

AUDIT COMMITTEE
23/07/2025 at 6.00 pm



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

Also in Attendance:

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

1 APOLOGIES FOR ABSENCE

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

2 URGENT BUSINESS

There were no items of urgent business received.

3 DECLARATIONS OF INTEREST

There were no declarations of interest received.

4 PUBLIC QUESTION TIME

There were no public questions received.

5 MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the meeting held on 23rd March 2025 be approved as a correct record.

6 EXCLUSION OF THE PRESS AND PUBLIC

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

WEAK AND INADEQUATE / LIMITED ASSURANCE AUDIT REPORTS



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

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

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

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

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

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

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

The reports attached as confidential appendices were as follows:

Appendix 1 - Delegated Reports Review

Appendix 2 - Contract Register Review

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

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

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

RESOLVED That:

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

8 **INCLUSION OF THE PRESS AND PUBLIC**

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

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

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

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

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

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

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

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

RESOLVED:

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

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**EXTERNAL AUDIT UPDATE AND AUDIT STRATEGY
MEMORANDUM**

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

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

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

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

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



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

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

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

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

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

RESOLVED: That the report be noted.

2024/25 DRAFT FINANCIAL STATEMENTS

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

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

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

Resolved:

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

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

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

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

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

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

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

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

Resolved:

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

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

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

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

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

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

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

Resolved:

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

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Q4 2024/25 & Q1 2025/26 AUDIT UPDATE

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

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



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

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

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

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

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

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

Resolved:

That the report be noted.

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2025/26 COMMITTEE WORK PROGRAMME

The Audit Committee considered its Work Programme for 2025/26.

RESOLVED:

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

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ENQUIRIES OF MANAGEMENT, INTERNAL AUDIT AND THOSE CHARGED WITH GOVERNANCE

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

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

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

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

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

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

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

Resolved:

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

The meeting started at 6.00 pm and ended at 9.04 pm

(a)

(b)