



Audit Completion Report

Oldham Metropolitan Borough Council – year ended 31 March 2025

November 2025

Members of the Audit Committee
Oldham Metropolitan Borough Council
Civic Centre West Street Oldham
OL11UT

26th November 2025

Forvis Mazars
One St Peter's Square
Manchester
M2 3DE

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Completion Report for Oldham Metropolitan Borough Council (“the Council”) for the year ended 31 March 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report is intended solely for the Audit Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpreted, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpreted, amendment and/or modification by any third party is entirely at their own risk.

We appreciate the courtesy and co-operation extended to us by Oldham Metropolitan Borough Council throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully

Daniel Watson

Forvis Mazars LLP

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Oldham Metropolitan Borough Council. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of Oldham Metropolitan Borough Council for the year ended 31 March 2025 which are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the Code of Audit Practice.

Audit status

Our audit procedures are now substantially complete for the year ended 31 March 2025.

Please refer to the '*Status of our audit*' section for a list of significant audit matters outstanding at the date of this report. We will provide an update to Audit Committee members on completion of those outstanding matters by way of a follow-up letter.

Areas of focus and audit approach, and significant findings

We have not made any changes to our initial risk assessment and planned audit approach that was communicated to the Audit Committee in our Audit Strategy Memorandum.

Significant control deficiencies

We did not identify any significant deficiencies in internal control. The non-significant control observations that we have identified to date are set out in '*Appendix A: Internal control conclusions*'.

Audit misstatements

We have identified no adjusted or unadjusted misstatements above our reporting threshold to date.

Audit opinion

At the time of issuing this report and subject to the satisfactory conclusion of our remaining audit work, we anticipate issuing an unqualified opinion, without modification, as set out in Appendix C.

Value for Money

We anticipate having significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further details have been provided in the '*Value for Money*' section of this report.

Wider reporting powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We confirm we have received no such correspondence from electors.

Reporting to the group auditor

We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.

Qualitative aspects of Council's accounting practices

We have reviewed the Council's Accounting policies and disclosure and conclude that they comply 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 the 30th June 2025 and were of a good quality, with the availability of working papers to support them.

02

Status of the audit

Status of our audit

Our audit work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

Matter	Status	Status
Manchester Airport Shares Valuation We are currently awaiting response from our technical experts in respect of the Manchester Airport Shares Valuation	●	●
Right of Use Assets & Lease Liabilities We are in the process of completing our work in this area.	●	●
Accounts Receivable We are in the process of reviewing information provided.	●	● Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
Accounts Payable We are awaiting last pieces of evidence further to a small number of queries.	●	● Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
Property Plant and Equipment We are awaiting a response to queries regarding valuation assumptions.	●	● Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
PFI We are reviewing the method and inputs used to calculated the PFI liability, in line with IFRS 16	●	● Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
Group Financial Statements We are in the process of completing our work on the Group accounts.	●	● Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
Quality Control Review Our audit work is subject to manager and key audit partner review.	●	● Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
Letters to Management and TCWG We are awaiting responses to our letters addressed to Management and TCWG.	●	● Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
Financial Statement, Annual Governance Statement and Completion We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation	●	● Work on value for money arrangements
Value for Money We are in the process of completing our work on the Council's Value for Money arrangements.	●	● Work on value for money arrangements

03

Audit approach and risk summary

Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, issued in July 2025.

Materiality

Our provisional materiality at the planning stage of the audit was set at is £15.8m for the single entity, and £15.9m for the Group, using a benchmark of 2% of gross operating expenditure at the surplus/deficit level.

Our final assessment of materiality, based on the final financial statements and qualitative factors is £17.7m for the Group financial statements and £17.6m for the Council single-entity statements using the same benchmark.

Service organisations

We set out in our Audit Strategy Memorandum our approach to auditing the Council's service organisations. We confirm there have been no service organisations identified during the audit.

Use of experts

We set out in our Audit Strategy Memorandum our planned use of experts to assist in our audit procedures. There were no changes to our planned approach.

Item of Account	Management's Expert	Our Expert
Defined benefit pension assets and liabilities	Hyman Robertson Actuaries	PWC – NAO's consulting actuary
Valuation of Manchester Airport land	Colliers International Property Consultants Ltd	Mazars in-house valuation team
Valuation of shareholding in Manchester Airport Holding Limited	BDO LLP	Mazars in-house valuation team
Valuation of Financial Instruments	Arlingclose Ltd	We reviewed Arlingclose's methodology for providing the fair value disclosures.



Audit approach and risk summary





Audit risk/ key area of judgement	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Management override of controls	●	●	●	●	○	○	●	Risk is satisfactorily addressed, subject to final manager and partner review but matters to be brought to the attention of the Audit Committee, please refer to page 32.	13
Valuation of the defined benefit liability (Council and Group)	○	●	●	●	○	○	○	Risk is satisfactorily addressed for the Council subject to final manager and partner review. Our work remains in progress for the Group – refer to the section titled ‘Status of our audit’.	15
Valuation of property assets	○	●	●	●	○	○	○	Our work remains in progress – refer to the section titled ‘Status of our audit’.	14
Valuation of shareholding in Manchester Airport (Council)	○	●	●	●	○	○	○	Our work remains in progress – refer to the section titled ‘Status of our audit’.	16
Implementation of IFRS 16 (Council)	○	●	●	●	○	○	○	Our work remains in progress – refer to the section titled ‘Status of our audit’.	17

Audit approach and risk summary

Overview of our group audit approach

Based on our risk assessment and the financial information for the 2024/25, we determined that certain components consolidated into the group financial statements should be subject to either a full scope audit or a specific scope audit, as set out in the table below

Group component	Auditor	Scope	Changes to scope since planning?	Key points or other matters to report
Oldham MBC	Forvis Mazars LLP		No	The Forvis Mazars audit team undertook the full audit of the Council
Miocare CIC Ltd	Saffery LLP		No	The Forvis Mazars audit team are undertaking testing of Miocare’s defined benefit pension liability and a review procedures of the remaining consolidated accounting entries. The component materiality used for these procedures was £2.1m.

- 
Full audit
 Performance of an audit of the component’s financial information prepared for group reporting purposes using component materiality
- 
Audit of balances and/or disclosures
 Performance of an audit of specific balances and/or disclosures included in the component’s financial information prepared for group reporting purposes, using component materiality
- 
Specific audit procedures
 Performance of specific audit procedures on the component’s financial information
- 
Review procedures
 Review of the component’s financial information prepared for group reporting purposes using the component materiality assigned

04

Significant findings

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Management override of controls

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements

Audit conclusion

We have completed our procedures as planned, subject to final manager and partner review.

Significant findings

Significant risks (continued)

Valuation of Property Plant & Equipment

Description of the risk

The CIPFA Code requires that where assets are subject to revaluation, their year-end carrying value should reflect the current value at that date. The Council has adopted a rolling revaluation model which sees all such property, plant & equipment revalued in a five-year cycle. The valuation of property, plant & equipment involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process, with regards to estimation, assets not revalued in year are valued at the current balance sheet date.

How our audit addressed the risk

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer.
- Obtaining an understanding of the basis of valuation applied by the valuer in the year.
- Obtaining an understanding of the Council's approach to ensure that assets not subject to revaluation in 2024/25 are materially fairly stated.
- Obtaining an understanding of the Council's approach to ensure that assets revalued through 2024/25 are materially fairly stated at the year end.
- Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations.
- Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2025.
- Testing the accuracy of how valuation movements were presented and disclosed in the financial statements

Our observations

Subject to clearance of outstanding queries we have raised on valuation assumptions there are no matters to bring to the Committee's attention

Significant findings

Significant risks (continued)

Description of the risk

The net pension liability represents a material element of the Council and the Group balance sheet. The Council and its consolidated subsidiaries are admitted bodies of Greater Manchester Pension Fund. The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's and the subsidiaries' overall valuations. There are financial assumptions and demographic assumptions used in the calculation of the valuation. The assumptions should also reflect the profile of the Council's and the subsidiaries' employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes. There is a risk that the assumptions and methodology used in valuing the pension obligations are not reasonable or appropriate to the Council's or the subsidiaries' circumstances. This could have a material impact to the Council and Group net pension liability in 2024/25.

How our audit addressed the risk

Our procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the actuary, and considering the appropriateness of the instructions to the actuary.
 - Obtaining confirmation from the auditor of the Greater Manchester Pension Fund that the Pension Fund has designed and implemented controls to prevent and detect material misstatement. This includes the controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation of the gross asset and liability is complete and accurate.
 - Evaluating and challenging the work performed by the Pension Fund auditor on the Pension Fund investment assets and considering whether the outcomes would materially impact our consideration of the Council's share of Pension Fund assets.
 - Reviewing the actuarial allocation of Pension Fund assets to the Council and Group by the actuary, including comparing the Council's and Group's share of the assets to other corroborative information.
 - Reviewing the appropriateness of the Pension Asset and Liability valuation methodology applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This includes comparing them to expected ranges, utilising information provided by PwC, consulting actuary engaged by the National Audit Office.
 - Agreeing the data in the IAS 19 valuation report provided by the Pension Fund Actuary to the pension accounting entries and disclosures in the Council's financial statements.
-

Our observations

We have completed our procedures as planned, subject to final manager and partner review.

Significant findings

Other key areas of management judgements

Valuation of shareholding in Manchester Airport (Council)

Description of the key area of management judgement

The Council uses an external valuation expert to determine the value of its investment in Manchester Airport Holdings Limited at 31 March 2025. The valuation is determined according to a methodology and applying assumptions. Council officers challenge the valuation assumptions and reach judgements on the valuation to include in the financial statements.

How our audit addressed the key area of management judgement

Our approach to auditing the investment in Manchester Airport Holdings Limited includes the involvement of the Mazars in-house valuation team.

The Forvis Mazars in-house valuation team reviewed the methodology and key assumptions used by management's expert, considering the appropriateness of the methodology and the reasonableness of the assumptions used

Our observations

As noted in section 02, our internal experts are still concluding their work on the valuation of the shareholding in Manchester Airport Holdings Limited. We will report the outcome of this work to you via our Audit Completion Follow Up Letter.

Significant findings

Other key areas of management judgement

Implementation of IFRS 16 (council)

Description of the risk

The implementation of IFRS 16 in 2024/25 is expected to have an impact of £5.1m, which is below our financial statements materiality threshold. This is a complex change in financial reporting which requires management judgement. We have therefore highlighted this as an area of enhanced risk for our 2024/25 audit.

How we addressed this risk

We have addressed this risk by:

- reviewing the process and controls by management for collating information to ensure the completeness and accuracy of the data used in the IFRS 16 calculation and that all relevant leases have been identified;
 - reviewing managements year end journal postings to ensure proper accounting treatment;
 - reviewing any key judgements and estimates that management have made in respect of their IFRS 16 calculation;
 - testing a sample of leases in place at the year end and ensure their disclosure is appropriate.
-

Audit conclusion

As noted in section 02 we are reviewing the method and inputs used to calculated the PFI liability, in line with IFRS 16. We are currently in discussion with the finance team on the approach around the calculation of the PFI liability.

05

Internal control conclusions

Significant control deficiencies

As part of our audit, we obtained an understanding of the Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Council's internal controls, we are required to communicate to the Audit Committee any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Audit Committee.

We have not identified any significant deficiencies in the Council's internal controls as at the date of this report

Other observations

We also record our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

The other control deficiencies that we have identified as at the date of this report are set out in 'Appendix A: Internal control conclusions'.

06

Summary of misstatements

Summary of misstatements

Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Strategy Memorandum, issued on 23rd July 2025. Any subsequent changes to those figures are set out in the '*Audit approach and risk summary*' section of this report.

We identified no misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report which were not adjusted.

Summary of misstatements

Adjusted misstatements

We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe the Audit Committee should be made aware of.

We identified no misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report which were adjusted.

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Note 1 Accounting policies - Various changes have been made to the Accounting Policies to aid users understanding of the financial statements
- Note 23 - Debtors - Additional disclosure has been included by class of debtor for assets that are either past due or impaired in relation to non-financial assets and an analysis of the age of assets that are past due as at the reporting date but not impaired.
- Note 30 Teachers Pensions – Further disclosure of expected employer contributions in 2025/26
- Note 31 Pensions included disclosure for expected employer contributions in 2025/26
- Note 31 Pension schemes – Disclosure narrative added for Virgin Media case updated.
- H1 Housing Revenue Account – Inclusion of comparative data for housing stock numbers, depreciation and impairment of assets
- Other – A number of small grammatical and consistency amendments have been made to the accounts following audit review.

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been not been corrected by management:

- Note 31 The Pension Fund auditor has confirmed that benefits payable per the Fund's general ledger amount to £55.204 million. This compares to £48.050 million reported by the actuary in the IAS 19 report, resulting in a difference of £7.2 million. The pension assets and pension liabilities are both overstated by £7.2m but this has no impact on the balance sheet. Given this is immaterial no adjustment has been made to the financial statements.
- Note 31 Adjustment relating to the Council's share of the £153m error in the pension fund assets identified by the GMPF auditor, the overall impact of the adjustment would increase the net pension asset by £7m. However, these increases would be netted down to nil by the impact of the asset ceiling meaning there is no overall impact on the balance sheet. Therefore, in the financial statements this would be a disclosure amendment to note 35. Given this is immaterial no adjustment has been made to the financial statements.

07

Fraud considerations

Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

Your responsibilities

Management has primary responsibility for the prevention and detection of fraud. It is important that management, with the Audit Committee oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by the Audit Committee's active oversight.

Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

Our overall conclusion

We did not identify any actual or suspected fraud involving group or component management, employees with significant roles in the group's internal control or others, where the fraud resulted in a material misstatement in the group financial statements.

08

Value for Money

Value for Money

Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria. We intend to issue the draft Auditor's Annual Report by the 30 November 2025

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2025 and we have identified two significant weaknesses in arrangements that have required us to make a recommendation. These are reported at page 69 and page 70 of Appendix B.

Our draft audit report at Appendix B confirms that we have matters to report in respect of significant weaknesses. As noted above, our commentary on the Council's arrangements will be provided in the draft Auditor's Annual Report on 30th November 2025.

VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>1 In February 2024, the Council set a balanced budget for the 2024/25 financial year which included the need to deliver £20.4m of savings. By the end of the first quarter of the financial year, the Council was forecasting significant overspends and by year end reported an outturn position of £10.1m overspent. The Council failed to deliver its savings requirement in full, with only £15.9m out of the target £20.4m achieved. This has resulted in the Council's earmarked general fund reserves reducing by 38% to £44.9m.</p> <p>The Council's failure to control levels of expenditure or deliver its savings plans increases the risk of the Council having insufficient reserves to deliver its services. We consider this to be a weakness in how the Council plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities.</p>	<ul style="list-style-type: none"> • 			<p>The Council should:</p> <ul style="list-style-type: none"> • review its budget setting process to identify areas where demand-led expenditure is consistently in excess of planned levels and determine whether revised forecasting procedures are required; • consider whether required levels of savings should be increased to mitigate against future increases in demand; • identify alternative budget reduction schemes when existing plans are considered to be at risk of being undelivered by year end; and • review its Medium Term Financial Strategy and Reserves Policy to identify ways of increasing levels of reserves and building long-term resilience into the Council's financial position. 	

VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>2</p> <p>The Head of Internal Audit issued a limited assurance opinion over the Council's governance, risk management, and internal control arrangements in place during 2024/25.</p> <p>Review of the limited assurance opinions highlights that most have been issued due to issues with staffing and high turnover of staff. In addition, there is evidence of failure to comply with reasonably designed systems of control. The limited assurance opinions impact upon a range of Council directorates and are not isolated to individual service areas.</p> <p>The report highlights that officers are failing to implement medium and high priority actions within agreed timeframes to address identified deficiencies in internal control, with evidence that high priority recommendations have been reported over a number of financial years.</p>		<p>●</p>		<p>The Council should:</p> <ul style="list-style-type: none"> • take immediate action to implement the outstanding Internal Audit recommendations still in progress as at 31 March 2025; • put in place arrangements to monitor the implementation of future Internal Audit recommendations by the Council's senior leadership team, ensuring delivery of recommendations within agreed timescales; and • regularly report progress in clearing historic and future recommendations to Audit Committee 	

Appendices

A: Internal control conclusions

B: Value for Money commentary

C: Confirmation of our independence

D: Other communications

Appendix A: Internal control conclusions

Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Appendix A: Internal control conclusions

Other recommendations in internal control

Description of deficiency

We have identified that the Council has not conducted regular IT user account reviews in Agresso, in accordance with the organisation's access control policy.

Potential effects

Failure to perform these reviews increases the risk of unauthorised access, data breaches, and misuse of system resources.

Recommendation

The Council should implement a formal and periodic Agresso user account review process in collaboration with relevant business departments.

Management response

Agresso access is limited based on an overall Council access policy. Whilst this is in place, Agresso user accounts are also cleansed as part of a detailed starters leavers and role changes process. The Council is progressing towards a cloud based financial system solution and part of this will be a further review of all users and this will be maintained periodically in the future.

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Appendix A: Internal control conclusions

Other recommendations in internal control

Description of deficiency

Our work identified that there is no formal IT policy governing access to the Agresso database. Although the Principle of Least Privilege is applied in practice—resulting in users typically receiving read-only access—this control is informal and undocumented.

Potential effects

Without a formal IT policy and defined approval process, there is an increased risk that access may be granted inappropriately.

Recommendation

We recommend that a formal policy be developed. We recommend that ownership for database access management be formally assigned to a designated individual or team.

Management response

There is no risk that access may be granted inappropriately as the default is no access and any request (which are very uncommon) would need approval by the Finance Manager of the systems team. Regardless, a formal policy will be written and published to formally confirm these current arrangements

Appendix A: Internal control conclusions

Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods

Description of deficiency

Our testing of the collection fund identified that the Council's rateable value disclosed in Note 3 of the Collection Fund Statement was verified against the (Valuation Office Agency) VOA report. However, we were unable to trace this value back to the Council's system, Academy or any other supporting documents, suggesting that sufficient records were not maintained.

Current year update:

Our testing of the Collection Fund found that the evidence of the VOA rateable value in Academy was not retained. This control recommendation remains in place for 2024/25.

Potential effects

The rateable value and number of business properties in the Council's system are inconsistent with the VOA records.

Recommendation

We recommend that the Council should keep relevant records from Academy that reconciles with VOA records.

Management response

The Academy system was updated to ensure it was consistent with VOA records. Academy is a dynamic system and therefore going forward the Council will ensure that a screenprint of the VOA rateable value to be disclosed in the accounts will be taken from the Academy system at financial year end.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

Description of deficiency

Our testing of the Collection fund identified that the Council was not performing timely reconciliations for total non-domestic rateable values. Our review revealed that the last reconciliation for the year 2023/24 was completed on 04/02/2024. Consequently, the VOA report dated 28/03/2024 was not reconciled.

Current year update:

Our testing of the Collection Fund found that the reconciliation at the year end was not completed. This control recommendation remains in place for 2024/25.

Potential effects

Errors may fail to be rectified and corrected in a timely manner

Recommendation

We recommend the Council to put in place a robust reconciliation review process that helps identify and correct errors in line with best practice

Management response

No errors have been detected but going forward Council to ensure that a year-end reconciliation is available for review.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

Description of deficiency

Our journal testing identified that the Council currently has no facility in Agresso to approve journals, and they are posted to the ledger once input. The control measures they rely on include ongoing budget monitoring and analysis of transactions (by both finance staff and service managers), regular budget monitoring reports for revenue and capital items to ensure that items are not miscoded, ongoing reconciliations to the bank account and other key feeder systems, and the process for completing working papers at year-end to ensure system accuracy. These are detective controls. Therefore, they should implement preventative measures to reduce the risk associated with control risk.

Current year update:

We are satisfied that there are mitigating controls in place. This control recommendation is closed.

Potential effects

Errors may fail to be detected and corrected in a timely manner.

Recommendation

The Council should enhance their system design to include a feature that allows a different person from the preparer to approve, thereby preventing errors through proactive measures rather than relying solely on detective controls.

Management response

Inputting of journals are restricted to finance staff only. Journals are input for a range of different reasons including correction of errors identified, recharges and technical accounting adjustments. For effective preventative measures to be meaningful, the person reviewing journals would potentially duplicate work and the processes would be significantly delayed as the result of any approval process. This is therefore not considered practical.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

Description of deficiency

Our testing of Journals identified that the list of approved personnel to process journals included several individuals who have left the organisation. These former employees had not yet been removed from the approved list despite their departure.

Current year update:

We are satisfied that there are mitigating controls in place. This control recommendation is closed.

Potential effects

This poses several risks, including unauthorized access to sensitive financial data and the potential for fraudulent activities.

Recommendation

The approved list should be regularly updated, and the approval rights of individuals who have left the organization should be removed from the system as soon as they depart from the Council.

Management response

The Council operates a single sign on policy for IT access as a whole which includes the financial system (i.e. there is no separate login / password). The full process and what managers are required to complete is available on the intranet.

Regardless of this the financial systems team also asks for the information to be sent separately to the team so that the finance system can be kept clean and user numbers retained only for live employees. In addition to this, the finance system team also receives periodic reports from payroll on leavers and will cross reference this to active users to ensure nobody has been missed from the central IT procedure. As a final cleansing, any user who has not accessed the system for a period of 6 months is automatically parked in the system with no direct access.

Journal access is limited to finance staff only and in the interim (until a move to the cloud with more limited access), the finance systems team will action a further regular check of leavers in that service to ensure any lists, whether restricted or not by single sign on, do not contain individuals who have left the organisation.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

Description of deficiency

Our testing for cash and cash equivalents identified that the client has bank accounts that have not been in operation for a number of years, that are still open and have very low or nil balances. One example of such an account is related to a school that was academised in 2017.

Current year update:

Our work has shown that there has been progress in reducing the number of bank accounts during 2024/25, with further action to be taken on the remaining accounts. This control recommendation remains in place for 2024/25.

Potential effects

The bank accounts may be used to commit fraudulent activities.

Recommendation

The Council should close all bank accounts that are not required in a timely manner. There should be an annual review to ensure that relevant bank accounts are maintained, relevant closures actioned and that there are appropriate signatories in place.

Management response

Council to ensure timely review of all bank accounts and signatories, closing / amending where necessary.

I Appendix A: internal control conclusions continued

Follow up on previous internal control points

Description of deficiency

Our testing of the fixed asset register to the valuation program reconciliation identified discrepancies between the figures in the asset register and the Valuation listing. Furthermore, a reconciliation between the asset register, Valuation program, and Gross Valuation note 17 revealed a misstatement, indicating that no reconciliations were performed between the three and that the asset register was not updated.

Current year update:

Our work identified a small number of differences again this year, checks have been put in place to improve the quality assurance process these continue to be embedded. This control recommendation remains in place for 2024/25.

Potential effects

Errors in brought forward figures are undetected, the PPE figures may be inaccurate, due to there being no checks on the accuracy of the information.

Recommendation

The Council should perform reconciliations between the Asset Register, Valuation Program, and Gross Values in PPE Note 17, and ensure the Fixed Asset Register (FAR) is updated in a timely manner.

Management response

Council to incorporate checks against Asset Register Gross Value, Valuation Program and PPE Note into existing quality assurance processes for accounting for fixed assets.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Testing for existence and rights and obligations identified an asset that was disposed of but not removed from the asset register. We note that the Council has begun a review of the asset register to remove disposed assets.

Current year update:

Our review of existence of assets in the asset register identified no assets that were disposed of and not removed from the asset register, This control recommendation no longer remains in place for 2024/25.

Potential effects

The asset register may contain assets that do not exist or for which the Council does not have the rights

Recommendation

The Council should continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Current position

Council to continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Our testing noted that the iTrent system is double counting an element of shared cost AVCs. The Council has confirmed this is an ongoing issue.

Current year update:

Our work identified that the work in this area is ongoing. This control recommendation remains in place for 2024/25.

Potential effects

The payroll reconciliations continue to generate errors as a result of this system issue.

Recommendation

The Council should continue to work with consultants to rectify the problem.

Current position

Whilst the payroll team are confident that employee deductions and pension fund pay overs are correct, the interface file produced for the financial system is doubling up the revenue and balance sheet code entries.

This is known to Finance and a corrective journal input was made at the end of the 2023/24 financial year to ensure amounts were reported properly.

An internal working group between HR and Finance has been established to address the issue and currently there is an open case with the payroll software providers to investigate why this is happening. If not rectified in the payroll system before the end of the 2024/25 financial year, a similar corrective journal entry will be input again by Finance to correct the amounts in the accounts.

Appendix A: Internal control conclusions continued

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

The Council's process to identify related party transactions relies in part on member declarations of interest. In some cases the disclosures were based on declarations dating back to 2021. The process should use up-to-date information to ensure the disclosures are complete and accurate.

Current year update:

Our review of declarations identified two instances where current information was not used. This control recommendation remains in place for 2024/25.

Potential effects

The related party disclosures could contain errors based on out of date declarations.

Recommendation

The Council incorporates checks on declarations to ensure that they are up to date as part of the closedown process.

Current position

The Council will work to overhaul the member declaration process, ensuring that these are updated on an annual basis by all elected and co-opted members. This will be introduced by May 2025

Appendix B

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance - How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work, we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 49 and 56.

VFM arrangements – Overall summary

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.



We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	48	Yes – see risk 1 on page 49	Yes	No
 Governance	55	Yes – see risk 2 on page 56	Yes	No
 Improving economy, efficiency and effectiveness	60	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Risks of significant weaknesses in arrangements in relation to Financial Sustainability

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>Financial Sustainability</p> <p>In 2023/24 the Council budgeted £11.5m earmarked reserves to support additional expenditure, by the year end a further £16m was required for unexpected pressures, in 2024/25 a further unbudgeted use of reserves of £10.2m has been required in addition to the £10.8m planned use of reserves. The continued planned and unplanned use of reserves to bridge funding gaps is evidence of an unsustainable reliance on reserves and a lack of action to address the underlying reasons for persistent overspending.</p>	<p>Work undertaken</p> <p>We have:</p> <ul style="list-style-type: none">• Reviewed the Council’s financial budget and monitoring reporting made available to members;• Reviewed the Council’s final outturn position;• Considered savings targets set at the beginning of the year and understand any overspends;• Considered the medium-term financial strategy of the Council; and• Reviewed the detailed budget setting process to understand the assessment undertaken to consider the affordability of services and understand how these align with the Council’s corporate plan. <p>Results of our work</p> <p>In February 2024, the Council set a balanced budget for the 2024/25 financial year which included the need to deliver £20.4m of savings. By the end of the first quarter of the financial year, the Council was forecasting significant overspends and by year end reported an outturn position of £10.1m overspent. The Council failed to deliver its savings requirement in full, with only £15.9m out of the target £20.4m achieved. This has resulted in the Council’s earmarked general fund reserves reducing by 38% to £44.9m.</p> <p>The Council’s failure to control levels of expenditure or deliver its savings plans increases the risk of the Council having insufficient reserves to deliver its services. We consider this to be a weakness in how the Council plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities.</p>

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Background to financial sustainability in 2024/25

The Council continues to face significant challenges with rising demands for services, against a backdrop of an adverse national economy and a cost-of-living crisis. There has been continued financial and operational challenges particularly on Adult Social Care, Children's Social Care and Homelessness. The financial impact of the pandemic has now started to diminish, and although public finances have started to stabilise, they remain weak. Funding settlements for Local Government continue to be challenging and are set against rising demand for services and increased costs as a consequence of higher-than-expected inflation. Given its operating environment the Council's financial sustainability challenges from the legacy of the pandemic and economic issues will continue through the medium term and this places considerable pressure on the Council to maintain effective financial sustainability arrangements.

The Council's financial planning and monitoring arrangements

In March 2024 the Council set a balanced budget for the 2024/25 financial year with a total net budget for Council services of £299.8m. This required an increase in Council Tax of 4.99% (including 2% Adult Care precept). Throughout the year the Council regularly updated its budget forecast, enabling budgets to remain up-to-date in the fast-changing and uncertain operating environment. The final net budget reported for the year was £306.8m, the increase predominantly caused by the increased demand for Children's services, and Adult social care and temporary accommodation. Within the original budget approved in March 2024, the Council had approved the use of £10.75m of earmarked reserves to support additional demand pressure alongside the identified budget reduction (savings) requirement of £11.0m.

The Council's financial planning and budgeting arrangements are well established and include a wide range of activities and consultations, liaising with Greater Manchester Combined Authority (GMCA) via the GM Treasurers meetings to determine pressures, and participation in GM wide initiatives. The budget setting process includes engagement with senior Council officers and incorporates discussion about the delivery of statutory services/priorities and the impact on resources. Where additional resources are required, these are scrutinised and challenged before they are included in the budget estimates. Workshops with officers and members are a key part of the budgeting arrangements, and these are detailed and extensive.

In line with the 2023/24 AGS, recommendations have been implemented, increasing the frequency of budget monitoring, the reporting cycle has moved to a bi-monthly reporting to Cabinet. These actions have sought to ensure that any adverse position is identified sooner, and early action can be taken to address these pressures. The Council has taken actions to dealing with the adverse position at quarter one implementing management actions, for example a robust vacancy management process, and robust challenge of planned expenditure, whilst maximising income.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

The Council approved £20.4m of budget savings made up of £11m identified in 2024/25 and a further £9.4m of 2024/25 budget savings that were approved in the previous year, these are monitored on a month-by-month basis and reported to Cabinet bi-monthly. The monitoring includes a traffic light assessment of the risk that the savings plans can be delivered. During the year, a number of schemes were assessed as amber and red, and remedial actions were taken to address the risks. For 2024/25 additional monitoring was implemented with the establishment of the Financial Deliverability and Sustainability Board, this is Chaired by the Leader of the Council, and the Steering Group, which is chaired by the Chief Executive. Both received assessment of achievability of budget savings, the budget gap, and projected outturn. There is oversight and challenge from senior levels of the Council to ensure that savings are achieved, and the financial position is improved during the year. At the outturn £15.9m (77%) of the savings were delivered.

The Council reported its revenue outturn position for 2024/25 as an overall overspend of £10.1m. During the year, the Council provided regular reports of its financial position to Cabinet in months 3 (June 2024), 4, 6, 8, 9 and 10 (January 2025). We have reviewed a sample of the reports presented for 2024/25. These reports were detailed and comprehensive and incorporate monitoring of the revenue budget, the capital programme and a wide range of other financial measures. The Council follows an established timetable for reporting to Cabinet which includes reporting to directorate management teams and the strategic management team.

The budget reports all set out a projected overspend by the end of the year as set out in the table below:

Monitoring Report Period	Projected overspend
Quarter 1	£26m
Quarter 3	£14.2m
Month 10	£14.6m
Quarter 4	£10.2m (actual)

The Council's arrangements for identifying, managing and monitoring funding gaps and savings

The overspend in 2024/25 was mainly due to Children's Social Care, Temporary Accommodation and Adult Social Care. The drivers of the overspend is increasing demand due to homelessness, increased demand for children's social care placements. This is despite there being additional funding being allocated to these areas at the budget setting stage, this included £16.8m for Children's services and £15.3m for Adult Social Services. The level of demand and the increase in the cost of placements has continued to outpace the increases in funding and delivery of savings in these areas.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

The Council has in place a programme of change. This is based around three areas which are demand management, income maximisation and service review. For example, the transformation plan includes a project which has overseen the provision of providing child placements in-house in order to reduce reliance on third party provision, and also the Adult Social Care whole service improvement programme, which has resulted in improvements in delivery of service to residents in their own home.

The Council produces a Medium-Term Financial Strategy (MTFS) each year alongside its annual budget. The MTFS sets out the resources available to deliver the Council's overall commitment to provide services that meet the needs of people locally over a five year period.

A key part of the MTFS is to highlight the budget issues that need to be addressed by the Council in each of the years covered. It reflects assumptions made to allow forecasting of the level of available resources from all sources together with the budget pressures relating to both capital and revenue spending. It also assesses the adequacy of reserves held which may impact on the Council's resources.

The Council's budget setting process, which begins in the summer, is a detailed and comprehensive process. There is detailed consultation and discussion with officers and members on the assumptions and principles on which the budget is to be based. As part of the budget setting process, the Council explicitly identifies its budget reduction requirements for the following years through detailed consideration of the budgetary pressures, funding estimates, and impact of national and local initiatives and policies.

A range of officer workshops are held to review proposals for budget reductions with each proposal supported by evidenced assessments of deliverability. Proposals are subject to consultation with staff, officers and members and are presented to meetings attended by Cabinet & Deputy Cabinet Members and senior officers, Overview & Scrutiny, and Cabinet before submission to, and approval at, Full Council. We reviewed a range of the budget preparation documents and meetings held as part of the budget setting process. Our review confirmed that the documents were comprehensive and detailed, and the workshops and meetings were timely and delivered the intended outcomes to assist with the budget preparation.

The budget reduction requirement identified in the MTFS 2024/25 to 2028/29 for 2024/25 was £10.8m with a further £23.2m required in the following two years. In setting the 2024/25 budget and MTFS, the budget reduction requirement for the period 2025/26 to 2028/29 was estimated at £37.1m after the use of £1.4m of reserves in 2025/26 and applying other budget reduction schemes. The budget reports for each year are clear on the means by which the savings will be delivered and clearly articulate the size of the challenge the Council faces in the medium term.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

Council’s arrangements and approach to 2025/26 and 2026/27 financial planning

The Council’s arrangements for the 2025/26 budget setting process largely followed the arrangements in place for 2024/25.

The budget for 2025/26 was approved at the February 2025 Council meeting. The Council set a balanced budget with a total net budget for Council services of £321.7m with an increase in Council Tax of 4.99% (including 2% Adult Care precept). The budget included £21.1m of budget reduction proposals, and £1.05m contribution to reserves. This has seen a reduction from the 2024/25 budget strategy that approved the use of £10.8m of reserves for 24/25. This is funded from the Balancing Budget and Fiscal Mitigation Reserves, both of which were created to deal with the increasing fiscal pressures.

We have reviewed the supporting evidence relating to the preparation of the 2025/26 budget and these demonstrate that the arrangements are consistent with the previous year, whilst the Council has incorporated increased funding to areas where there is demand led pressure, this has not been sufficient to ensure that that it meets financial targets.

The budget reductions identified as part of the 2025/26 budget setting and medium-term financial strategy were £21.1m for 2025/26, £9.7m for 2026/27, £11.5m in 2027/28, £9.6m in 2028/29 and £5.5m in 2029/30. These levels of budget reductions require the Council to continue to make difficult decisions on resource deployment and prioritisation.

The Council has included the flexible use of capital receipts within the budget setting process for a number of years. The 2025/26 MTFS projects that earmarked reserves for the following two years are £24.8m and reducing to £23.4m in 2026/27.

This along with the unplanned use of reserves seen in 2023/24, and 2024/25 has seen the level of earmarked reserves reduce over the last few years ahead of expectations. See the table below.

	2023/24 (£m’s)	2024/25 (£m’s)
Planned use of reserves	11.6	10.8
Unplanned use of reserves	16.1	10.1
General fund balance	18.9	18.9
Earmarked Reserves	49.6	31.6

Given the latest financial forecasts for 2025/26 project significant overspends, the Council will need to reconsider its level of reserves across the full MTFS period.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

In response to the financial situation the Council has established a Delivery Board, led by the Council leader, to robustly monitor the approved savings and to drive focus on achieving budget savings, holding responsible officers to account. There has been an increase in the regularity of reporting, so the deteriorating position in relation to 2025/26 has been identified earlier, this has prompted an increased focus on 2026/27. This work led to £6.1m of budget saving plans, approved during 2024/25, for a partial in-year 2024/25 benefit and a full year benefit for 2025/26.

The Council's approach to delivering a balanced budget includes the delivery of a transformation programme, this has been refreshed during 2024/25 based on the updated corporate plan and demonstrates the link to expected deliverables. The Council's approach to delivery of its new corporate objectives are based on 8 themes including demand management, income maximisation and service review.

This is managed through the Change and Transformation Board and led by the Deputy Chief Executive. The programme has identified the investment needed to deliver the long-term recurrent savings in key areas, for example Creating a Better Place (CaBP) focuses on investment in the town centre, including the restoration of the Old Library building. In addition, the rationalisation of Council office accommodation has seen the recent move of Council services to offices in Spindles shopping centre. The children's residential programme aims to replace external out of borough placements with internal provision where possible.

Alongside the use of reserves to support the implementation of the Transformation plan the Council has reviewed the adequacy of reserves in the Statement of Robustness and the minimum level of reserves remains at £30m. There is recognition that there are earmarked reserves to invest in the transformation program and that there has not been the opportunity in 2024/25 to replenish reserves, however there are still adequate reserves to support the revenue budget in the short term, and for the longer term the investment in the transformation plan, should deliver the longer time savings.

Overall the Council faces a challenging financial environment, that requires close monitoring of savings plans, awareness of the changing environment as demand for services continues to increase. The Council has for 2025/26 not planned to use reserves. However, as it continues to experience increased demand the assumptions underpinning the MTFS should be revisited. The Council recognises the use of reserves to balance the budget is unsustainable in the medium term to long term. Delivery of the Council's Transformation Plan is critical to ensuring the long-term financial sustainability of the Council.

Based on the above considerations we have identified a significant weakness in the Council's arrangements in relation to financial sustainability.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Risks of significant weaknesses in arrangements in relation to Governance

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p data-bbox="89 796 114 825">1</p> <p data-bbox="140 625 930 696">Limited Assurance Opinion – Head of Internal Audit (HoIA)</p> <p data-bbox="140 742 1006 999">The Council’s Head of Internal Audit has issued a limited assurance opinion in the AGS (Annual Governance Statement). This covers financial control and resilience, ICT, procurement, decision making, corporate performance, and recruitment and discipline. In our view the failure to take sufficient action on recommendations exposes the Council to avoidable risk.</p>	<p data-bbox="1031 396 1299 428">Work undertaken</p> <p data-bbox="1031 435 1172 464">We have:</p> <ul data-bbox="1031 471 2446 692" style="list-style-type: none">• Reviewed all limited assurance internal audit reports for impact on the VfM assessment.• Reviewed the internal control weaknesses to assess the impact on our risk assessment for the financial statements audit.• Reviewed how management respond to the findings raised by internal audit.• Reviewed how those charged with governance hold management to account for responding to the findings raised by internal audit. <p data-bbox="1031 742 1337 771">Results of our work</p> <p data-bbox="1031 778 2433 921">Review of the limited assurance opinions highlights that most have been issued due to issues with staffing and high turnover of staff. In addition, there is evidence of failure to comply with reasonably designed systems of control. The limited assurance opinions impact upon a range of Council directorates and are not isolated to individual service areas.</p> <p data-bbox="1031 971 2458 1078">The reports highlight that officers are failing to implement medium and high priority actions within agreed timeframes to address identified deficiencies in internal control, with evidence that high priority recommendations have been reported over a number of financial years.</p> <p data-bbox="1031 1128 2458 1228">We consider the findings to be evidence of a significant weakness in the Council’s arrangements for governance, specifically monitoring and assessing risk and ensuring the effective operation of internal controls.</p>

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

The Council's risk management and monitoring arrangements

The Council has a firmly established risk management system in place that is embedded in the governance structure of the organisation. The risk management arrangements incorporate service and directorate risk registers informed by detailed assessments of the key risks impacting on each area. These detailed registers inform the Council's corporate risk register which sets out the key strategic and corporate risks.

The risk registers apply a risk score both before and after mitigation measures and enable the Council to manage the risks actively and long-standing where necessary. We have reviewed the risk management strategy along with examples of service risk registers and the corporate risk register. Our review confirms the strategy is clear and detailed, and the registers appear comprehensive, containing sufficient and appropriate detail for Council officers and members.

The Council reports its risk registers through its governance framework, culminating in regular reports to the Audit Committee. Our attendance at the Audit Committee meetings has confirmed that the Committee understands its role in the risk management framework. It provides an appropriate level of challenge to management on the risk registers and corresponding risks and mitigating actions.

The Council has a team of internal auditors, led by the Head of Internal Audit and Counter Fraud, who provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud. The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by the Audit Committee prior to final approval. The audit plan is based on an assessment of risks the Council faces and is determined to ensure there is

assurance on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The planned work is supplemented by ad hoc reviews in respect of suspected irregularities and other work to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2024/25 and confirmed it is consistent with the approach.

Our review of internal audit reports for 2024/25 identified 17 reports that received a limited, weak or inadequate opinion. These include core financial systems such as payroll. Our review notes that the key objectives of the system to pay the workforce on time and accurately were met, however it has been noted that there has been a loss of key staff, and a general difficulty in recruiting and retaining suitably experienced staff to these roles, which has seen issues arise in relation to the weakness of controls. The recommendations raised have in a significant number of cases been brought forward from previous years due the turnover of staff.

On review of all limited assurance reports across a range of service areas there is a common issue that high and medium priority recommendations are not implemented within agreed timeframes, and compliance with controls is not in place across a number of service areas within the Council.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Internal audit reports and follow up reports are brought to Audit Committee, however monitoring of recommendations and agreed timescales is an area where improvement is required. There has been limited progress on long standing recommendations, despite requests from the Audit Committee for progress to be made, with implementations dates being frequently missed and pushed back multiple times. There needs to be better reporting to Audit Committee to ensure that any delays in implementing internal audit recommendations can be identified and investigated promptly, with officers held to account for non-delivery where required. It has been pleasing to see a greater presence from senior officers at Audit Committee in 2025/26 which has allowed a greater level of dialogue and challenge between the Committee and officers.

At the end of each financial year the Head of Internal Audit provides an opinion based on the work completed during the year. For 2024/25 the Head of Internal Audit concluded the Council received limited assurance over the effectiveness of controls in financial control and resilience, ICT, procurement, decision making, corporate performance management and recruitment and discipline. From this we have identified a significant weakness in the Council's arrangements, as set out on page 57.

Council arrangements for budget setting and budgetary control

The 2024/25 Budget Report was approved in March 2024, setting out the estimates of the financial challenge for the financial year 2024/25 and following years. During 2024/25, this was updated regularly and the likely financial position for 2024/25 and 2025/26 was reported to Cabinet. Monthly financial monitoring reports were prepared for 2024/25 which highlighted key issues which impact on the financial position, with the financial monitoring reports presented to senior managers, Members and then to Cabinet for approval. It was noted throughout the year that there was significant pressures arising from Children's Social Care, Community Health & Adult Social Care and temporary accommodation provision. This was monitored closely with actions being taken to mitigate the impact this included £6.1m of 2025/26 savings identified during 2024/25 financial year, and where implementation could be expedited during 2024/25 to reduce the forecast adverse position. The Council was not able to meet its financial targets and required additional support from reserves. The savings requirement was not able to be delivered in full putting further pressure on the use of reserves.

During the summer months of 2024, there were a series of officer and member workshops to consider the updated financial position and to agree budget reduction proposals for consultation with staff and the public.

Members were engaged closely in discussions about the level of Council Tax and have appropriate reports on the council tax base information. Members agreed to use the opportunity to increase this by the maximum of 2%. This was linked to a pledge to support the adoption of the Living Wage Foundation National Living Wage for adult social care providers. This resulted in a final increase of 4.99%.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

The Council has well established budget monitoring arrangements in place. The Finance service is configured to align to the Council's management portfolio structure. Members of the finance team are assigned to specific service areas and work closely with cost centre managers to review, discuss and agree the financial pressures/ issues impacting on specific service areas. At the end of each month, a portfolio dashboard is prepared which contains all relevant financial information. Forecasts are produced for cost centres, service areas and the whole portfolio. These are discussed and agreed with relevant directors and managers.

There is a detailed budget monitoring timetable to which the Finance service works to ensure that reports are timely. Overall financial monitoring reports are prepared encompassing the whole Council position for both Capital and Revenue. During 2024/25, these budget monitoring reports were prepared for Cabinet for months 3, 4,6,8,9 and 10. The format of the report has been subject to review to ensure relevant information was available. Budget monitoring reports were also presented to the Performance and Value for Money Overview and Scrutiny Committee for consideration.

Council decision making arrangements and control framework

The Council's decision making arrangements are established in the Council Constitution. Decisions are either made by members (Council, Cabinet, or other decision making committees) or delegated to Cabinet portfolio leads, or officers.

All Cabinet and Key Decision reports include Statutory Officer Comments and Risks, and an assessment of financial impacts and other key impact areas such as human resources, IT and property. The Council has a range of overview and scrutiny committees that challenge and scrutinise Council decisions.

An internal audit report on delegated reports identified a number of recommendations including ensuring there is a clear record of the rationale for adopting a course of actions, providing training for report authors of drafting delegated decision reports and ensuring that final decisions are on the modern.gov system with the final decision report. The recommendations have a responsible officer and agreed timescales for implementation.

The Council operates an Audit Committee which has the appropriate status in the organisation to challenge management and obtain assurance on the operation of the internal control framework. The Committee has an agreed workplan and where necessary asks management to report on specific internal control issues. The Audit Committee met regularly throughout the year and routinely considered key reports on internal controls. During the year the Committee identified that it required additional assurance on the Council's partnership arrangements. The Audit Committee was able to review the report on the partnership dashboard on the wider risks.

Based on the above considerations we have identified a significant weakness in the Council's arrangements in relation to governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

The Council's arrangements for assessing performance and evaluating service delivery

The Council prepares performance monitoring and financial monitoring reports which are presented to senior management, Cabinet and Overview & Scrutiny Committee. The overarching financial monitoring position is included in the performance reports. During 2024/25, financial monitoring reports provided information about the financial pressures being experienced. This highlighted new or increased service demand in some areas. These reports are also used to identify service delivery challenges, for example where increased costs are incurred to address service backlogs or underlying underperformance. Where such issues are highlighted through financial monitoring, the resources required as an investment to address this are identified. Performance reporting was revised through the year to take account of the circumstances.

The Council agrees and establishes a range of performance indicators for all directorates. These indicators are reviewed by services and reported initially to senior officers so that issues requiring action are understood including additional investment. Corporate performance reports are reported to senior management and members. During 2024/25, a new risk management dashboard has been developed for the Performance and Value for Money Overview & Scrutiny Committee to ensure risks are closely monitored and responses are timely in relation to changing conditions. We have reviewed a sample of these reports, and this confirmed that they clearly articulate the Council's performance and contain appropriate and detailed information.

The Council has a business planning process which requires detailed business plans to be agreed with respective Cabinet Members. Key performance indicators and measures then are encompassed within the corporate performance report. The Directorate plans are managed and monitored using a standard format. Reporting includes indicators such as the percentage of invoices paid in 30 days, the movement in the number of business in the borough, and the number of new homes completed in the year against targets.

During 2024/25 performance updates are required from responsible officers at the end of each quarter, with a strict requirement for adherence to timelines. The business planning cycle has been closely aligned to the risk management process through work undertaken in previous years. The reports have been further developed in 2024/25 with the inclusion of benchmarking data from LG Inform.

In addition to the corporate performance reporting, the Council has a range of internal performance and management information dashboards which enable it to evaluate performance and identify areas for improvement. For example, Oldham safeguarding Children's Partnership dashboard, we have reviewed a sample of these dashboards, and this confirmed that they clearly articulate the Council's performance and are appropriate for managing performance.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

From the work on service delivery, culture, education and leadership the Council was awarded the 'Most improved Council' at the Local Government Chronicle Awards. Reflecting the commitment and dedication to deliver better outcomes for residents.

The work of Internal Audit has identified areas of weakness and limited assurance within the internal control system across a range of service areas. The AGS sets out the Head of Internal Audit opinion is limited assurance in 2024/25, a range of improvements have been set out within the HoIA opinion across a range of areas.

The Council's arrangements for effective partnership working

The Council monitors its delivery on key partnerships including an ongoing assessment of risk as set out in the Partnership Dashboard which reports regularly to the Audit Committee. This identifies both current issues and emerging issues, for example, where there are plans to set up new partnerships to deliver key future priorities. As at 31 March 2025 the assessment of risk on partnerships operated by the Council was reported as low. The Council's key partnerships include NHS Greater Manchester ICP (Integrated Commissioning Partnership), its wholly owned subsidiary company, MioCare Community Interest Company and Oldham Total Care.

Both Miocare and Oldham Total Care are Council owned companies and they work closely with the Council as its significant customer. There are key governance arrangements in place within the Council to ensure efficient oversight of the company including annual reports to Scrutiny Committees and the Council appointing Members to the company boards.

The Council is party to a pooling of funds with the ICB and operates joint scrutiny arrangements to oversee the joint working arrangements. During 2023/24 some joint management responsibilities were in place across the Council and the ICB. These remain unchanged from 2024/25. The Council has a joint Commissioning Partnership Board on which the Leader and Cabinet Members for Adult Social Care represent the Council. This Board oversees the pooled fund agreement and receives financial performance reports relating to the arrangement.

The Council also works with GMCA across a number of initiatives including the In Work Progression programme, helping Oldham residents in work find better pay or new jobs, and the Health and Wealth Trailblazer which supports residents that are economically inactive back into work. These types of partnerships support dealing with the underlying issues of demand for services.

The Council's arrangements for procurement and commissioning services

The Council's Constitution contains a chapter on the Contract Procedure Rules. This sets out the detailed process that the Council must follow when procuring goods or services. We have reviewed the procedure rules and this confirms that they are comprehensive and cover the procedures, the quotation and tender process, using frameworks, post tender evaluation and contract monitoring procedures.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The Council has an experienced Commercial Procurement Unit leading on procurement and commissioning. The team appoints 'Category Leads' who work closely with commissioners to develop the forward view pipeline over the medium term. This enables the Council to be able to plan its procurement and commissioning activities well in advance. We reviewed the pipeline and confirmed it was detailed and comprehensive and facilitated the Council's proactive management of its procurement over the medium term.

The category lead role includes working with commissioners to develop the specifications, identifying opportunities for possible collaboration or amalgamation of contracts, engaging with the market, developing KPIs, reviewing contract management information, maintaining an active dialogue with suppliers, and ensuring that the contracts stay up to date through the contract period.

Where contract management information suggests that contracts are not being delivered to the specification, the Council engages with suppliers to put in place improvements. Maintaining a routine dialogue with suppliers is crucial in managing the relationship and in ensuring disputes and disagreements are minimised or avoided.

Internal Audit completed a review of contract management, and their work identified a number of improvements including the development of contract management policy, provision of training, and conducting checks on the completeness of the contracts register. An agreed plan of action is in place for all recommendations and a responsible officer.

The Council established the expected outcomes and benefits from procurement in a series of key performance indicators in each contract. These are tailored specifically to the specification of each contract and are actively monitored to ensure the benefits are being delivered. Regular dialogue between the category leads and the Council's commissioners and suppliers ensures the delivery benefits are up to date and remain appropriate through the contract, and that any innovation or efficiencies identified is included in updated contract terms. We reviewed a sample of procurement monitoring reports and key performance indicators and confirmed that they were detailed and appropriate.

The work of other regulators

During the year, the Council had an inspection of Children's Services by OFSTED in July 2024. The overall assessment was good across all areas under review. The Council has had a relentless focus on improvement driven by a strong and stable leadership team. The pace of change ensures that children now benefit from good quality help and support. Political and corporate commitment has translated into financial investment to strengthen services, and to address the areas identified for improvement from the previous inspection in 2019. For example, leaders have sustained a good level of service in early help at the 'front door' despite increased levels of demand.

We are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

VFM arrangements

Identified significant weaknesses in arrangements and our recommendations



VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified significant weaknesses in the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>1 In February 2024, the Council set a balanced budget for the 2024/25 financial year which included the need to deliver £20.4m of savings. By the end of the first quarter of the financial year, the Council was forecasting significant overspends and by year end reported an outturn position of £10.1m overspent. The Council failed to deliver its savings requirement in full, with only £15.9m out of the target £20.4m achieved. This has resulted in the Council’s earmarked general fund reserves reducing by 38% to £44.9m.</p> <p>The Council’s failure to control levels of expenditure or deliver its savings plans increases the risk of the Council having insufficient reserves to deliver its services. We consider this to be a weakness in how the Council plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities.</p>	<ul style="list-style-type: none"> • 			<p>The Council should:</p> <ul style="list-style-type: none"> • review its budget setting process to identify areas where demand-led expenditure is consistently in excess of planned levels and determine whether revised forecasting procedures are required; • consider whether required levels of savings should be increased to mitigate against future increases in demand; • identify alternative budget reduction schemes when existing plans are considered to be at risk of being undelivered by year end; and • review its Medium Term Financial Strategy and Reserves Policy to identify ways of increasing levels of reserves and building long-term resilience into the Council’s financial position. 	

VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>2</p> <p>The Head of Internal Audit issued a limited assurance opinion over the Council's governance, risk management, and internal control arrangements in place during 2024/25.</p> <p>Review of the limited assurance opinions highlights that most have been issued due to issues with staffing and high turnover of staff. In addition, there is evidence of failure to comply with reasonably designed systems of control. The limited assurance opinions impact upon a range of Council directorates and are not isolated to individual service areas.</p> <p>The report highlights that officers are failing to implement medium and high priority actions within agreed timeframes to address identified deficiencies in internal control, with evidence that high priority recommendations have been reported over a number of financial years.</p>		<p>●</p>		<p>The Council should:</p> <ul style="list-style-type: none"> • take immediate action to implement the outstanding Internal Audit recommendations still in progress as at 31 March 2025; • put in place arrangements to monitor the implementation of future Internal Audit recommendations by the Council's senior leadership team, ensuring delivery of recommendations within agreed timescales; and • regularly report progress in clearing historic and future recommendations to Audit Committee 	

Appendix C: Confirmation of our independence

We communicate any matters which we believe may have a bearing on our independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Audit Strategy Memorandum and therefore we remain independent.

We confirm that we have not made arrangements for any of our activities as auditor to be conducted by another firm that is not a Forvis Mazars member firm, nor have we used the work of external experts.

Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulation.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	<p>We have not identified any evidence to cause us to disagree with Director of Finance that Oldham Metropolitan Borough Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements..</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications

Other communication	Response
System of Quality Management	<p>To address the requirements of ISQM (UK) 1, the firm's ISQM 1 team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on the firm's System of Quality Management:</p> <ul style="list-style-type: none">• Ensure there is an appropriate assignment of responsibilities under ISQM1 and across Leadership• Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities• Identify, review and update quality risks each quarter, taking into consideration of number of input sources (such as FRC / ICAEW review findings, AQT findings, RCA findings, etc.)• Identify, design and implement responses as part of the process to strengthen the firm's internal control environment and overall quality• Evaluate responses to identify and remediation process / control gaps <p>We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.</p>

Appendix D: Other communications

Other communication	Response
<p>Subsequent events</p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
<p>Matters related to fraud</p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and where appropriate Audit Committee, confirming that</p> <ul style="list-style-type: none"> a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b) they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ul style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d) they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

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