

AUDIT COMMITTEE
26/11/2025 at 6.00 pm



Present: Mr G. Page (Independent Chair)
Councillors Al-Hamdani, Z. Ali (substituting for Councillor Chowhan), Chauhan, S. Hussain (substituting for Councillor Aslam), Kenyon (Substituting for Councillor Sykes), Quigg, Rustidge and Wahid (substituting or Councillor Ghafoor)

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)

Yogita Das-Patel (Forvis Mazars LLP)

Fiona Greenway (Executive Director of Resources)

Lee Walsh (Director of Finance)

Alexander Bougatef (Director of Legal)

James Postle (Senior Finance Manager)

Vicky Lambert (Senior Finance Manager)

Peter Thompson (Constitutional Services)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Aslam, Chowhan, Ghafoor and Sykes and from Mr S. Green (Independent Vice Chair of Audit Committee).

2 URGENT BUSINESS

The Chair advised the meeting that the Council, at its meeting on 12th November 2025, had confirmed the appointment of Mr Stuart Green as the Audit Committee's Vice Chair and second Independent Member.

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 previous meeting held on 22nd October 2025, noting that a more detailed discussion on items 10 (Members Allowances) and 18 (Progress update on Audit Opinion Reports contributing to the 2024/25 Limited Assurance Annual Audit Opinion).

Resolved:

That subject to the above comments the minutes of the meeting of the Audit Committee held on 22nd October 2025, be approved.

6 OLDHAM BOROUGH COUNCIL - 2024/25 FINANCIAL STATEMENTS

The Audit Committee received a report that presented clarification on the current position relating to Oldham Borough Council's Financial Statements for the year 2024/25. In considering the report, the Committee was reminded that it was the council body that was charged with scrutiny and approval of the Statement of Accounts. The submitted report presented, therefore, an update on the progress of the auditing and approval of the 2024/25 Statement of Accounts, further to previous consideration thereof, by the Committee, at its meeting held on 23rd July 2025.

It had initially been expected that the External Auditor would have completed the audit by the time of this Audit Committee meeting, but prior to the issue of the agenda papers the Council was notified that although the audit of the Accounts remains substantially complete, the External Auditors are awaiting a response back from their technical team in respect of the Manchester Airport Shares Valuation and with some further review work remaining to be completed in relation to lease and Private Finance Initiative accounting.

Therefore, approval was sort to delegate the formal approval of the Accounts to the Chair of the Audit Committee in conjunction with the Director of Finance and the External Auditor.

The External Auditor, in the report that was considered at Minute 7, below, had advised that the audit of the Council was substantially complete. A further update report would be presented to the next scheduled Audit Committee meeting, on 14th January 2026 and Members would be notified when the Statement of Accounts for 2024/25 had been fully signed off.

In preparing the report the Director of Finance reported that consultation had taken place thereon with the Council's External Auditors, Forvis Mazars LLP.

In addition, members of the public have had an opportunity to inspect the Council's Statement of Accounts and supporting documents during the 30-day public inspection period which concluded on 11th August 2025.

In considering the report Members of the Committee sought clarification on several issues:

- a. The changes to the Statements that had been added since the last consideration of the 2024/25 Financial Statements at the Committee's meeting on 23rd July 2025. The Director of Finance, in reply, noted that several changes had been made to the documents and an updated version of the documents that specifically highlighted the changes that had been made, would be circulated to members of the Committee.
- b. In terms of the value for money recommendations, contained in Appendix 1 to the submitted report, a member sought clarification on the effective budget setting and monitoring processes reported and sought assurances as to how this conclusion had been arrived at. It was noted that the bulk of the Councils expenditure was taken up by Children's and Adults Social Care

services. The demand for these services had increased significantly in recent years and, as a large proportion of this expenditure was mandatory mitigations had been included in the Council's budgetary planning for 2026/27 and future years by such measures as a council-wide recruitment freeze apart from essential care sector vacancies.

- c. The Council was, in 2026/27, on course to set a balanced budget and the budget setting process for 2026/27 through to 2029/30 was being eased somewhat as the government was issuing local authorities with a three-year settlement, which would help the council with its forward financial planning.
- d. A member noted that the authority had invested significant funding recently in the acquisitions of properties to be used as residential children's homes, with the aim of reducing future expenditure on out-of-borough placements.
- e. The Committee noted the revised population projections for the Borough of Oldham with the likelihood of an increased ageing population that would, in time, lead to more people using Oldham's Adult Care Social services.
- f. A Member sought clarification on the levels of reserves that the Council was utilising to balance its budget and asked if the Council's Director of Finance would be issuing a 'Section 114 Notice', which was a formal declaration by a UK local council's Chief Finance Officer that its projected spending will exceed its income, meaning it can't balance its budget, triggering restrictions on all non-essential new spending except for protecting vulnerable people and statutory services. In this regard the Director of Finance reported that at the budget setting Council meeting, on 4th March 2026, he would be providing a report that outlined his opinion as to whether the Council's budget setting arrangements were 'robust'.
- g. A Member sought assurances from the Cabinet Member for Finance, Corporate Services and Sustainability that he accepted the recommendations from the external auditors, Forvis Mazars LLP, that the Council should review its budget setting processes. The Cabinet Member, in reply, advised that he did fully accept the recommendations and that he would, wherever necessary, update future meetings of the Committee thereon.

The Executive Director of Resources advised the meeting that she would be asking the Council's Head of Audit and Counter Fraud to monitor and audit each of the savings' proposals that are agreed by the Council and details thereon will be included in the Committee's Work Programme.

Resolved:

- 1. That the Committee notes and approves the reported changes to the Statement of Accounts 2024/25.
- 2. That the Audit Committee delegates authority to approve the Council's 2024/25 Statement of Accounts to the Chair

of the Audit Committee after consultation thereon with the Director of Finance and on receipt of appropriate advice from the Authority's External Auditor. In this regard the Council, the Director of Finance explained, was lobbying the government to release additional resources, to ease the financial burdens that Oldham Council was facing, in common with many other local authorities throughout England.

3. The Committee endorses the undertaking of the Director of Finance, in due course, to circulate to members of the Committee, the recorded changes that had been made to the Financial Statements for 2024/25.
4. The Committee endorses the undertaking of the Executive Director of Resources to monitor and audit each of the savings' proposals that are agreed by the Council and that details thereon, will be presented to future meetings of the Committee.

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TREASURY MANAGEMENT REPORT - QUARTER 2 (JULY - SEPTEMBER) 2025/26

The Audit Committee received a report of the Director of Finance which presented the Authority's Treasury Management update report as at the end of Quarter 2, 2025/26 (30th September 2025).

In considering the report member so the Committee were advised that in April 2023 Oldham Borough Council had Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which required that the Council should approve, as a minimum, treasury management semi-annual and annual outturn reports. The report before this Audit Committee meeting included the requirement outlined in the 2021 Code for quarterly reporting of the treasury management prudential indicators. Oldham Council's treasury management strategy for 2025/26 was approved at the Budget Council on 6th March 2025.

The Authority had borrowed and invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risks remained central to the Authority's treasury management strategy.

The submitted report provided an additional update and included the requirements that were set out in the 2021 Code. The submitted report therefore, established the key Treasury Management issues for Members' information and review and outlined the following:

- An economic update for the first half of 2025/26 (External Context).
- Net Borrowing and Investments (Local Context).
- A review and updates of the Council's current treasury management position.

- Council Borrowing.
- Treasury Investment Activity.
- Treasury Performance for the first half of the year.
- Compliance.
- Treasury Management Prudential Indicators.

The report advised that the Council operated a balanced budget, which broadly meant that cash raised during the year would meet its cash expenditure. Part of the treasury management operation was to ensure that this cash flow was adequately planned, with surplus monies being invested with low-risk counterparties, providing at least an adequate liquidity, initially, before considering optimising investment returns.

A second main function of the treasury management service was the funding of the Council's capital plans. These capital plans provided 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. The management of longer-term cash often involved 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. Therefore, therefore, treasury management was 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."

In considering the report, Members of the Audit Committee were mindful that it would be presented to the Cabinet at its meeting on 1st December 2025 and to the Council on 10th December 2025.

Resolved:

1. That the Audit Committee supports the Treasury Management Half Year Review report, and the Treasury Management activity and projected outturn for 2025/26.
2. That the Audit Committee recommends to the Cabinet and Council that the recommendations contained within the report be formally approved and adopted.

The meeting started at 6.00pm and ended at 7.30pm