AUDIT COMMITTEE
27/03/2025 at 6.00 pm

Present: Councillors Al-Hamdani, Davis, Rustidge and Wilkinson

Independent Chair- Grenville Page

Also in Attendance:
Steve Hughes- Assistant Director of Strategy and Performance
John Miller-Head of Audit and Counter Fraud
James Postle- Finance Manager
Victoria Lambert-Finance Manager
Lee Walsh- Assistant Director of Finance
Wendy Jackson- Assistant Director of HR & Organisational Development
Yogita Das-Patel Mazars LLP -External Auditors
Durga Paul- Constitutional Services

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Aslam, Chowhan, Hussain and Sykes.

2 **URGENT BUSINESS**

The Committee received an update from the Assistant Director of Strategy and Performance on the recruitment of a second independent member to the Audit Committee. The Officer confirmed that there has been an expression of interest for the role further updates will be provided in due course. In addition to this, the Independent Remuneration Panel are set to meet on 24th April 2025. They make recommendations on member allowances, and have been asked to pay particular attention to independent members allowance as Oldham's allowance is lower that other GM authorities

The Committee also received an update from the Chair on the GM Wide network that was raised in the Committee's meeting with External Auditors. The Chair raised at the notion of wider networking with other GM audit committee members to the GMCA and this was welcomed. GMCA are happy to provide any administrative support required and External Auditors Mazars have confirmed they are available to provide support. Finance Director, Steve Wilson, is to write out on behalf of chair to all authorities to gauge interest

RESOLVED that, the updates are noted by the Committee.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no Public Questions for this meeting to consider.

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED that, the minutes of the meetings held on 30th January 2025 and 26th February 2025, be approved as a correct record

6 **EXTERNAL AUDIT PROGRESS REPORT**

External Auditors confirmed that the accounts have now been completed for 2023/24 and certificate had been issued on confirmation of that. The 2024/25 timetable is set out in report. External Auditors confirmed that the Audit strategy memorandum will be issued in July 2025 and accounts work is due to begin on 7th July 2025.

RESOLVED that, the External Audit Progress Report is noted by the Committee.

7 **PAYROLL PROGRESS REPORT**

The Committee received the Payroll progress report from the Assistant Director of HR & Organisational Development. The Council's Payroll Service received an audit opinion of 'Inadequate' in each of the 3 years from 2018/19 to 2020/21. During 2021/22 the Service implemented the iTrent Payroll system which addressed a number of system weaknesses and the audit opinion in that year was upgraded to 'Adequate'.

Following this improved opinion the Service experienced significant turnover in staff in key roles leading to a weakening in control and a subsequent downgrading of the audit opinion in 2022/23 back to 'Inadequate', which remained in place for both 2023/24 and 2024/25 reviews. The Committee received a report which sets out the agreed actions for the Payroll Service to take forward to address the recommendations made in the latest 2024/25 FFS Audit Report.

Members queried how officers planned to address recommendations as many of them had been flagged previously and never been successfully addressed. Officers explained that they have recruited dedicated resources to tackle issues and full focus, and dedication will be on payroll. In addition to this, a robust approach to monitoring of actions has been introduced at departmental and Management Board level to ensure accountability. The service has also commissioned itrent to do a full review of the system to drive forward the improvement that is needed.

Members noted that several recommendations had an implementation date on June 2025, they requested that an update is brought back to the Audit Committee's next meeting in July 2025.

RESOLVED that,

1. the External Audit Progress Report is noted by the Committee.

2. an update on the progress of implementation of the recommendations is to be brought to the next meeting scheduled for 23rd July 2025.

8 **2024/25 FINAL ACCOUNTS - PROPOSED ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS**

The report presents the significant accounting policies that will be used in the preparation of the 2024/25 Statement of Accounts. The report also explains the requirement to disclose the critical judgements made by management when producing the Statement of Accounts.

The report was provided with tracked changes so that the Audit Committee could easily identify some of the changes from last year. Officers further explained some of the key changes in the report including the removal of contingent rates and some of the more minor changes.

External Auditors confirmed that the Policies and Critical Judgements reflect the current climate.

RESOLVED that, the Committee

1. approves the Council's proposed accounting policies to be adopted in completing the 2024/25 Statement of Accounts.
2. notes the critical judgements made by management when producing the Statement of Accounts.

9 **INTERNAL AUDIT CHARTER 2025/26**

Officers reported on the Internal Audit Charter 2025/26. The work of Internal Audit at Oldham Council has, from 1st April 2013 until the end of March 2025, been governed by the UK Public Sector Internal Audit Standards (PSIAS) (updated March 2017). These Standards will be replaced by the Global Internal Audit Standards (GIAS) 2024 and UK Local Government Application Note 2024, from 1st April 2025. The Standards are mandatory for all Internal Auditors working in the UK public sector. The 2025/26 Internal Audit Charter has been updated in line with the requirements of the updated GIAS standards.

Officers clarified that although the charter looks different, there are no substantive changes to the previous Charter. The wording and layout is different but there is no new content, and nothing has been removed.

RESOLVED that, the Internal Audit Charter 2025/26 is approved by the Audit Committee

10 **2025/26 INTERNAL AUDIT AND COUNTER FRAUD PLAN**

The Audit Committee received a report of the Internal Audit and Counter Fraud Plan. They heard a summary of the work planned to be carried out by the team from 1 April 2025 to 31 March 2026. The plan has been compiled based on insight and information from a number of sources including the Council's:

Annual Audit Needs Assessment, Corporate Plan, Strategic Corporate and Service Risk Registers, Fraud and Loss Risk Assessment Information and intelligence from senior officers, including the S151 Officer, 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 2025/26 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.

In response to Member queries, Officers clarified how Audit days were allocated and how frequently LA maintained Schools were visited. Officers explained that estimates are made on how much time to allocate based on previous Audit's and 6 or 7 schools are audited in a year.

RESOLVED That the 2025/26 Internal Audit and Counter Fraud Plan is approved by the Audit Committee.

11 **AUDIT COMMITTEE WORK PROGRAMME FOR 2024/25 AND A PROPOSED PROGRAMME FOR THE FUTURE FINANCIAL YEAR - 2025/26**

The Audit Committee considered its Work Programme for 2024/25. Members were invited to make suggestions of other items to add to the work programme for 2024/25 and the proposed programme for 2025/26.

A Payroll Progress update will be added to the work plan for July 2025.

In response to Member queries, Officers confirmed that the Effectiveness Review papers would be circulated in July for review and comment by the Committee. At Members request, the review would include an opportunity to also receive Officer feedback.

RESOLVED that,

1. the Work Programme for the remainder of 2024/25 and for 2025/26 is noted by the Committee.
2. a Payroll Progress update for July 2025 will be added to the work plan.

12 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following two items of business on the grounds that they contain exempt information, as defined under Page 6 paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the report.

13 **UPDATE ON THE CORPORATE RISK REGISTER**

Officers presented a report to update Members of the Audit Committee on the Corporate Risk Register as at the end of December 2024. As the Committee charged with governance it is part of the role of the Audit Committee to scrutinise the Corporate Risk Register.

In terms of changes since the last risk update to Audit Committee in November 2024 there have been no risks removed or added to the Corporate Risk Register. There are still 15 risks on the Corporate Risk Register. Following the discussions at the last audit committee the mitigations have been updated on several risks.

The Committee received a summary of the risks identified and details of the accountable party.

RESOLVED that, the update on the Corporate Risk Register is noted by the Audit Committee.

The meeting started at 6.00pm and ended at 7.19pm