Lee Walsh
Director of Finance
Oldham Metropolitan Borough Council
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Email: Yogita.Das-Patel@mazars.co.uk

25th March 2026

Dear Lee,

External Audit 2025/26 Oldham Metropolitan Borough Council – understanding management processes and arrangements

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

- What processes are in place at the council to:
    - undertake 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);
    - identify and respond to **risks of fraud**;
    - **communicate to employees of the Council views on business practice and ethical behaviour** (for example by updating, communicating, and monitoring against relevant codes of conduct); and
    - **communicate to the Audit Committee the processes for identifying and responding to fraud or error**.
- How does management gain assurance that **all relevant laws and regulations have been complied with?** Have there been any instances of non-compliance during 2025/26?
- Are there any **actual or potential litigation or claims that would affect the financial statements**?
- **What controls are in place to: identify, authorise, approve, account for and disclose related party transactions and relationships.** For any new related parties (i.e. any not already disclosed in the previous year's audited financial statements) please provide a list of them, explain their

nature, and whether there have been any transactions with these related parties during the year to 31 March 2026.

In addition to the above, which cover the Council's 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 on behalf of Oldham MBC. In the meantime, please 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?	