



External Audit Progress Report Oldham Metropolitan Borough Council

March 2026

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01

Audit progress

Audit progress

Purpose of this report

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

Audit for the year ending 31 March 2025

Financial statements audit

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

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

Audit for the year ending 31 March 2025 (continued)

Value for money arrangements

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

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

Audit progress

Audit for the year ending 31 March 2025 (continued)

Audit for the year ending 31 March 2026

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

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

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

02

Audit fees and other services

Audit fees and other services

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

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

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

Fees for other work

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

National publications and technical updates

National publications and technical updates

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	Audit Committee Update issue 41 – the local audit backstop	A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help. For information only.
National Audit Office ('NAO')		
2	NAO insight: Financial management in government: monitoring and forecasting	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on monitoring and forecasting for better financial management in government. For information only.
3	NAO insight: Government's approach to technology suppliers: addressing the challenges	This report examines government's overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government's approach to digital procurement. For information only.
4	NAO insight: Financial management in government: allocating resources	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on how to allocate resources for better financial management in government. For information only.
5	NAO report: Managing conflicts of interest: value for money	This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. For information only.
6	NAO report: Local Government Financial Sustainability	This report focuses on MHCLG as the department responsible for the framework in which within local government operate and provides transparency over the current position of local government finances. For information only.
Other		
7	Forvis Mazars - Annual Local Government Risk Report 2025/26	The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans. For information only.
8	Forvis Mazars – Public Sector in Focus Report	This report outlines the top priorities and risks shaping the future of the sector. For information only.

National publications and technical updates

CIPFA

1. Audit Committee Update issue 41 – the local audit backstop

A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help.

Link: [Audit Committee Update issue 41 – the local audit backstop](#)

National publications and technical updates

NAO

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

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

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

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

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

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

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

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

National publications and technical updates

NAO

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

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

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

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

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

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

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

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

National publications and technical updates

NAO

6. NAO report: Local Government Financial Sustainability

This report focuses on MHCLG as the department responsible for the framework in which local government operate, and provides transparency over the current position of local government finances. By examining the current finance system and context for local government finances, the NAO aims to help inform MHCLG's consideration of future reforms.

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

National publications and technical updates

Other

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

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

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

8. Forvis Mazars – Public Sector in Focus Report

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

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

Contact

Forvis Mazars

Daniel Watson

Partner

Daniel.Watson@mazars.co.uk

Yogita Das-Patel

Audit manager

Yogita.das-patel@mazars.co.uk

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