 Co-operative Agenda**

- 8.1 The Annual Report of the Audit Committee has been prepared to support the Council in its delivery of the cooperative agenda.

#### **9 Human Resources Comments**

- 9.1 There are no specific human resources implications.

#### **10 Risk Assessments**

- 10.1 The Council is required to prepare an Annual Report on the operation of its Audit Committee. The report does not identify any specific risks to identify to full Council.

#### **11 IT Implications**

- 11.1 There are no specific IT implications.

#### **12 Property Implications**

- 12.1 There are no specific property implications.

#### **13 Procurement Implications**

- 13.1 There are no specific procurement implications.



**14 Environmental and Health & Safety Implications**

14.1 There are no specific Environmental and Health & Safety Implications.

**15 Equality, community cohesion and crime implications**

15.1 There is no specific equality, community cohesion and crime implications.

**16 Equality Impact Assessment Completed?**

16.1 N/A.

**17 Key Decision**

17.1 No.

**18 Key Decision Reference**

18.1 N/A

**19 Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Background papers are shown as the Annexes to this report.

Officer Name: Fiona Greenway

Contact: [fiona.greenway@oldham.gov.uk](mailto:fiona.greenway@oldham.gov.uk)

**20 Appendices**

Annex 1 - Self-assessment of good practice

Annex 2 - Self -assessment of effectiveness

Annex 3 - Member Knowledge and Skills questionnaire – aggregated results

### **Annex 1 - Self-assessment of good practice**

This annex provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
Scale of improvement required	Major	Significant	Moderate	Minor	None
Scoring of answers	0	1	2	3	5
Audit committee purpose and governance					
1 Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?					5
2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					5
3 Has the committee maintained its advisory role by not taking on any decision-making powers?					5
4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					5
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					5

6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7 Does the governing body hold the audit committee to account for its performance at least annually?					5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					5
• compliance with the CIPFA Position Statement 2022.					5
• results of the annual evaluation, development work undertaken and planned improvements					5
• how it has fulfilled its terms of reference and the key issues escalated in the year?					5
Functions of the committee					
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
Governance arrangements					5
Risk management arrangements					5
Internal control arrangements, including: • financial management • value for money • ethics and standards • counter fraud and corruption				3	
Annual governance statement					5
Financial reporting					5
Assurance framework					5
Internal audit					5
External audit					5
10 Over the last year, has adequate consideration been given to all core areas?					5
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?					5

12 Has the committee met privately with the external auditors and head of internal audit in the last year?					5
Membership and support					
13 Has the committee been established in accordance with the 2022 guidance as follows?					
• Separation from executive					5
• A size that is not unwieldy and avoids use of substitutes					5
• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation					5
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			2		
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?					5
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					5
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?					5
18 Is adequate secretariat and administrative support provided to the committee?					5
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
Effectiveness of the committee					

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?					5
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22 Are meetings effective with a good level of discussion and engagement from all the members?				3	
23 Has the committee maintained a non-political approach to discussions throughout?					5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					5
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5
26 Do audit committee recommendations have traction with those in leadership roles?					5
27 Has the committee evaluated whether and how it is adding value to the organisation?					5
28 Does the committee have an action plan to improve any areas of weakness?					5
29 Has this assessment been undertaken collaboratively with the audit committee members?					5
Sub totals	0	0	2	6	185

Total score is 193 out of a maximum of 200, with areas of potential development identified. The proposed actions to address these areas where less than full compliance were identified from the 2023/24 assessment. Actions taken to date, and those potential development areas remaining in 2024/25, are shown in the table below:

Question	Level of Compliance	Action to reach full compliance
<p>9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?</p> <ul style="list-style-type: none"> <li>• ethics and standards</li> </ul>	3	<p>Action ongoing – Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.</p>
<p>14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?</p>	2	<p>Committee Membership is not based solely on skills and knowledge, political balance of the Committee is a consideration.</p> <p>Action completed – A short, plain English induction sheet outlining the role and functions of the Committee based on the Committee's Terms of Reference has been completed and distributed to Members.</p> <p>Action ongoing – see Members Skills and Knowledge Assessment and Training responses below.</p> <p>Action Ongoing – The Council continues to seek to recruit a second independent member to support the committee in undertaking its role.</p>
<p>15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?</p>	5	<p>Action completed – A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference has been circulated and completed</p>
<p>17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?</p>	5	<p>Action ongoing - The self-assessment of Member skills and knowledge based on the Committee's Terms of Reference found Members responded positively and reported either adequate or good knowledge in most areas. Feedback will be utilised to identify further additional Member training and development needs.</p>

		Action Ongoing – The Council continues to seek to recruit a second independent member to support the committee in undertaking its role.
20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	5	Action completed – Committee Chair met with Cabinet Portfolio Holder following 2023/24 assessment and feedback from Portfolio Holder was positive. Further meeting to be arranged following Member approval of the 2024/25 assessment.
22 Are meetings effective with a good level of discussion and engagement from all the members?	3	No proposed action – Member comments and questions on all aspects of Committee business are actively sought and welcomed at each meeting and levels of engagement have been good throughout 2024/25. Inevitably some Members contribute more frequently than others.

## Annex 2 – Self-evaluation of effectiveness

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
Promoting the principles of good governance and their application to decision making.	<ul style="list-style-type: none"> <li>• Supporting the development of a local code of governance.</li> <li>• Providing a robust review of the AGS and the assurances underpinning it.</li> <li>• Supporting reviews/audits of governance arrangements.</li> <li>• Participating in self-assessments of governance arrangements.</li> <li>• Working with partner audit committees to review governance arrangements in partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• The council has a local code of corporate governance presented to the audit committee in June 2024.</li> <li>• The AGS and in-year updates (November 2024) are regularly reported to the audit committee.</li> <li>• Annual audit plan 2024/25 contained reviews of risk management and standards of conduct, and the corporate risk register. review of the compilation of the AGS is also planned for 2025/26.</li> <li>• The council's ongoing self-assessment of its partnership governance arrangements has previously been reported to the committee. Miocare financial systems are audited each year and a review of OTC is planned for 2025/26.</li> <li>• An annual fundamental financial systems review of Miocare is undertaken by the internal audit service and reported to Miocare.</li> <li>• An internal audit review of Oldham Total Care is planned for 2025/26.</li> <li>• Audit committee chair has liaised with the council's external auditors in connection with meeting other chairs across GM. Chair has also</li> </ul>	<ul style="list-style-type: none"> <li>• Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.</li> <li>• Local arrangements for governance have been clearly set out in an up-to-date local code.</li> <li>• The authority's scrutiny arrangements are forward looking and constructive.</li> <li>• Appropriate governance arrangements established for all collaborations and arm's-length arrangements.</li> <li>• The head of internal audit's annual opinion on governance is satisfactory (or similar wording).</li> </ul>	<ul style="list-style-type: none"> <li>• Structures are generally sound. One weakness with audit committees generally is the length of tenure linked to electoral cycle.</li> <li>• The council has a local code of corporate governance last presented in June 2024.</li> <li>• The council's scrutiny committees have been restructured.</li> <li>• Partnership governance issues were reported to the committee as part of the AGS update report in November 2024.</li> <li>• Annual CAE opinion reported in July 2025 is Limited assurance. Committee to monitor progress against agreed actions throughout 2025/26.</li> </ul>



Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		received an invitation to join the LGA NW Forum.		
Contributing to the development of an effective control environment.	<ul style="list-style-type: none"> <li>• Encouraging ownership of the internal control framework by appropriate managers.</li> <li>• Actively monitoring the implementation of recommendations from auditors.</li> <li>• Raising significant concerns over controls with appropriate senior managers.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2024/25 ASC and HR representatives have addressed the Audit Committee during the year in relation to audit review findings.</li> <li>• Recommendation tracker is reported the regular Internal Audit and Counter fraud progress report.</li> <li>• Moving forward into 2025/26 the Committee will receive reports in connection with all audit opinions of Limited assurance or below.</li> </ul>	<ul style="list-style-type: none"> <li>• The head of internal audit's annual opinion over internal control is that arrangements are satisfactory.</li> <li>• Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified.</li> <li>• Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual CAE opinion of Internal Control published in July 2025 is Limited assurance.</li> <li>• Assessment against FM code completed by CFO and presented to Audit Committee January 2022 and September 2023. A high level of compliance was identified.</li> <li>• Control frameworks are in for key control areas. Where these are not currently in place the Council is working towards addressing these areas.</li> <li>• Moving forward into 2025/26 the Committee will receive reports in connection with all audit opinions of Limited assurance or below.</li> <li>• Committee to monitor progress against agreed actions throughout 2025/26.</li> </ul>
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> <li>• Reviewing risk management arrangements and their effectiveness, e.g. risk management maturity or benchmarking.</li> <li>• Monitoring improvements to risk management.</li> <li>• Reviewing accountability of risk owners for major/strategic risks.</li> </ul>	<ul style="list-style-type: none"> <li>• The Corporate Business Planning Process supports the production of the Corporate Risk Register. The Corporate Risk Register is reported regularly to the Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• A robust process for managing risk is evidenced by independent assurance from internal audit or external review.</li> </ul>	<ul style="list-style-type: none"> <li>• IA Review of Corporate Risk register undertaken during 2024/25 received an Adequate assurance opinion.</li> </ul>

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<ul style="list-style-type: none"> <li>• Reviewing the adequacy of the leadership team's assurance framework.</li> <li>• Specifying the committee's assurance needs, identifying gaps or overlaps in assurance.</li> <li>• Seeking to streamline assurance gathering and reporting.</li> <li>• Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2024/25 The Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance and Risks.</li> <li>• The Committee has identified its own assurance needs and gaps in assurance and requested reports on all audit reports with a Limited opinion or below.</li> <li>• The Committee receives regular reports from both internal and external audit on progress throughout the year. It also receives the annual report and opinion from the CAE and the external Auditors audit completion report.</li> <li>• FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> <li>• The Committee receives an annual review of the system of Internal Audit. In March 2023 an External Quality Assessment was conducted</li> </ul>	<ul style="list-style-type: none"> <li>• The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2024/25 The Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Corporate Risks.</li> <li>• Going forward into 2025/26 the Committee will receive reports on results from other assurance providers, including the upcoming CQC inspection of Adult Social Care.</li> </ul>

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		by CIPFA and the results reported to the Committee.		
Supporting effective external audit, with a focus on high quality and timely audit work.	<ul style="list-style-type: none"> <li>• Reviewing and supporting external audit arrangements with focus on independence and quality.</li> <li>• Providing good engagement on external audit plans and reports.</li> <li>• Supporting the implementation of audit recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>• FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> <li>• Liaison is good, The Committee met privately with the External Auditor during 2024/25.</li> <li>• External Auditor attends all Audit Committee meetings and provides a regular update and opinion reports to the Committee on their work.</li> </ul>	<ul style="list-style-type: none"> <li>• The quality of liaison between external audit and the authority is satisfactory.</li> <li>• The auditors deliver in accordance with their audit plan, and any amendments are well explained.</li> <li>• An audit of high quality is delivered.</li> </ul>	<ul style="list-style-type: none"> <li>• Liaison is good, The Committee met privately with the External Auditor during 2024/25.</li> <li>• The External Auditor delivered in line with the external audit backstop arrangements in place for Local Audit as at the end of February 2025.</li> <li>• FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> </ul>
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> <li>• Reviewing the audit charter and functional reporting arrangements.</li> <li>• Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</li> <li>• Actively supporting the quality assurance and improvement programme of internal audit.</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Committee reviews the Audit Charter, including reporting arrangements, annually.</li> <li>• The Committee receives an annual review of the system of Internal Audit. In 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity. Since then the PSIAS and LGAN have been replaced by the GIAS 2024 and LGAN 2024. HIA self-assessment indicates that the service remains in full conformance with the</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).</li> <li>• The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <a href="#">Statement on the Role of the Head of Internal Audit</a> (2019).</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee receives an annual review of the system of Internal Audit. In 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity. Since then the PSIAS and LGAN have been replaced by the GIAS 2024 and LGAN 2024. HIA self-assessment indicates that the service remains in full conformance with the updated standards.</li> <li>• The organisation and HIA operate in accordance with the CIPFA statement.</li> </ul>

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		updated standards.		
Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.	<ul style="list-style-type: none"> <li>• Reviewing how the governance arrangements support the achievement of sustainable outcomes.</li> <li>• Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</li> <li>• Reviewing the effectiveness of performance management arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2024/25 the Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance and Risks.</li> <li>• IA Review of Corporate Risk register reported during 2024/25 with opinion of Adequate.</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.</li> <li>• The authority's arrangements to review and assess performance are satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2024/25 The Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Corporate Risks.</li> <li>• IA Review of Corporate Risk register reported during 2024/25 with opinion of Adequate.</li> <li>• IA Review of Corporate Performance Reporting reported in 2025/26 with a Limited assurance opinion.</li> <li>• Committee to monitor progress against agreed actions throughout 2025/26.</li> </ul>
Supporting the development of robust arrangements for ensuring value for money.	<ul style="list-style-type: none"> <li>• Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee.</li> <li>• Considering how performance in value for money is evaluated as part of the AGS.</li> <li>• Following up issues raised by external audit in their value-for-money work.</li> </ul>	<ul style="list-style-type: none"> <li>• External Audit reports on VFM assessment to the Audit Committee.</li> <li>• AGS and updates are regularly reported to the Audit Committee. IA Review of the compilation of the AGS planned for 2025/26.</li> <li>• VFM assessments have been as follows from Forvis Mazars:</li> <li>• 2022/23 – "Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability/governance/</li> </ul>	<ul style="list-style-type: none"> <li>• External audit's assessments of arrangements to support best value are satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>• VFM assessments have been as follows from Forvis Mazars:</li> <li>• 2022/23 – "Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability/governance/ improving economy, efficiency and effectiveness.</li> <li>• 2023/24 – "We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation."</li> </ul>

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		<ul style="list-style-type: none"> <li>improving economy, efficiency and effectiveness.</li> <li>2023/24 – “We did not identify any significant weaknesses in the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources.”</li> </ul>		
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> <li>Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014).</li> <li>Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks.</li> <li>Assessing the effectiveness of ethical governance arrangements for both staff and governors.</li> </ul>	<ul style="list-style-type: none"> <li>The Council’s Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is presented to the Audit Committee and is written in line with the CIPFA Code.</li> <li>The Council’s Fraud and Loss risk Assessment and the Council’s self-assessment of it’s performance against the FFCL 2020-25 Checklist are reported to The Audit Committee. The Annual Audit Plan is constructed with the results the FFCL self-assessment in mind.</li> <li>IA Review of Standards of Conduct reported during 2024/25 with opinion of Adequate.</li> <li>IA Review of Recruitment and Discipline reported during 2024/25 with opinion of Inadequate.</li> <li>IA Review of Delegated Decision Reports reported during 2024/25 with opinion of Inadequate.</li> <li>IA Review of Corporate</li> </ul>	<ul style="list-style-type: none"> <li>Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>IA Review of Standards of Conduct reported during 2024/25 with opinion of Adequate.</li> <li>IA Review of Recruitment and Discipline reported during 2024/25 with opinion of Inadequate.</li> <li>IA Review of Delegated Decision Reports reported during 2024/25 with opinion of Inadequate.</li> <li>IA Review of Corporate Performance Management reported in respect of 2024/25 with opinion of Limited.</li> <li>Committee to monitor progress against agreed actions throughout 2025/26.</li> </ul>

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		Performance Management reported in respect of 2024/25 with opinion of Limited.		
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	<ul style="list-style-type: none"> <li>• Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it.</li> <li>• Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English.</li> <li>• Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency.</li> <li>• Publishing an annual report from the committee.</li> </ul>	<ul style="list-style-type: none"> <li>• All Committee reports to Audit Committee are reviewed by the Cabinet Member Finance and Corporate Resources and Sustainability, and the AGS itself is signed by both the Leader and CEX.</li> <li>• In respect of improving how the Authority discharges its responsibilities for public reporting, Members have, in the past, questioned the need for inclusion of the AGS update report in the private part of the Committee's agendas. The latest AGS update report was presented in the public part of the Committee agenda in November 2024.</li> <li>• The Committee received reports on the risks posed other Council by Partnership arrangements with 3rd parties as part of the AGS reporting in the year.</li> <li>• The Committee publishes an annual report to full Council on its work for the year.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.</li> <li>• The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.</li> <li>• The authority has published its financial statements and AGS in accordance with statutory guidelines.</li> <li>• The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• The External Auditor has completed the audit of the 2023/24 financial statements with an unqualified opinion.</li> <li>• The authority has published its 2024/25 financial statements and AGS by the statutory deadline.</li> <li>• An IA review of the compilation of the AGS is planned to report in 2025/26.</li> </ul>

### Annex 3 – Member Knowledge and Skills questionnaire – aggregated results

This questionnaire is designed to identify any areas for future training and development needs for Members of the Council's Audit Committee.

It covers the broad areas of responsibility of the Committee, and key areas of understanding which assist Members in discharging their responsibilities in their role.

Members were asked to self-assess their level of knowledge and understanding in the broad areas below as either Weak, Adequate or Good. There was also space for commentary on Members' assessment and/or specific areas where Members' felt they may benefit from greater understanding.

5 responses were received, and the aggregated results are shown in the tables below.

<b><u>Roles and responsibilities</u></b>	<b><u>Weak</u></b>	<b><u>Adequate</u></b>	<b><u>Good</u></b>	<b><u>Total</u></b>
<b>The role of the Audit Committee.</b>			<b>5</b>	<b>5</b>
<b>The role of Scrutiny Committees.</b>		<b>2</b>	<b>3</b>	<b>5</b>
<b>The role of External Audit</b>		<b>3</b>	<b>2</b>	<b>5</b>
<b>The role of Internal Audit</b>		<b>1</b>	<b>4</b>	<b>5</b>
<b>The role of the S151 Officer</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>5</b>

<b><u>Governance, risk and control</u></b>	<b><u>Weak</u></b>	<b><u>Adequate</u></b>	<b><u>Good</u></b>	<b><u>Total</u></b>
<b>Corporate Governance and the principles of good governance.</b>		<b>3</b>	<b>2</b>	<b>5</b>
<b>Ethics</b>		<b>2</b>	<b>3</b>	<b>5</b>
<b>Business Planning and Risk Management</b>		<b>3</b>	<b>2</b>	<b>5</b>
<b>Value for Money</b>		<b>3</b>	<b>2</b>	<b>5</b>
<b>Anti-fraud and Corruption</b>		<b>2</b>	<b>3</b>	<b>5</b>

<b><u>Financial and Governance reporting</u></b>	<b><u>Weak</u></b>	<b><u>Adequate</u></b>	<b><u>Good</u></b>	<b><u>Total</u></b>
<b>The Council's Annual Governance Statement.</b>		<b>4</b>	<b>1</b>	<b>5</b>
<b>The Council's Financial Statements.</b>		<b>3</b>	<b>2</b>	<b>5</b>
<b>Treasury Management</b>		<b>3</b>	<b>2</b>	<b>5</b>





This page is intentionally left blank



## Report to Audit Committee

### Failure to Prevent Fraud Duty – Briefing Note

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

**Officer Contact:** John Miller – Head of Audit & Counter Fraud

**Report Author:** John Miller – Head of Audit & Counter Fraud

**22 October 2025**

---

#### Reason for Report

This report provides Members with a briefing on the requirements of The Economic Crime and Corporate Transparency Act 2023 in relation to the new offence of Failure to Prevent Fraud

#### Executive Summary

The Economic Crime and Corporate Transparency Act 2023 came into effect on 1 September 2025 and introduced a new corporate offence of Failure to Prevent Fraud. Large organisations will risk facing criminal prosecution and unlimited fines if they fail to prevent fraud.

The offence applies to all large bodies, corporate entities, subsidiaries and partnerships. This means that in addition to businesses, large not-for-profit organisations such as charities are also in scope, as well as incorporated public bodies.

The only defence available to an organisation will be that reasonable counter fraud defences and procedures are in place at the time the fraud offence was committed. Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.

This briefing sets out the scope and requirements of the Act, an evaluation of the risks the Council faces, and a summary of the actions taken and planned to further reduce the Council's exposure in this area.

### **Recommendation**

Members are requested to consider the contents of this briefing.

**Failure to Prevent Fraud Duty – Briefing Note****1. Background and scope of the offence**

- 1.1 The Economic Crime and Corporate Transparency Act 2023 came into effect on 1 September 2025 and introduced a new corporate offence of Failure to Prevent Fraud. Large organisations will risk facing criminal prosecution and unlimited fines if they fail to prevent fraud.
- 1.2 The offence applies to all sectors. However, to ensure burdens on business are proportionate, only 'large organisations' are in scope – defined (using the standard Companies Act 2006 definition) as organisations meeting two out of three of the following criteria:
- more than 250 employees
  - more than £36 million turnover
  - more than £18 million in total assets.
- 1.3 If resources held across a parent company and its subsidiaries cumulatively meet the size threshold, that group of companies will be in scope of the failure to prevent fraud offence.
- 1.4 Liability can be attached to whichever individual entity within the group was directly responsible for failing to prevent the fraud.
- 1.5 Liability can alternatively be attached to the parent company, if a fraud was committed by a subsidiary employee, for the benefit of the parent company, and the parent company did not take reasonable steps to prevent it.

**2. What types of fraud does this capture?**

- 2.1 The offence applies to the fraud and false accounting offences which the government considers are most likely to be relevant to large corporations. These are:
- fraud by false representation (Section 2, Fraud Act 2006)
  - fraud by failing to disclose information (Section 3, Fraud Act 2006)
  - fraud by abuse of position (Section 4, Fraud Act 2006)
  - obtaining services dishonestly (Section 11, Fraud Act 2006)
  - participation in a fraudulent business (Section 9, Fraud Act 2006)
  - false statements by company directors (Section 19, Theft Act 1968)
  - false accounting (Section 17, Theft Act 1968)
  - fraudulent trading (Section 993, Companies Act 2006)
  - cheating the public revenue (common law)
- 2.2 The offence will hold organisations to account for fraud committed by their employees, agents, subsidiaries or other "associated persons" who provide services for or on behalf of the organisation, **where the fraud was committed with the intention of benefiting the organisation or their clients**. It does not need to be demonstrated that the organisation's senior managers or directors ordered or knew about the fraud
- 2.3 In order for an organisation to be prosecuted for Failure to Prevent Fraud a "base" fraud offence (as listed above) would need to be committed which is **intended to benefit**, either directly or indirectly, the organisation or its clients.
- 2.4 **The relevant organisation is not liable if it is a victim or intended victim of a fraud that was intended to benefit the organisation's clients**. The term "victim" is not defined in the Act but, in this case, would apply if the loss caused, or intended to be caused, by the fraud would be borne by the organisation, or the fraud was committed with intent to harm the

organisation. However, an organisation would not be a “victim” only because it suffered indirect harm as a result of the fraud by an associated person (for instance, because revelation of the fraud damaged the organisation’s reputation). For the avoidance of doubt, an organisation cannot claim that the consequences of being charged with the offence of failure to prevent fraud constitute being a victim of the fraud.

- 2.5 The “base” fraud offence is committed by a “**person associated with the relevant body**”. An employee, an agent or a subsidiary of the relevant body is automatically an “associated person” for the purposes of this offence.
- 2.6 A person who provides services for or on behalf of the relevant body is also an associated person while they are providing those services. The corporate offences can only take place if the person commits a base fraud whilst acting in the capacity of a person associated with the relevant body (for example, an employee acting in the capacity of an employee, or an agent acting in the capacity of an agent). Fraud that takes place outside this capacity, for example in the person’s private life, does not give rise to corporate liability.
- 2.7 The term ‘agent’ is governed by domestic law and typically includes anyone with authority to enter into contracts on behalf of the relevant body in question. The agent will only be an associated person for a relevant body where the agent is acting in their capacity as an agent for that body. For example, an agent who acts on behalf of multiple entities will only be an associated person of the Council whilst acting as agent of the Council, and not for any activities they conduct on behalf of other companies.
- 2.8 The term “providing services” does not include providing goods. It is also important to note that “providing services for or on behalf of the relevant body” does not include providing services to the relevant body. Thus, persons providing services to the Council (for example, external lawyers, valuers, accountants or engineers) are not acting “for or on behalf” of the organisation. This means they would not be associated persons for the purposes of the offence.
- 2.9 Section 199(9) states that “Whether or not a particular person performs services for or on behalf of a relevant body is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and the body.” This means that an associated person may or may not be under contract to the relevant body.
- 2.10 Small organisations should be aware that they may be “associated persons” while they provide services for or on behalf of the Council. In these circumstances, small organisations may be subject to contractual or other requirements imposed by the large organisations in respect of the offence of failure to prevent fraud.
- 2.11 Annex 1 of the Home Office Publication on the Economic Crime and Corporate Transparency Act 2023: Guidance to organisations on the offence of failure to prevent fraud, provides a summary of those potentially liable to prosecution under the Act, and in which circumstances. The table from the Annex is reproduced below:

Who commits the base fraud? <sup>1</sup>	Who is intended to benefit?	Who could be prosecuted for failure to prevent base fraud?	Legal reference
An associated person	The relevant organisation	The relevant organisation	199(1)(a)
	The clients of the relevant organisation, to whom the associated person provides services for or on behalf of the relevant organisation.	The relevant organisation, except where it is the victim or intended victim of the base fraud (section 199(3)).	199(1)(b)
	The clients of the relevant organisation, where the services to subsidiaries <sup>2</sup> of those clients for or on behalf of the relevant organisation.		199(1)(b)
The <b>employee</b> of a subsidiary of a large parent organisation.	The subsidiary	The subsidiary	199(2)
	The parent organisation	The parent organisation	199(8)

### 3 Available defences against prosecution for Failure to Prevent Fraud

#### 3.1 From Annex 1 of the Home Office Publication on the Economic Crime and Corporate Transparency Act 2023: Guidance to organisations on the offence of failure to prevent fraud:

*As set out in sections 199(4) and (5), relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.*

*The question of whether a relevant organisation had reasonable procedures in place to prevent fraud in the context of a particular prosecution is a matter that can only be resolved by the courts, taking into account the particular facts and circumstances of the case. If a case comes to court, the onus will be on the organisation to prove that it had reasonable procedures in place to prevent fraud at the time that the fraud was committed. In accordance with established case law, the standard of proof in this case is the balance of probabilities. Departure from the suggested procedures contained within the guidance will not automatically mean that the organisation did not have reasonable fraud prevention procedures in place.*

#### 4 Where are the risk areas?

- 4.1 As noted at Section 2 above, in order to be prosecuted the Council, or its clients, would have to be deemed, either directly or indirectly, to have been a beneficiary of the “base” fraud activity.
- 4.2 Initial thoughts on potential risk areas for Local Council’s tend to centre around falsification of financial or performance data, e.g.:
- Falsified performance figures are sent to Central Government in return for fewer inspections or increased Subsidies.
  - Understating of assets for reduced insurance premiums.
  - Overstating Disabled Facility Grants needs in order to access more resources from the Better Care Fund.
  - The Council deliberately lies to an IT software provider on the number of active licences used by the Council.
- 4.3 Further examples of potential risk areas are contained within the Home Office Guidance on the offence of Failure to Prevent Fraud, see link below:

<https://www.gov.uk/government/publications/offence-of-failure-to-prevent-fraud-introduced-by-eccta>

#### 5 What does the Council need to do?

- 5.1 The Government considers that prevention procedures put in place by relevant bodies to prevent fraud, bribery, corruption and tax evasion from being committed on their behalf should be informed by the following six principles:

- **Risk Assessment**

The Council maintains and updates its Fraud Risk Assessment and is presented to members elsewhere on this agenda.

- **Proportionality**

The Council maintains a comprehensive suite of Anti-Fraud and Corruption Policies, Strategies and Response Plans, presented to the Audit Committee elsewhere on this agenda. These policies, alongside the Council’s systems of governance and internal control, consider proportionality both in the prevention, investigation and prosecution of fraud.

The Council also regularly reviews its Counter Fraud arrangements against the Fighting Fraud and Corruption Locally (FFCL) self-assessment questionnaire and compiles an action plan to address any areas of non-compliance with best practice. The Council’s latest self-assessment, and action plan, is presented elsewhere on this agenda.

- **Top Level Commitment**

The Council takes a zero-tolerance attitude towards fraud and corruption, as set out in the Council’s Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

- **Due Diligence**

The Council conducts due diligence on all third parties working with the Council. If there are any material changes to the third party business or relationship then due diligence should be reevaluated. This will ascertain if the relationship, and its risk level, has changed.



- **Communication (including training)**

The Council communicates with staff and senior leaders on its anti-fraud and corruption policies and procedures in a variety of ways including corporate communications, briefings to senior management, and reporting to the Council's Audit Committee. Online training is available and actions are in train to make this training mandatory for all staff.

- **Monitor and Review**

All of the Council's anti-fraud policies are regularly reviewed and are included for Members' consideration elsewhere on this agenda.

## **6 Options/Alternatives**

6.1 The Audit Committee can either:

- a) choose to accept and note the contents of this report,
- b) decline to accept and note the contents of this report and suggest an alternative approach.

## **7 Preferred Option**

7.1 The preferred option is that the Audit Committee accepts and notes the contents of this report.

## **8 Consultation**

8.1 N/A.

## **9 Financial Implications**

9.1 N/A.

## **10 Legal Services Comments**

10.1 N/A.

## **11 Co-operative Agenda**

11.1 N/A.

## **12 Human Resources Comments**

12.1 N/A.

## **13 Risk Assessments**

13.1 The risk assessment for the Council is set out in the body of this report. (John Miller)

## **14 IT Implications**

14.1 N/A.

## **15 Property Implications**

15.1 N/A.

## **16 Procurement Implications**

- 16.1 N/A.
- 17 **Environmental and Health & Safety Implications**
- 17.1 N/A.
- 18 **Equity, Community Cohesion and Crime Implication**
- 18.1 N/A.
- 19 **Equality Impact Assessment Completed**
- 19.1 No.
- 20 **Forward Plan Reference**
- 20.1 N/A.
- 21 **Key Decision**
- 21.1 No.
- 22 **Background Papers**
- 22.1 N/A
- 23 **Appendices**
- 23.1 N/A



This page is intentionally left blank

---

## Report to Audit Committee

# Proposed Audit Committee Work Programme for 2024/25 & 2025/26

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader /  
Cabinet Member for Finance, Corporate Services & Sustainability.

**Officer Contact:** John Miller, Head of Internal Audit and Counter Fraud

**Report Author:** John Miller, Head of Internal Audit and Counter Fraud

**22 October 2025**

---

### Purpose of Report

Attached to this report is the proposed Audit Committee Work Programme for 2025/26.

### Executive Summary

The proposed Audit Committee Work Programme is subject to regular review by the Committee. Attached at Appendix 1 is the suggested programme of work going forward.

The report will be presented by the Head of Internal Audit and Counter Fraud.

### Recommendations

That Members of the Audit Committee endorse the proposed Audit Committee Work Programme.

This page is intentionally left blank

## Audit Committee Work Programme for the 2025/26 Municipal Year

### Appendix 1

Meeting Date	Agenda Item	Summary of Report Issue
<b>2025/26</b>		
<b>Wednesday 23 July 2025 at 6.00 pm</b>	External Audit Update and Audit Strategy memorandum	A progress update from the Council's External Auditors Forvis Mazars and presentation of the Audit Strategy Memorandum.
	Internal Audit and Counter Fraud Progress Report Q4 2024/25 & Q1 2025/26.	An update report on the progress made by the Internal Audit Service.
	Private Report: Weak and Inadequate / Limited Opinion Reports	A report on Weak or Inadequate / Limited Audit Opinions issued for the Committee's consideration.
	Proposed Audit Committee Work Programme for 2025/26	This report detailing the proposed work programme for 2025/26 including actions required to support the approval of the Statement of Final Accounts which are not yet closed.
	2024/25 Annual Audit and Opinion Report to Audit Committee	This is the Annual Report of the Chief Internal Auditor on the overall Internal Control Environment of the Council for the financial year 2024/25.
	Draft 2024/25 Annual Statement of Accounts	This is the report to the Audit Committee on the draft Statement of Accounts which also details the outturn for the financial year 2023/24.
	Treasury Management Review 2024/25	The annual review of Treasury Management for 2024/25 by the Audit Committee.
	Self-Assessment of the work undertaken by the Audit Committee during 2024/25, and Annual Report to Council.	An assessment of the Committee's effectiveness during the year 2024/25 and draft Annual Report to full Council on the work of the Committee for the year including the Committee's action plan for self-development.
<b>Wednesday 22 October 2025, 6.00 pm</b>	Update on External Audit Matters.	An update produced by the External Auditor of issues to be brought to the attention of this Committee.

## Audit Committee Work Programme for the 2025/26 Municipal Year

### Appendix 1

	Update on progress on audit reports contributing toward the 2024/25 Limited annual assurance opinion	An update on progress on audit reports contributing toward the 2024/25 Limited annual assurance opinion.
	Weak and Limited Opinion Reports	A report on Weak or Limited Audit Opinions issued for the Committee's consideration.
	Treasury Management Q1 2024/25	The planned scrutiny of the 2024/25 Treasury Management Q1 update.
	Internal Audit and Counter Fraud Progress Report Q2 2024/25	An update report on the progress made by the Internal Audit Service.
	Forvis Mazars – Enquiries of Management	Draft responses to provide key assurances to support the External Audit Process which are then discussed by the Committee.
	Proposed Audit Committee Work Programme for 2024/25	This report detailing the proposed work programme for 2023/24 including actions required to support the approval of the 2023/24 Statement of Accounts.
	Anti-Fraud and Corruption Policies	Refreshed and updated suite of the Council's Anti-Fraud and Corruption Policies and Procedures.
	Audit Committee self-assessment of effectiveness and annual report to Council	A report on the Audit Committee's self assessment of its own effectiveness and proposed report to full Council for the year 2024/25.
	Housing Benefit Subsidy Audit	This report considers the feedback on the external audit of the Housing Benefit Subsidy Grant claim.
	Failure to Prevent Fraud Offence – briefing note	A briefing note for Members on the new offence of Failure to Prevent Fraud arising from the Economic Crime and Corporate Transparency Act 2023.
	Members Allowances	A joint report by the Assistant Director of Governance and Head of Audit and Counter fraud on work undertaken in respect of Member allowances.



## Audit Committee Work Programme for the 2025/26 Municipal Year

### Appendix 1

	Payroll Progress Report	A report by the Assistant Director of Workforce & Organisational Culture providing Members with an update on developments within the Payroll Service.
<b>Wednesday 14 January 2026, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	Treasury Management Strategy Statement 2026/27	This report sets out the proposed Treasury Management Strategy for 2026/27 to support the Corporate Objectives of the Council.
	Internal Audit Progress Report Q3 2025/26	This is the routine report on the progress made against the agreed audit and counter fraud plan.
	Weak and Inadequate Opinion Reports	A report on Weak or Inadequate Audit Opinions issued for the Committee's consideration.
	Updated Audit Committee Work Programme for 2024/25.	A report detailing the proposed work programme for 2024/25.
	Local Code of Corporate Governance	This is an update to the previously agreed Local Code of Corporate Governance.
	External Audit of Teachers' Pensions Agency Return	This report considers the feedback following the external audit of the Teachers' Pension Agency return.
	Private Report; Update on the Corporate Risk Register	A report on the Corporate Risk Register.
	Private Report; Senior Information Risk Owner update	This updates the Audit Committee on the key matters relating to data protection and information security breaches.
<b>Wednesday 25 March 2026, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars and presentation of the Audit Strategy Memorandum.
	Update on progress on audit reports contributing toward the 2024/25 Limited annual assurance opinion	An Update on progress on audit reports contributing toward the 2024/25 Limited annual assurance opinion.

## Audit Committee Work Programme for the 2025/26 Municipal Year

### Appendix 1

	Q3 Treasury Management Update	A report outlining Treasury Management activity in Quarter 3 of 2024/25.
	2025/26 Final Accounts – Proposed Accounting Policies and Critical Judgements	In line with best practice, approval is sought for the significant accounting policies and critical judgements to be adopted in preparation for the completion of the Statement of Accounts.
	External Audit of Teachers' Pensions Agency Return	This report considers the feedback following the external audit of the Teachers' Pension Agency return.
	Weak and Inadequate Opinion Reports	A report on Weak or Inadequate Audit Opinions issued for the Committee's consideration.
	Housing Benefit Subsidy Audit 2024/25	This report considers the feedback on the external audit of the Housing Benefit Subsidy Grant claim.
	Internal Audit Charter 2026/27	An updated Internal Audit Charter for the financial year 2026/27.
	2026/27 Internal Audit and Counter Fraud Plan	The proposed plan of work for the financial year 2026/27 to enable review by the Committee.
	Audit Committee Work Programme for 2025/26 and a proposed programme for the future financial year – 2026/27.	A report detailing the remainder of the 2025/26 work programme and proposed work programme for 2026/27.
	Private Report; Update on the Corporate Risk Register	An update on the Corporate Risk Register.



## Report to Audit Committee

# Progress update on Audit Opinion Reports contributing to the 2024/25 Limited Assurance Annual Audit Opinion

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

**Officer Contact:** John Miller – Head of Audit & Counter Fraud

**Report Author:** John Miller – Head of Audit & Counter Fraud

**22 October 2025**

---

### Reason for Decision

The Audit Committee's Terms of Reference state that:

***4.4.2 The Audit Committee shall:***

- a) be responsible for oversight of the Council's Internal Audit arrangements and will;***
- (ii) review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary;***

This report provides Members with an update on progress against the action plans and recommendations contained within those audit opinion reports contributing towards the 2024/25 annual audit opinion of Limited Assurance. This report, in combination with:

- Quarterly progress reports on Internal Audit progress.
- The Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2024/25.

Assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

## **Executive Summary**

At the Audit Committee meeting of 23<sup>rd</sup> July 2025, Members were presented with the Head of Audit and Counter Fraud's Annual Report and Opinion for 2024/25. This report made reference to a number of individual audit reports for that year which, in combination, contributed towards the overall Annual Audit Opinion that the systems of Governance and Internal Control in place during 2024/25 provided Limited Assurance to the Council that they were effective in assisting the Authority to achieve its organisational goals and objectives.

The reports reproduced in the attached appendices are provided to update Members on progress against the action plans and recommendations arising. The reports have been edited to remove the following in line with Data Protection and Confidentiality requirements in order to protect the Council, its staff, partners, contractors and clients from potential harm.

- Personal details of staff graded below Head of Service level.
- Personal details of clients and service users which may be used to identify them in contravention of the requirements of the Data Protection Act.
- Details relating to contractual arrangements with the Council's partners and providers.

With the exception of the removal of personal details of staff graded below Head of Service, the details removed relate to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details does not affect the findings or recommendations contained in the attached reports, and these are reproduced in full.

The IT related reports are included in the private part of the agenda due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

The reports attached as appendices are:

Appendix 1a - Summary of progress on audit report recommendations  
Appendix 1b – Summary of progress on IT audit report recommendations  
Appendix 2 - Delegated Reports Review  
Appendix 3 - Contract Register Review  
Appendix 4 - Recruitment, Selection, and Disciplinary Policies and Procedures Review  
Appendix 5 - Corporate Performance Management Review  
Appendix 6 - Debt Recovery Review  
Appendix 7 – 2024/25 Payroll FFS Review  
Appendix 8 – 2024/25 Children's Social Care FFS Review  
Appendix 9 – 2024/25 Residential Care Payments FFS Review  
Appendix 10 – 2024/25 Direct Payments and Community Homecare FFS Review  
Appendix 11 – IT Asset Management Review (RESTRICTED)

Of the 100 recommendations contained within the attached reports and actions plans:

- 43 recommendations are reported by Management as complete.
- 54 recommendations are reported by management as being in progress.
- Of the recommendations in progress, 41 are reported by Management as subject to slippage and Management have proposed revised implementation dates.
- Three recommendations were not agreed by the services concerned and will not be taken forward. Two recommendations are Low priority and made in order to help improve management information available to the service, not to address internal control weaknesses. The Service concerned reports that alternative management information resources are available in this area. The Audit and Counter Fraud Service are, therefore, satisfied with Management's response to these two recommendations. The third recommendation is a High priority recommendation concerning retrospective disciplinary case review. The Service concerned has responded that, with limited resources available, they intend to focus available resources on current and future disciplinary cases. The Audit and Counter fraud Service are satisfied that allocation of resources to ongoing and future cases represents a reasonable prioritisation of resources in this instance.

In Appendices 1a and 1b, where revised implementation dates are "greyed out" in the attached tables this signifies that the original implementation date has not been revised by the service.

### **Recommendation**

Members are requested to consider the Audit Reports reproduced in the attached appendices.

This page is intentionally left blank

Appendix 1a  
Summary of progress on audit report recommendations

Note: Where cells in the following tables are greyed out this signifies that there has been no revision to the original implementation dates for these recommendations.

Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Decision recording</p> <p>Full details of the decision making process, and supporting information, should be held for all decisions taken.</p> <p>There should be a clear record in all reports outlining the rationale for adopting the chosen course of action.</p>	High	November 2025		<p>We have reviewed the number of decision recording templates (5 currently in place) with a view to reducing these to streamline and to support compliance.</p> <p>A new delegated report template has been designed, which includes strengthened guidance for officers. Meetings have taken place with the Monitoring Officer, Assistant Director of Governance and Interim Head of Democratic Services. Amendments and clarity is required in the Council's Constitution and this work will be taken through the cross-party member constitutional working group for consideration.</p> <p>The draft report template will be tested through an internal working group for feedback, before wider roll-out.</p>
2	<p>Training</p> <p>Training sessions should be undertaken regularly, particularly for report authors whose previous roles may not have included experience of drafting delegated decision reports.</p>	High	November 2025		<p>Detailed training guides are available for officers, and the Assistant Director of Governance has discussed with Organisational Development how we can align this to the induction for new starters.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	This will reduce the risk of errors in the report and ensure that all relevant information is included, and the appropriate comments obtained.				<p>A draft training programme has been developed by Democratic Services. This will be shared with the internal working group referred to above for feedback, prior to wider roll-out. It is proposed to utilise networks including the Extended Leadership Team to disseminate training. The Council's new intranet site will also be updated with guidance and templates.</p> <p>Training will also be offered to elected members to ensure they can login to the modern.gov system and know how to use this to look for decisions.</p>
3	<p>Review</p> <p>Constitutional Services should conduct a manual review of all information that is uploaded to modern.gov, in order to reduce the risk of officers uploading commercially sensitive information that could be deemed as "exempt" as per the Constitution.</p>	High	Ongoing	Complete	<p>The Interim Head of Democratic Services now reviews reports uploaded by officers onto Modern.Gov for quality assurance purposes. Where issues have been identified, for example, making a report exempt which should be public and vice versa, the relevant officer has been contacted and advice has been given to mitigate similar issues going forward. The Head of Democratic Services is also delivering training across the team to build capacity to quality assure reports.</p> <p>It is proposed to maintain a list of frequent matters/issues, which will feed into the training so that learning can be shared – and a list of</p>



Appendix 1a  
Summary of progress on audit report recommendations

Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
					FAQs added to our intranet site so that learning can be shared.
4	<p>Delegated Reports</p> <p>Each decision uploaded onto modern.gov should be accompanied with the relevant final delegated decision report.</p> <p>This provides evidence that the decision is appropriately justified and that the relevant comments have been received.</p>	High	Ongoing	Complete	This is part of the quality assurance role in Democratic Services. It will also be a key part of the roll-out of the training.
5	<p>Confirmation of Final Comments</p> <p>The service should fully utilise the modern.gov system in order to establish a robust audit trail and version control to ensure that all comments received are those of the original author and the responsible officer.</p>	High	November 2025		<p>There are interdependencies with recommendation 1 above in terms of the roll-out of a new report template. Through the working group it is proposed to agree the internal comments process, so that modern.gov can build it to our specification, for example, the order in which the report goes to officers for comments.</p> <p>An initial meeting has taken place with Modern.Gov to look at how we can fully move decision making online to strengthen version control and the audit trail of reports. This will also ensure that teams such as legal and finance have to input their comments as the responsible teams.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Contract Management Policy</p> <p>A Contract Management Policy and associated standards and guidance toolkit should be developed to ensure that all contracts are managed in a consistent and compliant manner. This should be available to all contract managers.</p>	High	30 April 2024	March 2026	Contract Management Policy and procedures being drafted with the aim of consulting Management Board in December 2025. Rollout and training programme to be in place by the end of March 2026.
2	<p>ProContract- Delegated Decisions and Approvals</p> <p>It is recommended that a review of the ProContract monitoring facility is conducted to ensure that each contract that requires a delegated decision or approval has the necessary report added to the attachments.</p>	High	30 April 2024	Complete	<p>Complete</p> <p>The original 'Pre-Procurement Approval Form (PPAF)' has been replaced by the 'non-complex procurement sourcing strategy' document for procurements &gt;£30k.</p>
3	<p>Contract Management Training</p> <p>The Procurement Team, in conjunction with Organisational Development should source, either via eLearning or in-house, comprehensive training courses developed for all contract managers to provide assurance of competence in contract management roles.</p>	Medium	30 April 2024	March 2026	See Recommendation 1

Appendix 1a  
Summary of progress on audit report recommendations

Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
4	<p>Measuring Performance</p> <p>It is recommended that the Procurement Team review the utility of ProContract with a view to implementing robust contract management processes.</p> <p>These processes will enable the team to consistently measure performance and value for money in line with the Council's objectives and savings targets.</p>	Medium	30 April 2024	March 2026	<p>Partially complete (PA23 requires KPis for all contracts in scope, proposal to extend to contracts between £100k and £5m).</p> <p>Alternative contract management software options are being explored.</p>
5	<p>Customer Feedback</p> <p>Customer Feedback from suppliers, key stakeholders and colleagues should be recorded in order to help assess the financial and operational performance of contracts.</p>	Medium	30 April 2024	March 2026	<p>This will be picked up as part of Recommendation 1.</p>
6	<p>Contracts missing from the Register</p> <p>A data matching exercise should be conducted between the contracts register and data held by legal and directorates to ensure that all contracts are recorded on the register.</p>	High	30 April 2024	March 2026	<p>A data matching exercise will be conducted for those contracts not already on the published pipeline for procurement.</p> <p>We will work with the Accounts Payable Team to review the Authority's creditors and identify contractual and non-contractual spend.</p>
7	Resource Planning	Medium	30 April 2024	Complete	Complete

Appendix 1a  
Summary of progress on audit report recommendations

Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	The Procurement Team should place less reliance on a master spreadsheet during the resource planning process and explore other, more robust, means of recording workflows, e.g., Pipeline.				
8	<p>Contract Register Values</p> <p>The contracts register should be reviewed to ensure all data and relevant fields have been populated including contract value.</p>	Medium	30 April 2024	March 2026	See recommendation 6
9	<p>Data Management – Sharepoint</p> <p>Arrangements for the retention and storage of procurement documentation on SharePoint should be reviewed to ensure a standardised approach is adopted.</p>	Medium	30 April 2024	March 2026	<p>Sharepoint site established, four procurement categories opened:</p> <ul style="list-style-type: none"> <li>• Adults and Childrens</li> <li>• Construction and Highways</li> <li>• Corporate and Environmental</li> <li>• ICT</li> </ul> <p>Data population is in progress.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Recruitment and Discipline					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>The Payroll and HR Service should consult with the Head of Education Support Services and HR colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment checks, including DBS checks.</p> <p>(The recommendation has been duplicated in the 2024/25 Fundamental Financial Systems – Payroll Review)</p>	High	June 2025	March 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.</p> <p>Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.</p> <p>A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.</p>
2	<p>Strengthen the employee vetting process by ensuring that incomplete or ambiguous reference checks, such as "no comment" responses, are thoroughly reviewed and escalated for further investigation before proceeding with hiring decisions.</p>	High	February 2025	Complete	<p>This was discussed and addressed at the time of the audit.</p> <p>However, a wider conversation has taken place in September 2025 about ensuring the competence of recruiting managers, as accountability for approving references sits with managers not Employment Services.</p> <p>There is a Recruitment &amp; Selection e-learning module which is optional for recruiting managers</p>

Appendix 1a  
Summary of progress on audit report recommendations

					currently. A scoping piece of work is underway to understand take up of this and the feasibility of this becoming mandatory.
3	Implement stricter protocols for reviewing DBS checks to ensure that all relevant information, including any criminal history, is made available to the recruiting Manager during the recruitment process. A formalised checklist should be created for vetting purposes with evidence provided to the recruiter prior to recruitment interviews.	High	March 2025	November 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>The current application form means that this information is not available at interview stage. It is not usual procedure to do this.</p> <p>It has been agreed that an additional "Declaration form" will be included at onboarding stage where individuals will be asked to declare convictions, warnings, bindovers, investigations and fitness to practice. This will be shared with recruiting managers at onboarding stage.</p> <p>DBS's are processed through CBS and if concerns are raised these are shared with the recruiting manager.</p>
4	Create a dedicated mandatory training program to equip disciplinary chairpersons with the knowledge and skills required for their role.	High	March 2025	January 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>This work has now commenced, with stakeholders working to agree content for a disciplinary chairperson e- learning package.</p> <p>This is aimed for completion by January 2026.</p>

Appendix 1a  
Summary of progress on audit report recommendations

5	Explore the implementation of a dedicated case management system to streamline case reviews, improve record-keeping, and facilitate the setting of case reminders. This system should support accurate classification and enhance oversight of disciplinary processes.	High	October 2025	October 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>A programme of work to optimize the iTrent system has been approved in principle. This includes – among other things – scoping the implementation of the case management module. This is in the long-term actions and therefore will not be actioned until at least October 2026.</p> <p>In the interim the HR Advisory team will imminently implement a new and more robust Employee Relations Excel tracker. This clearly breaks down cases, timelines and actions in a more meaningful way.</p> <p>This will be a standing agenda item on weekly Team meetings and 121s.</p>
6	The service should clearly define and consistently apply the criteria for Gross Misconduct to ensure consistent expectations and outcomes in disciplinary proceedings emphasising that dismissal should be the default outcome when Gross Misconduct is proven.	High	<p>March 2025</p> <p>Revised to September 2025</p>	Complete	<p>The HR Advisory team has strengthened it's quality &amp; assurance process around case management, which includes review of misconduct and gross misconduct cases. This includes:</p> <ul style="list-style-type: none"> <li>- Weekly case meeting</li> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> <p>Learning sessions and case reviews happen regularly.</p>

Appendix 1a  
Summary of progress on audit report recommendations

					It is anticipated this will strengthen quality and focus of case work.
7	Develop and implement comprehensive sentencing guidelines that outline acceptable mitigating factors and appropriate sanctions to ensure consistency in disciplinary outcomes. Strengthen management oversight of HR's advice on mitigating factors to promote fairness and accountability in decision-making processes.	High	March 2025  Revised to September 2025	Complete	<p>The HR Advisory team has strengthened it's quality &amp; assurance process around case management, which includes review of potential sanctions This includes:</p> <ul style="list-style-type: none"> <li>• Weekly case meeting</li> <li>• Bi weekly 121s and case reviews</li> <li>• Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> <p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work</p>
8	<p>The service should conduct a thorough review of the cases dropped due to insufficient evidence to confirm their proper outcome and classification.</p> <p>Establish clear guidelines to ensure that cases are accurately categorised, particularly when evidence is lacking.</p>	High	March 2025	N/A	<p>It has been agreed that we will not review historic cases given the time elapsed since this Audit is done.</p> <p>The HR Advisory team has strengthened it's quality &amp; assurance process around case management, which includes review of potential sanctions This includes:</p> <ul style="list-style-type: none"> <li>• Weekly case meeting</li> <li>• Bi weekly 121s and case reviews</li> <li>• Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul>



Appendix 1a  
Summary of progress on audit report recommendations

					<p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work</p>
9	<p>The Council should review its current member-led appeals process to assess its effectiveness and alignment with best practices.</p> <p>Explore the feasibility of adopting a senior officer-led appeals process, where a new, impartial senior officer acts as the Disciplinary Chair to hear appeals. This approach would align with the practices of neighbouring authorities and enhance impartiality and consistency.</p>	Medium	June 2025	December 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Discussions will commence imminently with relevant stakeholders regarding the possibility of adopting a senior officer-led appeal process.</p> <p>However, as this will take time, a guidance document highlighting the role of an appeal against dismissal panel and the role of Elected Members is currently being drafted with the intention to launch in December 2025.</p>
10	The Council should reinforce compliance with its Disciplinary Policy and Procedure by ensuring that all cases involving Fraud/Theft are promptly referred to Internal Audit and Counter Fraud for advice and assistance.	Medium	<p>January 2025</p> <p>Revised to September 2025</p>	Complete	<p>Complete.</p> <p>An extra column has been included in the Employee Relations tracker to ensure fraud/theft cases are picked up specifically for referral to IA and Counter Fraud.</p>
11	Establish an annual review process for the Codes of Conduct and Disciplinary Policy and the Recruitment and Selection Policy to ensure they remain up to date with legislative changes and organisational requirements.	Medium	<p>Ongoing</p> <p>Revised to September 2025</p>	Complete	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.

Appendix 1a  
Summary of progress on audit report recommendations

					However from September 2025 the Head of HR and HR Manager are working on a programme of Policy updates, starting with Grievance and Dignity at Work. This will cover Code of Conduct and R&S.
--	--	--	--	--	---

Appendix 1a  
Summary of progress on audit report recommendations

Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Verification of KPI Data</p> <p>Submission of KPIs should be alongside supporting Data, or on a formal template providing assurance that data is accurate and complete, and confirming that the figures provided and reported to Scrutiny Boards are reliable.</p> <p>Services should retain a record of the information and sources utilised in compiling their KPIs.</p> <p>A statement should be included within the submission form for the service manager to confirm that data is true and accurate.</p>	High	As of Q1 reporting of 2025/26 cycle	Complete	<p>Action completed as of Q1 reporting of 2025/26 cycle and will be repeated thereafter.</p> <p>A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review &amp; refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a></p> <p>The PI Team will continue to support relevant teams / services in the development of the Council's Digital Strategy and projects such as the DSP; Migration to SharePoint; Azure AI integration.</p> <p>This work is ongoing – a draft Performance Management Framework was presented in August 2025</p>
2	<p>Business Plans</p> <p>A policy should be drafted to implement a formal monitoring process to ensure all services submit</p>	High	Late 2025.		<p>This work is ongoing – a draft Performance Management Framework was presented in August 2025. The new approach will strengthen performance management and improve</p>

Appendix 1a  
Summary of progress on audit report recommendations

Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	their business plans in line with established guidance and timelines. Non-compliance should be addressed through specific measures to support consistent performance management.				alignment of business plans with corporate priorities.
3	<p>KPI Reporting</p> <p>A clear process of selecting which KPIs are reported to the Overview and Scrutiny Board should be drafted, ensuring that the narrative for KPIs is consistent and provides a clear picture of service performance that aligns with the Corporate Plan.</p>	High	September 2025		<p>This work is ongoing – a draft Performance Management Framework was presented in August 2025.</p> <p>Initial discussions have taken place with service leads to identify priority measures, and work is underway to strengthen the quality of performance commentary to provide a clearer picture of service delivery.</p>
4	<p>Performance Reporting System</p> <p>A CorVu replacement should be sought out and implemented as soon as possible, to ensure that oversight of the Council's performance management function is robust and meets organisational needs.</p>	High	September 2025		This work is ongoing – a draft Performance Management Framework was presented in August 2025.
5	Performance Reporting Policy	High	September 2025		This work is ongoing – a draft Performance Management Framework was presented in August 2025. This new framework will be

Appendix 1a  
Summary of progress on audit report recommendations

Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	A policy should be drafted and communicated to managers in order to support services submitting KPIs in their service area.				adopted before the next Business Planning cycle for 2026/27.
6	<p>Completeness of KPI Records</p> <p>All KPI data should be collated and reported ensuring that they are reported to scrutiny board.</p> <p>Unreported KPIs by the service should be escalated to senior management.</p>	High	September 2025		This work is ongoing – a draft Performance Management Framework was presented in August 2025. As part of the Performance Management Framework, arrangements are being put in place to escalate unreported KPIs to senior management to strengthen accountability and ensure comprehensive performance oversight.

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Proposed ASC Debt Recovery Process</p> <p>The action plan to address outstanding debt presented to DMT in July 2021 should be progressed.</p> <p>Brought forward from previous years.</p>	High	Brought forward from 2023/24.	Complete	<p>Complete.</p> <p>The Adult Social Care Debt policy continues to provide guidance and support to officers in decision-making, helping to endure consistency and transparency. Following the end of the Income and Prevention Officer post in December 2024, casework has been absorbed into the wider service.</p> <p>The 2025/26 review of Revenues and Benefits including the Accounts Receivable, and Client Finance teams are now underway. This review will assess current processes, resourcing and governance arrangements.</p> <p>This work has commenced already. Regular debt panel meetings are in progress where cases are reviewed and decisions regarding recovery action are being taken.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
2	<p>Bad Debts: The spreadsheet maintained for Debt Panel Debts should be updated and maintained by Legal Services when cases are passed through to them, including:</p> <ul style="list-style-type: none"> <li>the date a Court hearing date was received,</li> <li>the date of the hearing, and</li> <li>the subsequent action from the hearing should all be updated.</li> </ul>	Medium	Brought forward from 2023/24	December 2025	Legal have created a central debt recovery spreadsheet that includes all cases sent from debt panel. This is being updated by the legal assistant in legal.
3	<p>Orders for Sale: A process should be implemented to ensure there is continuous monitoring and progression of Charging Orders to Orders for Sale where this is appropriate.</p>	Medium	Brought forward from 2023/24	Complete	<p>The Process has been implemented and embedded within business-as-usual debt panel reviews.</p> <p>Monthly Debt Panel Meetings are scheduled in line with the requirements of the Councils Charging Order and Insolvency Policy. Monthly reviews are also in place to monitor ongoing cases with solicitors acting on the Councils behalf.</p> <p>No new Order for Sale cases has been enforced since April 2025, but a number of cases with secured arrears are under review. These instances include where owner occupiers are asset rich but cash poor, and others where owners have tenanted their properties. Careful consideration is being given to avoid action that could lead to making residents homeless.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
					<p>The review of potential charging orders and Order for Sales are now treated as business as usual.</p> <p>Learning from the three initial order for sale cases have highlighted that disposal is a costly and length process, with additional risks such as disputed ownership, undisclosed occupation, and property disrepair. While costs have been recovered, this experience is being used to refine case selection.</p> <p>It is anticipated that legal action on occupied properties would be significantly more costly, and the Council would seek to enforce a payment arrangement in the first instance there is the courts would be required to enforce an order for sale increasing the risk of homelessness for any potential debtors.</p>



Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
4	Attachment of Earnings / Benefits: All existing Attachment of Earnings / Benefits should be monitored on an ongoing basis. In addition to pursuing those debtors where the relevant attachments are not being applied, those with existing debts should be reviewed to ensure they don't fall into further arrears.	Medium	Brought forward from 2023/24	Complete	<p>The Process has been implemented and embedded within business-as-usual processes</p> <p>This area continues to be managed as business as usual, with reports generated from the Council Tax administration system and reviewed by the debt recovery team.</p> <p>National issues remain with attachment of benefits, including significant delays with the DWP and cases where insufficient benefit remains following other deductions already in place to allow any further deductions. There remain instances where employers are slow to commence deductions from attachment to earnings. Where delays or barriers arise, cases are escalated quickly to alternative recovery methods.</p> <p>It is also recognised that deductions rarely clear Council Tax arrears within the financial year, which means debt often increases when a new year bill isn't paid. Council policy prevents the use of enforcement agents in Council Tax Reduction cases, which restricts the range of recovery options available.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
5	<p>Bad Debt Follow-Up and Enforcement:</p> <p>All bad debts should be routinely monitored and actioned promptly when arrangements are not maintained.</p>	Medium			<p>Full implementation will take time to complete due to the scale of historic debt and limited review capacity. Current focus is on prioritising debts that remain recoverable and progressing these through appropriate enforcement.</p> <p>Automations within the administration system continue to help identify cases where payments have stagnated or defaulted moving them onto the next stage of recovery. Monthly records are maintained to track arrears, costs and fees, amounts collected, and amounts written off.</p> <p>For older debts, work is being scoped under the Ready for the future programme to carry out a comprehensive review. This will include a refresh of the write of procedure to endure clarity and transparent, moving away from the historic approach still in place from when the service was contracted out.</p> <p>Progress is constrained by limited resource to review significant arrears, particularly as much of the debt is not coded on the system for write off. This makes the identification of irrecoverable debts resource-intensive, requiring assurance before authority to write off can be requested,</p>

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
6	Debts in Legal: All debts currently with Legal Services should be reviewed on a continuous basis to ensure follow-up on each debt is progressing in line with debt recovery policy.	Medium	Brought forward from 2023/24	December 2025	The legal service have one member of staff (legal assistant) who is responsible for progressing charging order applications for council tax as well as issuing all sundry debts and managing the process and progressing all debt recovery for any other service. The member of staff is continuing with business as normal but has created a spread sheet of all new debts sent to legal and is working on adding historical debts which unfortunately requires manual data entry.
7	Debts in Legal: A spreadsheet should be maintained detailing progress on pursuing debts through legal action.	Medium	Brought forward from 2023/24	December 2025	<p>All new debts are added to a spreadsheet and this is updated and being added to on a regular basis. This is now in effect.</p> <p>Due to the high level of debt that is escalating, just having a spreadsheet will not be sufficient to tackle the level of debt. It is advised that senior officers from Council tax, business rates and adult social care client finance and commissioning form a working group to establish how the debt levels can start reducing. If it is necessary for legal services to hire another debt recovery legal assistant to take the lead on tackling the backlog this can be arranged and would be a spend to save appointment.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
8	Debts in Legal: Debts in Legal that are inclusive of VAT should be reviewed prior to the ability to claim VAT expiring, and, where applicable, written off.	Medium	Brought forward from 2023/24	December 2025	The spreadsheet has various dates on and legal can assist and liaise with finance about VAT dates but finance can also be provided with a copy of the spreadsheet.

Appendix 1a  
Summary of progress on audit report recommendations

Payroll 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress October 2025
1	<p>Payroll Reconciliations</p> <p>Monthly Payroll Reconciliations should be carried out in a timely manner. The review noted that there were delays in performing the reconciliations.</p> <p>The working group established should continue to take steps to address the issues identified in connection with the payroll to General Ledger reconciliation process.</p> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>Revised to June 2025</p>	September 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>From September 2025 a monthly Payroll Reconciliation working group has been set up, currently led by the AD of Workforce &amp; Organisational Culture, although will ultimately be led by Head of Operational HR.</p> <p>The first meeting was able to identify the elements causing imbalance between Payroll and ledger, with actions for the Payroll Manager to address with GMPF.</p> <p>In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team and allow for greater focus on this area. It is anticipated this programme will start from November.</p>

Appendix 1a  
Summary of progress on audit report recommendations

2	<p>Pre-employment and Right to Work Checklist-Schools</p> <p>The Payroll Service should liaise with the Head of Education Support Services and HR colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment and DBS checks.</p> <p>The review has noted that this action has not progressed as expected and steps should be taken around storage of supporting information on pre-employment checks.</p> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>Revised to June 2025</p>	March 2026	<p>This action is included in the Payroll report also, however this is a wider HR issue and is not specifically a Payroll issue.</p> <p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.</p> <p>Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.</p> <p>A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.</p>
3	<p>Policies and Procedures</p> <p>Management should ensure the following:</p> <p>1. That the documentation of payroll procedures for the use of staff within the Payroll Team is expedited. Once complete, they should be circulated to all relevant staff within the Team and training provided if necessary.</p> <p>2. All policies and procedures including the Pay Policy and Procedures documentation should be regularly updated so that they remain relevant and refer to current systems.</p>	High	<p>Brought forward from 2023/24</p> <p>Revised to September 2025</p>	March 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Approval has been given for additional Payroll resource to support the team, which will commence imminently. This is for 6 months to create capacity for the Payroll Manager and Payroll seniors to focus on creation of SOPs.</p> <p>In addition a new HR Employment Services Manager has been appointed and will start in October 2025, who will oversee progress with</p>

Appendix 1a  
Summary of progress on audit report recommendations

	<p>3. Set out formally (in writing) the roles and responsibilities of staff within the Payroll Team.</p> <p>Brought forward from 2023/24</p>				<p>this work in partnership with the Head of Operational HR.</p> <p>In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team. It is anticipated this programme will start from November.</p>
4	<p>CHAPS Payments – Review of all Chaps Requests</p> <p>A full review of CHAPS payment requests should be analysed in order to identify any common system or process issues, which can be addressed and rectified to reduce the number of CHAPS requests.</p> <p>Brought forward from 2023/24</p>	Medium	<p>Brought forward from 2023/24</p> <p>Revised to May 2025</p>	August 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>However, from August 2025 it has been agreed all CHAPs payments will be approved by Assistant Director of Workforce &amp; Organisational Culture.</p> <p>An initial review of reasons for CHAPs payments suggests that late new starter forms is the primary reason so far.</p> <p>The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.</p>
5	<p>Starters</p> <p>All supporting documentation should be retained in the central drive, in respect of starter details, including salary details, to ensure they are</p>	Medium	<p>Brought forward from 2023/24</p> <p>Revised to June 2025</p>	March 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p>

Appendix 1a  
Summary of progress on audit report recommendations

	<p>processed accurately and to ensure accurate data can be obtained should any future queries arise.</p> <p>The starters forms should be signed and dated by the appropriate line manager. If errors are identified in the supporting recruitment documentation, they should be highlighted to the relevant authorising officer and rectified accordingly.</p> <p>Brought forward from 2023/24</p>				<p>There is a wider piece of work underway to support HR folder compliance.</p> <p>An extra resource has been appointed for 6 months to undertake a whole review of all HR files on the drive, highlighted gaps and risks. Where needed, information to fill gaps will be obtained.</p> <p>The end point will be clear SOPs and training where there are regular patterns of this being missed.</p> <p>The iTrent optimisation work highlighted above will also create capacity in the team allowing for more time to focus on documentation.</p> <p>In the meantime, teams are regularly reminded on the importance of saving approvals.</p>
6	<p>Exceptional Payments</p> <p>Where exceptional payments are authorised by Services, Payroll Services should ensure it is line with policy and calculated correctly.</p> <p>Any decisions made outside the pay policy needs to be authorised by the relevant Service Director through the relevant form and supporting documentation. The documentation should be retained on the employees personnel file for audit and transparency purposes.</p> <p>Brought forward from 2023/24</p>	High	June 2025	Complete	<p>Complete.</p> <p>The HR Team now works in line with <a href="#">Special Severance Payments - GOV.UK</a> in partnership with our Legal Team.</p>



Appendix 1a  
Summary of progress on audit report recommendations

7	<p>Overpayments -Communications to Managers</p> <p>Communication should be sent to all Managers responsible for staff to reiterate the importance of submitting leavers forms in a timely manner to prevent overpayments</p> <p>Good practice needs to be re-enforced, potentially through a training / awareness campaign and/or targeted communications in cases of non-compliance.</p> <p>Brought forward from 2023/24</p>	Medium	<p>Brought forward from 2023/24</p> <p>Revised to July 2025</p>	October 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>From August 2025 regular monthly communication on pay affecting deadline dates is shared via Viva Engage and via HR reports through to DMTs.</p> <p>The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.</p>
8	<p>Salary Overpayment Repayment Plans</p> <p>When an overpayment has been created, Payroll should adhere to the Overpayment Policy wherever possible.</p> <p>This is a new recommendation for 2024/25</p>	Medium	July 2025	January 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>More is needed to ensure that overpayments are reclaimed in an appropriate and robust way.</p> <p>The iTrent optimisation work highlighted above will also create capacity in the team.</p> <p>The HR Employment Services Manager due to start October has this as an objective.</p>

Appendix 1a  
Summary of progress on audit report recommendations

9	<p>Employee Contracts</p> <p>Employees should be issued with employment contracts within a timely manner.</p> <p>In the absence of an employment contract outlining terms and conditions of employment there is a risk that disputes may arise, and claims may be brought against the Authority.</p> <p>Brought forward from 2023/24</p>	High	Brought forward from 2023/24	January 2026	<p>This should be included in the Recruitment &amp; Disciplinary Audit as Payroll are not responsible for contracts of employment.</p> <p>An extra resource has been appointed for 6 months to undertake a whole review of all HR files on the drive, highlighted gaps and risks. Where needed, information to fill gaps will be obtained.</p> <p>In addition, the HR Employment Services Manager will have an objective based on auditing and tracking compliance with this action.</p>
10	<p>External Consultant Managers file – Communication to Recruiting Managers</p> <p>Starters forms for External Consultant Managers should be fully completed by an authorising officer prior to entering the individual in to the i-Trent system.</p> <p>A personnel file should be set up and include (where appropriate) the recorded delegation decision demonstrating the appointment process and employee timesheets, including a copy of a REC1.</p> <p>Managers should be reminded that external consultant staff members will not be processed unless the relevant paperwork is present.</p> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>Revised to January 2025</p>	March 2026	<p>This is partially implemented but there are gaps in the process. All external contractor/agency requests should come through the Corporate Vacancy Panel for approval, but currently this is not the case.</p> <p>An Agency Spend Working Group has been set up from October, whose role will be to create more robust governance around agency workers and off framework workers.</p> <p>Therefore the date of this action has changed as this area will continue to have weakness until approval processes are strengthened.</p>

Appendix 1a  
Summary of progress on audit report recommendations

11	<p>Leavers Documentation</p> <p>All supporting documentation should be retained in respect of leavers details and stored in the appropriate folder.</p> <p>Brought forward from 2023/24</p>	Low	Brought forward from 2023/24	Complete	Complete
----	---	-----	------------------------------	----------	----------

Appendix 1a  
Summary of progress on audit report recommendations

Children's Services 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Financial Procedures and Guidance</p> <p>System notes / Process Notes should be formalised for the new Mosaic Finance platform to establish robust financial processes and a strong financial framework.</p> <p>This should be circulated to all staff involved, supported by Finance.</p> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>30 September 2025</p>	Spring 2026	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>Existing Mosaic training guides have been reviewed and are being revised for purchasing and payment processes through the Mosaic Children's Finance project.</p> <p>Revised implementation dates:</p> <p>The purchasing guides will be completed by end of October 2025.</p> <p>The payment process guides will be completed in Spring 2026 following the Mosaic upgrade.</p>
2	<p>All costs to be recorded on Mosaic</p> <p>Management to consider using the Mosaic system as the first point of entry for all purchase orders, including:</p> <ul style="list-style-type: none"> <li>• Short Breaks</li> <li>• Out of Borough placements</li> </ul>	Medium	<p>Brought forward from 2023/24</p> <p>30 September 2025</p>	Late 2026.	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>The capability is in place and the costs are recorded on Mosaic for Out of Borough placements and Independent Foster Agencies.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Children's Services 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<ul style="list-style-type: none"> <li>Independent Foster Agencies.</li> </ul> <p>Brought forward from 2023/24</p>				<p>Data cleansing activities have been completed for current packages.</p> <p>This completion of the work for short breaks has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation dates:</p> <p>Mosaic development for Short Breaks will be completed in October 2025, which will provide the capability for costs to be recorded on Mosaic.</p> <p>Current short breaks packages will be migrated to Mosaic by February 2026.</p> <p>Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026 and the work on payments cycles for these payments will commence later in 2026.</p>
3	Monthly System Reconciliations	High	Brought forward from 2023/24	Spring / Summer 2026	Standard Mosaic reports are available and can be used to extract financial data from Mosaic for payments i.e. to Foster Carers.

Appendix 1a  
Summary of progress on audit report recommendations

Children's Services 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<p>The Service should liaise with Finance colleagues to ensure that Mosaic and Agresso are reconciled on a monthly basis.</p> <p>Brought forward from 2023/24</p>		30 September 2025		<p>Revised implementation date:</p> <p>Finance colleagues will complete monthly reconciliation once payments are processed through Mosaic from Spring/Summer 2026.</p>
4	<p>Periodic Supplier Payments (PSPs)</p> <p>The Service should consider transferring regular payments currently set up on Agresso for PSPs to the Mosaic system as the first point of entry for all purchase orders.</p> <p>This would capture the Manager's approval as well as the details of the inputting officer as an audit trail.</p> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>30 September 2025</p>	Spring 2026	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>This work has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation date:</p> <p>System development for recording direct payments in Mosaic will be completed in October 2025. This will enable purchase orders and manager's approval to be captured within Mosaic.</p> <p>Current direct payment packages will be migrated to Mosaic by February 2026.</p> <p>Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Children's Services 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
5	<p>ICB Funding</p> <p>Funding agreements with the ICB and/or Education is obtained for all individuals whose funding is shared between sponsors. Funding agreement documents should be saved to Mosaic and not stored off-system.</p> <p>Brought forward from 2023/24</p>	Medium	Brought forward from 2023/24	Complete	<p>This action is complete, all funding agreements with the ICB have been uploaded to the child's file on Mosaic and this is now an ongoing business as usual monitoring action.</p>
6	<p>Short Breaks Plans</p> <p>Short Breaks Plans should be completed in a timely manner to ensure payments are accurately recorded and in line with the statutory duty.</p> <p>Brought forward from 2023/24</p>	Medium	Brought forward from 2023/24	Complete	<p>This action is complete and is now an ongoing business as usual monitoring action due to a continuous cycle of reviewing new and existing plans.</p> <p>The updated Short Breaks Plan document is now live in Mosaic and includes more comprehensive cost information.</p> <p>Performance is monitored through monthly performance mechanisms within the service.</p>
7	<p>Duplicate Records</p>	Medium	Brought forward from 2023/24	Complete	<p>This action is complete and is now an ongoing business as usual monitoring action. As contacts come into the MASH duty and advice service,</p>

Appendix 1a  
Summary of progress on audit report recommendations

Children's Services 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<p>Duplicate client records should be removed by moving all the information across to the main records, and then deleting the duplicate records.</p> <p>Staff should check that a record does not already exist for an individual before creating a new one.</p> <p>Brought forward from 2023/24</p>				<p>workers check for existing records on the system on a daily basis.</p> <p>There is a two point check completed by the Customer Support Officer and the Social Worker.</p>
8	<p>Direct Payments</p> <p>A monthly review of all children transitioning to Adults Services should be conducted to ensure that the transition is supported by the appropriate documentation and management oversight.</p> <p>Brought forward from 2023/24</p>	High	Brought forward from 2023/24	Complete	<p>This action is complete and is now an ongoing business as usual monitoring action.</p> <p>The Children's Direct Payments Policy has been approved and is being utilised by the service.</p> <p>Data and intelligence on children transitioning to Adult Social Care is now available and both Children's and Adults are continually reviewing the performance of the transition's workflows.</p>



Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1.	<p>Workflow</p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p>Brought forward from 2020/2021</p>	High	<p>Brought forward from 2020/21</p> <p>September 2025</p>	December 2025	<p>Revised Implementation Date December 2025. The number has been significantly reduced from a position of 1,332 in February to 425 at the start of September. Work is progressing to close the remainder of these with targeted work being completed on historical safeguarding workflows, ensuring that people are safe and free from harm.</p> <p>Reason for slippage Resource pressures across ASC and the recent notification of CQC inspection has meant that the capacity to complete this work has been reduced but it continues to be a priority and we remain confident that this remaining workflows will be actioned as required.</p>
2.	<p>Short Stay Policy</p> <p>The service should reassess short stay placements in a timely manner, in line with the ASC policy. This will ensure that clients are transitioned to permanent care and undergo a full means tested financial assessment as they become applicable.</p> <p>New Recommendation 2024/2025</p>	High	December 2025	March 2026	<p>Revised Target March 2026 – part of wider review work Work of the Achieving Better Outcomes and Value (ABOV) group is targeting shorts stays within the wider review work.</p> <p>Guidance on short stays has been issued to the workforce.</p> <p>Reason for slippage Resource challenges in relation to the ABOV and wider social work teams, which are being</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
					addressed by agency and permanent recruitment.
3.	<p>Backlog of Financial Assessments</p> <p>The Adult Social Care Service to Liaise with the Revenues and Benefits Service to agree a permanent Structure for the Client Finance Team which undertakes client financial assessments. The backlog of financial assessments should be addressed. The oldest outstanding items should be dealt with a priority.</p> <p>New Recommendation 2024/2025</p>	High	December 2025		<p>On Target</p> <p>Targeted work is being completed to reduce the backlog of financial assessment and there has been a 25% reduction in the last 3 months. Contact has been made with those awaiting a financial assessment to ensure that they are aware of the process and that they made be required to contribute towards the cost of their services.</p> <p>Additional staff (via Civica) have been brought in to support with the backlog of Financial Assessments, and over the last two months we have seen a reduction.</p>
4.	<p>Back dated adjustments</p> <p>Payments for care packages should be put in place at the inception of any care agreements and not allowed to go for many months without the payment being paid.</p> <p>Brought forwards from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>September 2025</p>	March 2026	<p>Revised Date to enable system changes March 2026 (due to Mosaic System Upgrade – this cannot be completed before that.)</p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p> <p>Reporting tools now allow the Brokerage Team better oversight of payment delays, with escalation in place where this relates to provide</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
					<p>documentation or information required form elsewhere in the system. Brokearge now retains the purchase even where there is a query with another part of ASC rather than returning the workflow, this avoids unpurchased packages being lost in the system and provides better oversight.</p> <p>Monitoring shows that Oldham now benchmarks as the second shortest wait time in GM for purchase requests.</p> <p>Regular communication takes place with providers to ensure packages do not commence before a purchase order is in place for payment.</p> <p>The system delays have been raised as part of a recent health check by the Access group who supply the system to review usage and suggest improvements to reduce the risk of work not progressing correctly in the system.</p> <p>Reason for slippage Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic scheduled for February 2026. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
5.	<p>Invoices paid outside the Mosaic system</p> <p>Payment cycles to be manually adjusted accordingly when an ad hoc payment is made outside of the Mosaic system.</p> <p>New Recommendation 2024/2025</p>	High	July 2025	Complete	<p>Completed by the deadline, however we will continue to remind staff regularly around this. Staff have been reminded of the need to ensure any payments made outside of the system and recorded and adjusted for appropriately. Instances of payments outside of the system are infrequent.</p>
6.	<p>Statutory Annual Care Reviews</p> <p>The service should utilise the benchmarking information available in comparison to other North-West region authorities to identify where Oldham would appear to perform relatively less well than neighbouring Councils.</p> <p>Where areas for improvement are identified as a result of benchmarking, the service should approach and liaise with better performing Councils in order to identify any improvements which may be made.</p> <p>Brought forward from previous years.</p>	High	<p>Brought forward from previous years</p> <p>December 2025</p>	March 2026	<p>Revised Implementation Date March 2026</p> <p>Agency Staff and Contract and Quality Monitoring Officers are being utilised to reduce the backlog of overdue annual reviews.</p> <p>We have seen a reduction in the Review waiting list over the last two months the trajectory of this has been reviewed and the revised implantation date takes this into account.</p> <p>Reason for slippage</p> <p>Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>
7.	<p>Out of Borough Placements</p> <p>Management should utilise the benchmarking information available in comparison to other North-West region authorities to understand why Oldham</p>	Medium	<p>Brought forward from 2023/24</p> <p>September 2025</p>	March 2026	<p>Revised Implementation March 2026</p> <p>The OOB position continues to be regularly monitored, and the new authorisation processes implemented give greater oversight and</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<p>is spending the most on Out of Borough placements compared against other authorities in the North-West and consider what steps can be taken to reduce these costs to be in line with neighbouring / comparable sized authorities.</p> <p>Brought forwards from 2023/2024</p>				<p>assurance of cases. Benchmarking analysis evidences that the authority is no longer the highest spend in the North-West on OOB placements.</p> <p>The ABOV Team review work will target this amongst the matrix approach to priority of reviews. Revised inline with trajectory or review work completion.</p> <p>Reason for slippage Capacity challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>
8.	<p>Credit notes description</p> <p>The description on all credit notes raised should have clear information on it to point out what period it is for and how it has been calculated.</p> <p>In order that the reader of the credit note can understand what is being adjusted – the description of “Financial Reassessment” may not be sufficient to understand why the credit note is required or how the amount of the correction has been arrived at.</p> <p>Brought forwards from 2021/22</p>	Medium	<p>Brought forward from 2021/22</p> <p>August 2025</p>	Complete	<p>Completed by the deadline, however we will continue to remind staff regularly around this. Reminders have been issued to staff in Brokerage and Client Finance to ensure that full descriptions are included on credit notes issued.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
9.	<p>Record of Hospital Stays</p> <p>A schedule of hospital stays, is a specific document within the Mosaic system. The service should consider whether they wish to use this functionality to record periods when a client is in hospital and make it easier to physically locate individual clients.</p> <p>New recommendation 2024/2025</p>	Low	N/A		The business decision was made to not use this functionality for the reasons previously detailed. Alternative processes are in place to access hospital stay information.
10.	<p>Duplicate Records</p> <p>Staff should be reminded to check that a record does not already exist before setting up a new record.</p> <p>Brought forward from 2020/21</p>	Medium	<p>Brought forward from 2020/21</p> <p>August 2025</p>	December 2025	<p>Revised Implementation Date December 2025</p> <p>Duplicate cases have been reviewed and 25+ cases have been merged during September. Reminders to staff are being included in ASC Spotlight and activity will be picked up as part of the Data Quality group.</p> <p>Through our own monitoring we have seen a slight increase in duplicate records.</p> <p>Reason for slippage we will be completing targeted activity following the CQC inspection. We will also be clarifying the baseline position of the total number of duplicates which cannot be merged due to audit (where there has been purchase on both cases).</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Direct Payments and Community Homecare 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
1	<p>Workflow / data quality</p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p>The Data Quality group should focus on dealing with the oldest outstanding workflow items.</p> <p>Brought forward from previous years.</p>	High	<p>Brought forward from previous years.</p> <p>September 2025</p>	December 2025.	<p>Revised Implementation Date December 2025. The number has been significantly reduced from a position of 1,332 in February to 425 at the start of September. Work is progressing to close the remainder of these with targeted work being completed on historical safeguarding workflows, ensuring that people are safe and free from harm.</p> <p>Reason for slippage Resource pressures across ASC and the recent notification of CQC inspection has meant that the capacity to complete this work has been reduced but it continues to be a priority and we remain confident that this remaining workflows will be actioned as required.</p>
2.	<p>Direct Payments Agreements</p> <p>Each client who receives a Direct Payment, should have a signed DPA.</p> <p>When DPAs are signed they should be dated and the officer signing the DPA should complete their position in the field provided to set out who has signed off the DPA.</p> <p>New recommendation in 2024/2025</p>	High	August 2025	Complete	<p>Completed by the deadline, however we will continue to remind staff regularly around this.</p> <p>Staff have been reminded of the importance of checking DPAs are fully signed before being uploaded. The DP policy has been reviewed, updated and recently published on the council's website.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Direct Payments and Community Homecare 2024/25 FFS Review

No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
3.	<p>Statutory Annual Care Review</p> <p>Strategy and Performance reports should be used to highlight service users who are overdue an annual care review.</p> <p>The service should utilise the benchmarking information available in comparison to other North-West region authorities to identify where Oldham would appear to perform relatively less well than neighbouring Councils.</p> <p>Where areas for improvement are identified as a result of benchmarking, the service should approach and liaise with better performing Councils in order to identify any improvements which may be made.</p> <p>Brought forward from previous years.</p>	High	<p>Brought forward from previous years.</p> <p>December 2025</p>	March 2026	<p>Revised Implementation Date of March 2026</p> <p>Agency Staff and Contract and Quality Monitoring Officers are being utilised to reduce the backlog of overdue annual reviews. We have seen a reduction in the Review waiting list over the last two months.</p> <p>We have seen a reduction in the Review waiting list over the last two months.</p> <p>Reason for slippage Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>
4.	<p>Back dated adjustments</p> <p>Payments for care packages should be put in place at the inception of any care agreements and not allowed to go for many months without the payment being paid.</p> <p>Brought forwards from 2023/24</p>	High	<p>Brought forwards from 2023/24</p> <p>September 2025</p>	March 2026	<p>Revised Date to enable system changes March 2026</p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p>



Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Direct Payments and Community Homecare 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
					<p>The system delays have been raised as part of a recent health check by the Access group who supply the system to review usage and suggest improvements to reduce the risk of work not progressing correctly in the system.</p> <p>Reason for slippage Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic scheduled for February 2026. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.</p>
5.	<p>Backlog of Financial Assessments</p> <p>The Adult Social Care Service to Liaise with the Revenues and Benefits Service to agree a permanent Structure for the Client Finance Team which undertakes client financial assessments. The backlog of financial assessments should be addressed. The oldest outstanding items should be dealt with a priority.</p> <p>New Recommendation 2024/2025</p>	High	December 2025		<p>On Target</p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p> <p>The system delays have been raised as part of a recent health check by the Additional staff (via Civica) have been brought in to support with the backlog of Financial Assessments, and over the last two months we have seen a reduction.</p>
6.	Credit Notes	Medium	August 2025	Complete	Completed by the deadline, however we will continue to remind staff regularly around this.

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Direct Payments and Community Homecare 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<p>The description on all credit notes raised should have clear information on it to point out what period it is for and how it has been calculated.</p> <p>In order that the reader of the credit note can understand what is being adjusted – the description of “Credit raised as FA reviewed” is not sufficient to understand why the credit note is required or how the amount of the correction has been arrived at.</p> <p>Initially raised in 2021/22 and was subsequently signed off as completed.</p>				Reminders have been issued to staff in Brokerage and Client Finance to ensure that full descriptions are included on credit notes issued.
7.	<p>Duplicate records</p> <p>Staff should be reminded to check that a record does not already exist before setting up a new record.</p> <p>New recommendation to D.P. report. Brought forward from 2020/21 on the Residential Homes report.</p>	Medium	August 2025	December 2025	<p>Revised Implementation Date December 2025</p> <p>Duplicate cases have been reviewed and 25+ cases have been merged during September. Reminders to staff are being included in ASC Spotlight and activity will be picked up as part of the Data Quality group.</p> <p>Reason for slippage We will be completing targeted activity following the CQC inspection. We will also be clarifying the baseline position of the total number of duplicates which cannot be merged due to audit (where there has been purchase on both cases).</p>
8.	Record of hospital stays	Low	N/A		The business decision was made to not use this functionality for the reasons previously detailed.

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care – Direct Payments and Community Homecare 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update October 2025
	<p>A schedule of hospital stays, is a specific document within the Mosaic system. The service should consider whether they wish to use this functionality to record periods when a client is in hospital, and make it easier to physically locate individual clients, allow re-allocation of Homecare resources where these are not currently required.</p> <p>New recommendation 2024/2025</p>				Alternative processes are in place to access hospital stay information.



# Oldham Council Audit and Counter Fraud Team

## Delegated Reports Review

## Final Report

**June 2025**

Prepared by:  
Internal Audit Service

Reviewed by:  
John Miller                      Head of Internal Audit and Counter Fraud

Issued to:  
Fiona Greenway              Interim Executive Director of Corporate Resources  
Heather Moore                Assistant Director (Governance)

## Delegated Reports

### 1 Background

- 1.1 Under Section 101 of the Local Government Act 1972, non-executive functions of the Council may be delegated to officers by the Council, Committees and Sub-Committees.
- 1.2 Executive functions of the Council may be delegated to officers by the Leader of the Council and, unless directed otherwise by the Leader, by the Cabinet, Cabinet Committees and Individual Cabinet Members under s9 of the Local Government Act 2000.
- 1.3 The Scheme of Delegation sets out who is responsible for various “levels” of decision in Part 3 of the Council’s Constitution, “Responsibility for Functions”.
- 1.4 The Council has three levels of decision making:
  - **Key Decisions** – a decision taken by Cabinet, a Board or Cabinet Committee which is likely to result in significant expenditure or savings. The Constitution defines significant as over £250k for which provision is already made in the Council’s budget.
  - **Principal Decisions** – these are decisions which are not a key decision but result in expenditure or savings of over £100k for which provision is already made in the Council’s budget.
  - **Administrative Decisions** – these decisions have not reached the threshold of a principal decision and fall within approved budgets and policies. There is no requirement to publish administrative decisions.
- 1.5 When reaching the decision outlined in the delegated report, officers are required to consult with Members and other Officers as appropriate. This must include the Director of Legal Services and Director of Finance.
- 1.6 The Finance team records and monitors delegated reports through the use of a report tracking spreadsheet which holds information on each report including the relevant department, report author, and the report’s due date.
- 1.7 The Council’s decision recording system, Modern.Gov, holds records on all the meetings held as part of Council business, alongside any decisions reached. The decisions should also include a delegated report and any background papers, with items restricted as appropriate.

### 2 Objectives and Scope

- 2.1 The objective of the audit was to review the processes by which expenditure or savings are approved, and to ensure that expenditure has been approved in line with policies outlined in the Council’s Constitution.
- 2.2 The scope of the review included, but was not limited to, examining whether:
  - The officer responsible for the delegated report has acted in accordance with the processes outlined in the Council’s Constitution;
  - Purchase Orders raised have been approved by the appropriate body, with regard to their relevant decision thresholds.
  - Expenditure is supported by a corresponding decision report.

- Formal agreed comments have been received in each report from Finance, procurement and Legal, in line with the Council's Constitution;
- The reason for each decision within the delegated report is clear, appropriately documented and can be justified in the event of a decision being challenged.

### 2.3 Our approach involved:

- Documenting the systems and controls in operation in respect of each delegated decision.
- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Selection of a sample of delegated decisions and compliance testing of key controls in operation throughout the course of each decision.

### 2.4 This review has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).

## 3 Summary of Findings

### 3.1 Decision recording

In a number of cases reviewed full details of the decision-making process were not always clear from the reports reviewed. Our findings are summarised below:

- In one instance aggregate expenditure over the whole period of service delivery was not included in the report.
- In two cases the rationale for seeking an exemption to CPRs would benefit from further details.
- Requests for an exemption to CPRs should be authorised by someone who does not have direct line management responsibility for the service, this was not the case for one report reviewed.
- One report requested retrospective approval to appoint a contractor.
- In one case there was a lack of a named supplier in the Delegated Decision Report (DDR).

Please refer to Recommendation 1 in the Action Plan below.

### 3.2 Report Author Training

Uploading of documents and DDRs onto the Modern.gov system is the responsibility of the service area submitting the report for approval. This requires individual officers to have sufficient knowledge of the system and the processes involved. Currently, staff receive limited training around how to upload decision reports and the relevant decision thresholds.

Please refer to Recommendation 2 in the Action Plan below.

### 3.3 Manual Review of Decision of Reports

There is no formal QA process prior to publishing reports on to Modern.gov. A review of the documentation uploaded to confirm that information released into the public domain does not fall under the category of "exempt information" would help mitigate the risk of publishing this information inadvertently.

Please refer to Recommendation 3 in the Action Plan below.

#### 3.4 Decision Reports

In the course of sample testing we found a number of decisions which were not supported by an appropriate decision report.

The lack of an available decision report means that the rationale for a decision was not always clear. Additionally, the lack of any financial data did not allow for confirmation that the decision had been made with respect to the appropriate decision thresholds.

Please refer to Recommendation 4 in the Action Plan below.

#### 3.5 Final Agreed Comments

As part of the review, other GM authorities were consulted to confirm the available functionality of the system, specifically with regard to providing comments within Modern.Gov, and for Director oversight of comments/reports held within the system.

Two Authorities responded to our consultation. Both utilise the system feature available to allow comments to be typed/submitted within the system itself, as opposed to uploading documents created outside of the system. To the extent that comments via any medium other than directly through Modern.Gov, are rejected. One Authority utilises an additional control, requiring sign off on finance and legal comments by the relevant Director within the Service before the report could be released.

Comments at Oldham are currently received via email and the option above, which already exists within modern.gov, for in-system version control is not being utilised. A lack of version control could potentially lead to the risk of uploading an incorrect version, as there is no robust audit trail within the system to confirm that the comments provided within the report are the agreed final comments.

As the option for a proper audit trail and in-system document editing are available via modern.gov, the available functionality should be fully utilised to streamline and safeguard the reporting process.

Please refer to Recommendation 5 in the Action Plan below.

### 4 Overall Opinion

4.1 The audit assessment is that the systems and controls examined are considered to be **Inadequate**.

4.2 Five recommendations have arisen as a result of this review. These are outlined in the action plan in section 6.

### 5 Acknowledgement

5.1 Internal Audit would like to thank officers in the Constitutional Services and Finance teams for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.



## 5.2 Disclaimer

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6 Action Plan

The table below shows the recommendations for the finding shown in Section 3 of this report. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation they should discuss this with the auditor as part of the finalisation process.

**High Priority** - Significant risk to the Council or Service; the recommendation is essential for sound or effective control.

**Medium Priority** - Moderate risk to the Service; it is important that the recommendation is completed.

**Low Priority** - Small risk to the Service; it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
1	<p>Decision recording</p> <p>Full details of the decision making process, and supporting information, should be held for all decisions taken.</p> <p>There should be a clear record in all reports outlining the rationale for adopting the chosen course of action.</p>	High	The Council has commissioned an internal review of Modern.gov, supported by Modern.Gov themselves. This review will identify best practice in the use of the system, and how internal Council Policies and practice will be updated to reflect best practice in the use of the system. The Council is in the process of recruiting an AD Governance who will be tasked with taking this review and implementation forward.	AD Governance	November 2025	<p>We have reviewed the number of decision recording templates (5 currently in place) with a view to reducing these to streamline and to support compliance.</p> <p>A new delegated report template has been designed, which includes strengthened guidance for officers. Meetings have taken place with the Monitoring Officer, Assistant Director of Governance and Interim Head of Democratic Services. Amendments and clarity is required in the Council's Constitution and this work will be taken through the cross-party member constitutional working group for consideration.</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
						The draft report template will be tested through an internal working group for feedback, before wider roll-out.
2	<p>Training</p> <p>Training sessions should be undertaken regularly, particularly for report authors whose previous roles may not have included experience of drafting delegated decision reports.</p> <p>This will reduce the risk of errors in the report and ensure that all relevant information is included, and the appropriate comments obtained.</p>	High	The review noted above will include the commissioning of training for users.	AD Governance	November 2025	<p>Detailed training guides are available for officers, and the Assistant Director of Governance has discussed with Organisational Development how we can align this to the induction for new starters.</p> <p>A draft training programme has been developed by Democratic Services. This will be shared with the internal working group referred to above for feedback, prior to wider roll-out. It is proposed to utilise networks including the Extended Leadership Team to disseminate training. The Council's new intranet site will also be updated with guidance and templates.</p> <p>Training will also be offered to elected members to ensure they can login to the modern.gov system and know how to use this to look for decisions.</p>
3	<p>Review</p> <p>Constitutional Services should conduct a</p>	High	Agreed	Interim Head of Democratic Services	Complete	The Interim Head of Democratic Services now reviews reports uploaded by officers onto Modern.Gov for quality assurance purposes. Where issues have been

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
	<p>manual review of all information that is uploaded to modern.gov, in order to reduce the risk of officers uploading commercially sensitive information that could be deemed as “exempt” as per the Constitution.</p>					<p>identified, for example, making a report exempt which should be public and vice versa, the relevant officer has been contacted and advice has been given to mitigate similar issues going forward. The Head of Democratic Services is also delivering training across the team to build capacity to quality assure reports.</p> <p>It is proposed to maintain a list of frequent matters/issues, which will feed into the training so that learning can be shared – and a list of FAQs added to our intranet site so that learning can be shared.</p>
4	<p>Delegated Reports</p> <p>Each decision uploaded onto modern.gov should be accompanied with the relevant final delegated decision report.</p> <p>This provides evidence that the decision is appropriately justified and that the relevant comments have been received.</p>	High	Agreed	Interim Head of Democratic Services	Complete	<p>This is part of the quality assurance role in Democratic Services. It will also be a key part of the roll-out of the training.</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
5	<p>Confirmation of Final Comments</p> <p>The service should fully utilise the modern.gov system in order to establish a robust audit trail and version control to ensure that all comments received are those of the original author and the responsible officer.</p>	High	The Council has commissioned an internal review of Modern.gov, supported by Modern.Gov themselves. This review will identify best practice in the use of the system, and how internal Council Policies and practice will be updated to reflect best practice in the use of the system. The Council is in the process of recruiting an AD Governance who will be tasked with taking this review and implementation forward.	AD Governance	November 2025	<p>There are interdependencies with recommendation 1 above in terms of the roll-out of a new report template. Through the working group it is proposed to agree the internal comments process, so that modern.gov can build it to our specification, for example, the order in which the report goes to officers for comments.</p> <p>An initial meeting has taken place with Modern.Gov to look at how we can fully move decision making online to strengthen version control and the audit trail of reports. This will also ensure that teams such as legal and finance have to input their comments as the responsible teams.</p>



# Oldham Council Internal Audit

## Contract Register Review

## Follow up Report

June 2025

**Prepared by:**

Internal Audit Service

**Reviewed by:**

John Miller

Head of Internal Audit and Counter Fraud

**Issued to:**

Fiona Greenway

Interim Executive Director of Resources

Jasmine Banks-Lee

Interim head of Procurement

## Contract Register Review

### 1 Background

- 1.1 The council has a wide range of contracts for goods and services across all services. Contract management activities should help to ensure that corporate objectives are achieved while providing value for money and the efficient supply of goods and services. Within the council, contract management is the responsibility of individual managers across the organisation with the Procurement section providing support.
- 1.2 All the Council's contracts are recorded on the Contracts Register. The register records a comprehensive list of all Contracts and Call-Off Contracts that the Council procures, detailing key attributes such as type, term, value and Contractor, and Procurement/Directorate contact details.

### 2 Objectives and Scope

- 2.1 The purpose of this audit is to provide assurance to management that procedures and controls within the system will ensure that:
  - The council's contract management guidance is in line with best practice
  - The council's contract management processes comply with the Council's guidance and principles

### 3 Main Findings

#### 3.1 Contract Management Policy and Toolkit

The purpose of a Contract Management Policy is to provide a clear and standardised approach to managing and administering contracts for goods, services and works purchased from suppliers.

The review identified that the Procurement Team does not have a Contract Management Policy. A Contract Management Policy should set out good practice, in order to maximise financial and operational performance whilst minimising risk. A Corporate Contract Management Policy and approach should be adopted defining how contracts should be managed. The Policy should be accompanied by a guidance toolkit which will enable all managers to apply in practice the principles set out in the policy document.

**Please refer to Recommendation 1 in Section 6.**

#### 3.2 ProContract – Delegated Decisions

A contracts register should allow the Council to track and monitor performance of all contracts in one central location. The Council's contract register is recorded and managed on ProContract, which is a web-based system that enables Procurement Managers to manage tendering and quotation activities through the procurement lifecycle.



ProContract is currently being used as a recording system and is not utilised as a contract management facility. The contract register currently identifies the following:

- Contract Identification i.e., a short description of what the contract is for.
- Contract Details i.e., value, start and end dates, manager's name.
- Contract ProContract unique reference number allocated (DN Number)

A sample of contracts from the contracts register were reviewed to determine if the documentation stored on the ProContract system is complete. From the contracts sampled, three did not have the relevant delegated decision report approvals attached. Delegated decisions reports are assigned their own reference number by Constitutional Services and, if these are not stored on the ProContract system, it is a challenging process to cross reference the project to the relevant approval. Where this happens routinely this also presents an additional risk that the relevant approvals may not have been sought prior to the contract commencement.

It is recommended that a review of the ProContract monitoring facility is conducted to ensure that each contract that requires a delegated decision has the necessary report added to the attachments stored on file.

**Please refer to Recommendation 2 in Section 6.**

### 3.3 Training – Contract Management

Guidance and training on contract management and the storage and retention of documentation is not being provided consistently to all Service Managers. Contract Management training should be provided to provide continuity and consistency across the council and include what is expected from contract managers.

It is recommended that the Procurement Team should liaise with the Organisational Development Team in order to source suitable training material with a view to providing in house or E-Learning Contract Management training. Ensuring that people with the right skills are in place to carry out contract management is essential to release more value from contracts. Training in contract management is vital to prepare colleagues for third-party arrangements and should be adequately resourced.

**Please refer to Recommendation 3 in Section 6.**

### 3.4 Measuring Performance

Once a contract commences it is important that there is a robust basis on which to monitor the performance of the contract. The Contracts Register and/or ProContract does not currently maintain KPIs to report against contract performance, though Procontract has a monitoring tool available.

It is recommended that the Procurement Team liaise with Contract Managers and consider options available to implement a contract management system. This will ensure corrective action is taken when poor performance is identified, allow consistent measurement of performance and value for money in line with the Council's objectives and savings targets.

**Please refer to Recommendation 4 in Section 6.**

### 3.5 Customer Feedback

Procurement Managers do not formally request and record feedback from key stakeholders in order to assist in measuring the performance of contracts. The collection of customer and supplier feedback will help monitor contract compliance, support strategy development and measure benefits, including savings obtained.

It is recommended that key stakeholder feedback is requested and recorded to provide awareness on the operational and financial performance of the Council's contracts.

**Please refer to Recommendation 5 in Section 6.**

### 3.6 Contracts missing from the Register.

During the review, it was identified that there is a risk that contracts could be missing from the Contracts Register. Legal, Procurement and Contract Managers/key stakeholders all use different recording systems and reference numbers. In the absence of a standardised approach there is a risk that live contracts may not be recorded and Procurement may not be able to track and monitor performance of all contracts in one central location.

**Please refer to Recommendation 6 in Section 6.**

### 3.7 Resource Planning

It was noted during the review that the Procurement Team use a central spreadsheet to manage their workload and resource planning. All up and coming contracts are recorded on a manual spreadsheet and reliance is placed on the Procurement Manager to manually update this spreadsheet. The Head of Procurement post is currently vacant and there is a risk that this, in combination with the current method of resource planning, could lead to pieces of work being overlooked.

**Please refer to Recommendation 7 in Section 6.**

### 3.8 Contract Register Values

A review of the contract register identified three contracts with no value attached. The value of each contract to be let will determine the quotation and tendering requirements for that contract. The contracts register should be reviewed, and all values updated accordingly.

**Please refer to Recommendation 8 in Section 6.**

### 3.9 Data Management - Sharepoint

SharePoint is a secure place to store, organise, share, and access information for authorised officers. The uploaded documentation should support the lifespan of the contract and only be accessed by authorised Managers.

The Procurement Team Sharepoint facility requires improvements around information governance and retention. Procurement data is currently held primarily on the Procurement Team drive, outside of SharePoint. Each Procurement Manager has

adopted a different approach to storing and maintaining their documentation. Due to the large number of documents held, and the varying filing structures in use, searching for, and finding, individual documents is currently difficult.

It is recommended that all contract documentation is amalgamated into SharePoint and that the documentation filing system and structure is standardised.

**Please refer to Recommendation 9 in Section 6.**

## **4 Overall Opinion**

4.1 The overall audit assessment is that systems and controls for the Contract Register are Inadequate. This is due to the number of high and medium priority issues and actions identified from the audit. These issues include:

- A lack of contract management policy and common standards and guidance for contract management.
- Delegated decision reports are not always readily available to support decisions.
- A lack of Contract Management training available to all staff.

## **5 Way Forward**

5.1 An Action Plan is included in Section 6 of this report and we will contact you shortly to agree a time to discuss these matters with you and your colleagues. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

5.2 We would like to thank staff for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

5.3 Disclaimer

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6 Action Plan

The table below shows the recommendations for the finding shown in Section 3 of this report. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation they should discuss this with the auditor as part of the finalisation process.

<b>High Priority</b>	- Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
<b>Medium Priority</b>	- Moderate risk to the Service it is important that the recommendation is completed
<b>Low Priority</b>	- Small risk to the Service it would improve control if the recommendation were to be completed.

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
1	<u>Contract Management Policy</u>  A Contract Management Policy and associated standards and guidance toolkit should be developed to ensure that all contracts are managed in a consistent and compliant manner. This should be available to all contract managers.	High	<b>Update March 2025</b> We are in the process of developing a contract management guidance document which will need to be used in conjunction with meeting the mandatory requirements of the Procurement Act 2023.  <b>Update June 2025:</b> Contract Management Policy drafted, looking to make contract management mandatory. Government training available from Government Commercial Function. Interim Head of	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to March 2026	Contract Management Policy and procedures being drafted with the aim of consulting Management Board in December 2025. Rollout and training programme to be in place by the end of March 2026.

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
			Procurement in discussion with Senior Officers to take this forward. Also ambitions to develop a contract management tool. However, this would sit outside of the Procurement function.			
2	<u>ProContract- Delegated Decisions and Approvals</u>  It is recommended that a review of the ProContract monitoring facility is conducted to ensure that each contract that requires a delegated decision or approval has the necessary report added to the attachments.	High	<b>Update March 2025: Pre-Procurement Approval Form:</b> Developed in draft form. It is planned that this will replace procurement comments on DDRs and a copy of this form is embedded into future reports providing details of the sourcing options, risks, value, intended procurement route etc. for up front approval reports.  <b>Procurement Recommendation Report:</b> developed in draft form. It is planned that this will replace procurement comments and a copy of this form is embedded int	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to: 30 June 2025	Complete  The original 'Pre-Procurement Approval Form (PPAF)' has been replaced by the 'non-complex procurement sourcing strategy' document for procurements >£30k.

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
			<p>future reports providing details that the procurement was carried out as per the PPAF (above), details of market engagement, number of tenderers, evaluation outcome etc.</p> <p><b>Update June 2025:</b> Interim Head of Procurement liaising with AD Governance to discuss the DDR process and implications for Procurement comments and information. To include a “sourcing strategy” for each report, should include details of procurement process, bidders and values. And a report detailing the outcome of the procurement.</p>			
3	<p><u>Contract Management Training</u></p> <p>The Procurement Team, in conjunction with</p>	Medium	<p><b>Update March 2025</b> The Government provide online training and this should be a mandatory requirement for all</p>	Head of Procurement	Initial Implementation date: 30 April 2024	See Recommendation 1

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
	Organisational Development should source, either via eLearning or in-house, comprehensive training courses developed for all contract managers to provide assurance of competence in contract management roles.		managers in contract management roles within the Council. Will forward details of training available to OD with a recommendation that this is mandatory for all managers with contract management roles.  <b>Update June 2025</b> See also Comments at Recommendation 1 above	Organisational Development Manager	Revised to: March 2026	
4	<u>Measuring Performance</u>  It is recommended that the Procurement Team review the utility of ProContract with a view to implementing robust contract management processes.  These processes will enable the team to consistently measure performance and value for money in line with the Council's objectives and savings targets.	Medium	<b>Update March 2025:</b> The Procurement Act 2023 requires reporting of performance and KPIs for all contracts over £5m. Senior Leaders will be consulted on how far they would wish to extend these requirements for contracts below this value, and how best to monitor and report on outcomes. We will propose undertaking a collation and reporting facility for contracts between £100k and £5m.	Head of Procurement	Initial Implementation Date: 30 April 2024  Revised to: March 2026	Partially complete (PA23 requires KPIs for all contracts in scope, proposal to extend to contracts between £100k and £5m).  Alternative contract management software options are being explored.

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
			<b>Update June 2025</b> See also Comments at Recommendation 1 above			
5	<u>Customer Feedback</u>  Customer Feedback from suppliers, key stakeholders and colleagues should be recorded in order to help assess the financial and operational performance of contracts.	Medium	<b>Update March 2025</b> To be addressed as part of response to Recommendation 4 above re KPI's. going forward  <b>Update June 2025</b> Feedback currently limited, process changes in train and anticipate movement from historic suppliers will generate further feedback.	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to: March 2026	This will be picked up as part of Recommendation 1.
6	<u>Contracts missing from the Register</u>  A data matching exercise should be conducted between the contracts register and data held by legal and directorates to ensure that all contracts are recorded on the register.	High	<b>Update March 2025</b> Following the Procurement Act 23 training scheduled for 25 <sup>th</sup> March and 3 <sup>rd</sup> April respectively, an exercise will be conducted by category/service area (engaging legal services as required), to determine any arrangements or the provision of goods, works or services not captured on the register or under live terms and conditions. This information is required to	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to: March 2026	A data matching exercise will be conducted for those contracts not already on the published pipeline for procurement.  We will work with the Accounts Payable Team to review the Authority's creditors and identify contractual and non-contractual spend.



No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
			<p>determine the Councils pipeline which is mandatory to be published before the 56<sup>th</sup> day of the FY for the reporting period of the next 18 months for all contracts over £2m in value.</p> <p><b>Update June 2025</b> Request for information on all remaining contracts not provided as part of the initial request for mandatory PA23 contracts, issued to Services on by 6<sup>th</sup> June 2025 with responses due by 4<sup>th</sup> July 2025.</p> <p>Review of main suppliers underway currently and potential for review of off contract spend to ensure completeness and accuracy of the register.</p>			
7	<p><u>Resource Planning</u></p> <p>The Procurement Team should place less</p>	Medium	<p><b>Update March 2025</b> This will be linked to the above. The determination of category pipelines will</p>	Head of Procurement	Initial Implementation date: 30 April 2024	Complete

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
	reliance on a master spreadsheet during the resource planning process and explore other, more robust, means of recording workflows, e.g., Pipeline.		allow strategic resource planning and allocation.  <b>Update June 2025</b> PA23 (above threshold) pipeline now in place, (below threshold information being sourced).  Contracts register software research underway as above.		Revised to: 30 July 2025  Revised to 31 August 2025	
8	<u>Contract Register Values</u>  The contracts register should be reviewed to ensure all data and relevant fields have been populated including contract value.	Medium	<b>Update March 2025</b> Agreed, as per above	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to: March 2026	See recommendation 6
9	<u>Data Management – Sharepoint</u>  Arrangements for the retention and storage of procurement documentation on SharePoint should be	Medium	<b>Update March 2025</b> Category staff are starting to move documents across to Sharepoint and this will be progressive as each contract is reviewed and procured.	Head of Procurement	Initial Implementation date: 30 April 2024  Revised to: March 2026	Sharepoint site established, four procurement categories opened: <ul style="list-style-type: none"> <li>• Adults and Childrens</li> <li>• Construction and Highways</li> <li>• Corporate and Environmental</li> <li>• ICT</li> </ul>

No.	Recommendation	Priority	Management Response	Responsibility	Implementation Date	Progress update October 2025
	reviewed to ensure a standardised approach is adopted.		<b>Update June 2025</b> Sharepoint in use, however, the system is difficult to use during procurement activity. Potential development activity to utilise Sharepoint as an archive facility to ensure contracts in place in order to negate the need to utilise The Chest to access information which should be available internally. Desire exists to utilise Sharepoint more, will review feasibility going forward.			Data population is in progress.

This page is intentionally left blank

# Oldham Council Audit and Counter Fraud Team

## Recruitment, Selection, and Disciplinary Policies and Procedures Review

# 9 January 2025

**Prepared by:**  
Internal Audit Service

**Reviewed by:**

John Miller	Head of Internal Audit and Counter Fraud
-------------	--

**Issued to:**  
Wendy Jackson                      Assistant Director of HR and OD - Interim

## **1 Background**

- 1.1 Human Resources, a part of Corporate Resources, plays a critical role in providing a fully integrated strategic, advisory, and support function to service managers. Its purpose is to enable effective people management across the council, aligning with the objectives of the People Strategy and supporting the delivery of corporate priorities and goals.
- 1.3 The findings of this review will contribute to the council's self-assessment under the Fighting Fraud and Corruption Locally (FFCL) 2020-2025 framework, ensuring alignment with best practices in anti-fraud and corruption measures.

## **2 Objective and Scope**

- 2.1 The aim of the audit is to review and evaluate the operation of the systems, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review will be conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).
- 2.2 The objective of this review was to assess the effectiveness of the council's recruitment and disciplinary procedures, as well as the processes and controls established to ensure managerial compliance. By evaluating these systems, this audit seeks to confirm that managers and employees adhere to the required standards.
- 2.3 The scope of the audit review included the following areas:
  - Examination of the recruitment, selection, and disciplinary policies and procedures.
  - Verification that policies are regularly reviewed, updated, and communicated effectively to managers and employees.
  - Identification of any weaknesses or gaps in existing controls.
  - Assessment of the training provided to managers and employees regarding the recruitment, selection, and disciplinary procedures.
  - Sample testing of recruitment, selection, and disciplinary records to determine whether internal procedures and controls are operating effectively.

## **3 Findings**

### **3.1 Employee References**

A review of 15 new starter cases revealed that 10 employees employed by the Council had two references on file, with no issues identified.

However, for the 5 new starters employed by schools, no references were available on the Council's files, as the respective schools retain these documents.

It is acknowledged that responsibility for conducting pre-employment checks lies with School Governing Bodies. However, in the case of maintained schools, the Council remains the employer of school staff, not the Governing Body. In addition there remain child protection concerns which these checks are intended to mitigate, and where the Council also continues to bear a significant risk.

**See Recommendation 1 in Section 6 below.** (The recommendation is reproduced from the 2024/25 Fundamental Financial Systems – Payroll Review)

The audit also identified a potential gap in the employee vetting process. The sample review revealed a case where an employee's reference questionnaire contained "no comment" responses to all questions. Despite this lack of feedback, the individual was hired.

**See Recommendation 2 in Section 6 below.**

**3.2 Pre-employment checks – Right to Work, DBS and disclosure of criminal convictions**

Information provided by applicants regarding previous criminal offenses is not disclosed to the recruiting manager until the role is offered to the employee. This information is contained in the front sheet of each applicant's initial application form. The front sheet of the application form is not shared with the recruiting service prior to interview. The recruiting service are not aware of this information during the initial selection process up to and including final candidate selection and making a firm offer of employment. This raises potential risks in ensuring that recruitment decisions are fully informed and aligned with the council's policies on safeguarding, integrity, and suitability for the role.

**See Recommendation 3 in Section 6 below.**

**3.3 Disciplinary Training and Awareness Programs**

While online training is available for HR employees on conducting investigation interviews (via the Investigation Skills Training program), there is a gap in the training available for those Officers serving as disciplinary hearing Chairpersons. A lack of training presents a risk to the consistency, fairness, and legal compliance of disciplinary processes, as Chairpersons may not have the necessary skills or knowledge to conduct their roles effectively.

**See Recommendation 4 in Section 6 below.**

**3.4 Disciplinary Case Review**

A sample of 55 gross misconduct cases was examined as part of the review of disciplinary process. Each case was classified by the HR Advisory Service as Gross Misconduct. The table below summarises the outcomes of these cases and identifies certain inconsistencies in the disciplinary process.

**Outcome Summary Table:**

<b>Outcome Type – Gross Misconduct</b>	<b>Number of Cases</b>
Misconduct Cases categorised as Gross Misconduct	6
No Further Action	11
Management Instruction / Letter of Concern / Final Written Warning	19
Summary Dismissal	19
<b>Total</b>	<b>55</b>

Six cases were incorrectly classified as Gross Misconduct as opposed to Misconduct, as outlined in the Council's Disciplinary Policy and Procedure. Additionally, it was noted that the HR service relies on the relevant operational team to drive the individual cases forward rather than utilising a dedicated case management system. Such a system could assist managers in conducting case reviews and enable officers to set case reminders effectively.

Of the 30 Gross Misconduct cases reviewed where the outcome was not "Summary Dismissal," only 19 cases proceeded to a Disciplinary Hearing. During the preliminary investigations, the other 11 cases were discontinued due to a lack of evidence. If no evidence was available to substantiate the allegations in the first instance, these cases may have been

misclassified. It is crucial to review these classifications to ensure accuracy and fairness in the decision-making process.

**See Recommendation 5 of Section 6 below.**

All 19 cases reviewed that went to a Disciplinary hearing, but which did not result in dismissal, were found to have been proven. These cases variously resulted in a final written warning, a letter of concern, or a Management Instruction. By definition, where Gross Misconduct cases are proven the expectation exists that this would lead to dismissal. This raises questions about the consistency of applying Gross Misconduct standards and the rationale for alternative outcomes.

**See Recommendation 6 of Section 6 below.**

The review identified significant variations in outcomes other than dismissal. It is unclear to us the difference between a Final Written Warning, a Letter of Concern, and a Management Instruction. Guidance on the meaning of each of these outcomes would be beneficial.

In addition, guidance on acceptable mitigating factors and appropriate subsequent sanctions would also be beneficial. HR Management oversight of any mitigating factors to be considered would also provide benefits in ensuring balanced and objective decision-making across all cases.

**See Recommendation 7 of Section 6 below.**

The findings from this initial review have been forwarded to the Interim Assistant Director of HR and OD for further assessment and examination.

**See Recommendation 8 of Section 6 below.**

Appeals following dismissal.

Among the 19 cases that resulted in summary dismissal, it was pleasing to confirm that payroll payments ceased for all individuals upon dismissal.

A review of practices in North West authorities showed that the majority have transitioned away from member-led appeals. Instead, appeals are typically managed by a newly appointed senior officer, who serves as the Disciplinary Chair to review the case.

Authorities utilising Member Appeals	2
Authorities not utilising Members Appeals	4
Member appeal for Officers at Head of Service or above only	1
Total Authorities Responding	7

**See Recommendation 9 of Section 6 below.**

Referral to Internal Audit

A review of the cases classified as Gross Misconduct revealed that 12 were identified as instances of Fraud/Theft. According to the Council's Disciplinary Policy and Procedure, such cases should be referred to Internal Audit and Counter Fraud for advice and investigation



assistance, and to allow monitoring and reporting of trends and to the Council's External Auditors. However, not all of these cases were referred to the Audit and Counter Fraud Team.

**See Recommendation 10 of Section 6 below.**

#### Adherence to Disciplinary Policy and Guidelines

#### 3.5 Code of Conduct and Disciplinary Policy

The Codes of Conduct and Disciplinary Policy is well-established and has been formally agreed with Trade Unions. However, the last review was conducted in September 2022. Similarly, the Recruitment and Selection Policy was last reviewed in March 2022. To ensure these policies remain compliant with legislative changes and continue to meet organisational needs, it is recommended that they be reviewed annually.

**See Recommendation 11 in Section 5 below.**

### 4 Overall Opinion

4.1 We noted control weaknesses in the following areas which require improvement in order to protect the Council, and employees, as follows:

- Employee References
- Criminal convictions
- Disciplinary Training and Awareness
- Disciplinary Case Review
- Compliance with Referral and Policy Guidelines

4.2 In light of the above, the overall audit opinion is that the existing systems and controls are Inadequate to effectively manage the risks and ensure compliance with established policies and procedures.

### 5 Way Forward

5.1 We would like to thank officers within the HR Service for their support whilst undertaking the review. An Action Plan including management comments is included in Section 5 of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

5.2 In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

#### 5.3 Disclaimer

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.



## 6. Action Plan

The table below shows the recommendations for the findings arising from our review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

<b>High Priority</b>	- Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
<b>Medium Priority</b>	- Moderate risk to the Service it is important that the recommendation is completed.
<b>Low Priority</b>	- Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1	<p>The Payroll and HR Service should consult with the Head of Education Support Services and HR colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment checks, including DBS checks.</p> <p>(The recommendation has been duplicated in the 2024/25 Fundamental Financial Systems – Payroll Review)</p>	High	Agreed – to be dealt with via Payroll report response.	Assistant Director of Workforce & Organisational Culture	<p>See Payroll Report</p> <p><del>June 2025</del></p> <p>March 2026</p>	<p>This action is included in the Payroll report also, however this is a wider HR issue and is not specifically a Payroll issue.</p> <p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.</p> <p>Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.</p> <p>A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.</p>
2	Strengthen the employee vetting process by ensuring that incomplete or	High	Agreed. This should be happening currently, and this	Assistant Director of Workforce &	February 2025	This was discussed and addressed at the time of the audit.

	ambiguous reference checks, such as "no comment" responses, are thoroughly reviewed and escalated for further investigation before proceeding with hiring decisions.		will be raised as an issue within the Service.	Organisational Culture		<p>However, a wider conversation has taken place in September 2025 about ensuring the competence of recruiting managers, as accountability for approving references sits with managers not Employment Services.</p> <p>There is a Recruitment &amp; Selection e-learning module which is optional for recruiting managers currently. A scoping piece of work is underway to understand take up of this and the feasibility of this becoming mandatory.</p>
3	Implement stricter protocols for reviewing DBS checks to ensure that all relevant information, including any criminal history, is made available to the recruiting Manager during the recruitment process. A formalised checklist should be created for vetting purposes with evidence provided to the recruiter prior to recruitment interviews.	High	Agreed. This action will require a change in Oldham's use of the GM wide recruitment system in place.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> November 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>The current application form means that this information is not available at interview stage. It is not usual procedure to do this.</p> <p>It has been agreed that an additional "Declaration form" will be included at onboarding stage where individuals will be asked to declare convictions, warnings, bindovers, investigations and fitness to practice. This will be shared with recruiting managers at onboarding stage.</p> <p>DBS's are processed through CBS and if concerns are raised these are shared with the recruiting manager.</p>
4	Create a dedicated mandatory training program to equip disciplinary chairpersons with the	High	Agreed. The Service to liaise with the Learning and Development Team to take this forward.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> January 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p>

	knowledge and skills required for their role.					<p>This work has now commenced, with stakeholders working to agree content for a disciplinary chairperson e- learning package.</p> <p>This is aimed for completion by January 2026.</p>
5	Explore the implementation of a dedicated case management system to streamline case reviews, improve record-keeping, and facilitate the setting of case reminders. This system should support accurate classification and enhance oversight of disciplinary processes.	High	This action has already started. However, this is a large piece of work and will require time for implementation.	Assistant Director of Workforce & Organisational Culture	<p><del>October 2025</del></p> <p>October 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>A programme of work to optimize the iTrent system has been approved in principle. This includes – among other things – scoping the implementation of the case management module. This is in the long-term actions and therefore will not be actioned until at least October 2026.</p> <p>In the interim the HR Advisory team will imminently implement a new and more robust Employee Relations Excel tracker. This clearly breaks down cases, timelines and actions in a more meaningful way.</p> <p>This will be a standing agenda item on weekly Team meetings and 121s.</p>
6	The service should clearly define and consistently apply the criteria for Gross Misconduct to ensure consistent expectations and outcomes in disciplinary proceedings that emphasising that dismissal should be	High	This work has already commenced. This will also require additional training for staff.	Assistant Director of Workforce & Organisational Culture	<p><del>March 2025</del></p> <p>September 2025</p>	<p>The HR Advisory team has strengthened it's quality &amp; assurance process around case management, which includes review of misconduct and gross misconduct cases. This includes:</p> <ul style="list-style-type: none"> <li>- Weekly case meeting</li> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul>

	the default outcome when Gross Misconduct is proven.					<p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work.</p>
7	Develop and implement comprehensive sentencing guidelines that outline acceptable mitigating factors and appropriate sanctions to ensure consistency in disciplinary outcomes. Strengthen management oversight of HR's advice on mitigating factors to promote fairness and accountability in decision-making processes.	High	This will be addressed by way of the additional staff training noted at Recommendation 6 above.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> September 2025	<p>The HR Advisory team has strengthened its quality &amp; assurance process around case management, which includes review of potential sanctions This includes:</p> <ul style="list-style-type: none"> <li>- Weekly case meeting</li> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> <p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work</p>
8	The service should conduct a thorough review of the cases dropped due to insufficient evidence to confirm their proper outcome and classification.	High	This will be addressed by way of the additional staff training noted at Recommendation 6 above.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> September 2025	<p>It has been agreed that we will not review historic cases given the time elapsed since this Audit is done.</p> <p>The HR Advisory team has strengthened its quality &amp; assurance process around case management, which includes review of potential sanctions This includes:</p> <ul style="list-style-type: none"> <li>- Weekly case meeting</li> </ul>

	Establish clear guidelines to ensure that cases are accurately categorised, particularly when evidence is lacking.					<ul style="list-style-type: none"> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> <p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work</p>
9	<p>The Council should review its current member-led appeals process to assess its effectiveness and alignment with best practices.</p> <p>Explore the feasibility of adopting a senior officer-led appeals process, where a new, impartial senior officer acts as the Disciplinary Chair to hear appeals. This approach would align with the practices of neighbouring authorities and enhance impartiality and consistency.</p>	Medium	The current appeals system will be subject to review.	Assistant Director of Workforce & Organisational Culture	<del>June 2025</del> December 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Discussions will commence imminently with relevant stakeholders regarding the possibility of adopting a senior officer-led appeal process.</p> <p>However, as this will take time, a guidance document highlighting the role of an appeal against dismissal panel and the role of Elected Members is currently being drafted with the intention to launch in December 2025.</p>

10	The Council should reinforce compliance with its Disciplinary Policy and Procedure by ensuring that all cases involving Fraud/Theft are promptly referred to Internal Audit and Counter Fraud for advice and assistance.	Medium	Agreed. To be implemented immediately.	Assistant Director of Workforce & Organisational Culture	January 2025 September 2025	Complete.  An extra column has been included in the Employee Relations tracker to ensure fraud/theft cases are picked up specifically for referral to IA and Counter Fraud.
11	Establish an annual review process for the Codes of Conduct and Disciplinary Policy and the Recruitment and Selection Policy to ensure they remain up to date with legislative changes and organisational requirements.	Medium	Agreed. Review of all policies and Procedures is an ongoing process	Assistant Director of Workforce & Organisational Culture	Ongoing	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  However from September 2025 the Head of HR and HR Manager are working on a programme of Policy updates, starting with Grievance and Dignity at Work. This will cover Code of Conduct and R&S.



# Oldham Council Audit and Counter Fraud Team

## Corporate Performance Management

16 June 2025

Prepared by:  
Internal Audit Service

Reviewed by:  
John Miller                      Head of Internal Audit and Counter Fraud

Issued to:  
Steve Hughes                      Assistant Director of Policy, Performance and Corporate Leadership

## 1 Background

- 1.1 The Local Government Act 1999 requires that Council services are: 'responsive to the needs of citizens, of high quality and cost-effective, and fair and accessible to all who need them'. Statutory guidance on the Council's 'best value duty' (2011 and 2015), places Authorities under a general duty: 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness'.
- 1.2 The Council's Corporate Plan 2024-2027 sets out the Council's priorities for the Borough in connection with improving the outcomes for Oldham's citizens and businesses. Oldham, in line with many other Local Authorities is faced with a range of challenges in achieving its corporate objectives and in delivering key services. Effective performance management and measurement helps to ensure success in meeting these challenges and to identify areas of underperformance.
- 1.3 Up to December 2023, the Council's corporate performance management system was CorVu, purchased in 2008 and implemented in 2010, with a requirement for a rolling 3-year maintenance licence. The last licence renewal ran up to December 2023, with the product being discontinued after this period. The CorVu system provided automated reports from data within the system; and performance management modules to monitor corporate measures, projects, actions, and risks.
- 1.4 As CorVu reached the end of its life in December 2023, the Council conducted research into viable alternatives. The research concluded that there was no viable product available to replace CorVu. The Council intended on utilising Power BI as a method of bridging the gap until a suitable alternative is found.
- 1.5 Currently, Corporate Performance Reports (CPR) are being presented via PowerPoint, in an effort to provide more nuance to each services performance. These reports also include comments from the portfolio holder. For some services with quantifiable KPIs, PowerBI dashboards are also being utilised.
- 1.6 Although Power BI was not originally intended as a direct replacement for CorVu, the absence of a viable alternative has necessitated its continued use as the primary tool for corporate performance reporting. Given that Power BI will remain in place for the foreseeable future, it is essential that robust governance, quality assurance, and control processes are implemented and maintained.

## 2 Objectives and Scope

- 2.1 The objective of the review was to provide assurance that the corporate performance management system adequately supports the Council's corporate objectives, and that the new arrangements for corporate performance management are sufficient for monitoring progress to the Council's corporate objectives.
- 2.2 Therefore the scope of the review included, but was not limited to:
  - performance reporting procedures,
  - corporate performance management arrangements,
  - performance indicators are in place for services with supporting documentation.
  - the performance management system is aligned with the Corporate Plan.

- engagement with performance management is positive and contributes towards Council objectives.

### 2.3 Our approach involved:

- Documenting the systems and controls in operation in respect of each KPI and corporate performance report.
- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Selection of a sample of KPIs and compliance testing of key controls in operation throughout the course of each performance report to the relevant scrutiny board.

2.4 This review has been conducted in accordance with the Global Internal Audit Standards (GIAS) 2024 and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024.

## 3 Summary of Findings

### 3.1 Verification of KPI Data

During the course of the review, it was found that the CPM team do not ask for any supporting documentation or conduct any verification of the data that is submitted to the service via the Microsoft form.

Sample testing of KPI data revealed that supporting documentation is not always held within the relevant service to enable the accuracy of the KPI data to be verified.

The CPM Service consider the process as collaborative and, therefore challenging the veracity of the figures provided was not the intention of the CPM team.

Please see recommendation 1 in the action plan below.

### 3.2 Business Plans

As part of the BIPS Programme, service areas are responsible for the development and implementation of a Business Plan. Although the Performance Improvement Team (PIT) developed and provided support to services for creating their business plans, issues have been reported with services failing to submit. To address this, clear accountability measures should be established, along with regular follow-ups ensuring all services submit timely and complete business plans to facilitate effective monitoring of KPIs.

Please see recommendation 2 in the action plan below.

### 3.3 KPI Reporting

The content of Corporate Performance Reports to each of the relevant Scrutiny Boards typically contain a small number of the overall KPIs against each service area. KPIs currently reported are those agreed upon by service managers, potentially leading to an incomplete or biased view of overall performance.

The process for selecting KPIs should be more transparent, with a view to ensuring that every KPI against each service area is reported to the relevant Overview and Scrutiny board over the course of the financial year.

Please see recommendations 3 & 4 in the action plan below.

### 3.4 Performance Reporting System

The current reporting format was designed as an interim solution pending the full implementation of the Business Insight, Performance & Strategy Transformation Programme. However, with CorVu having been decommissioned some time ago, it is important to prioritise the development and deployment of a permanent reporting solution.

A delay to the implementation of a CorVu replacement creates a risk of reliance on an interim system that may lack robustness around key controls. Therefore, it is recommended that a comprehensive reporting system that aligns with organisational needs is established as soon as possible.

Please see recommendation 5 in the action plan below.

### 3.5 Completeness of KPI Records

Given that Power BI will remain the primary performance reporting tool for the foreseeable future, it is important that all data inputs, particularly KPIs, are complete, accurate, and submitted on time. The audit noted instances of incomplete KPI records, which the CPM service has attributed to non-responsiveness from those responsible for providing the data.

The service has already implemented some areas of good practice around this, by clearly assigning responsibility for each KPI and establishing a clear timetable for expected responses.

Please see recommendation 6 in the action plan below.

## 4 Overall Opinion

- 4.1 The audit assessment is that **Limited** assurance can be provided around the systems and controls examined.
- 4.2 Six recommendations have arisen as a result of this review. These are outlined in the action plan in section 6.

## 5 Acknowledgement

- 5.1 Internal Audit would like to thank officers in the Corporate Performance Management team for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.
- 5.2 **Disclaimer**  
This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than

those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6 Action Plan

The table below shows the recommendations for the finding shown in Section 3 of this report. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation they should discuss this with the auditor as part of the finalisation process.

<b>High Priority</b>	Significant risk to the Council or Service; the recommendation is essential for sound or effective control.
<b>Medium Priority</b>	Moderate risk to the Service; it is important that the recommendation is completed.
<b>Low Priority</b>	Small risk to the Service; it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
1	<p>Verification of KPI Data Submission of KPIs should be alongside supporting Data, or on a formal template providing assurance that data is accurate and complete, and confirming that the figures provided and reported to Scrutiny Boards are reliable.</p> <p>Services should retain a record of the information and sources utilised in compiling their KPIs. A statement should be included within the submission form for the service manager to confirm that data is true and accurate.</p>	High	<p>Entry into CorVu did not require supporting documentation or verification of the data submitted – the replacement system therefore matched this protocol.</p> <p>The PI Team does not have the capacity to test or verify data (other than a basic sense check) therefore the process of preparing the CPR has to be collaborative.</p> <p>The PI Team will add a section to the MS Form that submitters complete to confirm the data they are submitting is 'accurate, complete, and reliable'. We will also issue guidance that reminds Services that</p>	Performance Improvement Lead	As of Q1 reporting of 2025/26 cycle	Action completed as of Q1 reporting of 2025/26 cycle and will be repeated thereafter.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			they should retain a record of the information and sources utilised in compiling their KPIs.			
			The Council requires a Management Accountability Framework (or similar) that ensures accountability for the veracity of the data provided would come from senior leaders when they sign off the reports or utilise them in peer and portfolio discussions. The Framework should also confirm who in services the accountability for the retention of records of the information and sources utilised in compiling their KPIs lies with. Data sharing for performance reporting must be considered as part of the Council's emerging Digital Strategy and developments	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a> The PI Team will continue to support relevant teams / services in the development of the Council's Digital Strategy and projects such as the DSP;	This work is ongoing – a draft Performance Management Framework was presented in August 2025

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			such as the DSP; Migration to SharePoint; Azure AI integration. The Performance Improvement Team should collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.		Migration to SharePoint; Azure AI integration.	
2	Business Plans A policy should be drafted to implement a formal monitoring process to ensure all services submit their business plans in line with established guidance and timelines. Non-compliance should be addressed through specific measures to support consistent performance management.	High	The Council requires a Management Accountability Framework (or similar) that allocates responsibility and accountability for business plan submission and incorporates a formal monitoring process to ensure all services submit their business plans in line with established guidance and timelines; and that non-compliance is escalated and addressed. (The current <a href="#">Business Planning 2025/26</a> guidance has been widely shared and communicated to managers). The Performance Improvement Team should	Performance Improvement Lead/ Assistant Director Strategy & Transformation	The business planning process / Performance Management Framework is being reviewed & refreshed; it will be synchronised with agreed financial planning processes in late 2025.	This work is ongoing – a draft Performance Management Framework was presented in August 2025. The new approach will strengthen performance management and improve alignment of business plans with corporate priorities.



No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.			
3	KPI Reporting A clear process of selecting which KPIs are reported to the Overview and Scrutiny Board should be drafted, ensuring that the narrative for KPIs is consistent and provides a clear picture of service performance that aligns with the Corporate Plan.	High	<p>The Council requires a Management Accountability Framework (or similar) that ensures all services submit their business plans in line with established guidance that includes a clear process for selecting which KPIs are reported to Scrutiny Boards and ensures the narrative for KPIs is consistent and provides a clear picture of service performance aligned to the Corporate Plan.</p> <p>To support this, the Corporate Plan should have a delivery plan (with metrics) to ensure performance alignment (the Golden Thread) with services. (This issue has been escalated and proposals drafted by the PI team previously.)</p> <p>The Performance Improvement Team should</p>	Performance Improvement Lead/ Assistant Director Strategy & Transformation	<p>A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review &amp; refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a></p> <p>The PI Team will continue to support relevant teams in the development of a Corporate Plan delivery plan / outcomes framework and its subsequent monitoring and reporting</p>	<p>This work is ongoing – a draft Performance Management Framework was presented in August 2025.</p> <p>Initial discussions have taken place with service leads to identify priority measures, and work is underway to strengthen the quality of performance commentary to provide a clearer picture of service delivery.</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.			
4	Performance Reporting System A CorVu replacement should be sought out and implemented as soon as possible, to ensure that oversight of the Council's performance management function is robust and meets organisational needs.	High	As noted above, there is no 'like for like' replacement for CorVu. The business intelligence tools used to gather and report on performance management are not the issue for the Council – it needs formal Data Management Policy, procedures and monitoring processes linked to its Information Governance Framework and supported by a Management Accountability Framework. This issue is also inextricably linked to the progress of the Digital Change / BIPS programme and the development of a Data Services Platform (DSP); Migration to SharePoint; Azure AI integration and other initiatives. The Performance Improvement Team should	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a> . The PI Team will continue to support relevant teams / services in the development of a Data Management Policy and the execution of the Digital Change / BIPS programme and the development of a Data Services Platform (DSP); Migration to	This work is ongoing – a draft Performance Management Framework was presented in August 2025.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.		SharePoint; Azure AI integration and other initiatives.	
5	<p>Performance Reporting Policy</p> <p>A policy should be drafted and communicated to managers in order to support services submitting KPIs in their service area.</p>	High	<p>The Council requires a Management Accountability Framework (or similar) that includes a formal Performance Reporting Policy and monitoring process.</p> <p>(The current <a href="#">Corporate Performance Reporting</a> guidance has been widely shared and communicated to managers).</p> <p>The Performance Improvement Team should collaborate with the Assistant Director Strategy &amp; Transformation and Executive Director Health &amp; Care for the actions arising as a result of this recommendation.</p>	Performance Improvement Lead/ Assistant Director Strategy & Transformation	<p>A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review &amp; refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a></p>	<p>This work is ongoing – a draft Performance Management Framework was presented in August 2025. This new framework will be adopted before the next Business Planning cycle for 2026/27.</p>
6	<p>Completeness of KPI Records</p> <p>All KPI data should be collated and reported</p>	High	The Council requires a Management Accountability Framework (or similar) that includes a formal Escalation Policy and monitoring	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified	<p>This work is ongoing – a draft Performance Management Framework was presented in August 2025. As part of the</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
	ensuring that they are reported to scrutiny board. Unreported KPIs by the service should be escalated to senior management.		<p>process to ensure timely and robust action when unreported KPIs, comments etc are escalated to senior management.</p> <p>(This issue has been routinely escalated and proposals drafted by the PI team previously.)</p> <p>The Performance Improvement Team should collaborate with the Assistant Director Strategy &amp; Transformation and Executive Director Health &amp; Care for the actions arising as a result of this recommendation.</p>		<p>as part of the business planning / Performance Management Framework review &amp; refresh (by Sept 2025); this will be in line with the emerging <a href="#">Local government Outcomes Framework (LGOF)</a></p> <p>The PI Team will continue to support relevant teams in the development of a Corporate Escalation Policy and its subsequent monitoring and reporting</p>	<p>Performance Management Framework, arrangements are being put in place to escalate unreported KPIs to senior management to strengthen accountability and ensure comprehensive performance oversight.</p>

# Oldham Council Audit and Counter Fraud Team

2024/25 Fundamental Financial Systems

Debt Recovery

4<sup>th</sup> June 2025

**Prepared by:**  
Internal Audit Service

**Reviewed by:**  
John Miller                      Head of Internal Audit and Counter Fraud

**Issued to:**  
Fiona Greenway              Interim Director of Corporate Resources  
Alex Bougatef                Interim Director of Legal Services

## 2024/25 Fundamental Financial Systems

### Debt Recovery

#### 1 Background

- 1.1 In line with the Annual Audit Plan a review of the Council's Debt Recovery systems has taken place. Audit and Counter Fraud will collaborate with our External Auditors, Mazars, to support their year-end audit planning to ensure that the agreed audit programme for each financial system reflects key risks, internal controls, and is delivered in accordance with Public Sector Internal Audit Standards.
- 1.2 The systems examined in this review relate to Sundry Debtors, Council Tax and Non-Domestic Rates (NDR). Council Tax, NDR and Sundry debts are reviewed as part of their own separate system audits, but the debt relating to those areas has been summarised within this report, which attempts to provide a Council wide view of debt and assurance opinion in relation to the Council's overall levels of debt, and its systems and processes in place to address this issue.

#### 2 Objectives and Scope

- 2.1 The objective of the audit was to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review has been conducted in accordance with the Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024.
- 2.2 The key system controls examined relate to follow-up and recovery of outstanding debts in line with agreed procedures.
- 2.3 Our approach involved:
  - Follow up of previous recommendations made in the 2023/24 review.
  - Walkthrough testing to ensure that processes and controls are operating as expected.
  - Compliance testing of key controls.

#### 3 2024/25 Draft Audit Opinion

- 3.1 The overall audit opinion is that the controls in place provide **Limited** assurance. The findings leading to this opinion are discussed below.

## 4 Findings

### Total outstanding debt

- 4.1 A summary of the outstanding levels of debt for Council Tax, NNDR and Sundry Debts is as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Council Tax</b>	£28.427m	£32.889m	£33.56m	£34.40m	£38.24m	£43.12m
<b>NNDR</b>	£7.611m	£9.236m	£9.384m	£8.51m	£7.80m	£10.02m
<b>Sundry Debtors (inc. ASC debtors)</b>	£15.764m	£18.161m	£23.57m	£23.44m	£27.46m	£28.67m
<b>Total</b>	<b>£51.80m</b>	<b>£60.29m</b>	<b>£66.51m</b>	<b>£66.35m</b>	<b>£73.50m</b>	<b>£81.81m</b>
<b>Number outstanding invoices (Sundry Debtors)</b>	14,765	17,334	20,654	23,177	25,337	28,134

The debt related recommendations discussed and made in the 2024/25 Council Tax and NDR reports are reproduced at Section 6 of this report for completeness.

### Adult Social Care Debt

- 4.2 In respect of Adult Social Care debt, which forms part of the Sundry Debtors figures in the table above, on 31 March 2020 the total service debt outstanding was £7.752m. By 31 March 2025 the total debt in connection with the Community Health and Adults Social Care has increased to £18.844m.

	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Debt by Type	£	£	£	£	£
Companies	246,270	433,044	2,693,211	2,869,734	3,362,395
Individuals	7,638,446	8,776,775	10,330,708	12,462,060	15,363,485
Public Bodies	1,651,847	1,414,507	53,614	101,044	118,842
<b>Total Debt</b>	<b>9,536,563</b>	<b>10,624,326</b>	<b>13,077,533</b>	<b>15,432,838</b>	<b>18,844,722</b>

**See Recommendation 1 in Section 6 below.**

### Council Tax Debt

- 4.3 As with previous reviews, a sample of longstanding Council Tax debts were monitored to ensure all were being followed up in line with agreed procedures and in a timely manner. Some of these debts had been monitored in previous reviews. From the debts selected during this review, it was found:

- Four debts had Charging Orders placed on the debts and were in various stages of being progressed through Legal Services, while a fifth debt was being progressed to an Order for Sale.
- The Council was in discussion with one debtor in respect of another debt, but progression of the case was protracted as the company owning the property had been dissolved but was still shown as owning the property at Companies House. The

case had been passed to Legal Services. The previous action for this debt was 13/08/2024.

- One debt was awaiting combining the Council Tax debt with the clients NNDR debt in order for a Liability Order to be served. This had not progressed since 21/08/2024.
- A further debtor had requested their property be taken out of the banding list as the property was derelict and uninhabitable. This debt had not progressed since 05/08/2024.

A copy of the spreadsheet used to administer those cases being referred to the Debt Panel was reviewed. Three columns on the spreadsheet require input by Legal Services staff, the columns being the date the cases had been sent to the Court for a hearing, the date of the hearing, and the subsequent action from the hearing. As was the case for the 2023/24 review, many of these cases had no information in these columns detailing progress being made in securing the debt through the courts, with the columns remaining empty. The spreadsheet is on a shared drive.

**See Recommendation 2 in Section 6 below.**

- 4.4 A review of the three Orders for Sale which had been progressed in the previous year showed that two of the three Orders had been completed, and the properties had been sold and the debts cleared. The third sale had been delayed when a buyer had pulled out at the conveyancing stage, but two new offers had since been received, and it was considered this sale would move to completion.

It was agreed following last year's review that, in order to formalise better monitoring and review processes to help ensure progression of Charging Orders to Orders for Sale, there would be more active involvement in this area by the Debt Panel.

Despite the success in progressing two of the three previous Orders for sale, no further Orders for Sale appear to be being progressed.

**See Recommendation 3 in Section 6 below.**

- 4.5 A sample of twenty Council Taxpayers with either an Attachment of Earnings or an Attachment of Benefits Order was reviewed to ensure payments were being received in a timely manner in line with the terms of the respective attachments.

Attachment of earnings:

- Of the seventeen debts reviewed with Attachment of Earnings, one had only been recently had the Attachment of Earnings served and no payments had yet been received, whilst six showed that payments were being received.
- In four cases payments were not being made and contact was needed with the employer in order to ascertain the latest status of each debtor. In one of these cases payment had not been received since July 2024, whilst in each of the other three cases payments had not been received since August 2024.
- Of the others, some had absconded and were out for trace, whilst some had been processed by different methods of enforcement.
- The total debt for the seventeen debts reviewed was £120,060.66.

Attachment of Benefits:



- Of the three debtors reviewed for which an Attachment of Benefits had been obtained, two were now being followed up via other methods of enforcement, whilst one was linked to another debt for which an Attachment of Benefits was already in place.

The total debt for the three Attachment of Benefits reviewed was £10,254.20.

**See Recommendations 4 in Section 6 below.**

#### **NDR Debt**

4.6 In line with previous reviews, a selection of longstanding debts was also reviewed for NDR debts to ensure they were being followed up proactively in line with agreed follow-up procedures:

- One debt had received no payments since 24/09/2024 despite an arrangement for monthly payments being on file.
- One debt was with external solicitors awaiting further action.
- One debt was awaiting progression of a liability order.
- One debt was awaiting the legal outcome of a dispute between a landlord and tenant.
- One debt was with the official Receiver as a winding up order had been granted.
- Three debts were awaiting write-off.
- One debt was with external solicitor exploring the viability of bankruptcy.

The total amount for the debts reviewed was £1,090,908.67.

**See Recommendations 5 in Section 6 below.**

#### **Sundry Debtors**

4.7 A report of Sundry debts currently being processed by the Legal section was reviewed. In total there were 685 cases held within Legal with a total debt of £796.5k which had increased slightly from the 2023/24 review which had 667 cases with a total debt of £750.3k. Of this debt £380.3k relating to 131 cases was over 10 years old compared with £357.4k for 122 cases the previous year. The oldest debt had its invoice raised on 30/05/1991, and this debt had not changed in the previous year despite this client being deceased.

VAT on bad debts can be reclaimed once the debt is over six months old (from the date the payment was due) and is less than four years and six months old. In order to reclaim the VAT must have been paid over to HMRC and the debt must have been written off in the accounts.

The total amount of invoices for which VAT could not be reclaimed due to the debt being over four years and six months old was £617.9.

Whilst a spreadsheet advising progress for each of these debts had been recommended in last year's review, this spreadsheet did not appear to have been formulated.

A review was also undertaken of a sample of ten debts that had been previously passed to Legal for debt follow-up through the Legal System. Of those ten, eight had been subject of a similar review last year. The total value of the ten debts was £328.1k.

Two of the debts were awaiting feedback from the Council's external solicitors, but this had not progressed since they had been subject of review in last year's audit. The total debt for these two cases was £142k.

Two debts also reviewed last year totalling £60.9k had received no further payments and emails had been sent requesting payments to resume. Of the other six cases, Judgment had been obtained on one, a Charging Order on another and one was in dispute. One had regular payments being made, and another had been paid in full.

**See Recommendations 6 - 8 in Section 6 below.**

## **5 Way Forward**

- 5.1 An Action Plan is included in **Section 6**. The Action Plan contains three separate tables. The tables contain recommendations as part of other Fundamental Systems reviews which are included in order to provide an overall view of the Council's Debt Recovery Processes. The recommendations made as part of other Fundamental Systems reviews, and reproduced here, are as follows:

- First table, Recommendation 1 - Proposed ASC Debt Recovery Process, arose from the Adult Social Care reviews of Direct Payments and Residential Care 2023/24.
- Second table in its entirety contains Debt Recovery Recommendations from 2024/25 Final Council Tax Review.
- Third table in its entirety contains Debt Recovery Recommendations from 2024/25 Final NNDR Review

Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

- 5.2 We would like to thank officers in the department for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

### **5.3 Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6 2024/25 Final Action Plan

The table below shows the recommendations for the findings arising from our audit review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.  
**Medium Priority** - Moderate risk to the Service it is important that the recommendation is completed.  
**Low Priority** - Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
1	<p><b>Proposed ASC Debt Recovery Process</b></p> <p>The action plan to address outstanding debt presented to DMT in July 2021 should be progressed.</p> <p><b>Brought forward from previous years.</b></p>	High	<p><b>Agreed.</b></p> <p>An Income and Prevention Officer was recruited in December 2022 to focus on ASC debts. As of January 2024 they had collected £237k of outstanding debts with a further £76k on arrangement.</p> <p>A trial has also commenced working with ASC specialist Solicitors on outstanding cases to seek opinion on whether</p>	<p>An Adult Social Care Debt Policy has been introduced which has helped provide guidance to Officers and streamline decision making</p> <p>The Income and Prevention Officers fixed term ended in December 2024.</p> <p>For 2025/26, we are planning a comprehensive review of Revenues and Benefits, including, Accounts Receivable and Adult social Care</p>	Assistant Director Revenues and Benefits	<p>Complete.</p> <p>The Adult Social Care Debt policy continues to provide guidance and support to officers in decision-making, helping to endure consistency and transparency. Following the end of the Income and Prevention Officer post in December 2024, casework has been absorbed into the wider service.</p> <p>The 2025/26 review of Revenues and Benefits including the Accounts Receivable, and Client Finance teams are now underway. This review will assess current processes, resourcing and governance arrangements.</p> <p>This work has commenced already. Regular debt panel meetings are in progress where cases are reviewed and</p>

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
			to undertake legal action on a number of cases.	Client Financial assessment function.		decisions regarding recovery action are being taken.
2	<b>Bad Debts:</b> The spreadsheet maintained for Debt Panel Debts should be updated and maintained by Legal Services when cases are passed through to them, including: <ul style="list-style-type: none"> <li>the date a Court hearing date was received,</li> <li>the date of the hearing, and</li> <li>the subsequent action from the hearing should all be updated.</li> </ul>	Medium	<b>No previous comments received.</b>	Legal services will be able to update the debt recovery spreadsheet including the dates when the matter is issued at court and any other relevant required dates. Implementation date will be 15 <sup>th</sup> December 2025.	Director of Legal Services	Legal have created a central debt recovery spreadsheet that includes all cases sent from debt panel. This is being updated by the legal assistant in legal.

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
3	<b>Orders for Sale:</b> A process should be implemented to ensure there is continuous monitoring and progression of Charging Orders to Orders for Sale where this is appropriate.	Medium	<b>Agreed:</b> This will form part of the debt panel discussions on an ongoing basis.	The Council successfully enforced sale against 3 properties and recovered Council Tax arrears. Potential further cases have been identified. The learning from these cases will feed into identifying suitable cases going forward.	Interim Head of Revenues)	<p>The Process has been implemented and embedded within business-as-usual debt panel reviews.</p> <p>Monthly Debt Panel Meetings are scheduled in line with the requirements of the Councils Charging Order and Insolvency Policy. Monthly reviews are also in place to monitor ongoing cases with solicitors acting on the Councils behalf.</p> <p>No new Order for Sale cases has been enforced since April 2025, but a number of cases with secured arrears are under review. These instances include where owner occupiers are asset rich but cash poor, and others where owners have tenanted their properties. Careful consideration is being given to avoid action that could lead to making residents homeless.</p> <p>The review of potential charging orders and Order for Sales are now treated as business as usual.</p> <p>Learning from the three initial order for sale cases have highlighted that disposal is a costly and length process, with additional risks such as disputed ownership, undisclosed occupation, and property disrepair. While costs have been</p>

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
						<p>recovered, this experience is being used to refine case selection.</p> <p>It is anticipated that legal action on occupied properties would be significantly more costly, and the Council would seek to enforce a payment arrangement in the first instance there is the courts would be required to enforce an order for sale increasing the risk of homelessness for any potential debtors.</p>
4	<p><b>Attachment of Earnings / Benefits:</b></p> <p>All existing Attachment of Earnings / Benefits should be monitored on an ongoing basis. In addition to pursuing those debtors where the relevant attachments are not being applied, those with existing debts should be reviewed to ensure they don't fall into further arrears.</p>	Medium	<p><b>Agreed:</b> This information is now available withing the Destin Vision tool and will be progressed accordingly.</p>	<p>AOB and AOE payments have one FTE working 1 day a week identifying where no payments have been received, chasing payment and where not possible an alternative form of recovery. However, this is ongoing as new deductions are added all the time</p>	Interim Head of Revenues	<p>The Process has been implemented and embedded within business-as-usual processes</p> <p>This area continues to be managed as business as usual, with reports generated from the Council Tax administration system and reviewed by the debt recovery team.</p> <p>National issues remain with attachment of benefits, including significant delays with the DWP and cases where insufficient benefit remains following other deductions already in place to allow any further deductions. There remain instances where employers are slow to commence deductions from attachment to earnings. Where delays or barriers arise, cases are</p>

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
						<p>escalated quickly to alternative recovery methods.</p> <p>It is also recognised that deductions rarely clear Council Tax arrears within the financial year, which means debt often increases when a new year bill isn't paid. Council policy prevents the use of enforcement agents in Council Tax Reduction cases, which restricts the range of recovery options available.</p>
5	<p><b>Bad Debt Follow-Up and Enforcement:</b></p> <p>All bad debts should be routinely monitored and actioned promptly when arrangements are not maintained.</p>	Medium	<b>New Recommendation.</b>	<p>Automations within the administration system help identify cases where payments have stagnated, and payments defaulted and move them onto the next stage of recovery.</p> <p>However, for older debts that have not seen recent activity, or recovery appears to have been exhausted, a comprehensive review is required to identify debts that remain recoverable and appropriate to pursue and those that are</p>	Interim Head of Revenues	<p>Full implementation will take time to complete due to the scale of historic debt and limited review capacity. Current focus is on prioritising debts that remain recoverable and progressing these through appropriate enforcement.</p> <p>Automations within the administration system continue to help identify cases where payments have stagnated or defaulted moving them onto the next stage of recovery. Monthly records are maintained to track arrears, costs and fees, amounts collected, and amounts written off.</p> <p>For older debts, work is being scoped under the Ready for the future programme to carry out a comprehensive review. This will include a refresh of the write of procedure to endure clarity and transparent, moving away from the historic</p>

No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
				not. This work is being scoped as part of the Ready for the future programme.		<p>approach still in place from when the service was contracted out.</p> <p>Progress is constrained by limited resource to review significant arrears, particularly as much of the debt is not coded on the system for write off. This makes the identification of irrecoverable debts resource-intensive, requiring assurance before authority to write off can be requested,</p>
6	<b>Debts in Legal:</b> All debts currently with Legal Services should be reviewed on a continuous basis to ensure follow-up on each debt is progressing in line with debt recovery policy.	Medium	<b>No previous management comments.</b>	The relevant date for this will be added to the spreadsheet that is being created at recommendation (2) above.	Interim Director Legal Services	<p>The legal service have one member of staff (legal assistant who is responsible for progressing charging order applications for council tax as well as issuing all sundry debts and managing the process and progressing all debt recovery for any other service. The member of staff is continuing with business as normal but has created a spread sheet of all new debts sent to legal and is working on adding historical debts which unfortunately requires manual data entry.</p>
7	<b>Debts in Legal:</b> A spreadsheet should be maintained detailing progress on pursuing debts through legal action.	Medium	<b>Agreed:</b> All new debts passed to Legal will be recorded on a spreadsheet and all follow-up recorded.	The relevant date for this will be added to the spreadsheet that is being created at recommendation (2) above.	Interim Director Legal Services	<p>All new debts are added to a spreadsheet and this is updated and being added to on a regular basis. This is now in effect.</p> <p>Due to the high level of debt that is escalating, just having a spreadsheet will not be sufficient to tackle the level of debt. It is advised that senior officers from Council tax, business rates and adult social care client finance and</p>



No	Recommendation	Priority	2023/24 Management Comments	2024/25 Management Comments	Who / When	Progress update October 2025
						commissioning form a working group to establish how the debt levels can start reducing. If it is necessary for legal services to hire another debt recovery legal assistant to take the lead on tackling the backlog this can be arranged and would be a spend to save appointment.
8	<b>Debts in Legal:</b> Debts in Legal that are inclusive of VAT should be reviewed prior to the ability to claim VAT expiring, and, where applicable, written-off	Medium	<b>No previous management comments.</b>	The relevant date for this will be added to the spreadsheet that is being created at recommendation (2) above.	Interim Director Legal Services	The spreadsheet has various dates on and legal can assist and liaise with finance about VAT dates but finance can also be provided with a copy of the spreadsheet.

This page is intentionally left blank

# Oldham Council

## Audit and Counter Fraud Team

### 2024/25 Fundamental Financial Systems Payroll

10 January 2025

**Prepared by:**  
Internal Audit Service

**Reviewed by:**  
John Miller                      Head of Internal Audit and Counter Fraud

**Issued to:**  
Sarah Johnston                      Director of Finance  
Wendy Jackson                      Interim Assistant Director Head of HR  
Andy Collinge                      Head of Education Support Services

## 2024/25 Fundamental Financial Systems

### Payroll

#### 1 Background

- 1.1 In line with the Annual Audit Plan a review of the Council's Payroll systems has taken place.

#### 2 Objectives and Scope

- 2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).

- 2.2 Key areas examined include:

- starters, leavers and variations to pay;
- amendments to global data (pay awards, NI & tax rates, pension contributions, etc.);
- error reports and warnings;
- adherence to established payroll processes and controls;
- appropriate segregation of duties;
- payroll to general ledger reconciliations (including gross pay, net pay, deductions, employer contributions and balance sheet codes);
- payment of employer and employee pension contributions and provision of data to GMPF, and;
- bank reconciliations.

- 2.3 Our approach involved:

- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Compliance testing of key controls incorporating the CIPFA System Based Control Matrices.

#### 3 2024/25 Audit Opinion

- 3.1 The previous payroll report for 2023/24 contained 14 recommendations: nine high, four medium and one low priority.
- 3.2 The report for 2024/25 contains 11 recommendations: six high, four medium and one low priority. Ten recommendations have been carried forward from the 2023/24 payroll report and one new recommendation has been included.
- 3.3 The service continues to suffer from the loss of a number of staff in key roles since our last review. The service has been only partially successful in filling these posts to date and continues to try to recruit appropriately skilled and experienced staff to fill these roles.
- 3.4 The recruitment of suitable staff to these roles is crucial to the service once again being able to make progress in the areas identified in this report, and to address the overriding control weakness within the service in relation to staffing.

- 3.5 In light of the above, the 2024/25 Audit Assessment is that the systems and controls in connection with the payroll system are Inadequate. Areas identified during the review for 2024/25 where improvements can be made are discussed in the sections below:

## **4. Findings**

### **4.1 Payroll to General Ledger Reconciliations**

The Council's Financial System Team are responsible for the reconciliation of payroll records to the General Ledger. Progress has been made during the year to address a variety of errors preventing reconciliation of payroll transactions to the general ledger without manual intervention.

The working group established to address these issues continues to take steps to resolve those still outstanding. Several causes for the imbalances have already been identified and corrected, by way of additional pre-transfer checks on the payroll file prior to loading into the ledger. However, this manual intervention then causes delays in the data being provided for the monthly reconciliations, which are subsequently being conducted later in the year. Investigation continues in order to identify potential system-based solutions to the remaining outstanding issues.

**Please refer to Recommendation 1 in section 5 below.**

### **4.2 Pre-employment and Right to Work Checklist - Schools**

Five Schools starters' personnel files were sampled in total. One did not have evidence of pre-employment and right to work checks and/or a complete personnel file.

It is acknowledged that responsibility for conducting pre-employment checks lies with School Governing Bodies. However, in the case of maintained schools, the Council remains the employer of school staff, not the Governing Body. In addition to the child protection concerns which these checks are intended to mitigate, the Council also continues to bear a significant risk as the employer should harm occur following failure to complete appropriate checks.

We recommend that a fully completed starters form is retained for all Council employees, including employees in maintained schools. The form should be checked by an appropriate officer to confirm that all relevant pre-employment checks have been completed.

**Please refer to Recommendation 2 in section 5 below.**

### **4.3 Pay Policies and Procedures**

Policies and procedures help ensure that management directives are carried out and that necessary actions are taken to address risks to the organisation's objectives. Having detailed, up to date and regularly reviewed procedures helps to ensure that consistent and up to date procedures are being followed by all staff.

Whilst we confirmed the availability of My HR procedures for the processing of payroll transactions, our review indicated a lack of local formally documented payroll procedures specifically for the use of staff within the Payroll Team. It was also noted that the corporate 'Pay Policy and Procedures' documentation for officers are generally out of date.

**Please refer to Recommendation 3 in section 5 below.**

### **4.4 CHAPS Payments – Review of Errors**

A sample of five payments were examined and found to be supported by appropriate documentation. However, two CHAPS payments were raised in instances due to payroll

processing delays and errors. This also results in an additional associated cost of same day payments, and inaccurate records/contributions paid to GMPF.

Errors in processing staff salaries puts the Council at risk of contractual breaches and employee dissatisfaction.

**Please refer to Recommendation 4 in section 5 below.**

#### 4.5 Starters

A sample of 15 new starters were selected and checked to verify if they had been set up on the payroll system with the correct details (e.g., start date, scale point), that any additional allowances were calculated correctly, and that confirmation had been received that the individual had commenced employment.

One personnel file contained a partially completed starters form. HR Transactional staff should remind managers to submit full starters details, including working patterns and hours to payroll in a timely manner. HR Transactional management should review the errors identified as part the payroll verification exercise and ensure these are corrected by the service.

Without a robust review process there is a risk that the appropriate onboarding process has not been followed when setting up a new starter.

**Please refer to Recommendation 5 in section 5 below**

#### 4.6 Exceptional Payments

The leavers testing identified payments paid to a former staff member. There was a signed Settlement Agreement attached to an email, but no other supporting documentation attached to the personnel file. There is a risk that due process as not been followed if sufficient records are not maintained to evidence how the agreement was reached. There is no evidence that there was approval for the sign off of the agreement or that the requirements of the Financial Regulations and the Constitution were followed.

**Please refer to Recommendation 6 in section 5 below**

#### 4.7 Overpayments -Communications to Managers

During the testing of leavers, four of the 15 leavers sampled had been overpaid due to a late leavers form being submitted by service management. This creates additional administrative work for the Payroll section. Furthermore, there is a risk the overpayments may not be recovered. The Payroll Team may benefit from maintaining a central monthly spread sheet in order to monitor all overpayments made and record recovery action.

New communications should be sent out to all managers about the importance of submitting leavers dates in a timely manner to prevent overpayments being created.

**Please refer to Recommendation 7 in section 5 below**

#### 4.8 Salary Overpayment-Repayment Plans

It was identified through the leavers testing that overpayments are not being consistently recovered as per the policy. In one instance, an overpayment was created due to a late leaver's submission by the line manager. Subsequently, the leaver received an overpayment of a full monthly salary.

The policy states that in the event of a single pay period overpayment any overpayment identified in a pay period, which is only for one pay period, will be recovered, in full, from the next pay period. For example, if the overpayment is identified in May but it is too late to correct, the employee will be notified, and the payment recovered in June. In this instance, a payment plan was set up to recover the overpayment over 12 months contrary to the overpayment policy and no evidence was retained in the leavers file to demonstrate what repayment plan was agreed.

**This is a new recommendation for 2024/25.**

**Please refer to Recommendation 8 in section 5 below.**

#### 4.9 Employee Contracts

During the review three employee contracts could not be located in the personnel file. Signed contracts and letters should be updated and retained within employees' files. Failure to provide employees with a written statement of the terms of employment means the Council may be at risk should there be any contractual disputes.

**Please refer to Recommendation 9 in section 5 below**

#### 4.10 External Consultant Managers – Communications to Recruiting Managers

Our sample of starters contained one external consultant engaged in a managerial role. The individual's starter's file contained a partially completed starters form.

There is no evidence that a REC1 form was completed, and there is no record of a decision to appoint agreed by the recruitment panel. This is not in line with section 15.2 of the Oldham Council's Financial Procedure Rules.

**Please refer to Recommendation 10 in section 5 below**

#### 4.11 Leavers

Following receipt of a fully completed leaver form, authorised by a line manager, the individual is entered as a leaver on iTrent. This process should ensure that all relevant deductions or additional payments are identified and applied by Payroll.

The testing highlighted that some employee files/forms could not be located where they should be stored. Furthermore, one leaver's personnel file contained another leavers documentation.

In total, 15 leavers' personnel files were sampled, of which, one did not have supporting leavers paperwork in the file.

**Please refer to Recommendation 11 in section 5 below.**

## **4 Way Forward**

4.1 An Action Plan for recommendations arising from the audit is included in **Section 5** of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

4.2 We would like to thank officers within the Service for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

#### 4.3 **Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.



## 5. Action Plan 2024/25.

The table below shows the recommendations for the findings arising from our interim 2023/24 reviews. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

<b>High Priority</b>	- Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
<b>Medium Priority</b>	- Moderate risk to the Service it is important that the recommendation is completed.
<b>Low Priority</b>	- Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1	<p><u>Payroll Reconciliations</u></p> <p>Monthly Payroll Reconciliations should be carried out in a timely manner. The review noted that there were delays in performing the reconciliations.</p> <p>The working group established should continue to take steps to address the issues identified in connection with the payroll to General Ledger reconciliation process.</p>	<b>High</b>	<p>Agreed. The Payroll Service continues to face challenges in recruitment and retention of staff. However, this issue has been raised and discussed and work continues to address a timely resolution to this issue.</p>	<p>Finance Manager</p> <p>Payroll Manager</p>	<p><del>June 2025</del></p> <p>September 2025</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>From September 2025 a monthly Payroll Reconciliation working group has been set up, currently led by the AD of Workforce &amp; Organisational Culture, although will ultimately be led by Head of Operational HR.</p> <p>The first meeting was able to identify the elements causing imbalance between Payroll and ledger, with actions for the Payroll Manager to address with GMPF.</p> <p>In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team and allow for greater focus on this area. It is anticipated this programme will start from November.</p>

	<b>Brought forward from 2023/24</b>					
2	<p><u>Pre-employment and Right to Work Checklist- Schools</u></p> <p>The Payroll Service should liaise with the Head of Education Support Services and HR colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment and DBS checks.</p> <p>The review has noted that this action has not progressed as expected and steps should be taken around storage of supporting information on pre-employment checks.</p>	<b>High</b>	Agreed. This issue will be addressed.	<p>HR Employment Services Manager</p> <p>Head of Education Support Services</p>	<p><del>June 2025</del></p> <p>March 2026</p>	<p>This action is included in the Payroll report also, however this is a wider HR issue and is not specifically a Payroll issue.</p> <p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.</p> <p>Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.</p> <p>A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.</p>

	Brought forward from 2023/24					
3	<p><u>Policies and Procedures</u></p> <p>Management should ensure the following:</p> <ol style="list-style-type: none"> <li>1. That the documentation of payroll procedures for the use of staff within the Payroll Team is expedited. Once complete, they should be circulated to all relevant staff within the Team and training provided if necessary.</li> <li>2. All policies and procedures including the Pay Policy and Procedures documentation should be regularly updated so that they remain relevant and refer to current systems.</li> <li>3. Set out formally (in writing) the roles and responsibilities</li> </ol>	High	<p>Agreed. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.</p>	<p>HR Employment Services Manager</p> <p>Payroll Manager</p>	<p><del>September 2025</del></p> <p>March 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Approval has been given for additional Payroll resource to support the team, which will commence imminently. This is for 6 months to create capacity for the Payroll Manager and Payroll seniors to focus on creation of SOPs.</p> <p>In addition a new HR Employment Services Manager has been appointed and will start in October 2025, who will oversee progress with this work in partnership with the Head of Operational HR.</p> <p>In addition, the organisation approved a programme of work with MHR to undertake various iTrent optimisation actions. This will create capacity for the Payroll team. It is anticipated this programme will start from November.</p>

	of staff within the Payroll Team.  <b>Brought forward from 2023/24</b>					
4	<u>CHAPS Payments – Review of all Chaps Requests</u>  A full review of CHAPS payment requests should be analysed in order to identify any common system or process issues, which can be addressed and rectified to reduce the number of CHAPS requests.  <b>Brought forward from 2023/24</b>	<b>Medium</b>	Agreed. This should be occurring on a monthly basis and this will be raised internally within the Service for action.	Payroll Manager	<del>May 2025</del>  August 2025	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  However, from August 2025 it has been agreed all CHAPs payments will be approved by Assistant Director of Workforce & Organisational Culture.  An initial review of reasons for CHAPs payments suggests that late new starter forms is the primary reason so far.  The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.
5	<u>Starters</u>  All supporting documentation should be retained in the central drive, in respect of starter details, including salary details, to ensure they are processed accurately and to	<b>Medium</b>	Agreed. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.	HR Employment Services Manager	<del>June 2025</del>  March 2026	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  There is a wider piece of work underway to support HR folder compliance.  An extra resource has been appointed for 6 months to undertake a whole review of all HR files on the drive, highlighted gaps and

	<p>ensure accurate data can be obtained should any future queries arise.</p> <p>The starters forms should be signed and dated by the appropriate line manager. If errors are identified in the supporting recruitment documentation, they should be highlighted to the relevant authorising officer and rectified accordingly.</p> <p><b>Brought forward from 2023/24</b></p>					<p>risks. Where needed, information to fill gaps will be obtained.</p> <p>The end point will be clear SOPs and training where there are regular patterns of this being missed.</p> <p>The iTrent optimisation work highlighted above will also create capacity in the team allowing for more time to focus on documentation.</p> <p>In the meantime, teams are regularly reminded on the importance of saving approvals.</p>
6	<p><u>Exceptional Payments</u></p> <p>Where exceptional payments are authorised by Services, Payroll Services should ensure it is line with policy and calculated correctly.</p> <p>Any decisions made outside the pay policy need to be authorised by the</p>	High	Agreed. This should be occurring on a monthly basis and this will be raised internally within the Service for action.	Payroll Manager	June 2025	<p>Complete.</p> <p>The HR Team now works in line with <a href="#">Special Severance Payments - GOV.UK</a> in partnership with our Legal Team.</p>

	<p>relevant Service Director through the relevant form and supporting documentation. The documentation should be retained on the employees personnel file for audit and transparency purposes.</p> <p><b>Brought forward from 2023/24</b></p>					
7	<p><u>Overpayments - Communications to Managers</u></p> <p>Communication should be sent to all Managers responsible for staff to reiterate the importance of submitting leavers forms in a timely manner to prevent overpayments</p> <p>Good practice needs to be re-enforced, potentially through a training / awareness campaign and/or targeted communications in</p>	<b>Medium</b>	<p>Agreed. The Service recruited an additional management grade post to address this issue in September 2024. However, the postholder left the Authority at short notice in December 2024. This task remains outstanding. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.</p>	HR Employment Services Manager	<p><del>July 2025</del></p> <p>October 2025</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>.</p> <p>From August 2025 regular monthly communication on pay affecting deadline dates is shared via Viva Engage and via HR reports through to DMTs.</p> <p>The HR Employment Services Manager will have an action to create metrics based around pay errors and to work with the HR Advisory team where there are trends for managers submitted information late.</p>

	cases of non-compliance.  <b>Brought forward from 2023/24</b>					
8	<u>Salary Overpayment Repayment Plans</u>  When an overpayment has been created, Payroll should adhere to the Overpayment Policy wherever possible.  <b>This is a new recommendation for 2024/25</b>	<b>Medium</b>	Agreed. The Service recruited an additional management grade post to address this issue in September 2024. However, the postholder left the Authority at short notice in December 2024. This task remains outstanding. The Service is currently recruiting for the role of Employment Services Manager. This post has been vacant since October 2024. This action will form part of the actions to be addressed by the new incumbent in this role.	Payroll Manager	<del>July 2025</del>  January 2026	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  More is needed to ensure that overpayments are reclaimed in an appropriate and robust way.  The iTrent optimisation work highlighted above will also create capacity in the team. The HR Employment Services Manager due to start October has this as an objective.
9	<u>Employee Contracts</u>  Employees should be issued with employment contracts within a timely manner.	<b>High</b>	Agreed. To be implemented immediately.	HR Employment Services Manager	January 2026	This should be included in the Recruitment & Disciplinary Audit as Payroll are not responsible for contracts of employment.  An extra resource has been appointed for 6 months to undertake a whole review of all HR files on the drive, highlighted gaps and risks. Where needed, information to fill gaps will be obtained.

	<p>In the absence of an employment contract outlining terms and conditions of employment there is a risk that disputes may arise, and claims may be brought against the Authority.</p> <p><b>Brought forward from 2023/24</b></p>					<p>In addition, the HR Employment Services Manager will have an objective based on auditing and tracking compliance with this action.</p>
10	<p><u>External Consultant Managers file – Communication to Recruiting Managers</u></p> <p>Starters forms for External Consultant Managers should be fully completed by an authorising officer prior to entering the individual in to the i-Trent system.</p> <p>A personnel file should be set up and include (where appropriate) the recorded delegation decision demonstrating the</p>	<b>High</b>	<p>Agreed. To be implemented immediately.</p>	<p>HR Employment Services Manager</p>	<p>January 2025 March 2026</p>	<p>This is partially implemented but there are gaps in the process. All external contractor/agency requests should come through the Corporate Vacancy Panel for approval, but currently this is not the case.</p> <p>An Agency Spend Working Group has been set up from October, whose role will be to create more robust governance around agency workers and off framework workers.</p> <p>Therefore the date of this action has changed as this area will continue to have weakness until approval processes are strengthened.</p>



	<p>appointment process and employee timesheets, including a copy of a REC1.</p> <p>Managers should be reminded that external consultant staff members will not be processed unless the relevant paperwork is present.</p> <p><b>Brought forward from 2023/24</b></p>					
11	<p><u>Leavers Documentation</u></p> <p>All supporting documentation should be retained in respect of leavers details and stored in the appropriate folder.</p> <p><b>Brought forward from 2023/24</b></p>	<b>Low</b>	<p>Agreed. The Service will look to make further communication to Managers receiving resignations to help address delays in the receipt of these within the Payroll Service.</p>	<p>HR Employment Services Manager</p>	<p>June 2025</p>	<p>Complete</p>



# Oldham Council Audit and Counter Fraud Team

## 2024/25 Fundamental Financial Systems

### Children's Social Care

14 February 2025

### Final Report

**Prepared by:**  
Internal Audit Service

**Reviewed by:**  
John Miller                      Head of Audit and Counter Fraud

**Issued to:**

Fiona Greenway	Director of Finance
Julie Daniels	Director Children's Social Care
Sheila Garara	Assistant Director Children's Services Integration
Nick Whitbread	Assistant Director – Corporate Parenting
Andrea Weir	Head of Children's Commissioning
Martine Lewis	Head of Service for Children with Complex Needs and Short Breaks

## 2024/25 Fundamental Financial Systems

### Children' Social Care

#### 1 Background

1.1 As part of our annual review of the Council's Fundamental Financial Systems, a review of the systems and controls around Children's Social Care has been undertaken.

1.2 The total budget and overspend forecast for month 10 are shown below:

2024/25	Budget £m	Forecast £m	Variance £m
Children's Social Care	63.71	75.73	12.02

1.3 The budgetary pressures facing the Directorate have remained the focus of senior management attention during the year and an action plan to address the challenges in this area is already in place.

#### 2 Objectives and Scope

2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).

2.2 The key system controls examined include:

- Client needs assessments are in line with statutory requirements.
- Accurate and timely invoices are raised for jointly funded care.
- Data held on Mosaic is adequately controlled to ensure its accuracy and completeness.
- Payments to care providers are appropriately approved and correctly recorded in Agresso.
- Income and expenditure are correctly reconciled between Mosaic and Agresso.

2.3 Our approach involved:

- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Compliance testing of key control incorporating the CIPFA System Based Control Matrices.

#### 3 2024/25 Audit Opinion

3.1 A number of areas of good practice were identified as follows.

- Mosaic user controls are in place to ensure that new users are approved and trained before gaining full access to the system.
- New service users receive an initial assessment.
- Care Plans are up to date.

- Amounts paid in respect of care packages or placements agree to the amount authorised on the purchase request.

- 3.2 Since the 2023/24 audit, considerable work is underway by the newly formed Mosaic Children's Finance Board to improve the financial control environment in Children's Services. The lack of complete integration of Children's Social Care finance records into Mosaic has meant that reporting is complex, and it is difficult to align financial and case management data without manual intervention.
- 3.3 For the Children with Disabilities and Short Breaks service, spreadsheets are being used to track child-level financial information, which again adds to the complexity of reporting and risk of error. To improve the ease and accuracy of performance reporting and financial forecasting, particularly around Transitions cases, Children's Services have initiated a project to include the remaining areas of finance functionality still managed within the Council's Agresso system into Mosaic. This forms part of the Mosaic Children's Finance Project, see **Appendix 1**.
- 3.4 From the audit work carried out for 2024/25 we issued an opinion of **Inadequate** primarily due to the financial control environment in this area. It is anticipated that the ongoing Mosaic Children's Finance Project Group objectives will assist in providing further assurance in this area going forward.
- 3.5 Of the 11 recommendations agreed for improvement in 2023/24, three have been implemented. In 2024/25, eight recommendations have been carried forward and set out in the Action Plan in **Section 6**. The issues identified are discussed in the sections below.

## 4 Findings

### 4.1 Financial Procedures and Guidance

It is recommended financial procedures and guidance are formalised to include the document owner and review dates to ensure all users are aware of current guidance. A Financial Framework should be devised, (for example a flow chart), to identify the required journey of invoices for payment. The Framework should ensure appropriate approvals are sought in line with the scheme of delegation and a robust method of evidencing this should be introduced. The procedures and guidance will need to be prepared in line with the new integrated Mosaic system.

**Please refer to Recommendation 1 in Section 5 below.**

### 4.2 Purchase Order Methodology

The Mosaic system is "one solution, one platform", and therefore, potentially provides a fully integrated solution for Children's operational and financial case management on a single platform.

Mosaic has been designed to address need in four areas:

- Improving decision making.
- Detailing the client's history.
- Saving time for practitioners.
- Supporting collaboration with families and other agencies.

It was noted during the audit that although some costs originate with a purchase order initiated in the Mosaic system, not all cost types follow this same process. Specifically,

Independent Foster Agency costs, Out of Borough placements and purchase orders for short breaks are initiated in the Agresso system. This results in costs not being captured in the Mosaic system. Any subsequent input into the Mosaic system is, therefore, a duplication of effort. Management should consider if this two-tier process should continue.

**Please refer to Recommendation 2 in Section 5 below.**

#### 4.3 **System Reconciliation**

In order to ensure all payments and potential income are processed accurately and in a timely manner through the Agresso financial system, monthly reconciliations between Agresso and Mosaic should be carried out. The Service should liaise with Finance Team colleagues to ensure that all differences between the two systems are documented and reconciled each month.

The implementation of the operational and financial case management platform on Mosaic will help provide a resolution to this recommendation.

**Please refer to Recommendation 3 in Section 5 below.**

#### 4.4 **Periodic Supplier Payments (PSP)**

Periodic Supplier Payments (PSP) are processed via Agresso as opposed to Mosaic. The current approval process for care plan costs is only recorded via panel decision which is off system. Under the current process it is not possible to determine which individual officer originally input or made the changes to a PSP on Agresso.

This risk was further highlighted by the Mosaic Childrens Finance Board. Members of the board had identified significant delays in Childrens Finance Officers completing PSP's, requesting recharges from health and education partners and setting up new packages.

If these payments were processed via Mosaic, the process would be automated and there would be no requirement for manual intervention.

**Please refer to Recommendations 4 Section 5 below.**

#### 4.5 **Integrated Care Board (ICB) Funding**

Funding approval letters are not currently saved to the Mosaic System, instead copies of emails are kept by the Commissioning Manager – Placements. Funding agreements with the Integrated Care Board (ICB) and/or Education should be obtained for all individuals whose funding is shared between sponsors.

It was agreed that funding agreement documents such as emails or letters should be saved to Mosaic and not stored off-system; relevant staff should have their authorisation levels revised from read only in order to enable them to complete this action.

**Please refer to Recommendation 5 in Section 5 below.**

#### 4.6 **Short Breaks Plans**

The audit testing highlighted that 9 out of 15 Short Breaks Plans sampled were out of date. Management should establish a formal reporting process with Strategy and Performance in order to highlight service users who are overdue a support plan review. All Short Breaks Plans should be completed in a timely manner.

**Please refer to Recommendation 6 in Section 5 below.**

#### **4.7 Duplicate Client Records on Mosaic**

Duplicate client records continue to be corrected throughout 2024/25. However, it was noted that additional duplicate records continue to be created on the Mosaic system. A training message should be issued to all users of the Mosaic system to carry out checks to ensure that an account does not already exist for a client before they set up a new one.

**Please refer to Recommendation 7 in Section 5 below.**

#### **4.8 Direct Payments**

A sample of 15 children's Direct Payments (DPs) were reviewed, the following issues were identified:

- Long delays were identified when clients transition to Adult Services which created overpayments and further administrative pressure.
- Six clients had out of date Short Breaks Plans.

A quality assurance check should be conducted in a timely manner to ensure that all children who transition into Adult Service have the correct documentation completed and retained on Mosaic prior to transfer; this should also be supported by an up-to-date Support Plan and management sign off.

**Please refer to Recommendation 8 in Section 5 below.**

### **5 Way Forward**

- 5.1 The Action Plan is included in Section 6 of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.
- 5.2 We would like to thank officers in the department for their help in this audit review whilst dealing with other competing priorities. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

#### **5.3 Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6. 2024/25 Action Plan

The table below shows the recommendations for the findings arising from our audit review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.  
**Medium Priority** - Moderate risk to the Service it is important that the recommendation is completed  
**Low Priority** - Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1	<p><b><u>Financial Procedures and Guidance</u></b></p> <p>System notes / Process Notes should be formalised for the new Mosaic Finance platform to establish robust financial processes and a strong financial framework.</p> <p>This should be circulated to all staff involved, supported by Finance.</p> <p><b>Brought forward from 2023/24</b></p>	High	Mosaic Finance Project Group - Business Services Manager to action through support from Purchasing Officers, Mosaic team and the finance team.	Assistant Director Children's Services Integration	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>Existing Mosaic training guides have been reviewed and are being revised for purchasing and payment processes through the Mosaic Children's Finance project.</p> <p>Revised implementation dates:</p> <p>The purchasing guides will be completed by end of October 2025.</p> <p>The payment process guides will be completed in Spring 2026 following the Mosaic upgrade.</p>



No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
2	<p><b><u>All costs to be recorded on Mosaic</u></b></p> <p>Management to consider using the Mosaic system as the first point of entry for all purchase orders, including:</p> <ul style="list-style-type: none"> <li>• Short Breaks</li> <li>• Out of Borough placements</li> <li>• Independent Foster Agencies.</li> </ul> <p><b>Brought forward from 2023/24</b></p>	Medium	<p>Mosaic Finance Project Group - Develop capability to raise purchase orders for these types of transactions from Mosaic</p>	<p>Assistant Director Children's Services Integration</p> <p>Assistant Director Corporate Parenting</p>	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>The capability is in place and the costs are recorded on Mosaic for Out of Borough placements and Independent Foster Agencies. Data cleansing activities have been completed for current packages.</p> <p>This completion of the work for short breaks has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation dates:</p> <p>Mosaic development for Short Breaks will be completed in October 2025, which will provide the capability for costs to be recorded on Mosaic.</p> <p>Current short breaks packages will be migrated to Mosaic by February 2026.</p> <p>Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026 and the work on payments cycles for these payments will commence later in 2026.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
3	<p><b><u>Monthly System Reconciliations</u></b></p> <p>The Service should liaise with Finance colleagues to ensure that Mosaic and Agresso are reconciled on a monthly basis.</p> <p><b>Brought forward from 2023/24</b></p>	High	Mosaic Finance Project Group - Business Services Manager to action through Purchasing Officers and explore what reporting is available to support monthly reconciliation with finance	Assistant Director Children's Services Integration	30 September 2025	<p>Standard Mosaic reports are available and can be used to extract financial data from Mosaic for payments i.e. to Foster Carers.</p> <p>Revised implementation date:</p> <p>Finance colleagues will complete monthly reconciliation once payments are processed through Mosaic from Spring/Summer 2026.</p>
4	<p><b><u>Periodic Supplier Payments (PSPs)</u></b></p> <p>The Service should consider transferring regular payments currently set up on Agresso for PSPs to the Mosaic system as the first point of entry for all purchase orders.</p> <p>This would capture the Manager's approval as well</p>	High	Mosaic Finance Project Group - Develop capability to raise purchase orders for these types of transactions from Mosaic and record the payments through Mosaic	<p>Assistant Director Corporate Parenting</p> <p>Head of Children with Complex Needs and Short Breaks</p>	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>This work has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation date:</p> <p>System development for recording direct payments in Mosaic will be completed in October 2025. This will enable purchase orders and manager's approval to be captured within Mosaic.</p> <p>Current direct payment packages will be migrated to Mosaic by February 2026.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	as the details of the inputting officer as an audit trail.  <b>Brought forward from 2023/24</b>					Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026.
5	<b><u>ICB Funding</u></b>  Funding agreements with the ICB and/or Education is obtained for all individuals whose funding is shared between sponsors. Funding agreement documents should be saved to Mosaic and not stored off-system.  <b>Brought forward from 2023/24</b>	Medium	Placements Commissioning Manager to record all joint funding agreements on the child record in Mosaic.	Assistant Director Children's Services Integration  Head of Children's Commissioning	31 August 2025	This action is complete, all funding agreements with the ICB have been uploaded to the child's file on Mosaic and this is now an ongoing business as usual monitoring action.
6	<b><u>Short Breaks Plans</u></b>  Short Breaks Plans should be	Medium	Head of Service to oversee the regular review of short breaks plans and care packages.	Assistant Director Corporate Parenting	31 August 2025	This action is complete and is now an ongoing business as usual monitoring action due to a continuous cycle of reviewing new and existing plans.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	completed in a timely manner to ensure payments are accurately recorded and in line with the statutory duty.  <b>Brought forward from 2023/24</b>			Head of Children with Complex Needs and Short Breaks		The updated Short Breaks Plan document is now live in Mosaic and includes more comprehensive cost information.  Performance is monitored through monthly performance mechanisms within the service.
7	<b><u>Duplicate Records</u></b>  Duplicate client records should be removed by moving all the information across to the main records, and then deleting the duplicate records.  Staff should check that a record does not already exist for an individual before creating a new one.  <b>Brought forward from 2023/24</b>	Medium	Regular report of duplicate records is shared with the Duty and Advice team by the children's performance team. There is a system in place with IT to regularly remove duplicates. The training guide in checking for a record is included in the induction for all new starters and has been circulated across the workforce. All social workers and personnel within the Duty and Advice Service are appraised of the requirement to check whether the service	Assistant Director Children's Services Integration	31 August 2025	This action is complete and is now an ongoing business as usual monitoring action. As contacts come into the MASH duty and advice service, workers check for existing records on the system on a daily basis.  There is a two point check completed by the Customer Support Officer and the Social Worker.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			has previously received information to ensure they are not recording duplicate records.			
8	<p><b><u>Direct Payments</u></b> A monthly review of all children transitioning to Adults Services should be conducted to ensure that the transition is supported by the appropriate documentation and management oversight.</p> <p><b>Brought forward from 2023/24</b></p>	High	Transitions Team - Head of Service and AD to regularly check the required documents and financial transaction information is shared for children transitioning to Adult Social Care.	<p>Assistant Director Corporate Parenting</p> <p>Head of Children with Complex Needs and Short Breaks AD - Adult Social Care</p>	31 August 2025	<p>This action is complete and is now an ongoing business as usual monitoring action.</p> <p>The Children's Direct Payments Policy has been approved and is being utilised by the service.</p> <p>Data and intelligence on children transitioning to Adult Social Care is now available and both Children's and Adults are continually reviewing the performance of the transition's workflows.</p>

## Appendix 1

### Mosaic Children's Finance Project Group Timetable

Key Stage	Deliverable(s) / Milestones(s)	Key Date
<b>Initiation (start-up)</b>		
<b>Mobilisation</b>	Establish core <b>Project Roles</b> ; <b>Kick-start</b> Project;	End of September 24
	Secure core <b>Resources</b> ; Create Project <b>Brief</b> , high-level <b>Timeline &amp; RAID Register</b> (Risks/Assumptions/Issues/Dependencies Logs); Identify <b>Benefits/Outcomes</b>	End of September 24
<b>Planning</b>		
Planning for Delivery	Scope Project; Develop/sign-off Project Brief, Plan & RAID Register (Logs); Confirm Benefits/Outcomes; Secure additional Resources; Establish Project Governance/Reporting;	October 24
<b>Delivery</b>		
Workstream 1 – CWD/Short Breaks Processes & Purchasing	Mosaic pathways redesigned	End November 24
	Finance service structure re-configured	End November 24
	Data cleansing & data migration complete	End January 25
Workstream 2 – Payment Cycles	Direct payments and Short Breaks payment cycles live	End March 25
	Residential payment cycle live	TBC – dependent on first payment cycle
	Independent Fostering (IFA) payment cycle live	TBC – dependent on first payment cycle
Workstream 3 – Wider Children's finance processes	Rate uplift processes introduced	March 25
	Review of authorisation levels complete	January 25
Workstream 4 – Training & Communication	CWD / Short Breaks training complete	Dec 24 – Jan 25
	Other finance training complete	March 25
<b>Closure</b>		
Post Delivery	<b>Lessons</b> learned; <b>Closure</b> Report; and Benefits Realisation (Management) Plan;	September 25



This page is intentionally left blank



# Oldham Council

# Audit and Counter Fraud

# Team

2024/25 Fundamental Financial Systems

Residential Care Payments

Final Report

July 2025

**Prepared by:**  
Senior Auditor

**Reviewed by:**  
John Miller                      Head of Internal Audit and Counter Fraud

**Issued to:**  
Fiona Greenway              Interim - Director of Corporate Resources (S151 Officer)  
Jayne Ratcliffe                Director of Adults Social Care (DASS)  
Claire Hooley                  Assistant Director of Commissioning and Market Management

## 2024/25 Fundamental Financial Systems

### Residential Care Payments

#### 1 Background

- 1.1 As part of our annual review of the Council's Fundamental Financial Systems, a review of the systems and controls around Residential and Nursing Care has been undertaken. In line with prior years, Audit and Counter Fraud collaborate with our external auditors, Mazars, to support their year-end audit planning and ensure that the agreed audit programme for each financial system reflects key risks, internal controls and is delivered in accordance with Public Sector Internal Audit Standards.
- 1.2 The Residential Care Payments system is one of the Council's key Fundamental Financial Systems. The budget and actual costs for 2024/25 are shown below alongside the previous three financial years:

Residential Homecare	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	18.252	19.105	26.615	29.184
Outturn Actuals	20.277	23.464	27.405	28.990
(Overspend) / underspend	-2.025	-4.359	-0.79	0.194
Nursing Homecare	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	10.337	7.34	9.936	11.558
Outturn Actuals	13.236	9.828	11.379	13.097
(Overspend)	-2.899	-2.488	-1.443	-1.539
Residential Short Stays	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	2.959	3.31	5.62	6.104
Outturn Actuals	7.17	6.871	7.285	9.326
(Overspend)	-4.211	-3.561	-1.665	-3.222

This table above does not represent the costs for the whole of adult social care. It is an extract of the costs of residential and nursing care, which are the elements of adult social care being audited in this report.

- 1.3 Social care clients who cannot be supported to remain in their own home may alternatively be supported in a residential care home which meets their needs. The value of the client's assets is taken into consideration in determining the amount that they will have to contribute to their own care in the form of client contributions.
- 1.4 The service has previously received an audit opinion of 'Inadequate' since 2020/21. It was agreed that Internal Audit would liaise with Finance and CHASC Service colleagues in order

to provide assistance to the service where possible, and to ensure the audit service was fully informed of progress made. This collaboration work has continued into the current year.

## 2 Objectives and Scope

2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review has been conducted in accordance with the Public Sector Internal Audit Standards 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note.

2.2 The key system control objectives are:

- Data held on Mosaic is adequately controlled to ensure its accuracy and completeness.
- Individual client financial assessments are completed fairly and accurately.
- Placement of clients into residential care is approved in all cases by the Approval Panel.
- All residents placed in residential care are covered by an agreed funding contract and receive at least one on site review per year to confirm the suitability of their care.
- Payments made to residential homes are accurate and fully reflect the number of clients in care and their agreed care needs.
- Client's contributions towards the cost of care are invoiced in a timely manner.
- Income and expenditure are correctly reconciled between Mosaic and Agresso.

2.3 Our approach to the review includes:

- Validation of the systems notes previously reviewed in 2023/24 to ensure that the system is adequately recorded.
- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Compliance testing of the agreed key controls to determine if they are operating effectively.

## 3 2024/25 Audit Opinion

3.1 Controls around the Residential and Nursing Care systems continue to provide **Limited Assurance**. Although we note that progress has been made in some areas addressing the recommendations made in our previous report.

3.2 We have made ten recommendations for improvements, six of which are high priority, three are medium priority and one low priority. These are set out in the Action Plan in **Section 6**. The issues identified during the review are discussed in the sections below.

3.3 Six of the ten recommendations we have made this year have been made previously. Three of these are high priority recommendations, and three are medium priority. As noted at 1.4 above, the service has received an audit opinion of 'Inadequate' (Limited) since 2020/21.

## 4 Findings

### 4.1 Workflow

Each client should have at least one open workflow on Mosaic. There has been a 37.7% increase in the number of open workflow items from April 2021 to April 2025, as shown in the table below. Increasing numbers of open workflows has been raised as a point of concern in previous audit reports. However, from figures available for September 2022, client numbers have increased by approximately 6% between September 2022 and April 2025. Utilising the table below, open workflows from September 2022 to April 2025 are estimated to have increased by around 4%. Alongside the reduction in open workflows from March 2025 to April 2025 this would suggest that the Service has made recent progress in addressing the previously concerning upward trend in open workflows in comparison with client numbers.

Open Workflow items at	Total
01 April 2021	2,421
31 March 2022	2,902
23 February 2023	3,505
08 March 2024	3,762
11 April 2025	3,333

However, the open workflows report, which is produced by the Service Performance Team, shows that 5.8% of the total are over two years old and one item dates back as far as 2016.

Of the 3,333 open items in April 2025 one item related to 2016, two items related to 2017, four items related to 2018, three items related to 2019, 18 related to 2020, 52 related to 2021, 112 related to 2022, 259 related to 2023. The service should prioritise and process the oldest open workflow items, this will help to improve the ADASS statistics reported in section 4.3 below.

**Please refer to Recommendation 1 in Section 6 below.**

### 4.2 Costs misclassified as Short Stays due to delays in reassessments

As shown in 1.2 above, the adult social care service is experiencing a large increase in costs that are coded to short stays. Clients who are in short term placements have a light touch financial assessment completed. Based on legislation, this assessment does not take into account whether the client owns a property, meaning only their income and savings are assessed at this stage. If the client is later in a permanent placement, the value of any owned property is taken into consideration. This item relates to paragraph 4.3 (backlog of financial assessments) and 4.6 (outstanding reviews). Whilst clients are billed retrospectively for any contributions due, delay in this reclassification and financial assessment process can result in large back dated invoices to the client, inaccurate financial forecasting, and contribute to higher levels of service debt.

**Please refer to Recommendation 2 in Section 6 below.**

### 4.3 Backlog of Financial Assessments

The waiting list for a financial assessment significantly increased in the period of 6 months to January 2025, from 191 cases to 619. The median wait time fluctuated from 63 days waiting

at the start of the 2024/25 financial year, to the lowest wait time of 34–37 days in June to August, to the longest average wait of 85 days for December 2024 and January 2025.

One case had, as of January 2025, been outstanding for 667 days. There were 24 clients who have been awaiting a financial assessment for over 200 days, four of whom have not had a financial assessment for over a year. This can result in large, backdated invoices to clients for the cost of care, which may cause client distress, inaccurate financial forecasting, and may contribute towards increased Service debt.

**Please refer to Recommendation 3 in Section 6 below.**

#### 4.4 **Large back dated payments to residential care providers**

Our review noted that in the nine months to December 2024 the Council paid out £3.054m in back dated payments to residential care providers. This is due to a failure to follow the correct procedures when a residential placement is made, or provision of incomplete or inaccurate information to the Brokerage Team.

164 back dated payments have been found, with one example backdated over 2 years to September 2022, with individual values up to £234k. A significant amount of these costs has been recognised in the wrong financial year due to late payment.

It is disruptive to providers' cashflow, and could contribute to provider financial instability, to incur costs and provide services for which they will not be re-imbursed for an extended period. It also makes it difficult to forecast future expenditure.

**Please refer to Recommendation 4 in Section 6 below.**

#### 4.5 **Duplicate Payments created by invoices paid outside the Mosaic system**

In one instance noted, an existing care provider changed ownership. A new supplier was required to be set up on the Agresso system. A delay in the supplier set up resulted in an ad hoc payment being made, outside the Mosaic system. This ad hoc BACS payment request duplicated the payment to the provider, as the amount to be paid on the regular payment cycle was not amended.

Internal controls exist in order to minimise the risk of duplicate payments. The service should ensure that they adjust the payment cycle accordingly when ad hoc payments are made outside of the Mosaic system.

**Please refer to Recommendation 5 in Section 6 below.**

#### 4.6 **Statutory Annual Care Reviews**

The Care Act specifies that each client should have a care review at least annually. The table below shows key performance indicators for this area, in Oldham over the last 2 years:

KPI	2022/23					2023/24				2024/25	
Ref:	ADASS Report figures	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		%	%	%	%	%	%	%	%	%	%
NW 9	Number of reviews completed in a rolling 12-month period	33.8	41.9	49.3	48.4	42.1	46.8	52.5	53.6	63.2	59.9

NW 10	Backlog of reviews 2 years overdue	29.2	31.7	22.1	12.7	28.0	27.0	21.1	15.9	17.2
							22.9			

Oldham is performing comparatively well against other Authorities across the North-West, in the Key Performance Indicator (KPI) NW 9 above in respect of the latest Q2 results. In Q2 2024/25 the NW average for the percentage of reviews completed in a rolling 12 months was 55.2%, with Oldham achieving 59.9%.

Oldham is performing comparatively less well on (KPI) NW 10 in respect of reviews which are 2 years overdue. The North-West average in Q2 was 10.7%. In Oldham this 2-year backlog for reviews was 17.2%. It is recognised that although still below average, the trend at Oldham over the 2 years which is shown in the table above is that the position is much improved. Two years ago this KPI was 31.7%.

**Please refer to Recommendation 6 in Section 6 below.**

#### 4.7 **Residential and Nursing Placements - Out of Borough**

Benchmarking reports from NHS England on GM Tableau show that Oldham Council is spending the most in the North-West, for out of borough placement costs. Out of Borough placements are often the most costly placements. If the Council were able to bring these individuals back to the locality there would be many advantages such as:

- Creating jobs locally for Oldham people.
- Keeping the Oldham pound in the borough.
- Potentially saving money on expensive placements.
- Housing individuals closer to their friends & families and the places they know.

**Please refer to Recommendation 7 in Section 6 below.**

#### 4.8 **Credit Notes**

Each credit note issued to clients should include:

- The reason for the credit note.
- The date range which the credit note covers.
- The basis of calculation to show how the credit note value has been calculated.
- The original invoice number which is being credited.

Seven out of ten credit notes sampled did not include adequate information to be useful to the recipient.

**Please refer to Recommendation 8 in Section 6 below.**

#### 4.9 **Record of clients who are admitted to hospital**

A schedule of "Hospital stays", which is found under the section "Health" on the Mosaic system, is available to record the dates when a client was admitted to and discharged from hospital along with the reason. This section of the Mosaic system is not currently being used. The Service may wish to consider utilising this functionality to assist in locating clients when required.

**Please refer to Recommendations 9 in Section 6 below.**

#### 4.10 **Duplicate records**

33 duplicate records have been identified, including 5 where the client is deceased. Duplicate records should be merged and the secondary account removed from the system. They should not be left as an open account on the system with the words “Do not use” in a banner at the top of the screen.

Mosaic users should not set up new records without first confirming that one does not already exist. Duplication of accounts may lead to double payments and dual services, and it will also distort the KPI statistics that are issued on the ADASS reports.

**Please refer to Recommendation 10 in Section 6 below.**

### **5 Way Forward**

5.1 An Action Plan is included in **Section 6**. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

5.2 We would like to thank officers in the department for their help with this review amongst many other competing demands and priorities. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

#### 5.3 **Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list, as an aid to the effective management of Council resources and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6 2024/25 Action Plan

The table below shows the recommendations for the findings arising from our annual review. We have prioritised the recommendations to provide you with an indication of the importance of each item. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.  
**Medium Priority** - Moderate risk to the Service it is important that the recommendation is completed.  
**Low Priority** - Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1.	<p><b><u>Workflow</u></b></p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p><b>Brought forwards from 2020/2021</b></p>	High	<p>A dashboard has been implemented to monitor and manage open workflows and allows the service to easily identify current and historical workflows. Activity is being undertaken to close historical items and over 500 have been closed over the last 2 months. Support has been provided to Mental Health teams to assist them in resolving workflow issues. We are currently on track to have the remaining historical workflows closed by the end of August 2025.</p> <p>The Brokerage team is using the dashboard to manage ongoing work and are now in a position where there are no workflows open older than 14 days. An escalation process is being put in place to ensure any workflow which a worker in the team is</p>	Director of Adults Social Care (DASS)	September 2025	<p><b>Revised Implementation Date December 2025.</b></p> <p>The number has been significantly reduced from a position of 1,332 in February to 425 at the start of September. Work is progressing to close the remainder of these with targeted work being completed on historical safeguarding workflows, ensuring that people are safe and free from harm.</p> <p><b>Reason for slippage</b></p> <p>Resource pressures across ASC and the recent notification of CQC inspection has meant that the capacity to complete this work has been reduced but it continues to be a priority and we remain confident that this remaining workflows will be actioned as required.</p>



No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			struggling to progress can be escalated appropriately for a quick resolution.			
2.	<p><b><u>Short Stay Policy</u></b></p> <p>The service should reassess short stay placements in a timely manner, in line with the ASC policy. This will ensure that clients are transitioned to permanent care and undergo a full means tested financial assessment as they become applicable.</p> <p><b>New Recommendation 2024/2025</b></p>	High	<p>This action is intrinsically linked to Adult Social Care having a dedicated Review team in place and therefore the ability to review people on an annual basis, or when their needs have changed. Plans are in place to establish a review team as part of the restructure of operational teams. In addition, unexpected provider failures have impacted the completion of reviews as resources have had to be redirected as a priority.</p> <p>In relation to financial assessments these are completed for short stay placements and in many instances, there will be little change to the level of contribution. This is based on legislation and when a placement is made permanent a full financial assessment is completed which takes accommodation-related capital into account.</p> <p>Guidance to the workforce has been developed on "Temporary</p>	Director of Adult Social Care (DASS)	December 2025	<p><b>Revised Target March 2026 – part of wider review work</b></p> <p>Work of the Achieving Better Outcomes and Value (ABOV) group is targeting shorts stays within the wider review work.</p> <p>Guidance on short stays has been issued to the workforce.</p> <p><b>Reason for slippage</b></p> <p>Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			Placements” and will continue to be provided to the workforce to ensure consistency of application.			
3.	<p><b><u>Backlog of Financial Assessments</u></b></p> <p>The Adult Social Care Service to Liaise with the Revenues and Benefits Service to agree a permanent Structure for the Client Finance Team which undertakes client financial assessments. The backlog of financial assessments should be addressed. The oldest outstanding items should be dealt with a priority.</p>	High	<p>Client Finance returned to ASC on an interim basis due to changes within the Revenues and Benefits Service. The team is due to return to Revenues and Benefits later in 2025/26.</p> <p>Plans are in place to manage the backlog of assessments with additional resource being provided and daily reporting is available to monitor and manage the allocation of work.</p>	<p>Director of Adult Social Care (DASS)</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager - Benefits and Welfare Rights</p>	December 2025	<p><b>On Target</b></p> <p>Targeted work is being completed to reduce the backlog of financial assessment and there has been a 25% reduction in the last 3 months. Contact has been made with those awaiting a financial assessment to ensure that they are aware of the process and that they made be required to contribute towards the cost of their services.</p> <p>Additional staff (via Civica) have been brought in to support with the backlog of Financial Assessments, and over the last two months we have seen a reduction.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<b>New Recommendation 2024/2025</b>					
4.	<p><b><u>Back dated adjustments</u></b></p> <p>Payments for care packages should be put in place at the inception of any care agreements and not allowed to go for many months without the payment being paid.</p> <p><b>Brought forwards from 2023/24</b></p>	High	<p>This continues to be an area of focus for ASC and work completed over the past 12 months has helped to identify key themes in relation to backdated payments including</p> <ul style="list-style-type: none"> <li>• Providers not returning documentation</li> <li>• Transfer of cases between CSC and ASC</li> <li>• Transition from self-funding arrangements</li> <li>• System delays</li> </ul> <p>Additional reporting has been put in place to reduce the risk of backdated payments and a record of these continues to be kept to help identify themes and work to mitigate these from occurring again across the workforce.</p> <p>The new dashboard developed to monitor open workflows is also providing assisting in reducing this risk as Brokerage have been</p>	Director of Adults Social Care (DASS)	September 2025	<p><b>Revised Date to enable system changes March 2026 (due to Mosaic System Upgrade – this cannot be completed before that.)</b></p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p> <p>Reporting tools now allow the Brokerage Team better oversight of payment delays, with escalation in place where this relates to provide documentation or information required form elsewhere in the system. Brokearge now retains the purchase even where there is a query with another part of ASC rather than returning the workflow, this avoids unpurchased packages being lost in the system and provides better oversight. Monitoring shows that Oldham now benchmarks as the second shortest wait time in GM for purchase requests.</p> <p>Regular communication takes place with providers to ensure packages do not</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			able to see where there were workflows open related to documentation not being returned etc.			<p>commence before a purchase order is in place for payment.</p> <p>The system delays have been raised as part of a recent health check by the Access group who supply the system to review usage and suggest improvements to reduce the risk of work not progressing correctly in the system.</p> <p><b>Reason for slippage</b> Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic scheduled for February 2026. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.</p>
5.	<p><b><u>Invoices paid outside the Mosaic system</u></b></p> <p>Payment cycles to be manually adjusted accordingly when an ad hoc payment is made outside of the Mosaic system.</p>	High	<p>Payments are routinely completed on Mosaic and when it is necessary to make payments outside of the system, the Brokerage Team are <i>advised to ensure this is also case noted to clarify the reason for the off-cycle payment.</i></p> <p>In relation to the example provided above this related to payment cycle run that day. Staff in Brokerage have been advised to ensure they check payment cycles due before making any off-system payments.</p>	Director of Adults Social Care (DASS)	July 2025	<p><b>Completed by the deadline, however we will continue to remind staff regularly around this.</b></p> <p>Staff have been reminded of the need to ensure any payments made outside of the system and recorded and adjusted for appropriately. Instances of payments outside of the system are infrequent.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<b>New Recommendation 2024/2025</b>					
6.	<p><b><u>Statutory Annual Care Reviews</u></b></p> <p>The service should utilise the benchmarking information available in comparison to other North-West region authorities to identify where Oldham would appear to perform relatively less well than neighbouring Councils.</p> <p>Where areas for improvement are identified as a result of benchmarking, the service</p>	High	<p>The position on reviews and the backlogs is regularly reported on and monitored in terms of our benchmarking our position locally and in comparison, with other GM authorities. The ADASS dashboard information which provides benchmarking data informs ongoing discussions in terms of how other LA's operate. These are discussed at NW ADASS meetings and GM meetings attended by the Director and Assistant Directors.</p> <p>Capacity issues, particularly with PCFT Mental Health teams being in Business Continuity, have an impact on the number of reviews that can be completed. Cases are assessed using a risk management tool to prioritise activity, and a plan is soon to be agreed on managing the backlog.</p> <p>The proposed restructuring of operational teams will see the allocation of dedicated</p>	Director of Adults Social Care (DASS)	December 2025	<p><b>Revised Implementation Date March 2026</b></p> <p>Agency Staff and Contract and Quality Monitoring Officers are being utilised to reduce the backlog of overdue annual reviews.</p> <p>We have seen a reduction in the Review waiting list over the last two months the trajectory of this has been reviewed and the revised implantation date takes this into account.</p> <p><b>Reason for slippage</b></p> <p>Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>should approach and liaise with better performing Councils in order to identify any improvements which may be made.</p> <p><b>Brought forward from previous years</b></p>		resources for review completion and will have a positive impact on completed reviews. Specific activity has been undertaken to action the oldest reviews.			
7.	<p><b><u>Out of Borough Placements</u></b></p> <p>Management should utilise the benchmarking information available in comparison to other North-West region authorities to understand why Oldham is spending the most on Out of</p>	Medium	<p>The OOB position is monitored regularly, and work has been undertaken to understand the reason why people are placed OOB. Some of this relates to individual choice and the closure of 2 care homes has had an impact on numbers.</p> <p>An Out of Area panel has now been introduced to have greater oversight of any placements out of area. Analysis recently completed shows that the authority is no longer has the highest spend in the North-West on OOB placements, and this will continue to be monitored.</p>	Director of Adults Social Care (DASS)	September 2025	<p><b>Revised Implementation March 2026</b></p> <p>The OOB position continues to be regularly monitored, and the new authorisation processes implemented give greater oversight and assurance of cases. Benchmarking analysis evidences that the authority is no longer the highest spend in the North-West on OOB placements.</p> <p>The ABOV Team review work will target this amongst the matrix approach to priority of reviews. Revised inline with trajectory or review work completion.</p> <p><b>Reason for slippage</b> Capacity challenges in relation to the ABOV and wider social work teams, which are</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>Borough placements compared against other authorities in the North-West and consider what steps can be taken to reduce these costs to be in line with neighbouring / comparable sized authorities.</p> <p><b>Brought forwards from 2023/2024</b></p>		<p>Out of Borough working group established to review high cost placements which are outside the North-West as a priority, with a view to re-patriation if possible.</p> <p>Mosaic Change request in process to include the out of borough check form within Mosaic which will allow us to better monitor why placements are out of borough which will assist commissioning to develop approaches to target gaps in the market.</p> <p>A new Market Position Statement has recently been published, including information on current gaps and the delivery plan in place for Commissioning to address this.</p>			being addressed by agency and permanent recruitment.
8.	<p><b><u>Credit notes description</u></b></p> <p>The description on all credit notes raised should have clear information on it to point out what period it is for and how it</p>	Medium	<p>Reminders are periodically issued to staff in Brokerage and Client Finance on the need for dates to be included on credit notes and spot checks of credits raised to continue.</p> <p>There currently is not the facility for 'authorisation' within Agresso that will better enable oversight and sign-off of credit notes for check and authorisation.</p>	<p>Director of Adults Social Care (DASS)</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager -</p>	August 2025	<p><b>Completed by the deadline, however we will continue to remind staff regularly around this.</b></p> <p>Reminders have been issued to staff in Brokerage and Client Finance to ensure that full descriptions are included on credit notes issued.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>has been calculated.</p> <p>In order that the reader of the credit note can understand what is being adjusted – the description of “Financial Reassessment” may not be sufficient to understand why the credit note is required or how the amount of the correction has been arrived at.</p> <p><b>Brought forwards from 2021/22</b></p>			Benefits and Welfare Rights		
9.	<p><b><u>Record of Hospital Stays</u></b></p> <p>A schedule of hospital stays,</p>	Low	The utilisation of this functionality within Mosaic has been considered previously but as we are not consistently advised of hospital admissions/discharges there would be resource	Director of Adults Social Care (DASS)	N/a	The business decision was made to not use this functionality for the reasons previously detailed. Alternative processes are in place to access hospital stay information.



No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>is a specific document within the Mosaic system. The service should consider whether they wish to use this functionality to record periods when a client is in hospital and make it easier to physically locate individual clients.</p> <p><b>New recommendation 2024/2025</b></p>		<p>implications for maintaining and monitoring this data and as such the decision has been taken not to utilise it. The alternative process in place to manage this, social care staff have access to Graphnet, the GM shared health record, which contains details of hospital admissions for staff to access when required.</p>			
10.	<p><b><u>Duplicate Records</u></b></p> <p>Staff should be reminded to check that a record does not already exist before setting up a new record.</p>	Medium	<p>Reminders are periodically issued to staff on checking Mosaic prior to creation of a new record and on using the 'wild card' and 'sounds like' functionality to reduce the risk of duplicate records being created.</p> <p>This has previously been considered with the Mosaic support team to assess the functionality of the Mosaic</p>	Director of Adults Social Care (DASS)	August 2025	<p><b>Revised Implementation Date December 2025</b></p> <p>Duplicate cases have been reviewed and 25+ cases have been merged during September. Reminders to staff are being included in ASC Spotlight and activity will be picked up as part of the Data Quality group.</p> <p>Through our own monitoring we have seen a slight increase in duplicate records.</p> <p><b>Reason for slippage</b></p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<b>Brought forward from 2020/21</b>		system. Unfortunately, not all duplicate records can be merged. Where financial records of payments and billing exist on both records the system does not allow records to be merged as some of this data would be lost. Therefore, as there is currently not a solution that is within our control there will remain a number of duplicate records in the system. However, as part of our new performance dashboards we will include duplicate records for improved management and oversight.			we will be completing targeted activity following the CQC inspection. We will also be clarifying the baseline position of the total number of duplicates which cannot be merged due to audit (where there has been purchase on both cases).

# Oldham Council Audit and Counter Fraud Team

**2024/25 Fundamental Financial Systems**

**Direct Payments and Community Homecare**

**Final Report**

**July 2025**

**Prepared by:**  
Senior Auditor

**Reviewed by:**  
John Miller                      Head of Audit and Counter Fraud

**Issued to:**  
Fiona Greenway              Interim Director of Corporate Resources (Section 151 Officer)  
Jayne Ratcliffe                Director of Adults Social Care (DASS)  
Claire Hooley                  Assistant Director of Commissioning and Market Management

## 2024/25 Fundamental Financial Systems

### Direct Payments and Community Homecare

#### 1 Background

- 1.1 As part of our annual review of the Council's Fundamental Financial Systems, a review of the systems and controls around Direct Payments and Community Homecare has been undertaken. In line with prior years, Audit and Counter Fraud will collaborate with our external auditors, Mazars, to support their year-end audit planning and ensure that the agreed audit programme for each financial system reflects key risks, internal controls and is delivered in accordance with Public Sector Internal Audit Standards.
- 1.2 The expenditure paid in respect of Direct Payments and Community Homecare is initiated in the Mosaic system and interfaced into the financial system. The costs are significant in their own right hence the requirement for a separate audit of the policies and procedures around these transactions. The table below shows the budget and costs by account code over the last four years:

Direct Payments – PA Support	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	15,976	18,231	20,949	21,294
Actual cost	19,844	20,931	21,620	22,209
(Overspend)	(3,868)	(2,700)	(671)	(915)
Independent Home Care	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	10,337	11,981	16,735	19,507
Actual cost	13,236	14,977	19,759	23,129
(Overspend)	(2,899)	(2,996)	(3,024)	(3,622)

The table above does not represent the costs for the whole of adult social care. It is an extract of the costs of Direct Payments and Community Homecare, which are the elements of adult social care being audited in this report.

- 1.3 The Adult Social Care Service administers the Personal Budget and Community Homecare services for clients. The team allocates services to clients, visiting clients directly at their homes, and provides direct payments to those clients who wish to retain greater control over their own affairs and who can procure services to assist in their own care needs.
- 1.4 The service has received an audit opinion of 'Inadequate' each year from 2014/15 to 2021/22. Due to the length of time that the opinion had remained at this level, it was downgraded to weak in 2022/23. Internal Audit have continued to liaise with Finance and ASC Service colleagues in order to provide assistance to the service where possible. This collaboration work has continued into the current year.

## 2 Objectives and Scope

- 2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. It also examines whether recommendations made in relation to our 2023/24 audit review have been implemented. This review has been conducted in accordance with the Public Sector Internal Audit Standards 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note.
- 2.2 The key system controls should:
- Confirm clients receive a needs assessment in line with statutory requirements.
  - Verify that the Resource Allocation Panel provides an indicative amount.
  - Confirm that debtor invoices are raised and approved for client contributions, or they are correctly deducted from their overall payments.
  - Confirm data held on Mosaic is adequately controlled to ensure the accuracy, completeness and reliability of information.
  - Ensure provider invoices are approved and correctly recorded in Agresso.
  - Ensure income and expenditure are correctly reconciled between Mosaic and Agresso.
- 2.3 Our approach involved:
- Follow up previous recommendations from the 2023/24 Personal Budgets and Homecare audit report and progress toward actions agreed.
  - Walkthrough testing to ensure that the system is operating as documented from information supplied by management, and that any changes are subsequently recorded.
  - Compliance testing of the key controls to determine if they are operating effectively.

## 3 2024/25 Audit Opinion

- 3.1 Controls around the Direct Payments and Home Care systems continue to provide **Limited Assurance**. We have made eight recommendations for improvements, five high priority, two medium and one low priority. These are set out in the Action Plan in **Section 6**.
- 3.2 Four of the eight recommendations we have made this year have been made in previous audit reports. Three of these recommendations made previously are high priority and one is medium priority. As noted at 1.4, the service has received an audit opinion of 'Inadequate' or lower since 2014/15.
- 3.3 During 2024/25 the service has continued to face significant challenges, as is the case nationally in social care. The service has established a monitoring process to track progress in relation to the implementation of the audit recommendations as part of its wider efforts to move to a new Target Operating Model. The service has made progress in addressing deficiencies in control in some areas, as evidenced in completing four of the ten recommendations made last year.

## 4 Findings

### 4.1 Open Workflow items / Data quality

Each client will have an open case file containing all relevant documentation pertaining to assessed needs and their interaction with adult social care. They will also have an open workflow if something is required to be actioned – for example, a review or purchasing of a

care package with a provider. There has been a 37.7% increase in the number of open workflow items from April 2021 to April 2025, as shown in the table below. Increasing numbers of open workflows has been raised as a point of concern in previous audit reports. However, from figures available for September 2022, client numbers have increased by approximately 6% between September 2022 and April 2025. Utilising the table below, open workflows from September 2022 to April 2025 are estimated to have increased by around 4%. Alongside the reduction in open workflows from March 2025 to April 2025 this would suggest that the Service has made recent progress in addressing the previously concerning upward trend in open workflows in comparison with client numbers.

Open Workflow items at	Total
01 April 2021	2,421
31 March 2022	2,902
23 February 2023	3,505
08 March 2024	3,762
11 April 2025	3,333

However, the open workflows report, which is produced by the Performance Team, shows that 5.8% of the total are over two years old and one item dates back as far as 2016.

Of the 3,333 open items in April 2025 one item related to 2016, two items related to 2017, four items related to 2018, three items related to 2019, 18 related to 2020, 52 related to 2021, 112 related to 2022, 259 related to 2023. The service should prioritise and process the oldest open workflow items, this will help to improve the ADASS statistics reported in section 4.3 below.

**Please refer to Recommendation 1 in Section 6 below.**

#### 4.2 Signed Direct Payment Agreements (DPA)

One Direct Payment client was found in a sample of 10 without a DPA saved on the Mosaic system.

Two other clients in the same sample of 10 had a DPA which was not signed or dated. Five other clients in the same sample of 10 had been signed but not dated and had no officer name or role in the section which stipulates who had signed the DPA.

Direct Payment Agreements should be signed and dated when they are completed. The position of the officer signing the DPA should also be stated clearly in the section provided on the DPAs. The date field and job title field should not be left blank.

**Please refer to Recommendation 2 in Section 6 below.**

#### 4.3 Annual Statutory Care Reviews

The Care Act specifies that each client should have a care review at least annually. The table below shows performance in Oldham over the last 2 years:

KPI	2022/23					2023/24				2024/25	
Ref:	ADASS Report figures	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		%	%	%	%	%	%	%	%	%	%
NW 9	Number of reviews completed in a rolling 12-month period	33.8	41.9	49.3	48.4	42.1	46.8	52.5	53.6	63.2	59.9
NW 10	Backlog of reviews 2 years overdue	29.2				28.0	27.0		21.1	15.9	17.2
			31.7	22.1	12.7			22.9			

Oldham is performing comparatively well against other Authorities across the North-West, in the Key Performance Indicator (KPI) NW 9 above in respect of the latest Q2 results. In Q2 2024/25 the NW average for the percentage of reviews completed in a rolling 12 months was 55.2%, with Oldham achieving 59.9%.

Oldham is performing comparatively less well on (KPI) NW 10. In Q2 2024/25 against the North-West average percentage for the backlog of reviews which are 2 years overdue. The North-West average in Q2 was 10.7%. In Oldham this 2-year backlog for reviews was 17.2%. It is recognised that although still below average, the trend at Oldham over the 2 years which is shown in the table above is that the position is much improved. Two years ago this KPI was 29.2%.

**Please refer to Recommendation 3 in Section 6 below.**

#### 4.4 Large back dated payments

The review noted 44 large, back dated payments up to December 2024.

The month 9 Finance Dashboard highlights backdated payments that were made in the year in respect of Direct Payments and Care at Home. These payments total £0.462m of which £98.8k relates to prior financial years.

It is disruptive to client's cashflow, when payments are not made in a timely manner. It also makes it difficult for the Council to forecast future expenditure in the financial projections when large back dated payments are found.

The service should identify why these amounts were not paid promptly and amend systems and processes to address this issue going forward.

**Please refer to Recommendation 4 in Section 6 below.**

#### 4.5 Backlog of Financial Assessments

The waiting list for a financial assessment had significantly increased in the period of 6 months to January 2025, from 191 cases to 619. The average wait time fluctuated from 63 days waiting at the start of the financial year, to the lowest wait time of 34–37 days in June to August, to the longest average wait of 85 days for December 2024 and January 2025.

One case in January 2025 had been outstanding for 667 days. There were 24 clients who had been awaiting a financial assessment for over 200 days, four of whom have not had a financial assessment for over a year.

This can result in large, backdated invoices to clients for the cost of care, which may cause client distress, inaccurate financial forecasting, and may contribute towards increased Service debt.

**Please refer to Recommendation 5 in Section 6 below.**

#### 4.6 Credit Notes

Each credit note issued to clients should include:

- The reason for the credit note.
- The date range which the credit note covers.
- The basis of calculation to show how the credit note value has been calculated.
- The original invoice number which is being credited.

Seven out of ten credit notes sampled did not include adequate information to be useful to the recipient.

**Please refer to Recommendation 6 in Section 6 below.**

#### 4.7 Duplicate Service User Accounts on Mosaic

33 duplicate records have been identified, including 5 where the client is deceased. Duplicate records should be merged and the secondary account removed from the system. They should not be left as an open account on the system with the words "Do not use" in a banner at the top of the screen.

Mosaic users should not set up new records without first confirming that one does not already exist. Duplication of accounts may lead to double payments and dual services, and it will also distort the KPI statistics that are issued on the ADASS reports.

**Please refer to Recommendation 7 in Section 6 below.**

#### 4.8 Periods of hospitalisation to be recorded

A schedule of "Hospital stays", which is found under the section "Health" on the Mosaic system, is available to record the dates when a client was admitted to and discharged from hospital along with the reason. This section of the Mosaic system is not currently being used. The Service may wish to consider utilising this functionality to assist in locating clients when required.

**Please refer to Recommendation 8 in Section 6 below.**



## **5 Way Forward**

- 5.1 The Action Plan is included in Section 6 of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.
- 5.2 We would like to thank officers in the department for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

### **5.3 Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

## 6. 2024/25 Action Plan

The table below shows the recommendations for the findings arising from our audit review and those outstanding from the previous review in 2023/24. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

<b>High Priority</b>	- Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
<b>Medium Priority</b>	- Moderate risk to the Service it is important that the recommendation is completed.
<b>Low Priority</b>	- Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1	<p><b><u>Workflow / data quality</u></b></p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p>The Data Quality group should focus on dealing with the oldest outstanding workflow items.</p> <p><b>Brought forward from previous years.</b></p>	High	<p>A dashboard has been implemented to monitor and manage open workflows and allows the service to easily identify current and historical workflows. Activity is being undertaken to close historical items and over 500 have been closed over the last 2 months. Support has been provided to Mental Health teams to assist them in resolving workflow issues. We are currently on track to have the remaining historical workflows</p>	Director of Adults Social Care (DASS)	September 2025	<p><b>Revised Implementation Date December 2025.</b></p> <p>The number has been significantly reduced from a position of 1,332 in February to 425 at the start of September. Work is progressing to close the remainder of these with targeted work being completed on historical safeguarding workflows, ensuring that people are safe and free from harm.</p> <p><b>Reason for slippage</b></p> <p>Resource pressures across ASC and the recent notification of CQC inspection has meant that the capacity to complete this work has been reduced but it continues to be a priority and we remain confident that this remaining workflows will be actioned as required.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			<p>closed by the end of August 2025.</p> <p>The Brokerage team is using the dashboard to manage ongoing work and are now in a position where there are no workflows open older than 14 days. An escalation process is being put in place to ensure any workflow which a worker in the team is struggling to progress can be escalated appropriately for a quick resolution.</p>			
2.	<p><b><u>Direct Payments Agreements</u></b></p> <p>Each client who receives a Direct Payment, should have a signed DPA.</p> <p>When DPAs are signed they should be dated and the officer</p>	High	<p>Reminder issued to staff that when uploading the signed DPA this need to be dated and signed on ASC behalf.</p> <p>The service has reviewed the DP policies and procedures and will be providing refreshed guidance to the workforce in this in summer 2025.</p>	Director of Adult Social Care	August 2025	<p><b>Completed by the deadline, however we will continue to remind staff regularly around this.</b></p> <p>Staff have been reminded of the importance of checking DPAs are fully signed before being uploaded. The DP policy has been reviewed, updated and recently published on the council's website.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>signing the DPA should complete their position in the field provided to set out who has signed off the DPA.</p> <p><b>New recommendation in 2024/2025</b></p>					
3.	<p><b><u>Statutory Annual Care Review</u></b></p> <p>Strategy and Performance reports should be used to highlight service users who are overdue an annual care review.</p> <p>The service should utilise the benchmarking information available in comparison to other North-West region authorities to identify where Oldham would</p>	High	<p>The position on reviews and the backlogs is regularly reported on and monitored in terms of our benchmarking our position locally and in comparison, with other GM authorities. The ADASS dashboard information which provides benchmarking data informs ongoing discussions in terms of how other LA's operate. These are discussed at NW ADASS meetings and GM meetings attended by the Director and Assistant Directors.</p>	Director of Adult Social Care	December 2025	<p><b>Revised Implementation Date of March 2026</b></p> <p>Agency Staff and Contract and Quality Monitoring Officers are being utilised to reduce the backlog of overdue annual reviews. We have seen a reduction in the Review waiting list over the last two months.</p> <p>We have seen a reduction in the Review waiting list over the last two months.</p> <p><b>Reason for slippage</b></p> <p>Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>appear to perform relatively less well than neighbouring Councils.</p> <p>Where areas for improvement are identified as a result of benchmarking, the service should approach and liaise with better performing Councils in order to identify any improvements which may be made.</p> <p><b>Brought forward from previous years.</b></p>		<p>Capacity issues, particularly with PCFT Mental Health teams being in Business Continuity, have an impact on the number of reviews that can be completed. Cases are assessed using a risk management tool to prioritise activity, and a plan is soon to be agreed on managing the backlog.</p> <p>The proposed restructuring of operational teams will see the allocation of dedicated resources for review completion and will have a positive impact on completed reviews. Specific activity has been undertaken to action the oldest reviews.</p>			
4.	<b><u>Back dated adjustments</u></b>	High	This continues to be an area of focus for ASC and work completed over the past 12 months	Director of Adult Social Care	September 2025	<p><b>Revised Date to enable system changes March 2026</b></p> <p>Reporting put in place has given greater oversight and identifies</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>Payments for care packages should be put in place at the inception of any care agreements and not allowed to go for many months without the payment being paid.</p> <p><b>Brought forwards from 2023/24</b></p>		<p>has helped to identify key themes in relation to backdated payments including</p> <ul style="list-style-type: none"> <li>• Providers not returning documentation</li> <li>• Transfer of cases between CSC and ASC</li> <li>• Transition from self-funding arrangements</li> <li>• System delays</li> </ul> <p>Additional reporting has been put in place to reduce the risk of backdated payments and a record of these continues to be kept to help identify themes and work to mitigate these from occurring again across the workforce.</p> <p>The new dashboard developed to monitor open workflows is also providing assisting in</p>			<p>changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p> <p>The system delays have been raised as part of a recent health check by the Access group who supply the system to review usage and suggest improvements to reduce the risk of work not progressing correctly in the system.</p> <p><b>Reason for slippage</b> Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic scheduled for February 2026. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			reducing this risk as Brokerage have been able to see where there were workflows open related to documentation not being returned etc.			
5.	<p><b><u>Backlog of Financial Assessments</u></b></p> <p>The Adult Social Care Service to Liaise with the Revenues and Benefits Service to agree a permanent Structure for the Client Finance Team which undertakes client financial assessments. The backlog of financial assessments should be addressed. The oldest outstanding items should be dealt with a priority.</p>	High	<p>Client Finance returned to ASC on an interim basis due to changes within the Revenues and Benefits Service. The team is due to return to Revenues and Benefits later in 2025/26.</p> <p>Plans are in place to manage the backlog of assessments with additional resource being provided and daily reporting is available to monitor and manage the allocation of work.</p>	<p>Director of Adult Social Care</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager - Benefits and Welfare Rights</p>	December 2025	<p><b>On Target</b></p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues. The system delays have been raised as part of a recent health check by the Additional staff (via Civica) have been brought in to support with the backlog of Financial Assessments, and over the last two months we have seen a reduction.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<b>New Recommendation 2024/2025</b>					
6.	<p><b><u>Credit Notes</u></b></p> <p>The description on all credit notes raised should have clear information on it to point out what period it is for and how it has been calculated.</p> <p>In order that the reader of the credit note can understand what is being adjusted – the description of “Credit raised as FA reviewed” is not sufficient to understand why the credit note is required or how the amount of the correction has been arrived at.</p> <p><b>Initially raised in 2021/22 and was subsequently</b></p>	Medium	<p>Reminders are periodically issued to staff in Brokerage and Client Finance on the need for dates to be included on credit notes and spot checks of credits raised to continue.</p> <p>There currently is not the facility for ‘authorisation’ within Agresso that will better enable oversight and sign-off of credit notes for check and authorisation.</p>	<p>Director of Adult Social Care</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager - Benefits and Welfare Rights</p>	August 2025	<p><b>Completed by the deadline, however we will continue to remind staff regularly around this.</b></p> <p>Reminders have been issued to staff in Brokerage and Client Finance to ensure that full descriptions are included on credit notes issued.</p>



No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	signed off as completed.					
7.	<p><b><u>Duplicate records</u></b></p> <p>Staff should be reminded to check that a record does not already exist before setting up a new record.</p> <p><b>New recommendation to D.P. report. Brought forward from 2020/21 on the Residential Homes report.</b></p>	Medium	<p>Reminders are periodically issued to staff on checking Mosaic prior to creation of a new record and on using the 'wild card' and 'sounds like' functionality to reduce the risk of duplicate records being created.</p> <p>This has previously been considered with the Mosaic support team to assess the functionality of the Mosaic system. Unfortunately, not all duplicate records can be merged. Where financial records of payments and billing exist on both records the system does not allow records to be merged as some of this data would be lost. Therefore, as there is currently not a solution that is within our control there will remain a</p>	Director of Adults Social Care (DASS)	August 2025	<p><b>Revised Implementation Date December 2025</b></p> <p>Duplicate cases have been reviewed and 25+ cases have been merged during September. Reminders to staff are being included in ASC Spotlight and activity will be picked up as part of the Data Quality group.</p> <p><b>Reason for slippage</b> We will be completing targeted activity following the CQC inspection. We will also be clarifying the baseline position of the total number of duplicates which cannot be merged due to audit (where there has been purchase on both cases).</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			number of duplicate records in the system. However, as part of our new performance dashboards we will include duplicate records for improved management and oversight.			
8.	<p><b><u>Record of hospital stays</u></b></p> <p>A schedule of hospital stays, is a specific document within the Mosaic system. The service should consider whether they wish to use this functionality to record periods when a client is in hospital, and make it easier to physically locate individual clients, allow re-allocation of Homecare resources where</p>	Low	The utilisation of this functionality within Mosaic has been considered previously but as we are not consistently advised of hospital admissions/discharges there would be resource implications for maintaining and monitoring this data and as such the decision has been taken not to utilise it. The alternative process in place to manage this, social care staff have access to Graphnet, the GM shared health record, which contains details of hospital admissions for staff to access when required.	Director of Adults Social Care (DASS)	N/a	The business decision was made to not use this functionality for the reasons previously detailed. Alternative processes are in place to access hospital stay information.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	these are not currently required.  <b>New recommendation 2024/2025</b>					

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank