

## ***AUDIT COMMITTEE Agenda***

Date Thursday 26<sup>th</sup> March 2026

Time 6.00 pm

Venue J R Clynes Building, Second Floor Room One - Cultural Quarter, Greaves Street, Oldham, OL1 1AL

- Notes
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 Constitutional Services at least 24 hours in advance of the meeting.
  2. Further information regarding this meeting can be obtained from Constitutional Services, email: [constitutional.services@oldham.gov.uk](mailto:constitutional.services@oldham.gov.uk)
  3. Public Questions - Any Member of the public wishing to ask a question at the Audit Committee meeting can do so only if a written copy of the question is submitted to Constitutional Services by 12.00 noon on Monday, 23<sup>rd</sup> March 2026.
  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.

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.

Membership of the AUDIT COMMITTEE:

Mr. G. Page (Independent Chair)

Mr. S. Hall (Independent Member and Vice Chair)

Councillors Al-Hamdani, Aslam, Chauhan, Chowhan, Ghafoor, Malik, Quigg, Rustidge and Sykes

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)  
To consider the minutes of the meeting of the Audit Committee held on 14<sup>th</sup> January 2026 and the actions list arising therefrom.
- 6 External Audit Update (Pages 15 - 30)  
A progress update from the Council's External Auditors, Forvis Mazars
- 7 Payroll Audit Action Plan 2024/25 Progress (Pages 31 - 34)  
Update report on payroll issues
- 8 Counter Fraud Benchmarking (Pages 35 - 40)  
A report of the Head of Internal Audit and Counter Fraud comparing Oldham's performance, regarding counter fraud activities with other local authorities.
- 9 2026/27 Internal Audit and Counter Fraud Plan (Pages 41 - 58)  
A report of the Head of Internal Audit and Counter Fraud presenting the proposed plan of work for the financial year 2026/27 to enable review by the Committee.
- 10 Quarter 3 - 2026/27, Treasury Management Update (Pages 59 - 78)  
A report of the Director of Finance detailing Treasury Management, as at the end of Quarter 3, 2026/27 (31<sup>st</sup> December 2026).
- 11 Final Accounts - Proposed Accounting Policies and Critical Judgements (Pages 79 - 110)

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.

- 12 Update on Progress on Audit Reports Contributing Toward the 2024/25 Limited Annual Assurance Opinion (Pages 111 - 162)

A report of the Head of Internal Audit and Counter Fraud, updating on progress on audit reports contributing toward the 2024/25 Limited annual assurance opinion.

- 13 Internal Audit Charter - 2026/27 (Pages 163 - 176)

A report of the Head of Internal Audit and Counter Fraud presenting an updated Internal Audit Charter for the financial year 2026/27.

- 14 Audit Committee Work Programme (Pages 177 - 186)

Audit Committee Work Programme for 2025/26 and a proposed programme for the future financial year - 2026/27

- 15 Exclusion of the Press and Public

To consider that the press and public be excluded from the meeting for the following item 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.

- 16 Update on Progress on Audit Reports Contributing Toward the 2024/25 Limited Annual Assurance Opinion (Pages 187 - 194)

Confidential appendix, relating to agenda item 12, above.

This page is intentionally left blank



**AUDIT COMMITTEE**  
**14/01/2026 at 6.00 pm**

**Present:** Mr. G. Page (Independent Chair).  
Mr. S. Green (Independent Member and Vice Chair).  
Councillors Aslam, Chauhan, Ghafoor, Kenyon (Substitute for  
Councillor Al-Hamdani), Rustidge and Sykes

Also in Attendance:

Councillor Shah (Leader of the Council and Cabinet Member for  
Growth)

Councillor Jabbar (Deputy Leader and Cabinet Member for  
Finance, Corporate Services and Sustainability)

Yagita Das-Patel (Forvis Mazars – external auditors)

Shelley Kipling (Chief Executive)

Fiona Greenway (Executive Director of Resources)

Lee Walsh (Director of Finance)

Alex Bougatef (Director of Legal)

James Postle (Senior Finance Manager)

John Miller (Head of Audit and Counter Fraud)

Peter Thompson (Constitutional Services)

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Al-Hamdani, Chowhan Malik and Quigg.

2 **URGENT BUSINESS**

The Chair introduced and welcomed Mr Stuart Green, Independent Member and Vice Chair of the Audit Committee, who was appointed by the Council on 12<sup>th</sup> November 2025 and who was attending a meeting of the Committee for the first time.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions for this meeting of the Audit Committee to consider.

5 **MINUTES OF PREVIOUS MEETING**

The Committee considered the Minutes of the last meeting of the Audit Committee, held 26<sup>th</sup> November 2025 and the Actions List arising therefrom. Further to Minute 6 (Oldham Borough Council - 2024/25 Financial Statements), the Chair advised that the Committee had sought clarification and further details, from the officer representing Forvis Mazars on the Value for Money judgement that they were due to issue to the Council, in terms of the 2024/25 annual accounts.

Regarding the Actions Lo, it was noted that there was an action arising from the meeting held 22<sup>nd</sup> October 2025 concerning the establishment of a member's study group that was being convened to assess the effectiveness of the Council's overview

and scrutiny function, which, was due to hold its first meeting on 22<sup>nd</sup> January 2026.

Resolved, that subject to the above comments, the minutes of the meeting of the Audit Committee, held 26<sup>th</sup> November 2025, be approved and the accompanying Actions Log, be noted.

6

## **EXTERNAL AUDIT - UPDATE REPORT**

To present to the Audit Committee, an update of the External Auditors, Forvis Mazars', Audit Completion Report on the 2024/25 Statement of Accounts for consideration. The Council's Statement of Accounts for 2024/25 was published on the Council's website on 30<sup>th</sup> June 2025, along with the Notice of Public Inspection.

The report provided an update on the progress of the audit work, carried out by Forvis Mazars, following the presentation of their previous report to the Audit Committee's on 26<sup>th</sup> November 2025. It was reported that their comments regarding the Council's 'Value for Money' arrangements was unchanged from that presented in November. However, their report, attached at Appendix A, referred to the significant challenges, being faced by the Council, which have previously been reported to the Audit Committee. It was noted that the external auditors' audit procedures were now substantially completed for the year ending 31<sup>st</sup> March 2025.

Based on the work completed, by Forvis Mazars, to date, they anticipated issuing an unqualified opinion on the Council's financial statements.

The external auditors had not made any changes to their initial risk assessment and planned audit approach that was communicated to the Audit Committee previously in their Audit Strategy Memorandum.

Forvis Mazars did not identify any significant deficiencies in internal control. The non-significant control observations that were identified were set out in Appendix A (Internal control conclusions). The auditors had not identified any adjusted or unadjusted misstatements above their reporting threshold.

In terms of their Audit Opinion, subject to the satisfactory conclusion of their remaining audit work, it was anticipated that Forvis Mazars would issue an unqualified opinion, without modification, as set out in Appendix C of their report.

It was anticipated though that in terms of 'Value for Money' the external auditors anticipated having some weaknesses in arrangements to report in relation to the arrangements that the Council had in place to secure economy, efficiency and effectiveness in its use of resources.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question Forvis

Mazars about the accounting records of the Council and to consider any objection made to the accounts. The external auditors were able to confirm that no correspondence was received from an elector in the Borough of Oldham.



Forvis Mazar had reviewed the Council's Accounting policies and disclosure and concluded that they complied with the 2024/25 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances. The Draft Accounts were received from the Council on 30<sup>th</sup> June 2025 and were of a good quality, with the availability of working papers to support them.

The Director of Finance confirmed that the recommendations in the report provided by Forvis Mazars, would be incorporated into the Council's budget setting process.

The Chair sought clarification as to when Forvis Mazars would finally sign off the Council's 2024/25 Accounts. In reply the meeting was advised that the Accounts were expected to be finally completed by the end of January 2026.

A member of the Committee sought clarification on how Oldham Council compared with the other nine Greater Manchester Councils in terms of completing their 2024/25 externally audited accounts. The representative from Forvis Mazar reported that thus far only Rochdale Borough Council had completed their accounts for 2024/25.

Resolved:

1. That the Audit Committee endorses the updated Audit Completion Report for 2024/25 and approves the recommendations contained therein.
2. That the Chair of the Audit Committee be granted delegated authority to approve the finalised accounts for 2024/25, in consultation with the Director of Finance.

7

## **TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27**

The Audit Committee considered a report of the Director of Finance, which presented the Treasury Management Strategy for 2026/27.

The report outlined the Treasury Management Strategy for 2026/27, the Annual Investment Strategy, Borrowing Strategy, and Prudential Indicators. The Council is required through regulations supporting the Local Government Act 2003 to 'have regard to' the Prudential Code. The report was required to produce an annual Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out the Council's policies for managing its investments and for giving priority to security and liquidity of those investments. The Strategy for 2026/27 covers.

- a. Economic Update.
- b. Prospects for Interest Rates
- c. The Current Balance Sheet and Treasury Position

- d. Liability Benchmark
- e. The Borrowing Strategy
- f. Debt Rescheduling
- g. The Investment Strategy
- h. Approved Counterparties, risk management and Investment Limits
- i. Treasury Indicators which limit the treasury risk and activities of the Council.

The report outlined the implications and key factors in relation to each of the above Capital and Treasury Management issues and made recommendations regarding the Treasury Management Strategy for 2026/27.

The report included the most recently available economic background commentary which was reflective of the position in December 2025. The proposed Treasury Management Strategy was presented to enable scrutiny of the report before its further consideration, by the Cabinet and Council, as part of the budget setting process and any comments or observations arising from the report, from Members of the Audit Committee, would be incorporated into future reports.

Options/Alternatives considered:

In accordance with the CIPFA Code of Practice on Treasury Management, the Audit Committee and the Cabinet, at its meeting on 9<sup>th</sup> February 2026, would have no alternative to considering and commending the report to the Council, at its meeting on 4<sup>th</sup> March 2026. Therefore, no options or alternatives were presented.

In considering the report a Member sought clarification on the short-term borrowing level detailed in paragraph 2.6.1 of the report. This was explained by the fact that short-term borrowing could be achieved at lower rates of interest than longer-term borrowing, therefore saving the authority money. Another factor associate with this was the funding of the Council's Capital Programme that often required short-term borrowing and in this regard the Council was able to borrow funds at low rates of interest from another local authority in Greater Manchester. The Director of Finance advised the Committee that when the 2025/26 budget was being planned there was an expectation that certain amounts of borrowing would be required and this had factored into the reports that the Cabinet and Council had approved. The Cabinet Member for Finance, Corporate Services and sustainability noted that in the worst-case scenario the Council could borrow funds from the Public Works Loans Board but due to diligent and prudent financial planning and management of resources this was unlikely to ever happen.

Resolved:

That the Audit Committee commends the following matters, detailed in the submitted report, to the Cabinet and Council:

1. The Capital Financing Requirement (CFR) Projections, as detailed in paragraph 2.4.1, of the submitted report.

2. The Projected Balance Sheet position, by 31<sup>st</sup> March 2026 and future years as detailed in paragraph 2.4.1, of the submitted report.
3. The Liability Benchmark as detailed in paragraph 2.5, of the submitted report.
4. The Borrowing Strategy for 2025/26 as detailed in paragraph 2.6, of the submitted report.
5. The Annual Treasury Investment Strategy as detailed in paragraph 2.7, of the submitted report, including counterparties and treasury limits.
6. The Treasury Management Prudential Indicators as detailed in paragraph 2.8, of the submitted report.

8

### **INTERNAL AUDIT PROGRESS REPORT QUARTER 3 - 2025/26**

This Committee received a report of the Head of Audit and Counter Fraud which report provided Members with a high-level progress report on the work of the Internal Audit and Counter Fraud team for Quarter Three period of the 2025/26 financial year (October – December). Which, alongside the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26, assisted the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, that formed part of the Council's Constitution.

The Audit and Counter Fraud Team activity during Q3 2025/26 included:

- An assurance review of Arts Council grant funding for works to Northmoor Library.
- Four further reports in connection with Miocare Supported Living establishments, SEND Special School Placements, Home to School Transport and Oldham Total Care (OTC) are also being finalised with the relevant services. The outcomes of these reviews would be reported to the Committee in due course.

In presenting the report the Head of Audit and Counter Fraud expressed his confidence that the service would issue a similar number of reports to 2024/25.

In response to a question from a committee member the Head of Audit and Counter Fraud advised that comparative figures from corresponding periods from previous years and benchmarking against selected other authorities in Greater Manchester would be presented at the next meeting of the Committee, in terms of Corporate Counter fraud data. In addition, it was agreed that the Committee would receive updates on those areas that have received limited audit opinions.

A member of the Committee noted that Oldham Council was one of the most prolific issuers of audit reports amongst the Greater Manchester authorities and, in this regard, he asked if it was considered that the staffing complement for the Internal Audit Service as adequate to deal with the demand? The relevant assurances, in this regard, were provided by Officers.

Resolved:

1. That the Audit Committee endorsed the Internal Audit Progress Report, for Quarter 3 - 2025/26 (October – December).
2. That future quarterly Internal Audit Progress Reports should include comparative figures from corresponding periods from previous years, benchmarking against selected other authorities in Greater Manchester and updates on those areas that have received limited audit opinions.

9

### **AUDIT COMMITTEE WORK PROGRAMME - 2025/26**

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

The meeting was advised that the Committee's draft Work Programme 2026/27 would be presented to the next meeting, on 26<sup>th</sup> March 2026. It was anticipated that the 2026/27 Work Programme would also include items relating to:

- a. The Strategic Risk Register
- b. Liaison with the Council's Governance, Strategy and Resources Scrutiny Board, to discuss issues of common concern.

Resolved:

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

The meeting started at 6.00pm and ended at 7.00pm

**Audit Committee Actions List  
(after 14<sup>th</sup> January 2026 meeting)**

<b>Issue</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Timescale</b>	<b>Outcome</b>
Payroll Audit Progress – 22/10/25 Minute 9	The Audit Committee to receive update reports at future meetings regarding progress being made in relation to the Improvement Plan for the Council's Payroll	John Miller	Ongoing	Reports to be included at future meetings
Q2- 2025/26: Audit Opinion Reports with Weak or Limited Assurance Opinions  22/10/25 Minute 12	The Committee to receive progress reports on this issue on a quarterly basis and to receive details of remedial actions that have been recommended/carried out	John Miller	Future reports to Committee on quarterly performance	Ongoing
External Audit – Enquiries of those charged with governance - 2024/25  22/10/25 Minute 13	At the Audit Committee held on 23 <sup>rd</sup> July 2025, Members had requested 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 would continue during the year. This had been clarified in the appendices that were attached to the submitted report.	John Miller/Forvis Mazars	This is an annual report and further updates/clarification may be required	Ongoing
Counter Fraud and Corruption	Report approved by the Committee	John Miller	Recommendations to be rolled out	Completed

Policies and Procedures  22/10/25 Minute 14			across the authority	
Audit Committee Annual Report  22/10/25 Minute 15	Annual Report of the audit Committee for 2024/25	John Miller	Report presented to Council on 10 <sup>th</sup> December 2025	Report was approved by Council. Therefore completed
Progress update on Audit Opinion reports contributing to the 2024/25 limited annual assurance audit opinion.  22/10/25 Minute 18	The Committee considered a report of the Head of Internal Audit and Counter Fraud that provided 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.	John Miller	Further reports thereon to be presented to future meetings of the Committee - including details of the relevant Cabinet Member and Senior Officers and that, where appropriate they be requested to attend meetings of the Committee, to answer members questions and queries thereon.	Ongoing
Establishment of a Scrutiny Study Group  22/10/25 Minute 5	The establishment of a member's study group that was being convened to assess the effectiveness of the Council's overview and scrutiny function.	Constitutional Services	Updates will be reported to future meetings of the Audit Committee, monitoring progress (beginning in March 2026)	ongoing
External Audit – Update Report  14/1/26 Minute 6	Chair of the Audit Committee be granted delegated authority to approve the finalised accounts for 2024/25, in consultation with the Director of Finance.	Chair of the Audit Committee/Director of Finance	Accounts have duly been signed-off by the Chair of the Audit Committee.	Completed
Treasury Management Strategy Statement	The Audit Committee endorsed the report's recommendations,	Director of Finance	The reports were subsequently presented to Cabinet (on 23 <sup>rd</sup> February 2026)	Completed

14/1/26 Minute 7	on 14 <sup>th</sup> January 2026 and commended the report to Cabinet and the Council		and to the Council (on 4 <sup>th</sup> March 2026), where the recommendations contained therein were approved)	
Internal Audit Progress Report – Quarter 3, 2025/26  14/1/26 Minute 8	The Committee resolved that future quarterly Internal Audit Progress Reports should include comparative figures from corresponding periods from previous years, benchmarking against selected other authorities in Greater Manchester and updates on those areas that have received limited audit opinions.	John Miller	The next quarterly report is due for submission at the Committee's meeting on 26 <sup>th</sup> March 2026	Ongoing
Audit Committee – Work Programme 2025/26  14/1/26 Minute 9	The Committee noted its Work Programme for 2025/26 and requested that the Head of Audit and Risk Management provide a session for Members on the development of the 'Audit Plan'	John Miller	By the commencement of the 2026/27 meetings cycle	Ongoing

This page is intentionally left blank



# External Audit Progress Report Oldham Metropolitan Borough Council

March 2026

# Contents

1. [Audit progress](#)
2. [Audit fees and other services](#)
3. [National publications and technical updates](#)

# 01

Audit progress

# Audit progress

## Purpose of this report

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

## Audit for the year ending 31 March 2025

### Financial statements audit

Members will be aware that we presented our updated Audit Completion Report to the January 2026 Audit Committee meeting. The report identified the work that was outstanding at that time. We are pleased to report we completed the outstanding work and issued an unqualified audit opinion on 16 February 2026. We issued a follow up letter to the Chair of the Committee and the Director of Finance at the completion of the audit. We also issued our Auditor's Annual Report on the same date.

Having completed the audit we have considered the impact of the work completed on the audit fees. Public Sector Audit Appointment Ltd (PSAA) determine the scale fee for the Council's audit and publish this each November. The scale fee covers the work required as the Council's appointed auditor under the NAO Code of Audit Practice. The scale fee for 2024/25 was set at £399,699. Work on additional audit risks and to respond to recent changes in accounting or auditing standards is not covered by the scale fee and is subject to additional audit fees. PSAA scrutinise our proposed additional fees and consider whether to approve them. We have agreed the proposed fees, set out in section 2 of this update report, with the Director of Finance.

## Audit for the year ending 31 March 2025 (continued)

### Value for money arrangements

Our work on the Council's value for money arrangements for 2024/25 is also complete. Our Auditor's Annual Report for the 2024/25 audit, which contains our commentary on the arrangements the Council has in place to secure value for money in its use of resources, is being reported to the March Audit Committee meeting.

We concluded the Council we were not satisfied arrangements were in place to secure economy, efficiency and effectiveness for the year to 31 March 2025. We identified two significant weaknesses in those arrangements around financial sustainability and governance.

# Audit progress

## **Audit for the year ending 31 March 2025 (continued)**

## **Audit for the year ending 31 March 2026**

We commenced our planning work for the 2025/26 financial statement audit in March 2026. We will discuss and agree the dates for our audit work with management as part of our planning procedures and will report the timetable in our Audit Strategy Memorandum. Our intention is to start the audit of the Council's financial statements in early July and complete the audit by the end of September 2026.

Completing the Council's audit earlier in 2025/26 is a key objective for us, and we will discuss the detailed plan with the finance team.

The NAO's revised Code of Audit Practice from 2024/25, requires auditors to issue their Auditor's Annual Report, which includes commentary on the Council's Value for Money arrangements, by 30 November each year. We plan to complete our work on the VFM arrangements and present this report to the Audit Committee in advance of 30 November 2026.

# 02

Audit fees and other services

# Audit fees and other services

## Fees for our work as the Council's auditor 2024/25

Public Sector Audit Appointments (PSAA) determine the scale fee for the Council's audit and publish this each November. The scale fee covers the work required as the Council's appointed auditor under the NAO Code of Audit Practice. The scale fee for 2024/25 was set at £399,966. Having completed our work for 2024/25 we have set out our proposed fees below. The proposed fees have been agreed with the Director of Finance and will be scrutinised and considered by PSAA.

Area of work	2024/25 proposed fees	2023/24 actual fees
PSAA Scale fee	£399,966	£359,829
Reduction in scale fee due to Oldham MBC no longer being a Public Interest Entity	-11,295	-
Value for Money work: Additional work arising from two new significant weaknesses identified	£13,000	-
Additional work relating to the Council's pension asset ceiling	£5,265	£7,500
Additional work in respect of IFRS 16 (Leases) implementation	£14,000	-
Additional work required on the Council's group accounts from the implementation of revised auditing standard ISA600	£10,500	-
Implementation of auditing standard ISA 315 (Revised)	-	£15,690
Additional fee for Airport valuation work	£3,000	£2,900
<b>Total fees</b>	<b>£434,436</b>	<b>£395,919</b>

## Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

# 03

National publications and technical updates

# National publications and technical updates

	Publication/update	Key points
<b>Chartered Institute of Public Finance and Accountancy ('CIPFA')</b>		
1	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>
<b>National Audit Office ('NAO')</b>		
2	NAO insight: Financial management in government: monitoring and forecasting	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on monitoring and forecasting for better financial management in government. <b>For information only.</b>
3	NAO insight: Government's approach to technology suppliers: addressing the challenges	This report examines government's overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government's approach to digital procurement. <b>For information only.</b>
4	NAO insight: Financial management in government: allocating resources	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on how to allocate resources for better financial management in government. <b>For information only.</b>
5	NAO report: Managing conflicts of interest: value for money	This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. <b>For information only.</b>
6	NAO report: Local Government Financial Sustainability	This report focuses on MHCLG as the department responsible for the framework in which within local government operate and provides transparency over the current position of local government finances. <b>For information only.</b>
<b>Other</b>		
7	Forvis Mazars - Annual Local Government Risk Report 2025/26	The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans. <b>For information only.</b>
8	Forvis Mazars – Public Sector in Focus Report	This report outlines the top priorities and risks shaping the future of the sector. <b>For information only.</b>

---

## National publications and technical updates

CIPFA

### **1. 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](#)

# National publications and technical updates

## NAO

### 2. NAO insight: Financial management in government: monitoring and forecasting

Good financial management is critical in the public sector. For public services to be efficient and productive, the effective management of public finances is essential. This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective. It focuses on three principles:

- Promote a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic.
- Develop the right skills and capabilities – finance professionals possess the skills and capabilities to monitor effectively and forecast with precision and leverage these to elevate the quality of the organisation’s decision-making.
- Make the best use of data and information – high-quality data and information is used to enable better monitoring and more accurate forecasting, helping decision-makers respond to events quickly and effectively.:

Link: [Financial management in government: monitoring and forecasting](#)

### 3. NAO insight: Government’s approach to technology suppliers: addressing the challenges

This report examines government’s overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government’s approach to digital procurement. The NAO focus on major procurement of technology to support business change, including the digital transformation of government and planning for technology of the future. The report examines:

- the scale of the challenge of undertaking digital procurement in a way that supports the modernisation of the public sector to make it more efficient and effective, and government’s response to that challenge;
- how the centre of government can adopt a more strategic approach to how it works with digital and technology suppliers; and
- how departments can better understand and manage the complexities of digital procurement, including making full use of their digital expertise.

Link: [Government’s approach to technology suppliers: addressing the challenges](#)

# National publications and technical updates

## NAO

### 4. NAO insight: Financial management in government: allocating resources

This guide outlines how finance leaders across government can allocate resources effectively when resources are scarce and trade-offs need to be made. It focuses on three principles:

- Using information intelligently an organisation should use trusted and objective information intelligently, so it can allocate resources to support strategic objectives.
- Prioritising effectively – finance leaders should support decision makers to make difficult decisions and trade-offs to generate good value-for-money outcomes based on agreed priorities.
- Building for the long term – decisions need to balance short-term pressures with long-term priorities and align with the strategic objectives of the organisation.

Link: [Financial management in government: allocating resources](#)

### 5. NAO report: Managing conflicts of interest: value for money

This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. It aims to answer the following questions:

- Is central government guidance effective in supporting public bodies to manage conflicts of interest?
- Do public bodies have effective and proportionate governance, systems and controls over the management of conflicts of interest?
- Have public bodies done enough to set a culture where conflicts are managed properly?

Link: [Managing conflicts of interest: value for money](#)

---

## National publications and technical updates

### NAO

#### **6. NAO report: Local Government Financial Sustainability**

This report focuses on MHCLG as the department responsible for the framework in which within local government 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 aims to help inform MHCLG's consideration of future reforms.

Link: [Local government financial sustainability - NAO report](#)

---

## National publications and technical updates

### Other

#### **7. Forvis Mazars - Annual Local Government Risk Report 2025/26**

The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans.

Link: [Annual Local Government Risk Report for 2025/26](#)

#### **8. Forvis Mazars – Public Sector in Focus Report**

Forvis Mazars have issued a report for the public and social sector, Public sector in focus: Charting the road ahead. With over 390 responses from across the UK public and social sector, the study reveals the top priorities and risks shaping the future of the sector.

Link: [Public sector in focus: Charting the road ahead - Forvis Mazars - United Kingdom](#)

# 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)

Page 29

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

© Forvis Mazars 2026. All rights reserved.

This page is intentionally left blank

## Report to Audit Committee

Date: 26 March 2026

**Subject:**  
Payroll Audit Action Plan 24/25  
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 paper gives an update against actions as included in the Payroll Audit Report 24/25 and the HR & OD ReBuild Recovery Plan launched in September 2025.

### 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 Group Limited.
- 2.3. A full review of the service, data on pay anomalies for the previous 24 months and a full breakdown of the HR & OD ReBuild Plan was shared at Audit Committee in the October 2025 meeting. As requested, this is a short report to provide oversight on progress.

### 3. Improvement Plan and progress against action plan

- 3.1. A permanent Assistant Director of Workforce & Organisational Culture commenced at the end of July 2025, providing consistent leadership to the HR & OD team.
- 3.2. Subsequently, HR & OD ReBuild Recovery Plan had 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.
- 3.3. The ReBuild plan structures improvements into 5 pillars – *strategy, systems and infrastructures, structures, team development and engagement and governance, legal and audit.*
- 3.4. This plan launched from 1 September 2025. Updates on payroll-specific actions included in the ReBuild Plan to support the service to be safe and compliant are as below. This covers actions as included in the Payroll Audit action plan:
  - Launch and embedding of robust monthly Payroll Reconciliation process, with Payroll now showing consistent reconciliation to Finance ledger.
  - Commissioning and launch of an iTrent optimisation programme to support increased knowledge of the system and better utilisation.
  - Embedding of monthly reminders to managers on pay affecting deadlines, with specific learning for managers where repeated or significant errors occur.
  - Launch of monthly KPIs reports within the service which track pay anomalies and cause.
  - Inclusion of “Payroll accuracy” in Corporate Performance reporting from Q3.
  - Recruitment to substantive Employment Services Manager and Head of Operational HR, which had both been vacant for some time.
  - Identification of 7 Payroll and Pension colleagues to enrol on CIPP qualification programmes.
  - Launch of new approval process for CHAPs payments which are now approved by AD of Workforce and Organisational Culture.
  - Set up of monthly Overpayment working group for clearer oversight and review of repayments.

- Launch of new School pre-employment check process from January 2026 for greater oversight and governance.
  - Completion of 6-month file audit of all HR folders to identify gaps and learning for the teams (completed March 2026 so closedown report is underway).
  - Embedding of updated severance payment process which provides clearer line of sight to statutory guidance on the making and disclosure of Special Severance Payments.
- 3.5. One action as outlined in the ReBuild plan and the Payroll Audit Action Plan which has not progressed as planned is Recommendation 3 which links to creation of standard operating procedures/guidance for the Payroll team, to provide clarity and consistency. This had been predicated on a temporary additional resource to allow for a team member to be released to work on a specific project to create SOPs. The delay has been caused by some difficulty in identifying a suitable temporary resource, and then the first suitable candidate left for permanent employment.
- 3.6. A suitable resource is now in post, and the project is underway, with a projected end date of September 2026.

#### **4. Conclusion**

- 4.1. Fulfilling action as outlined in the Payroll Audit action plan has now commenced at pace. Improvement will take time and consistent focus. It remains one of the highest priorities for the HR & OD service.
- 4.2. Several actions will require ongoing oversight and local audit, which is part of our next phase of our ReBuild plan.
- 4.3. The Audit Committee is asked to note and acknowledge the above.

This page is intentionally left blank



## Report to Audit Committee

# Counter Fraud Benchmarking

**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

**26 March 2026**

---

### Reason for Report

At the Audit Committee's meeting of 14 January 2026, Members requested comparative data on counter fraud and recovery outcomes and further breakdown of the figures reported to the committee.

### Executive Summary

This report summarises:

- The latest available benchmarking data from participating North-West Authorities.
- Year on year counter fraud figures for Oldham.
- A breakdown of counter fraud outcomes from April 2025 to the end of February 2026.

### Recommendation

Members are requested to consider the contents of the report.

## Counter-fraud outcomes and benchmarking data

## 1. Background

- 1.1 At the Audit Committee's meeting of 14 January 2026, Members requested comparative data on counter fraud and recovery outcomes and further breakdown of the figures reported to the committee.
- 1.2 The main content of this report is structured as follows:

This report summarises:

**Section 2** - The latest available benchmarking data from participating North-West Authorities.

**Section 3** - Year on year counter fraud figures for Oldham and a breakdown of outcomes from April 2025 to the end of February 2026.

## 2. 2023/24 Benchmarking data from participating North-West Authorities

- 2.1 The latest available benchmarking data from 2023/24, from participating North-West Authorities, is shown in the table below.

Authority	Recoveries/Overpayments Created	FTE	£ Per FTE
Blackpool	£192,690	3	£64,230
Bury	£173,289	3.8	£45,602
Fylde	£99,132	1	£99,132
Lancaster	£367,006	2	£183,503
Oldham	£297,720	1	£297,720
Preston	£106,773	2.3	£46,423
Rochdale	£179,794	4	£44,949
Rossendale	£85,784	1	£85,784
Salford	£64,486	3	£21,495
Tameside	£217,700	2	£108,850
Trafford	£351,885	2.5	£140,754
Warrington	£687,116	3	£229,039
Wigan	£261,007	2	£130,504
<b>Total</b>	<b>£3,084,382</b>		

- 2.2 The original benchmarking questionnaire asked for FTE staffing numbers of Fraud Investigators employed by each Authority. Oldham does not currently employ any Officers in a Fraud Investigator role (or equivalent). Oldham's fraud investigation resource currently comprises 1 FTE Officer who undertakes a range of fraud investigation work, both directly and in a managerial/strategic capacity, on behalf of the Audit and Counter Fraud Service. To enable a meaningful comparison of the data on a per FTE basis, we have added one FTE to all respondents' data (including Oldham) to reflect managerial and other fraud related work undertaken.

- 2.3 Review of the data does not appear to suggest any direct correlation between the number of staff employed and the total recoveries identified. Nor is there any obvious correlation on a per FTE basis.
- 2.4 Warrington Council reported the highest total recoveries and Salford Council the lowest. Both Councils employed an equivalent number of staff. At the time of comparison Warrington and Salford shared (jointly employed) an experienced Chief Internal Auditor, yet achieved significantly different outcomes.
- 2.5 No subsequent benchmarking exercise was undertaken for 2024/25. It has been agreed at the Greater Manchester Fraud Investigation Group that Oldham will lead on a follow up exercise for 2025/26 following the closure of accounts for the year. Results from this exercise will be brought back to the Committee in due course.

### 3 Year on year results and breakdown of results

- 3.1 Year on year comparative outcomes between 2021/22 and 2024/25 are shown in the table below:

#### Counter Fraud Team - Comparative Performance Data 2021/22 to 2024/25

Counter Fraud Team:	2021/22	2022/23	2023/24	2024/25
Corporate Cases - Positive Results	114	114	99	165
CTR cases amended as a result of an investigation	74	62	88	99
Fraud & Error Overpayments identified as part of Corporate Cases (£)	£78,052	£153,096	£30,235	£105,524
HB Fraud & Error Overpayments identified as part of a CTR investigation (£)	£210,978	£95,016	£135,175	£156,181
CTR Fraud & Error Overpayments identified (£)	£119,448	£63,948	£132,309	£187,081
<b>Total Financial Outcomes from Counter Fraud</b>	<b>£408,478</b>	<b>£312,060</b>	<b>£297,720</b>	<b>£448,786</b>

- 3.2 During the period 2021/22 to 2024/25 Oldham's Counter fraud staffing resource remained stable, as outlined at 2.2.
- 3.3 A breakdown of the outcomes from 1<sup>st</sup> April 2025 to the end of February 2026 is shown in the table below.

#### Month 11 2025/26 - Counter Fraud Statistics

Performance Indicator/Output Measure	2025/26
No. of Corporate Cases - Positive Results	128
Fraud and Error Overpayments identified as part of Corporate Cases (£)	£88,637.76
CTR cases amended as a result of an investigation	84
HB Fraud, Error & Overpayments from CTR investigations	£45,615.47
CTR Fraud, Error & Overpayments identified	£135,618.01
<b>Total Financial Outcomes from Counter Fraud activities</b>	<b>£269,871.24</b>

3.4 A further breakdown of those items shown as Corporate Cases is shown in the table below:

#### Month 11 2025/26 - Corporate Cases Breakdown

Description	Cases	Overpayment
NFI - Single Person Discount	50	£19,931.61
Fraudulent Credit Card Payments - Council Tax	4	£700.00
NFI - Blue Badge	52	£0.00
NFI - Duplicate Payments	14	£43,329.62
Direct Payment Misuse	1	£210.00
Staff - Abuse of Position	1	£5,466.63
NFI - Residential Nursing Homes	4	£18,999.90
Schools Admission	2	£0.00
<b>Total</b>	<b>128</b>	<b>£88,637.76</b>

#### 4 Options/Alternatives

4.1 The Audit Committee can either:

- a) choose to accept and note the contents of this report; or,
- b) decline to accept and note the contents of the report and suggest an alternative approach.

#### 5 Preferred Option

5.1 The preferred option is that the Audit Committee accepts and notes the contents of this report.

#### 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 N/A





□

## Report to Audit Committee

# 2026/27 Internal Audit and Counter Fraud Plan

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

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

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

**26 March 2026**

---

---

### Reason for Decision

To provide Members with details of the proposed Internal Audit and Counter Fraud Plan for the 2026/27 financial year.

### Executive Summary

The report summarises the work planned to be carried out by the team from 1 April 2026 to 31 March 2027.

The plan has been compiled based on insight and information from a number of sources including:

- The Oldham Plan
- The Council's Corporate Plan
- Corporate Risk Register
- Fraud and Loss Risk Assessment

Information and intelligence from senior officers, including the Executive Director of Resources and Monitoring Officers, has also been utilised in compiling the audit plan for the year ahead.

The plan includes work on the Council's Fundamental Financial Systems (FFS) to support the 2026/27 audit of the financial accounts, and the requirements of the S151 Officer in the discharge of their responsibilities.

---

The plan also focuses audit resources on key themes identified in the Oldham Plan 2024-2030 and the Council's Corporate Plan 2024 - 2027 which are summarised below and explored further in the body of this report.

The Oldham Plan Priorities 2024-2030:

- A great place to live.
- Healthier and happier lives.
- Green and growing.

The Corporate Plan 2024-2027:

- Efficiency and value for money - making the best use of our resources throughout the organisation.
- Capacity building - building strong infrastructure to meet our needs now and in the future.
- Digital - using digital tools to improve services and make our organisation more efficient.
- Prevention and early help - actively working to reduce the need for our services by focusing on prevention and early support.

### **Recommendation**

Members are requested to approve the 2026/27 Audit and Counter Fraud Plan.

**2026/27 Audit and Counter Fraud Plan****1. Background**

1.1 This report summarises the Audit and Counter Fraud Plan for the period 1 April 2026 to 31 March 2027.

1.2 The main content of the report is structured as follows:

- Section 2 Areas of Audit focus
- Section 3 Corporate Counter Fraud

**2. Areas of Audit focus****2.1 Fundamental Financial Systems**

2.1.1 Fundamental Financial Systems (FFS) reviews are integral to Internal Audit's work and support the Head of Audit's Annual Report and Opinion. These audits are classed as high priority due to both their nature and materiality in the Council's Financial Statements.

**2.2 Alignment to Corporate Objectives**

2.2.1 Whilst our work in connection with FFS reviews supports the objectives of the Council across all areas, the paragraphs below outline how our work relates more directly to those areas identified in the Oldham Plan 2024-2030.

- **A great place to live**

Our FFS work in connection with Accounts Payable helps support the Council in ensuring that we pay residents and other stakeholders and partners accurately and on time in accordance with agreed arrangements which meet all parties' needs and support the delivery of local services. Our work in connection with Accounts Receivable, Debt Recovery, Council Tax and NNDR helps ensure that the Council has the resources necessary to allow it to continue to support residents and communities across all service areas, and that those residents and businesses eligible for additional support by way of reliefs and exemptions receive them.

- **Healthier and happier lives**

Our FFS work across Adults and Children's Services has revealed inadequate control environments in these areas in past periods, reflecting the corporate risks associated with these services. We have provided continued support to the Director of Adult Social Services in addressing the recommendations we have made in this area and will continue this support in addition to our FFS work for 2026/27. Our inaugural review of Children's Social Care in 2022/23 also revealed weaknesses in the control environment in this area. Children's Services has been an area of Corporate Level Management focus during 2025/26. We will support this effort in following up on our recommendations in this area during the year and assisting management in addressing the identified areas of weakness. We also plan to undertake our annual reviews of the Council's wholly owned Community Interest Company, Miocare's financial systems; a governance review of Oldham Total Care (OTC); a programme of audit reviews in connection with the Authority's maintained schools, and; follow up reviews of Social Care complaints and supported living accommodation within the borough.

- **Green and growing**  
The Council is committed to the green agenda. This commitment is often delivered via specific projects aimed at improving the Oldham environment. Our continued work in connection with the Council's Contract Register will help to ensure that the Council not only achieves the desired green outcomes, but does so in line with the principles of achieving best value in its partnership and contractual relationships.

2.2.1 Our work also directly supports the four pillars of change as set out in the Council's Corporate Plan 2024-2027, as outlined in the paragraphs below:

- **Efficiency and value for money**  
We have planned reviews of the systems in place to monitor achievement of corporate and financial objectives of the Council and we will follow up on work previously undertaken in connection with the Council's Contract Register.
- **Capacity building**  
Our FFS work in connection with children and adults in residential care supports this pillar. We also plan to undertake reviews of Oldham Total Care and Supported Living Accommodation within the Borough.
- **Digital**  
We work in partnership with Salford Council's Computer Audit Service (SCAS) to undertake specialist technical IT audit reviews to help ensure that the ongoing move to digital is conducted in a manner which protects both the Council's essential IT systems and customer data.
- **Prevention and early help**  
Our FFS work in connection with Children's Social care directly supports this pillar. In addition we have a programme of School Audit reviews, and follow up reviews of the processes in place dealing with Children's Social Care Complaints and the transition process from Children's to Adults Social Care.

### 3. Corporate Counter Fraud

3.1 The Corporate Counter Fraud Service will continue to collaborate with the Internal Audit Team and contribute to the delivery of the Internal Audit and Counter Fraud Plan. This year we also plan to undertake pro-active reviews in connection and a follow up review of expenses and overtime claims, and a review of standards within the borough.

3.2 In addition to the team's proactive role in fraud prevention and detection, including leading the Council's participation in the National Fraud Initiative, and maintaining our anti-fraud and corruption policies and procedures, the team will also continue to respond at need to undertake investigations in areas as diverse as:

- Procurement
- Direct Payments
- Blue Badges
- Council Tax Reduction, Exemptions and Discounts
- Insurance Fraud
- Grant Fraud
- Single Person Discount Fraud
- COVID related grants
- Referrals relating to Council employees

3.3 In addition, the team assesses the Council's arrangements to fight fraud and corruption against the Fighting Fraud and Corruption Locally checklist on an annual basis and undertakes resulting pro-active fraud prevention work arising from this assessment.

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

4.1 The Audit Committee can either:

- a) choose to accept the 2026/27 Audit and Counter fraud Plan, or;
- b) decline to accept it and suggest an alternative approach.

#### **5 Preferred Option**

5.1 The preferred option is that the Audit Committee accepts the 2026/27 Audit and Counter Fraud Plan.

#### **6 Consultation**

6.1 The 2026/27 Audit and Counter Fraud Plan has been compiled in consultation with the Council's Chief Executive, Executive Director of Resources, Monitoring Officer, and the Council's Management Board.

#### **7 Financial Implications**

7.1 N/A.

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

8.1 N/A.

#### **9 Cooperative Agenda**

9.1 N/A.

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

10.1 N/A.

#### **11 Risk Assessments**

11.1 The 2026/27 Audit and Counter Fraud Plan is 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 Appendix 1  
Officer Name: John Miller  
Contact: john.miller@oldham.gov.uk

21 **Appendices**

21.1 The following Appendix is available to support this Report:

**Appendix 1 – 2026/27 Internal Audit and Counter Fraud Plan**

# Oldham Council Internal Audit and Counter Fraud Plan 2026/27

1 April 2026 to 31 March 2027



## 2026/27 Audit and Counter Fraud Plan

### Contents Table

Section	Contents
1.0	Introduction to Oldham Council Internal Audit
1.1	Global Internal Audit Standards 2024 and UK Local Government Application Note 2024
1.2	Internal Audit Charter
1.3	Internal Audit Strategy
2.0	2026/27 Audit and Counter Fraud Plan

## Section 1.0: Introduction to Oldham Council Internal Audit

### 1.1 Global Internal Audit Standards 2024 and UK Local Government Application Note 2024

The work of Internal Audit at Oldham Council is governed by the **Global Internal Audit Standards 2024 and UK Local Government Application Note 2024**. These replace the 2013 Public Sector Internal Audit Standards (Revised 2017) and Local Government Application Note.

The Global Internal Audit Standards 2024 comprise a definition of the purpose of Internal Audit and a set of required Standards. The Standards are organised into five domains:

- Domain I: Purpose of Internal Auditing.
- Domain II: Ethics and Professionalism.
- Domain III: Governing the Internal Audit Function.
- Domain IV: Managing the Internal Audit Function.
- Domain V: Performing Internal Audit Services.

The Standards cover all aspects of best practice in Internal Audit in **governing, planning, performing, monitoring and reporting**, and are mandatory for all internal auditors working in the UK public sector.

Conformance with the Standards is conformance with best practice in Internal Audit.

### 1.2 Internal Audit Charter

The Internal Audit Charter sets out that the Head of Internal Audit & Counter Fraud will:

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.

The Internal Audit Charter also sets out the scope of Internal Audit activities. The scope of internal audit services covers the entire breadth of the organisation, including all of Oldham Council's activities, assets, and personnel. The scope of internal audit activities also encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management and control processes for Oldham Council.

The nature and scope of any advisory services provided may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include, but are not limited to, evaluating whether:

- Risks relating to the achievement of Oldham Council's strategic objectives are appropriately identified and managed.
- The actions of Oldham Council's officers, directors, management, employees, and contractors or other relevant parties comply with Oldham Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Oldham Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
- Investigation of any allegations of fraud is in accordance with the Council's Fraud Response Plan.

The 2026/27 Audit and Counter Fraud Plan has been developed, by an assessment of risk, to:

- Enable the Audit Committee to effectively discharge its responsibilities as set out in the Committee's Terms of Reference which form part of the Council's Constitution.
- Assist the Council in the successful achievement of its objectives by contributing to effective governance, risk management, decision making, oversight and control processes.
- Help to maintain the Council's reputation and credibility with its stakeholders and its ability to serve the public interest.

### 1.3 Internal Audit Strategy

The Global Internal Audit Standards 2024 require the Internal Audit Service Strategy to set out the Vision for the Internal Audit Service, the Strategic Objectives of the Service, and the Supporting Actions required to achieve these objectives, and these are set out below.

The overarching aim of the Internal Audit Service is to be in full conformance with the Global Internal Audit Standards 2024 and Local Government Application note 2024 and, thereby, be in full conformance with best practice in **governing, planning, performing, monitoring and reporting** Internal Audit's work. The Internal Audit Strategy to achieve this aim is set out below:

## Vision

The Vision for the Internal Audit Service is to continue to strengthen Oldham Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function will continue to work to enhance Oldham Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

## Strategic Objectives

We will achieve this by:

- Continuing to plan our work in line with corporate objectives, corporate and departmental risks, issues identified in the Council's Annual Governance Statement, and senior officer requirements.
- Annually assessing and reporting on our conformance with the GIAS and LGAN 2024, and continuing our ongoing Quality Assurance and Improvement Plan (QAIP) process to address any non-conformance identified.
- By undertaking independent external assessment every 5 years to provide independent assurance on the effectiveness of the Internal Audit function in line with both the Council and Internal Audit Service objectives. The next independent assessment will be undertaken in 2028, and the results reported to senior management and the Audit Committee.

## Supporting Initiatives (QAIP)

To aid in the achievement of these objectives we will continue to assess our performance against the requirements of the GIAS on an annual basis and develop an action plan to address any areas of underperformance identified.

**John Miller**  
**Head of Audit and Counter Fraud**

## Section 2: 2026/27 Audit and Counter Fraud Plan

The 2026/27 Annual Audit and Counter Fraud Plan is summarised in the pages that follow. The plan covers broad areas of risk across Council Directorates and Activities as at the date of compilation. It sets out the audit reviews and other work the Audit and Counter Fraud Service intend to cover during the year. The plan will be flexed and amended through the course of the year to accommodate changes to the Council's risk profile and emerging needs whilst maintaining sufficient coverage to support the Annual Audit Report and Opinion.

Contents	
1	Fundamental Financial Systems
2	ICT Governance Arrangements
3	Group Companies/Partnership Governance Arrangements
4	Corporate Governance Arrangements
5	Departmental Governance Arrangements
6	School Audit Reviews
7	Grants related support, audit and verification
8	Corporate Counter Fraud Activity
9	Other Activity
10	Contingency

2026/27 Audit and Counter Fraud Plan	Audit Days
<b>Fundamental Financial Systems:</b>	<b>295</b>
<p>The effective operation of the Council's Fundamental Financial Systems (FFS) is essential to providing assurance to the section 151 officer of the adequacy and effectiveness of the Council's systems of internal financial control. As such they form the backbone, and are traditional areas of focus, for Internal Audit work each year. These systems include:</p> <ul style="list-style-type: none"> <li>• Fixed Assets</li> <li>• Treasury Management</li> <li>• Bank Reconciliations</li> <li>• Accounts Payable</li> <li>• Accounts Receivable</li> <li>• Debt Recovery</li> <li>• Council Tax</li> <li>• Business Rates</li> <li>• Payroll</li> <li>• Cash Income</li> <li>• VAT Review</li> <li>• Adults Social Care Residential Care Payments</li> <li>• Adults Social Care Direct Payments</li> <li>• Children's Social Care</li> <li>• Income Control</li> </ul>	
<b>ICT Governance Arrangements:</b>	<b>20</b>
<p><b>Salford Computer Audit Service (SCAS)</b>  The Council engages Salford Council's Computer Audit Service for the provision of specialist ICT audit reviews.</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
<b>Group Companies/Partnership Governance Arrangements:</b>	65
<p><b>MioCare Group Community Interest Company</b> Annual review of Miocare’s fundamental financial systems</p> <p><b>Oldham Total Care (OTC)</b> Annual review of governance and internal control arrangements.</p>	
<b>Corporate Governance Arrangements:</b>	70
<p><b>Annual Governance Statement</b> Annual review of the procedures in place to compile, report on and monitor the issues identified in the Council’s Annual Governance Statement.</p> <p><b>Benefits Realisation Review</b> A review of the Council’s arrangements to monitor the achievement of corporate and financial objectives.</p> <p><b>Contracts Register – follow up</b> A follow up review of the Council’s Contracts Register arrangements.</p>	
<b>Departmental Governance Arrangements:</b>	175
<p><b>Children's Social Care Complaints – follow up</b> A follow up review of the procedures in place to handle complaints regarding children’s social care</p> <p><b>Building Control – follow up</b> A follow up review of the Council’s Building Control Service.</p> <p><b>Children’s to Adults Transitions – follow up</b></p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
<p>A follow up review of the procedures in place to manage the transition of Children in receipt of Social Care Services onwards to Adult Social Care Services.</p> <p><b>Fleet Management – follow up</b> A follow up review of the procedures in place to manage the Council’s vehicle fleet.</p> <p><b>Home to School Transport – follow up</b> A follow up review of the arrangements in place for the transportation of students from home to school.</p> <p><b>Supported Flats and Supported Living – follow up</b> A review of the arrangements in place to provide supported accommodation and enable independent living within the borough.</p> <p><b>Let Estate – follow up</b> A follow up review of the systems and controls in place to manage the Council’s Let estate.</p> <p><b>Fostering Service – follow up</b> A follow up review of the Council’s Fostering Service</p> <p><b>Waste Management</b> A review of the financial and performance management of the Council’s Waste Management function.</p>	
<b>School Audit Reviews:</b>	<b>80</b>
A programme of planned reviews of the financial control arrangements in place within the Council’s maintained cheque book schools.	
<b>Grants related support, audit and verification:</b>	<b>45</b>
Ongoing support on the review and certification of grants requiring assurance statements from internal audit by the government funding department.	

2026/27 Audit and Counter Fraud Plan	Audit Days
<b>Corporate Counter Fraud Activity:</b>	<b>275</b>
<p><b>Overtime Working – follow up</b> A follow up review of the policies and procedures in place to monitor and report on expenditure in this area.</p> <p><b>Standards Review</b> A review of standards within the Borough.</p> <p><b>Postal Vote Integrity – support and reporting</b> The team supports the Elections team during all local and parliamentary polling periods in the verification of postal votes and reports on the outcomes following each poll.</p> <p><b>Actions arising from self-assessment against FFCL 2020s</b> Actions to take forward issues identified in the Council’s annual self-assessment of its Anti-Fraud and Corruption policies and processes.</p> <p><b>North West Chief Audit Executives and Counter Fraud Sub-Group</b> Attendance at the regional NWCAE and Counter Fraud sub-group meetings where best practice is shared.</p> <p><b>National Fraud Initiative</b> Co-ordination and investigation of National Fraud Initiative data matches using a risk-based approach, as required by the Cabinet Office.</p> <p><b>Review of Counter Fraud Policies</b> Review of policies and procedures in order to keep up to date with emerging Fraud risks, regulation and case law.</p> <p><b>Corporate Counter Fraud Investigations</b> The team will continue to deliver both proactive and reactive approach to preventing and investigating fraud.</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
<b>Follow up reviews:</b>	<b>80</b>
An allocation of time for follow up work on audit reports rated Reasonable and above, and a contingency for follow up work on reviews rated Limited or below to be reported in Q4 2025/26 and Q1 2026/27.	
<b>Other Activity</b>	<b>300</b>
<p>Activities in this area include:</p> <ul style="list-style-type: none"> <li>• Management &amp; Directorate/Departmental Liaison</li> <li>• Annual Audit and Counter Fraud Plan preparation and monitoring</li> <li>• Annual Audit Opinion determination</li> <li>• Audit Committee reporting and support</li> <li>• Staff training</li> <li>• Member training and liaison</li> <li>• Audit Management System Administration</li> <li>• Time recording</li> <li>• Elections Duties</li> </ul>	
<b>Contingency</b>	<b>80</b>
The contingency for unplanned work allows the audit team to respond to emerging issues and ad hoc pieces of work not foreseen at the annual planning stage.	





## Report to Audit Committee

### Treasury Management Quarter Three 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

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

**26 March 2026**

---

#### 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 report advises the Committee of the performance of the Treasury Management function for the third 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 three quarters 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 first nine months;
- 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 Three Treasury Management Report.

**Recommendation**

That the Audit Committee considers and comments upon the Treasury Management Quarter Three report and the Treasury Management activity.

## 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 The Treasury Management Half Year Update Report was presented to the Audit Committee for scrutiny 26 November 2025, Cabinet 1 December 2025 and subsequently approved at Council 10<sup>th</sup> December 2025.
- 2.1.3 This Quarter 3 report provides an additional update to that previously received by Members to reflect the requirement of the 2021 Code of quarterly reporting on treasury management prudential indicators. It presents for approval the Treasury Management position review at the end of December 2025. The treasury and prudential indicators are also incorporated at Appendix 1 to this report.
- 2.1.4 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.
- 2.1.5 This Quarter Three Review report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for third quarter of 2025/26;
  - A review and updates of the Council's current treasury management position;
  - Council Borrowing;
  - Treasury Investment Activity;
  - Treasury Performance for the first nine months;

- Compliance
- Treasury Management Prudential Indicators;

2.1.6 The report is presented to the Audit Committee to review and scrutinise the Quarter 3 Treasury Management Report.

## **2.2 External Environment Quarter Three Review 2025/26**

### **Economic background:**

- 2.2.1 Early in the first quarter was dominated by US trade tariffs and the negative impact on equity and bond markets. While this was reversed somewhat in the second quarter with equity markets making gains, it also saw a divergence in US and UK government bond yields. UK yields persisted at higher levels as investors demanded higher returns in the form of term premia due to the more uncertain UK fiscal and economic position.
- 2.2.2 The latter part of the period included the government's November autumn Budget. Despite much speculation and drip-feeding of potential policies in the weeks leading up to the event, what was ultimately announced was generally deemed more muted than had been anticipated, helping ease investors' fears of significantly higher government borrowing.
- 2.2.3 UK consumer price inflation (CPI) inflation was 3.2% in November 2025, down from 3.6% in the previous month and lower than the 3.5% expected, but still well above the Bank of England (BoE) target. Core CPI eased to 3.2% from 3.4%, against forecasts of it staying at 3.6%.
- 2.2.4 According to the Office for National Statistics (ONS), the UK economy expanded by 0.7% in the first quarter of the calendar year, by 0.3% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that Gross Domestic Product (GDP) fell by 0.1% in October.
- 2.2.5 The labour market continued to ease over the period as unemployment rose, vacancies fell and inactivity remained flat. In the three months to October 2025, the unemployment rate rose to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%.
- 2.2.6 The Bank of England's Monetary Policy Committee (MPC) voted 5-4 to cut the Bank Rate to 3.75% in December 2025, as was expected. Policymakers wanting a cut judged that disinflation was established while those preferring to hold the Bank Rate at 4% argued that inflation risks remained sufficiently material to leave it untouched at this stage.
- 2.2.7 The November BoE Monetary Policy Report projected that GDP would expand by a modest 0.2% in calendar Q4 2025. Estimates of inflation in the report were quickly out of date when CPI fell quicker than expected in November. Predictions of a modestly growing economy were echoed by the Office for Budget Responsibility in its Economic and Fiscal Outlook published with the Autumn Statement which revised down its estimate of annual GDP to around 1.5% between 2025 and 2030.
- 2.2.8 Arlingclose, the authority's treasury adviser, held a central view that Bank Rate would be cut further in 2025/26 with most BoE policymakers remaining more worried about weak GDP growth than higher inflation. In line with Arlingclose's central forecast, Bank Rate was reduced to 3.75% in December. Further cuts are expected in 2026, with the central forecast being that Bank Rate will be eased to around 3.25%.

- 2.2.9 The US Federal Reserve continued cutting rates, reducing Fed Funds Rate target range by 0.25% at its December meeting to 3.50%-3.75%. The meeting minutes noted that most policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.
- 2.2.10 The European Central Bank (ECB) held its key interest rates in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

**Financial markets:**

- 2.2.11 After declining sharply early in the period, sentiment in financial markets has been mostly buoyant, but risky assets remained volatile. Bond yields initially declined early in the period, but increasing uncertainty around the UK's economic and fiscal outlook caused medium and longer yields to rise. Yields remained elevated until the third quarter when the potential negative impact of the UK Budget were deemed less than expected and yields eased modestly.
- 2.2.12 Equity markets gained the previous declines seen in the April sell-off and have continued to rise, even in the face of ongoing uncertainty around the existence of an AI-related 'bubble' and concentration in US and global stock markets.
- 2.2.13 Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.48%. However, these nine months saw significant volatility with the 10-year yield hitting a low of 4.39% and a high of 4.82%. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.11% with a low and high of 5.05% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.10% over the nine months to 31st December.

**Credit review:**

- 2.2.14 Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list of 6 months. The other banks remain on 100 days.
- 2.2.15 Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.
- 2.2.16 In May, Moody's downgraded the United States sovereign long-term rating to Aa1 and affirmed OP Corporate's rating at Aa3. Moody's later upgraded Transport for London, Allied Irish Banks and Bank of Ireland and HSBC and downgraded Close Brothers.
- 2.2.17 S&P upgraded Clydesdale Bank, Allied Irish Banks and Bank of Ireland, and assigned Warrington Council a BBB+ rating.
- 2.2.18 After spiking in April following the US trade tariff announcements, UK credit default swap (CDS) prices trended down before picking up modestly in October and November. They declined again in December and ended the year in line with levels seen in the first half of the year and most of 2024.

2.2.19 At the end of the period CDS prices for all banks on Arlingclose’s counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

2.2.20 Financial market volatility is expected to remain, and CDS 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 has increased to £194.647m as at 31 December 2025, as reported in Table 2.

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 Q3 forecast for 2025/26, 2025/26,2026/27 and 2027/28. It also shows the financing sources, 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 and show the Q3 forecast compared to the closing position for 2024/25.

**Table 1 – Balance Sheet Summary**

	31 March 25 Actual £'000	31 March 26 Q3 Forecast £'000
General Fund CFR	559,839	569,182
<b>Total CFR</b>	<b>559,839</b>	<b>569,182</b>
Less: Other debt liabilities (PFI)	223,812	217,038
<b>Borrowing CFR</b>	<b>336,027</b>	<b>352,144</b>
External borrowing	234,817	234,559
<b>Internal borrowing</b>	<b>101,210</b>	<b>117,584</b>
Less: Usable Balance Sheet Resources	(124,565)	(110,237)
Less: Working capital	(24,230)	(14,669)
<b>Net Investments</b>	<b>(47,585)</b>	<b>(7,352)</b>

2.3.4 Table 1 shows the forecast CFR for 2025/26 is £569.182m, an increase of £9.343m compared to £559.839 at the end of 2024/25. The CFR excluding other debt liabilities relating to Private Finance Initiative schemes is forecast to be £352.144m, an increase of £16.117m compared to the position at the end of 2024/25.

2.3.5 External borrowing is forecast to remain at similar levels by the end of the financial year. This is well below the CFR meaning the Council is maintaining an under-borrowed position. This

indicates 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. This strategy has been prudent in recent years as investment returns have been low and counterparty risk is still an issue that needs to be considered.

2.3.6 However, as the Council utilises its reserves to finance annual revenue expenditure, the capacity to do this will diminish and external borrowing will be required. The Council will continue to analyse and assess the market with respect to interest rate forecasts and counterparty risk to determine the optimum time to externally borrow.

2.3.7 The treasury management position as at 31 December 2025 and the change over the year to date is shown in Table 2 below.

**Table 2 - Treasury Management Summary**

Borrowing/Investment	31.3.25 Balance £'000	Movement £'000	31.12.25 Balance £'000	31.12.25 Average Rate %
Long-term borrowing				
- PWLB	84,059	22,568	106,627	4.07%
- LOBOs	85,500	(10,000)	75,500	4.32%
- Other	40,001	254	40,255	4.03%
Short-term borrowing	25,257	4,743	30,000	4.33%
<b>Total borrowing</b>	<b>234,817</b>	<b>17,565</b>	<b>252,382</b>	
Long-term investments	13,611	4	13,615	4.62%
Short-term investments	-	-	-	
Cash and cash equivalents	33,975	10,145	44,120	4.14%
<b>Total investments</b>	<b>47,586</b>	<b>10,149</b>	<b>57,735</b>	
<b>Net borrowing</b>	<b>187,231</b>	<b>7,146</b>	<b>194,647</b>	

2.3.8 As can be seen in the table above, borrowing has increased by £17.6m, as was expected, and is likely to increase further in line with planned capital expenditure during the latter part of the year. The level of investment has increased £10.149m since the end of the year due to the cash position of the Council. Overall net borrowing has increased by £7.146m.

## 2.4 **Borrowing**

- 2.4.1 The Authority's chief objective when borrowing has been to strike an appropriate 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, albeit slowly. Except in the very long term, gilt yields have decreased slightly over the period, reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK government's fiscal position following tax rises in the autumn budget.
- 2.4.3 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.34% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 2.4.4 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.
- 2.4.5 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.
- 2.4.6 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.
- 2.4.7 As at 31 December 2025, Oldham Council held £252.4m of loans. The Council has undertaken four new borrowings from Public Works Loan Board (PWLB) during the financial year of £25m taken in 1 block of £10m and 3 blocks of £5m at rates of between 4.62% and 4.91% over periods of between 3.5 years and 10 years. Following advice from external Treasury Advisors we are currently borrowing in smaller values whilst monitoring the interest rates. The position is summarised in Table 3 below.

**Table 3 - Borrowing Position**

Borrowing Sources	31.3.25 Balance £'000	Movement £'000	30.12.25 Balance £'000	30.12.25 Weighted Average Rate %	30.12.25 Weighted Average Maturity (years)
Public Works Loan Board	84,059	22,568	106,627	4.07%	10.02
Banks (LOBO)	85,500	(10,000)	75,500	4.32%	41.93
Banks (fixed-term)	40,000	-	40,000	4.03%	43.52
Local Authorities (short term)	25,000	5,000	30,000	4.33%	0.00
Local Bonds (long-term)	1	-	1	4.00%	
Local Bonds (short-term)	22	-	22	4.00%	
Local Charitable Trusts (short-term)	235	(4)	231	4.00%	
<b>Total borrowing</b>	<b>234,817</b>	<b>17,565</b>	<b>252,382</b>	<b>0</b>	

2.4.8 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

### LOBO Loans

2.4.9 Oldham Council holds £75.500m 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. During 2025/26 £10m of LOBO Loans have been called and repaid.

2.4.10 Currently Oldham Council has £39.000m LOBO loans with call dates within the next 12 months. Of this sum, £19.000m is held with Dexia Finance, £10.000m with KBC Bank and the remaining £10.000m split with two other providers, Just Retirement and Danske. At the time of writing Dexia £5m has been called and will be repaid, and re-financed accordingly.

## 2.5 Treasury Investment Activity

2.5.1 The CIPFA Treasury Management Code (Dec 21), defines treasury management investments as investments that arise from the Authority'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 As at 31 December 2025, the Council held £44.120m of Money Market Funds and overnight investment in Barclays, representing income received in advance of expenditure plus balances and reserves held at the third quarter in the year, the Authority's investment balances ranged between £28.235m and £75.000m due to timing differences between income and expenditure. The investment position is shown in Table 4 below.

**Table 4 - Treasury Investment Position**

Investment Placements	31 March 2025 Balance £'000	Movement £'000	31-Dec 2025 Balance £'000	31-Dec-25 Income Return %
Government (incl. Local Authorities)	0	0		
Money Market Funds	33,975	10,145	44,120	4.14%
Property Pooled Fund	13,611	4	13,615	4.62%
<b>Total Investments</b>	<b>47,586</b>	<b>10,149</b>	<b>57,735</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 Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025 and 3.75% in December 2025. Short term interest rates have largely followed these levels. The rates on money market rates fluctuated between 4.54% (April) and reducing to 3.91% (Dec) in the same period.
- 2.5.6 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 is forecast to generate an average total return in 2025/26 of £0.630m, representing 4.62% income return. The current value estimated is £13.615m as at 31<sup>st</sup> December 2025 as provided by the fund.

### Statutory Override

- 2.5.7 Further to consultations in April 2023 and December 2024 the Ministry for Housing Communities and Local Government (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 April 2024. The override will not apply to any new investments taken out on or after 1 April 2024.
- 2.5.8 The Authority has provided for a loss of up to £2.000m, to mitigate the impact on the revenue budget of the statutory override not being extended and un-realised losses on pooled investment funds are required to be recognised.
- 2.5.9 The Council's investments continue to generate returns and there has been no increase in their perceived risk profile. Therefore, there are no immediate plans to dispose of any investments. The Council will continue to review the implications for the investment strategy and in consultation with Arlingclose. Any future Treasury Management Strategies will be revised accordingly.

## 2.6 Treasury Team 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%	31 December 2025 Income Return % (Actual)
Budgeted Investment Rates	4.50%		4.25%
Overnight SONIA	4.10%	4.31%	4.14%

2.6.2 The budgeted investment rate of 4.50% above included within the annual strategy for 2025/26 was based on the average rate over the full financial year as expectations were for interest rates to decrease during 2025/26. The actual rate achieved in the first three quarters of the year broadly in line with this budgeted rate. The total budget for treasury management income for 2025/26 is £1m. To date, General Fund income of circa £1.1m has been achieved.

## 2.7 Compliance

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

**Table 6 - Investment Limits**

Investment Limit	Maximum during 2025/26 £'000	Actual Position at 31 December 2025 £'000	Maximum Allowable in 2024/25 £'000	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	13,642	13,615	15,000	Yes
Unsecured investments with building societies	-	-	20,000	Yes
Money Market Funds & and Barclays Overnight Account	75,007	44,120	80,000	Yes
Strategic Pooled Funds	13,642	13,615	15,000	Yes

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

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

<b>Borrowing /Limits</b>	<b>Actual Position at 31 December 2025 £'000</b>	<b>2025/26 Operational Boundary £'000</b>	<b>2025/26 Authorised Limit £'000</b>	<b>Compliance Yes/No</b>
Borrowing	252.382	356,000	371,000	Yes
PFI and Finance Leases	217.038	230,250	235,250	Yes
<b>Total Gross Borrowing / Limit</b>	<b>469.420</b>	<b>586,250</b>	<b>606,250</b>	Yes

2.7.3 The Operational Boundary represents the maximum expected borrowing position for the Council for the year is £586.250m

2.7.4 The Authorised Limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 and for 2025/26 was set at £606.250m. Once this has been set, the Council does not have the power to borrow above this level, although it can be revised if required.

2.7.5 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.

## **2.8 Treasury Management Prudential Indicators**

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

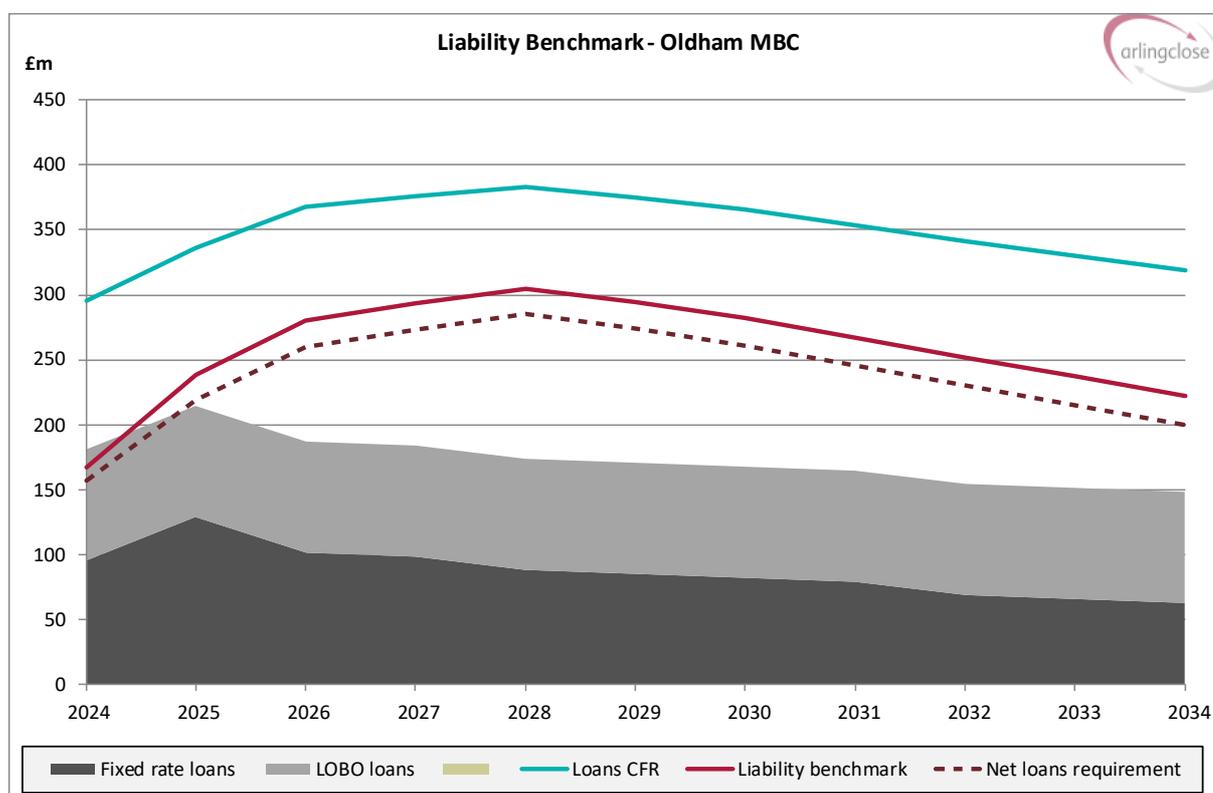
### Liability Benchmark

2.8.2 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 that 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.

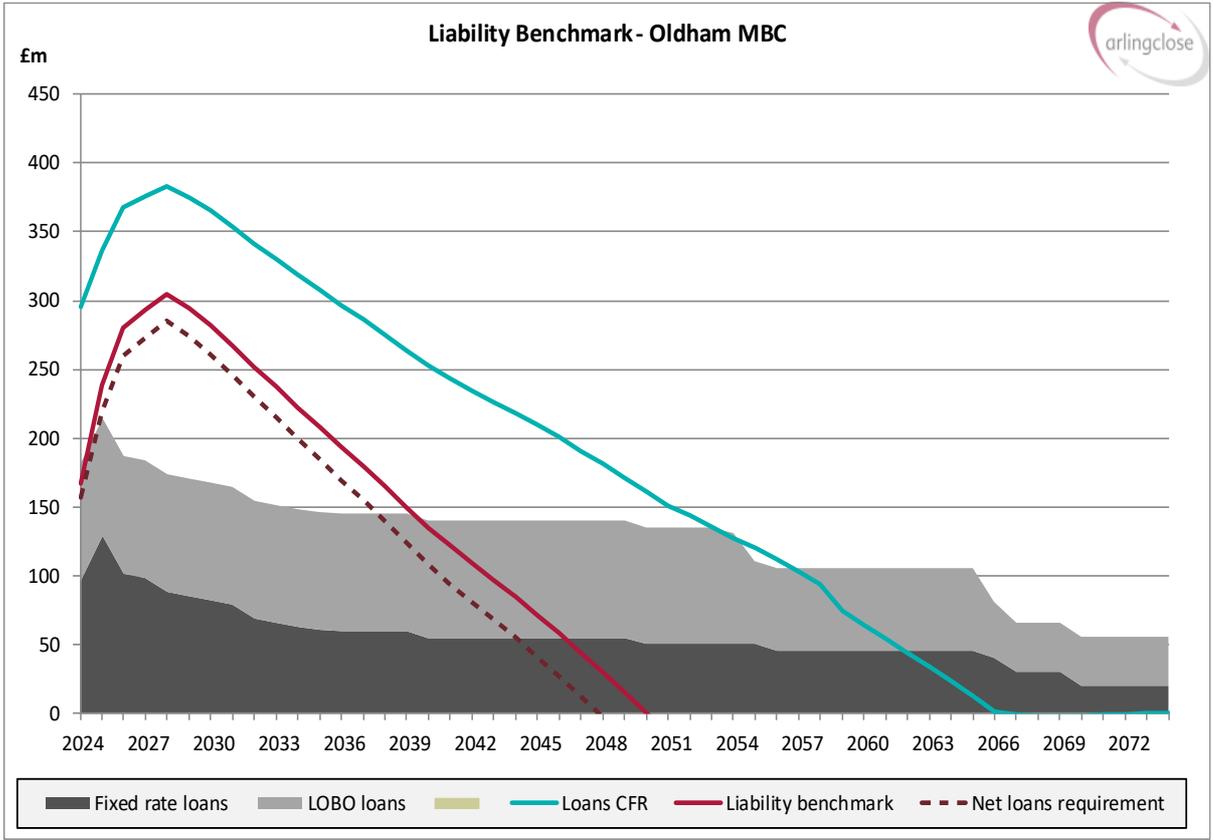
**Table 9 - Liability Benchmark**

	31 March 2025 Actual £'000	31 March 2026 Estimate £'000	31 March 2027 Estimate £'000	31 March 2028 Estimate £'000	31 March 2029 Estimate £'000
Loans CFR	336,027	352,144	376,253	379,116	375,124
Less: Balance sheet resources	(148,795)	(124,936)	(129,936)	(134,936)	(134,936)
<b>Net loans requirement</b>	<b>187,232</b>	<b>227,208</b>	<b>246,317</b>	<b>244,180</b>	<b>240,188</b>
Plus: Liquidity allowance	20,000	20,000	20,000	20,000	20,000
<b>Liability benchmark</b>	<b>207,232</b>	<b>247,208</b>	<b>266,317</b>	<b>264,180</b>	<b>260,188</b>

2.8.3 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 strategically pooled funds will be maintained to diversify risk into different sectors and boost investment income.



### Liability Benchmark - Oldham MBC



2.8.4 Table 10 below sets out the maturity structure of borrowing at the end of the 3<sup>rd</sup> quarter of 2025/26 compared to the upper and lower limits set in the Treasury Management Strategy for 2025/26. The indicator is set to control the Authority's exposure to refinancing risk.

**Table 10 –Maturity Structure of Borrowing**

Borrowing Timeframe	Upper Limit	Lower Limit	31 Dec 2025 Actual	Compliance Yes/No
Under 12 months	35%	0%	25.47%	Yes
12 months and within 24 months	35%	0%	15.12%	Yes
24 months and within 5 years	35%	0%	21.32%	Yes
5 years and within 10 years	35%	0%	14.44%	Yes
10 years to 20 years	50%	0%	1.97%	Yes
20 years to 30 years	50%	0%	3.94%	Yes
30 years to 40 years	50%	0%	1.97%	Yes
40 years to 50 years	50%	0%	7.88%	Yes
50 years to 60 years	50%	0%	7.88%	Yes

2.8.5 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.

2.8.6 Long-term Treasury Management Investments

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.

Limit /Actual Investments Exceeding One Year	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£50m	£50m	£50m	£50m
Actual principal invested beyond year end	£15m	-	-	-
Compliance – Yes/No?	Yes	N/A	N/A	N/A

2.8.7 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 Committee has no option other than to consider and comment on the current Treasury Management position. Therefore, no options /alternatives can be presented in respect of the factual information contained in this report.

## **4 Preferred Option**

4.1 N/A

## **5 Consultation**

5.1 There has been consultation with the Council's Treasury Management Advisors, Arlingclose in the production of this report.

## **6 Financial Implications**

6.1 All included within the report.

## **7 Legal Services Comments**

7.1 The proposals have been the subject of review by Finance officers and the Council's Treasury Management advisers in order to ensure compliance with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and statutory guidance on the Minimum Revenue Provision. I am satisfied that the recommended proposals would not be in breach of those regulations or statutory guidance and the preferred option is supported.

(Alex Bougategf – Interim Borough Solicitor and Monitoring Officer)

## **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 Community cohesion disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 None.

**16 Oldham Impact Assessment Completed (Including impact on Children and Young People)**

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: Paula Buckley/James Postle  
Contact No: 0161 770 4247

**20 Appendices**

Appendix 1 - Prudential and Treasury Indicators

## Appendix 1 - Prudential and Treasury Indicators

The Authority measures and manages its capital expenditure borrowing with references to the following indicators.

The following tables show a summary of the prudential indicators 3<sup>rd</sup> quarter of 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	70,285	96,313	45,198
HRA	1	250	6,151	3,849
<b>Total Capital Expenditure</b>	<b>81,791</b>	<b>70,535</b>	<b>102,464</b>	<b>49,047</b>
<b>Financing</b>				
Grants & Contributions	(27,774)	(41,528)	(62,664)	(32,547)
Prudential Borrowing	(47,337)	(23,983)	(33,039)	(13,600)
Revenue	(13)	(310)	(3,010)	(0)
Capital Receipts	(6,667)	(4,714)	(3,751)	(2,900)
<b>Total Financing</b>	<b>(81,791)</b>	<b>(70,535)</b>	<b>(102,464)</b>	<b>(49,047)</b>

### Capital Financing Requirement (CFR)

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with [MRP / loans fund repayments] and capital receipts used to replace debt.

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	569,182	586,263	581,640
<b>Total CFR</b>	<b>559,839</b>	<b>569,182</b>	<b>586,263</b>	<b>581,640</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 and expects to continue to comply with this requirement in the medium term as is shown below.

Gross Borrowing /CFR	31 March 2025 Actual	31 March 2026 Forecast	31 March 2027 Budget	31 March 2028 Budget	Debt at 31 December 2025
	£'000	£'000	£'000	£'000	£'000
Gross Borrowing (incl. PFI & leases)	428,707	444,246	456,327	446,704	469,240
Capital Financing Requirement	559,839	569,182	586,263	581,640	569,182

## Debt and the Revised 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 [except in Scotland: and to keep it under review]. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Debt	Debt at 31 December 2025	2025/26 Operational Boundary	2025//26 Authorised Limit	Compliance? Yes/No
	£'000	£'000	£'000	
Borrowing	252,382	356,000	371,000	Yes
PFI and Finance Leases	217,038	230,250	235,250	Yes
<b>Total Debt</b>	<b>469,420</b>	<b>586,250</b>	<b>606,250</b>	Yes

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 cash flow, and this is not counted as a compliance failure. There have been no breaches against either operational boundary or authorised limits.

## Proportion of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans is charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000
Financing costs	31,315	32,141	34,987	35,074
General Fund	325,486	368,053	393,758	417,068
Proportion of net revenue stream	9.62%	8.73%	8.89%	8.41%

### Impact of a 1% increase in interest rate on debt financing costs

This indicator demonstrates the additional revenue interest costs that would be charged if interest rates were 1% above the current assumptions.

	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Additional Revenue costs (£000)	103	498	649



**Oldham**  
Council

## **Report to Audit Committee**

### **2025/26 Final Accounts - Proposed Accounting Policies and Critical Judgements**

**Portfolio Holder:** Councillor Abdul Jabbar MBE – Deputy Leader and Cabinet Member for Value for Money and Sustainability

**Officer Contact:** Lee Walsh, Director of Finance

**Report Author:** James Postle, Senior Finance Manager and Vickie Lambert, Finance Manager

**26 March 2026**

---

---

#### **Reason for Decision**

In line with best practice principles, approval is sought for the significant accounting policies and the critical judgements to be adopted in the preparation of the Council's 2025/26 Statement of Accounts.

#### **Executive Summary**

The report sets out the Council's proposed accounting policies and critical judgements to be adopted in completing the 2025/26 Statement of Accounts.

#### **Recommendations**

It is recommended that the Audit Committee:

- 1) approves the Council's proposed accounting policies to be adopted in completing the 2025/26 Statement of Accounts.
- 2) notes the critical judgements made by management when producing the Statement of Accounts.

**1. Introduction**

- 1.1 The report presents the significant accounting policies that will be used in the preparation of the 2025/26 Statement of Accounts. The report also explains the requirement to disclose the critical judgements made by management when producing the Statement of Accounts.

**2. Accounting Policies**

- 2.1 The Council's accounting policies are the specific principles, conventions, rules and practices that are applied in the production and presentation of the annual Statement of Accounts. These policies must be disclosed as a note to the annual accounts. A copy of the policies can be found at Appendix 1 with changes to policies highlighted.
- 2.2 The CIPFA/LASSAC Code of Practice (the Code) introduces new requirements in relation to the valuation of Property, Plant and Equipment and intangible assets. Property Plant and Equipment is required to be valued on a rolling 5-year basis and supported with indexation in intervening years. Intangible assets are required to be held at historic cost only.
- 2.3 These changes to the Code are expected to have a minimal impact on the Council as they reflect the Council's current practices in respect to revaluations and the valuation basis of intangible assets. The Property Plant and Equipment Policy has been amended to reflect these changes.
- 2.4 The only other change in accounting policies for the 2025/26 financial year is the inclusion of a policy on capitalising borrowing costs in the policy on Property, Plant and Equipment (Policy 1.2) on multi-year capital projects financed with Prudential Borrowing. Previously all borrowing costs were expensed in year.

**3. Critical Judgements**

- 3.1 In line with International Financial Reporting Standards (IFRS) and the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), the Council is required to disclose those judgements that management have made in the process of applying the Council's accounting policies that have the most significant effect on the amounts recognised in the financial statements. These are shown at Appendix 2.
- 3.2 Critical Judgements include which schools' property, plant and equipment and PFI information should be included on the Council's balance sheet, which entities fall within the Council's group boundary and which organisations should be included within the Council's group accounts, how properties should be classified as investment property and the basis of valuation of some of the Council's shareholdings.
- 3.3 The Critical Judgements note has been reviewed for 2025/26 and there have been no changes compared to the 2024/25 Critical Judgements note in the published accounts.

**4. Options/Alternatives**

- 4.1 The options that Audit Committee Members might consider in relation to the contents of this report are:
- a) not to approve any of the accounting policies or to note the critical judgements.
  - b) not to approve some of the accounting policies or to note the critical judgements.
  - c) to approve all the accounting policies and note the critical judgements.

---

5. **Preferred Option**

5.1 The preferred option is the option presented at 4.1 (c).

6. **Consultation**

6.1 Consultation has taken place with the Councils External Auditors, Forvis Mazars LLP.

7. **Financial Implications**

7.1 Dealt with in the body of the report.

8. **Legal Services Comments**

8.1 There are no Legal implications.

9. **Equality Impact, including implications for Children and Young people**

9.1 N/A

10. **Human Resources Comments**

10.1 There are no Human Resource implications.

11. **Key Decision**

11.1 No

12. **Key Decision Reference**

12.1 Not Applicable.

13. **Risk Assessments**

13.1 Not Applicable

14. **IT Implications**

14.1 Not Applicable

15. **Property Implications**

15.1 Not Applicable

16. **Background Papers**

16.1 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 provided at Appendices 1 and 2.  
Officer Name: James Postle

---

17. **Appendices**

- 17.1 Appendix 1 – 2024/25 Proposed Accounting Policies  
Appendix 2 – 2024/25 Proposed Critical Judgements in Applying Accounting Policies

## 1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounts have been prepared on a going concern basis, under the assumption that the functions of the Council will continue in operational existence for the foreseeable future.

Unless otherwise stated the convention used in this document is to round to amounts the nearest thousand pounds. All totals are the rounded totals of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables. Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

## 1.2 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council has a £10,000 de minimis limit for the recognition of Capital Expenditure.

### Capitalisation of Borrowing Costs

The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. An asset is classified as a qualifying asset if there is a substantial period of time from the initial capital expenditure financed from prudential borrowing and the asset being brought into use. A substantial period of time is considered to mean in excess of a year.

---

## Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- community assets, infrastructure assets and assets under construction – depreciated historical cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – fair value, determined by the measurement of the highest and best use value of the asset.
- all other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- **Intangible assets are held at Historic Cost**

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included on the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. **In addition, assets are indexed in the intervening years using relevant indices supplied by a qualified valuer. Where relevant indices are unavailable desktop valuations are undertaken in year 3, with an explanation of why no indices are appropriate.** Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

---

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant Directorate line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant Directorate line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant Directorate line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided for Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- 
- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;
  - vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as estimated by a suitably qualified officer; and
  - infrastructure – See section below.

Revaluation gains are depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **Component Accounting**

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item and/or whose life is significantly different to the life of the host (main) asset, the components are depreciated separately.

Components are recognised in the financial year where:

- there has been a revaluation of assets;
- there has been an acquisition of assets within the financial year; and
- enhancement expenditure has been incurred within the financial year.

### **Disposals**

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value of disposals is not a charge against the General Fund, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. If the disposal relates to housing assets a proportion of the capital receipt is payable to the Government (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances). For 2024/25 the Council can benefit from the flexibilities in the amendment on Right to Buy (RTB) receipts. For 2024/25 the Council can retain 100% RTB receipts to finance capital expenditure on housing projects. The balance of receipts is required to be credited to the Usable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are transferred to the Usable Capital

---

Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

## **Infrastructure Assets**

Highways infrastructure assets include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land which together form a single integrated system.

- Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual's basis, provided that it is probable that the future economic benefit associated with the item will flow to the Council and the cost of the item can be measured reliably.

- Measurement

Highways infrastructure assets are measured at depreciated historical cost. This is, however, a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in the balance sheet at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at the time to be historical cost.

- Impairment

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

- Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives.

Annual depreciation is the depreciation amount allocated each year.

---

The useful lives of the various parts of the highways network are detailed below:

Elements of the Highway Network	Useful Life
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

### Disposal and Derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off the 'Other Operating Expenditure' line in the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income & Expenditure Statement, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). The written off amounts of disposal are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### 1.3 Heritage Assets

The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. They are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's Accounting Policies on Property Plant and Equipment. However, some of the measurement rules are relaxed allowing the Council's Heritage Assets to be included on the Balance Sheet at their insured value where available. Where insurance valuations are not available and the

---

Council has no records of the original cost of the asset, then there is a narrative disclosure of the asset.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed.

#### **1.4 Investment Property**

Investment properties are those assets that are used solely to earn rental income and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset. Investment properties are not depreciated, and an annual valuation programme ensures that they are held at highest and best use value at the Balance Sheet date. Gains and losses on revaluation are charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and charged to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Useable Capital Receipts Reserve.

#### **1.5 Private Finance Initiative (PFI) and Similar Contracts**

PFI and similar contracts are agreements to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the Property, Plant and Equipment assets will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the Property, Plant and Equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Following the introduction of IFRS 16, the liability is measured as the Net Present Value of future Lease payments with the original lease interest rate applied. The liability is subsequently adjusted for interest due and payments made. The liability is remeasured where there is a change in the future payments arising from a change in index or rate. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

---

The amounts payable to the PFI operators each year are analysed into five elements:

- The value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge is raised on the outstanding Balance Sheet liability and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The interest rate is calculated for each scheme so that the Balance Sheet liability is zero at the end of each contract.
- Payment towards liability – applied to write down the Balance Sheet liability.
- Lifecycle replacement costs – are split between revenue and capital costs. Revenue lifecycle costs are debited to the relevant service in the Comprehensive Income and Expenditure Statement. Capital lifecycle costs are debited to Property Plant and Equipment to reflect the enhancement of the PFI Asset.

## **1.6 Accounting for Schools**

In line with accounting standards and the Code on group accounts and consolidation, all maintained schools are considered to be entities controlled by the Council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves and cash flows of each school are recognised in the Council's single entity accounts. The Council has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation Trust
- Foundation

Schools' non-current assets (school buildings and playing fields) are recognised on the Balance Sheet where the Council directly owns the assets, where the Council holds the balance of control of the assets or where the school or the school governing body own the assets or have had rights to use the assets transferred to them through a licence arrangement.

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to an Academy status is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

---

## **1.7 Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

## **1.8 Capital Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible non-current assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in the approved Minimum Revenue Provision policy. Depreciation, revaluation and impairment losses, and amortisation are replaced by Minimum Revenue Provision (MRP). This adjusting transaction is included in the Movement in Reserves Statement with the Capital Adjustment Account charged with the difference between the two amounts.

## **1.9 Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

---

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. When a premium or discount has been incurred and paid in full by a grant from an external body it is accounted for in full in the year that the grant is received. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

## **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows i.e. payments of interest and principal. Most of the Council's financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

## **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

---

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### **Financial Assets Measured at Fair Value through Profit or Loss (FVPL)**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price; and
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in section 1.23 Fair Value Measurement.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

IFRS 9 Financial Instruments sets out that investments in equity should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in fair value through other comprehensive income. The Council will assess each investment on an individual basis and assign an IFRS 9 category. The assessment will be based on the underlying purpose for holding the financial instrument.

Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of service in the CIES and will have a General Fund impact.

### **Financial Assets measured at Fair Value through other Comprehensive Income (FVOCI)**

The Council has equity instruments designated at fair value through other Comprehensive Income (FVOCI).

The Council has made an irrevocable election to designate three of its equity instruments as FVOCI on the basis that it is held for non-contractual benefits, it is not held for trading but for strategic purposes. The assets are initially measured and carried at fair value. The value is based on the principal that the equity shares have no quoted market prices and is based on an independent appraisal of the company valuation.

Dividend income is credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

---

Changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve.

When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

### **Expected Credit Loss Model**

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **Instruments Entered into Before 1 April 2006**

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

## **1.10 Employee Benefits**

### **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (e.g. mobile phones) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

### **Employee Accumulated Absence Accrual**

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

---

## Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant services lines in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Greater Manchester Local Government Pension Scheme - administered by Tameside Metropolitan Borough Council.
- The Teachers' Pension Scheme - administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme - administered by EA Finance NHS Pensions.

These schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pension Scheme in the year. The Community Health & Adult Social Care Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the NHS Pension Scheme in the year.

## The Greater Manchester Local Government Pension Scheme

The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method; an assessment of the future payments that will be made in relation to retirement benefits

---

earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of future earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on a basket of high-quality corporate bonds, Government gilts and other factors).

The assets of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price;
- unquoted securities – professional estimate;
- unitised securities – current bid price;
- property – market value.

The change in the net pension liability is analysed into following components:

- current service cost – the increase in liabilities as a result of years of service earned in the current year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Capital, Treasury and Technical Accounting;
- net interest on the net defined benefit liability - the change during the period in the net defined benefit liability that arises from the passage of time is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

#### **Remeasurement comprising:**

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- contributions paid to the Greater Manchester Pension Fund - cash paid as employer contributions to the pension scheme in settlement of liabilities; not accounted for as an expense.

- 
- Effect of Asset Ceiling – where the defined benefit liability is negative (i.e. an asset), a limit is applied to the amount that may be recognised as an asset on the balance sheet, this limit is termed the asset ceiling. If an adjustment is required to reduce the total asset to the amount of the asset ceiling, this adjustment is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve, to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund, and pensioners, and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **1.11 Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

### **1.12 Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### **1.13 Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date

---

of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim) it is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## **1.14 Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payment; and;
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are

---

required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Where revenue grants are credited to the Comprehensive Income and Expenditure Statement but have yet to be used to fund revenue expenditure, it is posted to the Revenue Grant Reserve. When eligible expenditure is incurred in future years the grant is transferred back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

### **1.15 Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are held to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. These reserves are further explained in the relevant policies.

### **1.16 Revenue Recognition**

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue.

---

## 1.17 Tax Income

Council Tax, Retained Business Rates and Business Rates Top-up Grant income included in the Comprehensive Income and Expenditure Statement for the year will be treated as accrued income.

Business Rates, Business Rates Top-up Grant and Council Tax income will be recognised in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line. As a billing Authority, the difference between the Business Rates and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement. Each major preceptor's share of the accrued Business Rates and Council Tax income is available from the information that is required to be produced in order to prepare the Collection Fund Statement.

Business Rates and Council Tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council, and the amount of revenue can be measured reliably.

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

## 1.18 Overheads and Support Services

The costs of overheads and support services are charged to the relevant services in accordance with the Authority's arrangements for accountability and financial performance, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation;
- Non Distributed Costs – changes in past service costs and impairment losses chargeable on Assets Held for Sale.

Corporate and Democratic Core is identified as a separate heading in the Comprehensive Income and Expenditure Statement. Non Distributed Costs form part of the Capital, Treasury and Technical Accounting Directorate line with the Council's local reporting format.

## 1.19 Value Added Tax (VAT)

Value Added Tax payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

---

## **1.20 Interests in Companies and Other Entities**

The Council has material interests in external entities that are classified as subsidiaries and therefore group accounts have been prepared. In the Council's single-entity accounts the Council's interest in companies and other entities are recorded as financial assets at cost less any impairment. Any gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

## **1.21 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in Accounting Policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## **1.22 Events after the Balance Sheet Date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Adjusting Events - Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Non-Adjusting Events - Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## **1.23 Fair Value Measurement**

The Council measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the amount that would be received from the sale of an asset

---

or paid over to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or;
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council uses external valuers to provide a valuation of its non-financial assets and liabilities, for recognition or disclosure as appropriate, in line with the highest and best use definition within IFRS 13 Fair Value Measurement. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant. Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

## **1.24 Leases**

### **The Council as lessee**

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset for a period of more than one year, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### ***Initial Measurement***

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). On transition to IFRS16, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, the entity is permitted to only apply IFRS 16 to contracts that were previously identified as leases under IAS 17 and IFRIC 4.

The leases are typically for fixed periods in excess of one year but may have extension options. The Council initially recognises lease liabilities measured at the present value of lease payments, discounting at the rate implicit in the lease wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- 
- Fixed payments
  - Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
  - Amounts expected to be payable under a residual value guarantee
  - the exercise price under a purchase option that the authority is reasonably certain to exercise
  - lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
  - penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

### ***Subsequent Measurement***

The right-of-use asset is subsequently measured at current value in accordance with the CIPFA Code. The Council considers the current value model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount as determined by professionally qualified valuers in line with the Council's valuation policy. .

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at Net Present Value of the remaining lease payments.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

---

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the Comprehensive Income and Expenditure Statement.

### ***Low value and short lease exemption***

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months, for the 2024/25 accounts any lease that expires on or before 31st March 2025 will be deemed to be a short-term lease.

### ***Lease expenditure***

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council tax, as the cost of non-current assets are fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **The Council as lessor**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

### ***Finance leases***

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

---

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to [the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against Council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### ***Operating leases***

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## 2024/25 Proposed Critical Judgements in Applying Accounting Policies

The following disclosure sets out critical judgements applied to the Accounting Policies of the Council that have a significant impact on the presentation of the financial statements. Critical estimation uncertainties are described in the note.

### **Accounting for Schools – Balance Sheet Recognition of Schools**

The Council recognises the land and buildings used by schools in line with the provisions of the Code of Practice. It states that property used by Local Authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises school land and buildings on its Balance Sheet where it directly owns the assets or where the school or school Governing Body own the assets or where rights to use the assets have been transferred from another entity.

Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school Governing Body.

The Council has completed a school-by-school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets. The types of schools that have been assessed are shown below:

Type of School	No. of Primary Schools	No. of Secondary Schools	No. of Special Schools	Total
Community	21	-	1	<b>22</b>
Voluntary Controlled (VC)	2	-	-	<b>2</b>
Voluntary Aided (VA)	15	-	-	<b>15</b>
Foundation/Foundation Trust	4	1	-	<b>5</b>
<b>Maintained Schools</b>	<b>42</b>	<b>0</b>	<b>1</b>	<b>43</b>
Academies	44	14	6	<b>64</b>
<b>Total</b>	<b>86</b>	<b>14</b>	<b>7</b>	<b>107</b>

All Community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.

The Council has entered into Private Finance Initiative (PFI) agreements to build and operate three schools in the Borough. One is a Foundation Trust school and the remaining two schools are Academies. Whilst the land which the buildings are sited on has been transferred to the respective Trust and Academy, the ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Council considers the buildings associated with these schools should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Council having a residual interest in the buildings at the end of the agreement
- The services provided and the use of the building is controlled by the Council through the PFI agreement
- The PFI agreement is between the PFI contractor and the Council

---

Legal ownership of VC school land and buildings usually rests with a charity, normally a religious body. The VC schools land and buildings are owned by the Council and included on the Balance Sheet.

Legal ownership of the VA school land and buildings rests with the relevant Diocese. The Diocese has granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and thus are not included on the Council's Balance Sheet.

Foundation and Foundation Trust schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. There is one Foundation school in the Borough. For one school, the Governing Body has legal ownership of the land and buildings and thus these are included on the Council's Balance Sheet. For the remaining Foundation Trust schools, a separate Trust owns the land and buildings so these assets are not included on the Council's Balance Sheet.

Academies are not considered to be maintained schools in the Council's control. The land and building assets are not owned by the Council and are therefore not included on the Council's Balance Sheet.

### **Group Boundaries**

The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards.

Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e., the consolidation would mean that the group accounts are not materially different to the single entity accounts. The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2024/25. The Council has identified one subsidiary who are considered to be material and will be consolidated into its group accounts. The subsidiary included is MioCare Group Community Interest Company (CIC). Further details can be found in the group accounts in section 5 of the Council's accounts.

### **Investment Properties**

Investment properties have been assessed using the identifiable criteria under the International Accounting Standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to

---

interpretation, to determine if there is an operational reason for holding the property, such as regeneration.

### **Equity Investments**

The Council has equity investments in Oldham Property Partnership, Manchester Airport Group, Meridian Developments and Community 1<sup>st</sup> Oldham (Chadderton) Ltd. Following a review of the Council's equity investments under the accounting standard IFRS 9 Financial Instruments, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, these equity investments are strategic investments and not held for trading, therefore the Council, has designated the investment as fair value through Other Comprehensive Income. The decision to designate to fair value through Other Comprehensive Income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for these investments.

### **Lender Option Borrower Option (LOBO) Loans**

The Council has £85.5m of outstanding LOBO loans in its debt portfolio which have long overall loan lengths (c 50 years). The Loans have option date frequencies of between 5 years and 6 months. At each option date the lender can choose to vary the interest rate payable on the loans and the Council can choose to repay the loan in full or accept the new interest rate. In the financial instruments note the Council has assumed that none of the options will be called and the Council repay the debt and included the total LOBO balances in Long Term Borrowing.

This page is intentionally left blank



## 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

**26 March 2026**

---

### 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:

- 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 attached appendices are provided to update Members on progress against the action plans and recommendations arising from these reports. The appendices 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.

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

The IT related appendix is 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 attached as appendices are:

Appendix 1a - Summary of progress on audit report recommendations

Appendix 1b (RESTRICTED) – Summary of progress on IT audit report recommendations

Of the 100 recommendations contained within the attached actions plans:

- 74 recommendations are self-reported by Management as complete.
- 23 recommendations are self-reported by Management as in progress.
- 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. These recommendations are shown in Appendix 1a with revised implementation dates “greyed out” and will not be taken forward by the Services.

### **Recommendation**

Members are requested to consider the action plans reproduced in the attached appendices.

This page is intentionally left blank

Appendix 1a  
Summary of progress on audit report recommendations

Resources Directorate

Resources - Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	Complete	<p>The recommendation has been completed as all non-key decisions require a report and record of decision template, and those above £5k are published. The work described below seeks to further strengthen decision making and oversight will be maintained through the elected member Constitution Working Group.</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 elected member constitutional working group for consideration.</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	Complete	<p>This recommendation is complete. 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. Support is also offered on a one-to-one basis where required. The intranet pages have been updated to provide greater clarity for report authors.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	This will reduce the risk of errors in the report and ensure that all relevant information is included, and the appropriate comments obtained.				
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.</p> <p>Democratic Services now maintain a list of frequent matters/issues, which will feed into the training 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	Ongoing	Complete	<p>This is part of the quality assurance role in Democratic Services. It is also a key part of the roll-out of the training.</p>
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</p>	High	November 2025	April 2026	<p>An internal process is now in place whereby reports go to relevant services for their comments, for example, HR, Procurement, Finance and finally to Legal for their oversight of</p>

Appendix 1a  
 Summary of progress on audit report recommendations

Resources - Delegated Decision Recording					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	version control to ensure that all comments received are those of the original author and the responsible officer.				<p>all comments. This will be automated through the decision recording system to provide a robust audit trail and improved version control.</p> <p>A revised implementation date is proposed for this work, largely due to engagement with the software provider, and the matter has been in an escalation process with them to resolve. During February this has been resolved and we are proactively working with the provider to make the system changes so that this can be rolled out.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
1	<p><b>Contract Management Policy</b></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	<p>30 April 2024</p> <p>March 2026</p>	June 2026	<p>A new Head of Procurement took up position towards the end of January 2026. In addition to picking up day-to-day BAU responsibilities he has picked up momentum with regards to reviewing the target operating model of the service, updating of processes post implementation of the Procurement Act and improving the links and working relationships with all Departmental stakeholders. An equally high priority to date and moving forward has been the seeking out of evidence against the reported position of previous audit recommendations. With regards contract management, it is understood that the drafting of Contract Management Policy and procedures commenced in 2025. These require a status review, if they are in existence, followed by completion, sign-off and roll out. It should be noted that the Procurement function is not responsible for contract management following contract mobilisation. It must however take responsibility for providing contract managers with the tools and guidance in advance of contractual go-live dates. The Procurement function in addition, as per recommendation 3 should take responsibility for inducting / training Departmental “contract managers” either directly or via a combination of both direct training and a third</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
					party. The third party may include a software element to support contract management KPI tracking and activity / reporting. A revised date of June 2026 has been added as a deadline against the above.
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	<p>30 April 2024</p> <p>March 2026</p>	June 2026	See Recommendation 1
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>	Medium	<p>30 April 2024</p> <p>March 2026</p>	June 2026	<p>Partially complete (Pro-Contract functionality option was reviewed and considered to be unsuitable)</p> <p>Alternative contract management software options are to be explored and implemented by June 2026 as described above in Recommendation 1</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	These processes will enable the team to consistently measure performance and value for money in line with the Council's objectives and savings targets.				
5	Customer Feedback  Customer Feedback from suppliers, key stakeholders and colleagues should be recorded in order to help assess the financial and operational performance of contracts.	Medium	30 April 2024  March 2026	June 2026	This will be picked up as part of Recommendation 1.
6	Contracts missing from the Register  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	30 April 2024	March 2026	Procurement staff are adding contracts to the register on The Chest which now interfaces with a Power BI dashboard. The dashboard is now being tested to ensure there is full confidence that accurate contract status reports can be reported / presented.  A data matching exercise and / or sampling exercise needs to be carried out.
7	Resource Planning	Medium	30 April 2024	Complete	Complete

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Contracts Register Review					
No.	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	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 Children</li> <li>• Construction and Highways</li> <li>• Corporate and Environmental</li> <li>• ICT</li> </ul> <p>Data population required</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Recruitment and Discipline					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	Complete	<p>Complete.</p> <p>A new process has commenced from January 2026 where schools will send evidence of mandatory pre employment checks along with new starter forms.</p> <p>In addition all LAE schools have been asked to send in evidence of Single Central Record for audit. This is saved to electronic personal files to evidence compliance.</p>
2	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.	High	February 2025	Complete	This was discussed and addressed at the time of the audit.
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	Complete	<p>Complete but subject to continual review</p> <p>For roles requiring a DBS this information is on the application form and available to recruiting managers.</p> <p>There is current an ICO review of Rehabilitation of Offenders legislation underway and we are waiting on the</p>

Appendix 1a  
Summary of progress on audit report recommendations

					<p>outcome of this to understand if any changes are needed.</p> <p>DBS's are processed through CBS and if concerns are raised these are first raised with the individual and then with the 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	Complete	<p>Complete although output is now a checklist not an e learning module.</p> <p>Original scoping was underway for e learning but concerns were raised in terms of the practicalities of ensuring all chairpersons have done this training and the implications if they do not.</p> <p>Therefore, it is agreed that the HR Advisor will do a short 121 training session with a Chairperson prior to a hearing, as part of standard pre-hearing preparation. This will be aided by a checklist. This is now in place.</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	October 2025	October 2026	<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 have implemented a new and more robust Employee Relations Excel tracker. This</p>

Appendix 1a  
Summary of progress on audit report recommendations

					<p>clearly breaks down cases, timelines and actions in a more meaningful way.</p> <p>A reminder for accurate and timely completion is a standing agenda item on weekly Team meetings and 121s.</p>
6	<p>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.</p>	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> <p>This has strengthened quality and focus of case work.</p>
7	<p>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.</p>	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 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>This has strengthened 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		<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> <p>Learning sessions and case reviews happen regularly.</p> <p>This has strengthened quality and focus of case work.</p> <p>The HR Advisory service undertook a review in Jan 26 of any cases moving from formal to informal since Sept 25 (when new quality measures took effect) and there was only 1 case, which had a specific set of circumstances which required this to happen.</p>

Appendix 1a  
Summary of progress on audit report recommendations

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	Complete	<p>Complete but subject to further discussion.</p> <p>Initial conversations were not to progress this at this time, and instead create a guidance document highlighting the role of an appeal against dismissal panel and the role of Elected Members. This launched in December 25.</p> <p>Conversations will continue with the AD of Governance re adopting a senior officer panel.</p>
10	<p>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.</p>	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	<p>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.</p>	Medium	<p>Ongoing</p> <p>Revised to September 2025</p>	Complete	<p>Complete</p> <p>A full Policy schedule for all HR Policies is now in place and being worked through. This includes the Code of Conduct and Recruitment &amp; Selection Policy.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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>
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.	Complete	This work is complete. A policy approach has been agreed with the executive team, and accountability will be with each Director to ensure their services complete business plans,

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	their business plans in line with established guidance and timelines. Non-compliance should be addressed through specific measures to support consistent performance management.				who will address non-compliance matters. Regular updates will be provided by the Performance Improvement Team to the Executive Team who will oversee business planning.
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	Complete	<p>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> <p>The Executive Team have agreed an approach to select performance measures that provide an accurate reflection of service performance and are resident focused. Engagement is underway to agree those measures.</p> <p>A discussion has taken place with the elected member task and finish group looking at impact and effectiveness of scrutiny, who are in</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
					agreement that measures should be resident focused and give an honest assessment of service performance.
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	December 2026	This action relates to a new system to replace CorVu, so there is a dependency on IT as this requires a new system. It could be through Power BI, or may require a bespoke system of which there would be cost implications (and no identified budget). It would also need to connect into existing systems where performance information is collated.
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	September 2025	May 2026	A Performance Management Framework has been developed and a clearer policy approach to performance reporting has been discussed with the Management Board. Their feedback is being taken into account to inform the final version which will be submitted to the Executive Team for approval.
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>	High	September 2025	Complete	Accountability for unreported KPIs is with Directors and regular updates will be provided by the Performance Improvement Team to the

Appendix 1a  
 Summary of progress on audit report recommendations

Resources - Corporate Performance Management					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
	Unreported KPIs by the service should be escalated to senior management.				Executive Team who will have oversight on compliance matters.

Appendix 1a  
 Summary of progress on audit report recommendations

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	Complete	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>Three new Order for Sale cases have been sent for enforcement in 2025/26, and 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

Resources - Debt Recovery 2024/25 FFS Review

No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
					<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

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	N/A	March 2027	<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>Authority has been gained to recruit 5 additional debt recovery staff on an 18 month temporary spend to save basis. In addition, authority has also been given for the AD Revenues and Benefits to explore with the Procurement Service a market testing exercise to identify a third party partner to assist in this work on an income sharing basis. This will also enable us to identify cases that need to be written off.</p>

Appendix 1a  
Summary of progress on audit report recommendations

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	Complete	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	Complete	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.  Senior officers from Council tax, business rates and adult social care client finance and commissioning have formed a working group to establish how the debt levels can start reducing. Legal Services monitor and pursue debts under £10k, with larger debts outsourced, on a cost neutral basis, to third party recovery agents. Another debt recovery legal assistant may be required to take the lead on tackling the backlog as a spend to save appointment.

Appendix 1a  
 Summary of progress on audit report recommendations

Resources - Debt Recovery 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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	May 2026	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

Resources - Payroll 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress January 2026
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>	Complete	<p>Complete</p> <p>From September 2025 a monthly Payroll Reconciliation working group has been set up, now led by Employment Services Manager overseen by Head of Operational HR</p> <p>This group meets monthly to focus on reconciliation and actions.</p>
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>	Complete	<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>A new process has commenced from January 2026 where schools will send evidence of mandatory pre employment checks along with new starter forms.</p> <p>In addition all LAE schools have been asked to send in evidence of Single Central Record for audit.</p>

Appendix 1a  
Summary of progress on audit report recommendations

3	<p>Policies and Procedures</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> <p>Brought forward from 2023/24</p>	High	<p>Brought forward from 2023/24</p> <p>Revised to September 2025</p> <p>March 2026</p>	September 2026	<p>A specific project is underway to bring in temporary extra resource which will allow a Payroll Officer to focus on creating guidance and SOPs</p> <p>There is a delay in implementation as initial extra resource to support left for perm role – new temp resource recruited and plan that SOP project will commence in February 2026. This delay in finding specific resource has delayed completion, originally planned for this project to be completed for March 2026, but is now projected for September 2026</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> <p>August 2025</p>	Complete	<p>Complete</p> <p>All CHAPS are now approved by AD of Workforce &amp; Org Culture.</p> <p>A review has been undertaken and actions underway to address common reasons for underpayments. This is now monitored through a KPI report.</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>	Complete	<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</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>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>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>
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</p>	Medium	<p>Brought forward from 2023/24</p> <p>Revised to July 2025</p>	Complete	<p>Complete but subject to ongoing oversight</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>

Appendix 1a  
Summary of progress on audit report recommendations

	targeted communications in cases of non-compliance.  Brought forward from 2023/24				From Q3 25/26 pay anomalies and payroll accuracy are reported through the Corporate Performance Report.  Areas of continued error will be addressed through the Workforce Business Partners
8	Salary Overpayment Repayment Plans  When an overpayment has been created, Payroll should adhere to the Overpayment Policy wherever possible.  This is a new recommendation for 2024/25	Medium	July 2025	Complete	A working group has been established including Finance and Payroll representatives. The group has confirmed that Payroll are currently following the Overpayment Policy, so this initial action is complete.
9	Employee Contracts  Employees should be issued with employment contracts within a timely manner.  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.  Brought forward from 2023/24	High	Brought forward from 2023/24	Complete	This should be included in the Recruitment & Disciplinary Audit as Payroll are not responsible for contracts of employment.  In 2023/24 there was a backlog of letters and contracts. This has now cleared and contracts/letters are done in real time.  This will be monitored through dip test audits.
10	External Consultant Managers file – Communication to Recruiting Managers  Starters forms for External Consultant Managers should be fully completed by an authorising officer	High	Brought forward from 2023/24  Revised to January 2025	Complete	Complete  Requests for external consultant managers and agency staff now comes through the Workforce Panel and the Workforce Approval forms are saved centrally.

Appendix 1a  
 Summary of progress on audit report recommendations

	<p>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>				
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	Was addressed at the time of the audit

Appendix 1a  
Summary of progress on audit report recommendations

Children's Social Care

Children's Services 2024/25 FFS Review

No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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> <p>Spring 2026</p>	<p>Purchasing guides April 2026</p> <p>Payment process guides Oct 2026</p>	<p>Due to the technical system complexity, IT capacity and delays to the Mosaic upgrade, the changes have taken longer than anticipated to be implemented.</p> <p>Existing Mosaic training guides have been updated and will be revised for purchasing and payment processes through the Mosaic Children's Finance project.</p> <p>Revised implementation dates:</p> <p>The purchasing guides for direct payments will be completed by April 2026.</p> <p>The payment process guides will be completed by Oct 2026 following the Mosaic upgrade and workflow developments.</p> <p>Revised implementation dates are dependent on the Mosaic change freeze and completion of 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>	Medium	<p>Brought forward from 2023/24</p> <p>30 September 2025</p>	<p>Short breaks Direct payments April 2026</p>	<p>Due to the technical system complexity, IT capacity and delays to the Mosaic upgrade, the changes have taken longer than anticipated to be implemented.</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 January 2026
	<ul style="list-style-type: none"> <li>• Short Breaks</li> <li>• Out of Borough placements</li> <li>• Independent Foster Agencies.</li> </ul> <p>Brought forward from 2023/24</p>			Commissioned short breaks payments Oct 2026	<p>The capability is in place and the costs are recorded on Mosaic for Out of Borough placements and Independent Foster Agencies.</p> <p>Revised implementation dates:</p> <p>Short breaks Mosaic development is progressing to configure a sustainable solution for payments.</p> <p>Data migration for direct payments packages has commenced and costs will be recorded on Mosaic by April 2026</p> <p>Commissioned short breaks care package costs will be recorded on Mosaic by Oct 2026 following the Mosaic upgrade.</p> <p>Revised implementation dates are dependent on the Mosaic change freeze and completion of the Mosaic upgrade.</p>
3	<p>Monthly System Reconciliations</p> <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>	High	<p>Brought forward from 2023/24</p> <p>30 September 2025</p>	December 2026	<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>

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 January 2026
					Finance colleagues will complete monthly reconciliation once payments are processed through Mosaic from Dec 2026.
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> <p>Spring 2026</p>	December 2026	<p>Due to the technical system complexity, IT capacity and delays to the Mosaic upgrade, the changes have taken longer than anticipated to be implemented.</p> <p>Data cleansing activities have been completed for current packages.</p> <p>Revised implementation date:</p> <p>Mosaic development for direct payments has been completed. Work is now underway to migrate direct payments on Mosaic, anticipated to be complete by April 2026.</p> <p>Testing of the Accounts Payable interface between Mosaic and Agresso for the direct payments cycle will commence after the Mosaic upgrade in summer for payment cycles to be completed by Dec 2026.</p> <p>Revised implementation dates are dependent on the Mosaic change freeze and completion of the Mosaic upgrade.</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 January 2026
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	This action is complete
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	This action is complete
7	<p>Duplicate Records</p> <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>	Medium	Brought forward from 2023/24	Complete	This action is 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 January 2026
8	<p>Direct Payments            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	This action is complete

Appendix 1a  
Summary of progress on audit report recommendations

Adult Social Care

Adult Social Care – Residential Care Payments 2024/25 FFS Review					
No	Recommendation	Priority	Original Implementation Date	Revised Implementation Date	Progress update January 2026
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> <p>December 2025</p>	Complete	<p>The service has continued in the implementation of the recovery plan to address outstanding workflow requirements.</p> <p>It should be noted the number of open workflows will never match the number of people in the system. There are circumstances where someone may have multiple workflows legitimately open at one time (eg purchasing and safeguarding could occur concurrently).</p> <p>Improved reporting is now in place for managers to track where outstanding workflow relates to deceased clients. Business Strategy are about to undertake a workflow review.</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>	High	<p>December 2025</p> <p>March 2026</p>	September 2026	<p>The service continues to reassess short stay placements in a timely manner, in line with the ASC policy.</p> <p>Short term placement numbers have remained reasonably stable throughout the current year.</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 January 2026
	New Recommendation 2024/2025				<p>New Dashboard is in development which will provide better oversight of short stays placements for ongoing monitoring.</p> <p>The Policy will be reviewed, following this Mosaic system recording categories will be reviewed accordingly.</p>
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	June 2026 for Restructure (noting that the elements re backlog are completed)	<p>Throughout 2025-26 ASC have continued to work closely with Revenues and Benefits who are in the process of a restructure where the service will officially move to Revenues and Benefits.</p> <p>The backlog of financial assessments has improved significantly. As at 12<sup>th</sup> March 2026 the backlog was 277 cases for 277 individuals, with a median days wait of 36 days and a longest wait of 177 days. The number of new assessments per month ranges from 200-300 and assessments take one month on average to complete, therefore we would always anticipate a waiting list in this range.</p>
4.	Back dated adjustments	High	Brought forward from 2023/24	May 2026	Revised Date to enable system changes (due to Mosaic System Upgrade – this cannot be completed before that.)

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 January 2026
	<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>		<p>September 2025</p> <p>March 2026</p>		<p>However reporting has been 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.</p> <p>Monitoring shows that Oldham now benchmarks as the second shortest wait time in GM for purchase requests. 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</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 January 2026
					Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic (corporately led) scheduled for February 2026, but which has been delayed by Access (system provider) capacity and is now likely to be early in next financial year. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.
5.	Invoices paid outside the Mosaic system  Payment cycles to be manually adjusted accordingly when an ad hoc payment is made outside of the Mosaic system.  New Recommendation 2024/2025	High	July 2025	Complete	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. Audit to be completed by March 2026 internally.
6.	Statutory Annual Care Reviews  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.	High	Brought forward from previous years  December 2025  March 2026	Complete	Oldham ASC are now the 5 <sup>th</sup> best performer across Greater Manchester for undertaking annual reviews.  Agency Staff and Contract and Quality Monitoring Officers have been utilised to reduce the backlog of overdue annual reviews.

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 January 2026
	<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>				The waiting list of reviews has reduced from a high of 1294 in June 2025 to 801 in January 2026, the number of overdue reviews has reduced by 34.6% in the 12 months to January 2026.
7.	<p>Out of Borough Placements (OOB)</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 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>	Medium	<p>Brought forward from 2023/24</p> <p>September 2025</p>	Complete	<p>Monthly Out of Borough Data Packs are scrutinised at ASC Operational Performance Group. Benchmarking shows an improved position. Gaps in the market are identified in Market Position Statement and actions to address are within the Commissioning delivery plan, which can be found at: <a href="#">Adult Social Care Market Position Statement   Adult Social Care Market Position Statement   Oldham Council</a></p>
8.	<p>Credit notes description</p> <p>The description on all credit notes raised should have clear information on it to</p>	Medium	Brought forward from 2021/22	Complete	Completed by the deadline and we will continue to remind staff regularly around this.

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 January 2026
	<p>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>		August 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.	Duplicate Records	Medium	Brought forward from 2020/21	Complete	Staff have been reminded to check that a record does not already exist before setting up a new record.

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 January 2026
	<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>		<p>August 2025</p> <p>December 2025</p>		<p>Reminders are periodically issued to staff about checking Mosaic before creating new records.</p> <p>It is noted there is currently no Mosaic Trainer in the training and development to provide consistent in person training as part of inductions.</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 January 2026
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> <p>December 2025</p>	Complete	<p>The service has continued in the implementation of the recovery plan to address outstanding workflow requirements.</p> <p>It should be noted the number of open workflows will never match the number of people in the system. There are circumstances where someone may have multiple workflows legitimately open at one time (eg purchasing and safeguarding could occur concurrently).</p> <p>Improved reporting is now in place for managers to track where outstanding workflow relates to deceased clients.</p> <p>Business Strategy are about to undertake a workflow review.</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> <p>Internal audit to be completed by March 2026.</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 January 2026
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> <p>March 2026</p>	Complete	<p>Oldham ASC are now the 5<sup>th</sup> best performer across Greater Manchester for undertaking annual reviews.</p> <p>Agency Staff and Contract and Quality Monitoring Officers have been utilised to reduce the backlog of overdue annual reviews.</p> <p>The waiting list of reviews has reduced from a high of 1294 in June 2025 to 801 in January 2026, the number of overdue reviews has reduced by 34.6% in the 12 months to January 2026.</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> <p>March 2026</p>	May 2026	<p>Revised Date to enable system changes (due to Mosaic System Upgrade – this cannot be completed before that.)</p> <p>However reporting has been put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need</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 January 2026
					<p>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.</p> <p>Monitoring shows that Oldham now benchmarks as the second shortest wait time in GM for purchase requests.            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.            Reason for slippage            Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic (corporately led) scheduled for February 2026, but which has been delayed by Access (system provider) capacity and is now likely to be early in next financial</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 January 2026
					year. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.
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	June 2026 for Restructure. Noting backlog of Financial Assessments now Complete	<p>Throughout 2025-26 ASC have continued to work closely with Revenues and Benefits who are in the process of a restructure where the service will officially move to Revenues and Benefits.</p> <p>The backlog of financial assessments has improved significantly. As at 12<sup>th</sup> March 2026 the backlog was 277 cases for 277 individuals, with a median days wait of 36 days and a longest wait of 177 days. The number of new assessments per month ranges from 200-300 and assessments take one month on average to complete, therefore we would always anticipate a waiting list in this range.</p>
6.	<p>Credit Notes</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>	Medium	August 2025	Complete	Completed by the deadline, and 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 January 2026
	<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>				
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	<p>August 2025</p> <p>December 2025</p>	Complete	Staff have been reminded to check that a record does not already exist before setting up a new record.
8.	<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, allow re-</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.

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 January 2026
	allocation of Homecare resources where these are not currently required.  New recommendation 2024/2025				



This page is intentionally left blank



## Report to Audit Committee

# Internal Audit Charter 2026/27

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

**Officer Contact:** John Miller, Head of Audit and Counter Fraud

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

**26 March 2026**

---

### Reason for Decision

To advise Audit Committee Members of the proposed Internal Audit Charter for 2026/27.

### Executive Summary

The work of Internal Audit at Oldham Council is governed by the Global Internal Audit Standards (GIAS) 2024 and UK Local Government Application Note 2024. These Standards are mandatory for all Internal Auditors working in the UK public sector.

The 2026/27 Internal Audit Charter is in line with the requirements of the GIAS standards and is attached at Appendix 1 to this report.

### Recommendations

Members of the Audit Committee are requested to approve the Internal Audit Charter, effective from 1 April 2026.

**Internal Audit Charter 2026/27**

**1 Background**

- 1.1 The Accounts and Audit (England) Regulations 2015 require every Local Authority to undertake an effective system of Internal Audit to evaluate the effectiveness of the Authority's risk management, control and governance processes. This should be carried out with regard to the Global Internal Audit Standards (GIAS) 2024 and UK Local Government Application Note 2024.
- 1.2 The Standards cover all aspects of best practice in Internal Audit in governing, planning, performing, monitoring and reporting the work of Internal Audit.

The Standards are organised into five domains:

- Domain I: Purpose of Internal Auditing.
- Domain II: Ethics and Professionalism.
- Domain III: Governing the Internal Audit Function.
- Domain IV: Managing the Internal Audit Function.
- Domain V: Performing Internal Audit Services.

The Standards are mandatory for all internal auditors working in the UK public sector. Conformance with the Standards is conformance with best practice in Internal Audit.

- 1.3 The Head of Audit and Counter Fraud reviews the Internal Audit Charter each year in line with the latest standards and guidance. The proposed 2026/27 Internal Audit Charter is attached as Appendix 1. The proposed 2026/27 Internal Audit Charter is based on a model Charter produced by the authors of the GIAS 2024, the Institute of Internal Auditors (IIA), in order to ensure that it is in full conformance with the GIAS 2024 Standards. It is tailored to Oldham Council's internal structures, and contains an additional paragraph (4.6) brought forward from the 2024/25 Internal Audit Charter covering potential conflicts of Interest for the Head of Internal Audit to ensure that, should this occur, alternative arrangements for management of any conflicts are clear.

**2. Options/Alternatives**

- 2.1 Members may either approve the proposed Internal Audit Charter 2026/27 or propose an alternative approach.

**3. Preferred Option**

- 3.1 That Members approve the proposed Internal Audit Charter 2026/27.

**4. Consultation**

- 4.1 N/A

**5 Financial Implications**

- 5.1 N/A

**6. Legal Services Comments**

- 6.1 N/A
- 7 **Cooperative Agenda**
- 7.1 N/A
- 8 **Human Resources Comments**
- 8.1 N/A
- 9. **Risk Assessments**
- 9.1 N/A
- 10 **IT Implications**
- 10.1 N/A
- 11 **Property Implications**
- 11.1 N/A
- 12 **Procurement Implications**
- 12.1 N/A
- 13 **Environmental and Health & Safety Implications**
- 13.1 N/A
- 14 **Equality, community cohesion and crime implications**
- 14.1. N/A
- 15 **Equality Impact Assessment Completed**
- 15.1 N/A.
- 16 **Key Decision**
- 16.1 N/A
- 17 **Key Decision Reference**
- 17.1 N/A
- 18 **Background Papers**
- 18.1 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 provided at Appendix 1
  - Officer Name: John Miller

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

19 **Appendices**

19.1 **Appendix 1: Oldham Council Internal Audit Charter 2026/27.**

# Oldham Council Internal Audit Function

Internal Audit Charter 2026/27

Internal Audit Charter 2026/27

<b>Section</b>	<b>Internal Audit Charter Contents</b>
<b>1</b>	<b>Purpose</b>
<b>2</b>	<b>Mandate</b>
<b>3</b>	<b>Audit Committee Oversight and Internal Audit Resources</b>
<b>4</b>	<b>Head of Internal Audit &amp; Counter Fraud Roles and Responsibilities</b>
<b>5</b>	<b>Scope and Types of Internal Audit Services</b>

## Internal Audit Charter 2026/27

1 April 2026

### 1. Purpose

- 1.1 The purpose of the internal audit function is to strengthen Oldham Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.2 The internal audit function enhances Oldham Council's:
- Successful achievement of its objectives.
  - Governance, risk management, and control processes.
  - Decision-making and oversight.
  - Reputation and credibility with its stakeholders.
  - Ability to serve the public interest.
- 1.3 Oldham Council's internal audit function is most effective when:
- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards 2024 and UK Local Government Application Note 2024, which are set in the public interest.
  - The internal audit function is independently positioned with direct accountability to the Audit Committee.
  - Internal auditors are free from undue influence and committed to making objective assessments.

#### ***Commitment to Adhering to the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024***

- 1.4 Oldham Council's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024. The Head of Internal Audit & Counter Fraud will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement programme.

### 2. Mandate

#### ***Authority***

- 2.1 Oldham Council's internal audit function mandate is found in The Accounts and Audit Regulations 2015, which state:
- 5.(1) *A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

(2) *Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*

*(a) make available such documents and records; and*

*(b) supply such information and explanations;*

*as are considered necessary by those conducting the internal audit.*

(3) *In this regulation “documents and records” includes information recorded in an electronic form.*

2.2 The internal audit function’s authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

2.3 The Audit Committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function’s objectives.
- Obtain assistance from the necessary personnel of Oldham Council and other specialised services from within or outside Oldham Council to complete internal audit services.

### ***Independence, Organisational Position, and Reporting Relationships***

2.4 The Head of Internal Audit & Counter Fraud is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.) The Head of Internal Audit & Counter Fraud will report functionally to the Audit Committee and administratively (for example, day-to-day operations) to the Executive Director of Resources and Management Board comprising the Chief Executive, Monitoring Officer and Senior Officers of the Council. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

2.5 The Head of Internal Audit & Counter Fraud will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the Head of Internal Audit & Counter Fraud will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Head of Internal Audit & Counter Fraud will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfill its mandate.

- 2.6 The Head of Internal Audit hereby confirms the organisational independence of the internal audit function.

#### ***Changes to the Mandate and Charter***

- 2.7 Circumstances may justify a follow-up discussion between the Head of Internal Audit & Counter Fraud, Audit Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024.
- A significant reorganisation within the organisation.
- Significant changes in the Head of Internal Audit & Counter Fraud, Audit Committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

### **3. Audit Committee Oversight and Internal Audit Resources**

- 3.1 The oversight role and responsibilities of the Audit Committee are set out in the Audit Committee's Terms of Reference which form part of the Council's Constitution which is reviewed periodically.
- 3.2 The Head of Audit and Counter Fraud will report to the Council's Audit Committee if it is believed there are insufficient resources available to enable the Internal Audit Service to achieve the purpose and objectives of the Annual Audit Plan, provide the Annual Internal Audit Opinion, and enable the Audit Committee to discharge the Committee's responsibilities as set out in the Committee's Terms of Reference.
- 3.3 The Head of Audit and Counter Fraud concludes that there are sufficient Internal Audit resources to deliver an effective Internal Audit service to the Council in 2026/27.

### **4. Head of Internal Audit & Counter Fraud Roles and Responsibilities**

#### ***Ethics and Professionalism***

- 4.1 The Head of Internal Audit & Counter Fraud will ensure that internal auditors:
- Conform with the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.

- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

### **Objectivity**

- 4.2 The Head of Internal Audit & Counter Fraud will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Head of Internal Audit & Counter Fraud determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
- 4.3 Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.
- 4.4 Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:
- Assessing specific operations for which they had responsibility within the previous year.
  - Performing operational duties for Oldham Council or its affiliates.
  - Initiating or approving transactions external to the internal audit function.
  - Directing the activities of any Oldham Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.
- 4.5 Internal auditors will:
- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Head of Internal Audit & Counter Fraud, Audit Committee, management, or others.
  - Exhibit professional objectivity in gathering, evaluating, and communicating information.
  - Make balanced assessments of all available and relevant facts and circumstances.
  - Take necessary precautions to avoid conflicts of interest, bias, and undue influence.
- 4.6 Where any potential conflict of interest, or threat to independence or objectivity, is identified in respect of any audit assignment, this will be addressed by re-allocation of the audit assignment, or management or supervision of the assignment, so as to remove the conflict

or threat to independence. Including by-passing the Head of Audit and Counter Fraud in favour of another senior officer having direct oversight of any area of audit focus where the Head of Audit and Counter Fraud themselves is conflicted

### ***Managing the Internal Audit Function***

4.7 The Head of Internal Audit & Counter Fraud has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in Oldham Council's business, risks, operations, programmes, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024 and any applicable laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management periodically and for individual engagements as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024 and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Oldham Council and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to Oldham Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of Internal Audit & Counter Fraud cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

### ***Communication with the Audit Committee and Senior Management***

- 4.8 The Head of Internal Audit & Counter Fraud will report annually to the Audit Committee and senior management regarding:
- The internal audit function's mandate.
  - The internal audit plan and performance relative to its plan.
  - Significant revisions to the internal audit plan.
  - Potential impairments to independence, including relevant disclosures as applicable.
  - Results from the quality assurance and improvement programme, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards 2024 and UK Local Government Application Note 2024 and action plans to address any internal audit function deficiencies and opportunities for improvement.
  - Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of Oldham Council's strategic objectives.
  - Results of assurance and advisory services.
  - Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Oldham Council's risk appetite.

### ***Quality Assurance and Improvement Programme***

- 4.9 The Head of Internal Audit & Counter Fraud will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards 2024 and UK Local Government Application Note 2024, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address any internal audit function deficiencies and opportunities for improvement.
- 4.10 Annually, the Head of Internal Audit & Counter Fraud will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Oldham Council.

## **5. Scope and Types of Internal Audit Services**

- 5.1 The scope of internal audit services covers the entire breadth of the organisation, including all of Oldham Council's activities, assets, and personnel. The scope of internal audit activities also encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on

the adequacy and effectiveness of governance, risk management, and control processes for Oldham Council.

5.2 The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

5.3 Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Oldham Council's strategic objectives are appropriately identified and managed.
- The actions of Oldham Council's officers, directors, management, employees, and contractors or other relevant parties comply with Oldham Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Oldham Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

This page is intentionally left blank

---

## Report to Audit Committee

# Proposed Audit Committee Work Programme 2025/26 and 2026/27

**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

**26 March 2026**

---

### Purpose of Report

Attached to this report is the proposed Audit Committee Work Programme for 2025/26 and 2026/27.

### 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 and 2026/27 Municipal Years**

**Appendix 1**

<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Summary of Report Issue</b>
<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 and 2026/27 Municipal Years**

**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 and 2026/27 Municipal Years**

**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 26 November 2025, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	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 Q2 2024/25	The planned scrutiny of the 2024/25 Treasury Management Q2 update.
<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.

**Audit Committee Work Programme for the 2025/26 and 2026/27 Municipal Years**

**Appendix 1**

	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>Thursday 26 March 2026, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	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.
	Counter fraud Benchmarking report	A report detailing performance of the Audit and Counter Fraud Service outcomes in comparison with available North West data and over time.
	Q3 Treasury Management Update	A report outlining Treasury Management activity in Quarter 3.
	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.
	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.
	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>2026/27</b>		

**Audit Committee Work Programme for the 2025/26 and 2026/27 Municipal Years**

**Appendix 1**

<b>Wednesday 22 July 2026 at 6.00 pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	Internal Audit and Counter Fraud Progress Report Q4 2025/26 & Q1 2026/27.	An update report on the progress made by the Internal Audit Service.
	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	This report detailing the proposed work programme..
	Payroll Progress Report	A report by the Assistant Director of Workforce & Organisational Culture providing Members with an update on developments within the Payroll Service.
	2025/26 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 2025/26.
	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.
	Draft 2025/26 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 2025/26.
	Treasury Management Review 2025/26	The annual review of Treasury Management for 2025/26 by the Audit Committee.
	Treasury Management Q1 2026/27	The planned scrutiny of the 2026/27 Treasury Management Q1 update.
	Self-Assessment of the work undertaken by the Audit Committee during 2025/26, and Annual Report to Council.	An assessment of the Committee's effectiveness during the year 2025/26 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.

**Audit Committee Work Programme for the 2025/26 and 2026/27 Municipal Years**

**Appendix 1**

	Impact and Effectiveness of the Council's Overview and Scrutiny functions.	A report on the Impact and Effectiveness of the Council's Overview and Scrutiny functions.
	Members Allowances	A report by the Assistant Director of Governance on work undertaken in respect of Member allowances.
	Local Code of Corporate Governance	This is an update to the previously agreed Local Code of Corporate Governance.
	Forvis Mazars – Enquiries of Management	Draft responses to provide key assurances to support the External Audit Process which are then discussed by the Committee.
	Private Report; Update on the Corporate Risk Register	An update on the Corporate Risk Register.
<b>Wednesday 25 November 2026, 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.
	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.
	Internal Audit and Counter Fraud Progress Report Q2	An update report on the progress made by the Internal Audit Service.
	Proposed Audit Committee Work Programme	This report detailing the proposed work programme.
	Anti-Fraud and Corruption Policies	Refreshed and updated suite of the Council's Anti-Fraud and Corruption Policies and Procedures.
	Payroll Progress Report	A report by the Assistant Director of Workforce & Organisational Culture providing Members with an update on developments within the Payroll Service.
	Treasury Management Q2	The planned scrutiny of the Treasury Management Q2 update.

**Audit Committee Work Programme for the 2025/26 and 2026/27 Municipal Years**

**Appendix 1**

	Update on the Corporate Risk Register	A report on the Corporate Risk Register.
<b>Wednesday 13 January 2027, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	Treasury Management Strategy Statement 2027/28	This report sets out the proposed Treasury Management Strategy for 2027/28 to support the Corporate Objectives of the Council.
	Internal Audit Progress Report Q3	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.
	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.
	Updated Audit Committee Work Programme.	A report detailing the proposed work programme.
	Update on the Corporate Risk Register	A report on the Corporate Risk Register.
<b>Wednesday 24 March 2027, 6.00pm</b>	External Audit Update	A progress update from the Council's External Auditors Forvis Mazars.
	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.
	Q3 Treasury Management Update	A report outlining Treasury Management activity in Quarter 3 of 2024/25.
	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.

**Audit Committee Work Programme for the 2025/26 and 2026/27 Municipal Years**

**Appendix 1**

	Internal Audit Charter 2027/28	An updated Internal Audit Charter for the financial year 2027/28.
	2027/28 Internal Audit and Counter Fraud Plan	The proposed plan of work for the financial year 2027/28 to enable review by the Committee.
	Audit Committee Work Programme for 2026/27 and a proposed programme for the future financial year – 2027/28.	A report detailing the remainder of the 2026/27 work programme and proposed work programme for 2027/28.
	Update on the Corporate Risk Register	An update on the Corporate Risk Register.

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