Grenville Page
Audit Committee Chair
Oldham Metropolitan Borough Council
130 Rochdale Road
Oldham
OL1 2JA

Email: Yogita.Das-Patel@mazars.co.uk

25th March 2026

Dear Grenville,

External Audit 2025/26 Oldham Metropolitan Borough Council - understanding those charged with governance processes and arrangements

We are required by auditing standards to maintain a good understanding of the Council's management processes and arrangements. This enables us to deliver an efficient audit and reduces the time staff need to spend responding to auditors' queries. As part of this process, I would be grateful if you could provide a response to the following questions:

- How do you exercise oversight of management's processes in relation to:
    - undertaking an **assessment of the risk that the financial statements may be materially misstated due to fraud or error** (including the nature, extent and frequency of these assessments);
    - identifying and responding to risks of fraud in the Council, including any specific **risks of fraud** which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
    - **communicating to employees its view on business practice and ethical behaviour** (for example by updating, communicating and monitoring against codes of conduct); and
    - communicating to you the processes for **identifying and responding to fraud or error**.
- How do you **oversee management processes** for identifying and responding to the risk of fraud and possible breaches of internal control? Are you aware of any breaches of internal control during 2025/26? If so, please provide details.
- How do you gain assurance that **all relevant laws and regulations have been complied with**? Are you aware of any instances of non-compliance during 2025/26? If so, please provide details.

- Are you aware of any **actual or potential litigation or claims that would affect the financial statements**? If so, please provide details.
- Have you carried out a **preliminary assessment of the going concern assumption** and if so have you identified any events which may cast significant doubt on the Council's ability to continue as a going concern? If so, please provide details.

In addition to the above, which cover processes and controls, **Appendix 1 includes further questions to ascertain your views on fraud.** Your responses will inform our assessment of the risk of fraud and error within the financial statements, which in turn determines the extent of audit work undertaken in 2025/26.

I would be grateful if you could respond by letter or email. In the meantime, please don't hesitate to contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Yogita Das-Patel
Audit Manager

Appendix 1

No.	Questions	Response
1	Are you aware of any instances of actual, suspected or alleged fraud during the period 1 April 2025 – 31 March 2026? (if yes please provide details)	
2	Do you suspect fraud may be occurring within the organisation? • Have you identified any specific fraud risks within the organisation? • Do you have any concerns that there are areas within your organisation that are at risk of fraud? • Are there particular locations within the organisation where fraud is more likely to occur?	
3	Are you satisfied that internal controls, including segregation of duties, exist and work effectively? • If not where are the risk areas? • What other controls are in place to help prevent, deter or detect fraud?	
4	How do you encourage staff to report their concerns about fraud? • What concerns about fraud are staff expected to report?	
5	From a fraud and corruption perspective, what are considered to be high risk posts within your organisation? • How are the risks relating to these posts identified, assessed and managed?	
6	Are you aware of any related party relationships or transactions that could give rise to instances of fraud?	

No.	Questions	Response
	• How do you mitigate the risks associated with fraud related to related party relationships and transactions?	
7	Are you aware of any entries made in the accounting records of the organisation that you believe or suspect are false or intentionally misleading? • Are there particular balances where fraud is more likely to occur? • Are you aware of any assets, liabilities or transactions that you believe were improperly included or omitted from the accounts of the organisation? • Could a false accounting entry escape detection? If so, how? • Are there any external fraud risk factors, which present a high risk of fraud?	
8	Are you aware of any organisational, or management pressure to meet financial or operating targets? • Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?	
9.	What arrangements has the Council put in place in response to the Bribery Act 2010?	