Appendix 1

Report to Council

2025/26 Annual Report of the Audit Committee to Council

Portfolio Holder: To be confirmed

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22 July 2026

~~Reason for Decision~~

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, states that:

To discharge its responsibilities effectively, the committee should:

- ***report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.***

The Council's Audit Committee is a key component of this Authority's governance framework. Its function is to provide an independent review and assurance role to support good governance and sound public financial management. This report has been prepared for full Council to advise of the work undertaken by the Committee in the financial year 2025/26, and for Council to note the views of the Committee on internal control.

Executive Summary

To discharge its role, the Audit Committee met formally on five separate occasions during the municipal year 2025/26 undertaking the work detailed in this report.

Members also received training on their role and responsibilities as Members of the Audit Committee from CIPFA on 3rd and 5th November 2025, and on the compilation of the Council's Annual Audit Plan from the Head of Internal Audit and Counter Fraud on 24th March 2026.

The Committee last had a private meeting with the Council's External Auditors, Forvis Mazars on 10th March 2025. The next meeting is planned for late September 2026 to coincide with the External Auditor's expectations of having completed the bulk of their work on the 2025/26 financial statements.

The Committee's annual work programme is built around its responsibilities for corporate governance, internal audit, external audit, risk management, anti-fraud and corruption, treasury management, and the review of the annual Statement of Accounts. This report summarises the work undertaken by key programme area for the financial year 2025/26.

This report is to inform Members of the work of the Audit Committee in the previous financial year and to report on the Committee's assessment of its own effectiveness against the CIPFA Position Statement and associated guidance.

Recommendation

That Council accepts the Annual Report of the Audit Committee.

Annual Report of the Audit Committee to Council

1 Background

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

1.2 The purpose of the Committee is to provide, to those charged with governance, independent assurance on the adequacy of the internal control environment, governance processes, integrity of financial reporting, and adequacy of the risk and information management framework.

1.3 To discharge its role, the Audit Committee met on eight separate occasions, five of which were formal meetings of the committee, during the municipal year 2025/26, undertaking the work detailed in this report. Member attendance details are shown in the table below.

Member	Meetings to attend	Present	Apologies	Absent	Sent Substitute
Grenville Page (Independent Chair)	**5**	**5**	**0**	**0**	
Cllr Al-Hamdani	**5**	**3**	**2**	**0**	**2 (Cllr Kenyon on 14th January 2026 and 26th March 2026)**
Cllr Aslam	**5**	**3**	**2**	**0**	**2 (Cllr Davis on 22nd October 2025, Cllr S. Hussain on 26th November 2025)**
Cllr Chauhan	**5**	**2**	**2**	**1**	**2 (Cllr Cosgrove on 22nd October 2025 and Cllr Harrison on 26th March 2026)**
Cllr Chowhan	**5**	**1**	**3**	**1**	**1 (Cllr Z. Ali on 26th November 2025)**
Cllr Ghafoor	**5**	**2**	**1**	**2**	**1 (Cllr Wahid on 26th November 2025)**
Cllr Malik	**5**	**0**	**2**	**3**	**1 (Cllr Nasheen on 26th March 2026)**
Cllr Quigg*	**3**	**1**	**1**	**1**	
Cllr Rustidge	**5**	**4**	**1**	**0**	

Cllr Sykes	**5**	**2**	**3**	**0**	**3 (Cllr Kenyon on 23rd July 2025, 22nd October 2025 and 26th November 2025)**
Stuart Green (Independent Vice-Chair)	**3**	**1**	**2**	**0**	
Cllr Lancaster*	**1**	**0**	**1**	**0**	
Cllr Woodvine*	**1**	**1**	**0**	**0**	

*For the first meeting of the year, Cllr Hince was a member of the Committee but, due to changes to the political balance of the Council, Cllr Hince was subsequently replaced by Cllr Sykes. Cllr Lancaster was a member of the Committee for the first meeting only, and Cllr Woodvine for the second meeting only. Cllr Quigg was a member of the committee for the final three meetings of the year.

1.4 Independent members assist in broadening the skills and knowledge available to assist Members in discharging their role and responsibilities. In the Audit Committee's previous report to Council for 2024/25, Members raised concerns over the Council not having recruited a second independent Member to the Committee. Following a number of unsuccessful recruitment exercises over the preceding two years, a second independent member of the committee was successfully appointed during 2025/26.

2 Work of the Committee during 2025/26 in accordance with the Committee's Terms of Reference

2.1 The Committee's work programme was built around its responsibilities for corporate governance, internal audit, external audit, risk management, anti-fraud and corruption, Treasury Management, Information Governance, and the review of the annual Statement of Accounts.

2.2 The paragraphs below outline the work undertaken in each of the key areas of responsibility.

Statement of Accounts

2.3 The Council published its draft Statement of Accounts for the financial year 2024/25 for submission to the External Auditor on 30 June 2025. The accounts were considered by the Audit Committee at its meeting on 23 July 2025. Whilst not a statutory requirement for the Audit Committee to review the draft Statement of Accounts, it is considered good practice that appropriate scrutiny occurs at this stage. It provides Members with the opportunity to ask detailed questions and seek assurances before the accounts are finalised.

Audit Completion Report

2.4 At its meeting on 26 November 2025 the Audit Committee considered the Auditor's Annual Report produced by the External Auditor to the Council (Forvis Mazars LLP) which set out the draft findings of the audit of the 2024/25 Statement of Accounts. Overall, the findings of the External Auditor continued to be positive with an unqualified audit opinion, reflecting the good practice adopted by Oldham in preparing its accounts. The External Auditor did however note two significant value for money weaknesses in relation to Financial Sustainability (reliance on reserves to support revenue expenditure), and Governance (Limited annual assurance opinion for the year 2024/25 from the Council's Head of Internal Audit).

2.5 In respect of future financial resilience, the Council has, during 2025/26, increased earmarked reserves and revenue grant reserves for the purposes of providing future revenue budget support should this be required. The Council has, therefore, taken steps in year, and for future periods, to mitigate future financial risks.

2.6 In response to the Head of Audit and Counter Fraud's Limited Assurance opinion for 2024/25, the Council's established a system of detailed, regular progress reporting to the Council's Chief Executive and Executive Directors, to the Leader of the Council and Portfolio Holder, and to the Council's Audit Committee. Self-reporting of progress by Services has been at a granular level, on a recommendation-by-recommendation basis, with reasons for programme slippage reported where this has been the case. The Chief Executive, Executive Directors, Leader, Portfolio Holder and other responsible Officers have regularly attended the Council's Audit Committee throughout 2025/26 to provide written and verbal updates to members and answer Member questions on progress.

2.7 Significant progress has been reported by Services across the majority of areas highlighted in the Head of Internal Audit's Annual Report and Opinion for 2024/25. Which reflects the clear organisational commitment to strengthening governance, risk management and internal control arrangements.

2.8 As a result, whilst the overall conclusion and Annual Audit Opinion is that the Council's systems of governance and internal control during 2025/26 continued to provide Limited assurance, there is a clear implementation plan in place and a positive trajectory of improvement and, should the current momentum be sustained throughout 2026/27, there is an expectation that assurance levels will improve in coming years.

Annual Governance Statement (AGS) and Local Code of Corporate Governance

2.9 The main purpose of the Annual Governance Statement (AGS) is to provide the necessary assurance that a reliable framework is in place for the financial year that aligns to the Statement of Accounts. The Annual Governance Statement for 2024/25 was presented as part of the draft Statement of Accounts at the meeting on 23 July 2025. The Annual Governance Statement complies with the framework set out in the Chartered Institute of Public Finance and Society of Local Authority Chief Executives (CIPFA/SOLACE) guidance.

2.10 The Committee also reviewed the Local Code of Corporate Governance at its meeting on 27 June 2024. It is considered good practice to review the Code as a minimum every two years.

Partnership Governance

2.11 An emerging challenge for all Councils to consider is whether they have appropriate oversight, from a governance perspective, over the partnerships in which they have a financial and operational interest. There have been several matters reported in the public domain which has highlighted that in other public bodies those charged with the provision of this oversight have not fully understood the risk.

2.12 In respect of 2025/26 audit work, the Committee has received the outcomes of audit reports on both Miocare and Oldham Total Care, both subsidiaries of the Council.

Internal Audit and Annual Report of the Chief Internal Auditor

2.13 The Internal Audit service was provided in-house during 2025/26 with specialist support from Salford City Council for computer audit. The Committee received regular quarterly updates on Internal Audit and Counter Fraud progress, and an update to the Audit Charter at its meeting on 26 March 2026.

2.14 At its meeting on 23 July 2025, the Committee reviewed the system of internal audit for the financial year 2024/25 in line with good practice. In accordance with expected professional standards, which requires a review of the Internal Audit Service every five years, CIPFA were commissioned to undertake an External Quality Assurance review which was completed in 2023. This reviewed whether Internal Audit Practices adopted by the Service in Oldham conformed with the requirements of the Public Sector Internal Audit Standard. The outcome was that the Service "Generally Conforms to the Standard". As such the work undertaken by internal audit is in line with best practice as "Generally Conforms to the Standard" is the highest rating. A self-assessment of conformance for the year 2025/26 by the Head of Audit and Counter fraud confirmed that the Service remained in conformance with the required standards in that year.

2.15 At the meeting which considered the draft Statement of Accounts on 23 July 2025, the Audit Committee considered the Annual Report of the Head of Audit for 2024/25. As outlined above, this highlighted that the overall control environment during 2024/25 provided Limited Assurance. Also noted above is the Council's response to this finding and the progress made during 2025/26 to address the control improvements required.

2.16 At the meeting which considered the draft Statement of Accounts on 22 July 2026, the Audit Committee considered the Annual Report of the Head of Audit for 2025/26. The Head of Audit's Annual Opinion for 2025/26 is that the systems of governance and internal control during that year continued to provide Limited Assurance, but that significant progress had been made during 2025/26 and that, should this momentum be maintained, improved assurance opinions are anticipated going forward.

Treasury Management

2.17 Recent corporate failings of other local authorities reported in the public domain have identified the importance of appropriate independent scrutiny of Treasury Management which is therefore a key task of the Audit Committee. In line with recently updated best practice the Audit Committee now receives quarterly, as opposed to half yearly, reports on Treasury Management.

Senior Information Risk Owner (SIRO) / Information Governance

2.18 Another key role in the Governance Framework is the SIRO who considers the Council's risks in relation to information governance and when information is disclosed, often inadvertently, to an individual who has no right to access that data. The last SIRO update report to the Audit Committee was in January 2025.

Risk Management

2.19 The Audit Committee reviews the Council's risk management arrangements. Effective risk management can have a major impact on the successful achievement of the objectives, policies, and strategies of the Authority. The last Corporate Risk Register update report to the Audit Committee was in March 2025.

Anti-Fraud and Corruption

2.20 In addition to the regular anti-fraud and corruption progress reports received by the Committee, the Committee also reviews and approves the Council's suite of Anti-Fraud and Corruption policies, self-assessments and action plans on an annual basis. These were presented to the Committee in October 2025.

3 Audit Committee self-assessment and review of its own effectiveness.

3.1 CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, contains two self-assessment questionnaires for the Committee to complete each year to assist the Committee in conducting a self-assessment of the Committee's own effectiveness.

3.2 The completed questionnaires are reproduced as Annexes 1 and 2 to this report. The outcome of the self-assessment is positive, with the Committee able to demonstrate high levels of adherence to best practice (Annex 1) and high levels of effectiveness (Annex 2). Areas where potential improvements have been identified, and associated actions to implement improvements, are noted in the annexes.

3.3 A summary of the actions identified during the 2024/25 review for the Committee to take forward during 2025/26 (actions 1 to 8), and progress against these actions, is shown in the table below. Also shown are two additional actions identified during the 2025/26 review and plans to address these actions (actions 9 and 10):

Audit Committee Effectiveness Review 2025/26 & 2026/27, and Action Plan for 2026/27.

No.	Actions from 2024/25 & 2025/26 Reviews	Progress during 2025/26 and areas to take forward into 2026/27
1	Explore opportunities to liaise across Greater Manchester with other Local Authority Audit Committee Chairs to share knowledge and experience as required.	**Ongoing** Audit Committee Chair is has attended two meetings of the NW Chair's Forum hosted by the LGA and has put forward an item for the upcoming meeting to propose a GM Audit Chair group to focus on sharing good practice in this area.
2	Review protocol for inviting Officers to appear at Audit Committee.	**Complete** Going forward all Limited or Weak Audit Opinion Reports will be brought to the Committee and Service representatives invited to attend to answer Member questions.
3	Committee to receive reports for information on results from other assurance providers, e.g. Ofsted, CQC etc.	**Ongoing** The Committee has not received reports from other assurance providers during 2025/26. Future reports to be distributed to members when available.

4	Committee to meet privately with both Internal and External Auditors during 2025/26.	**<u>Complete/Ongoing</u>** The last meeting took place on 10th March 2025. Members expressed the opinion that they considered the opportunity to meet with the External Auditor privately was beneficial. Next meeting to be scheduled for September 2026 onwards to coincide with the External Auditor's expectations in relation to completion of their work on the draft accounts.
5	Review plain English induction sheet for new Members outlining the role and functions of the Committee based on the Committee's Terms of Reference.	**<u>Complete</u>** Members received comprehensive training from CIPFA on their roles and responsibilities in July 2025. Self-assessment questionnaire issued to members for completion and inclusion in 2025/26 effectiveness review and to be utilised as a basis for further training. Comprehensive CIPFA Guidance materials distributed to new and existing Members 25th June 2025. Self-assessment questionnaire issued to existing Members 9th May 2025, and to new Members 25th June 2025. Responses received indicate that members feel they have either a good or adequate knowledge in most areas pertinent to their role. The Council successfully recruited a second independent member to support the committee in undertaking its role.
6	A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference to be circulated and completed and utilised to identify additional Member training and development needs.	**<u>Complete/Ongoing</u>** Members received comprehensive training from CIPFA on their roles and responsibilities in July 2025. Self-assessment questionnaire issued to members for completion and inclusion in 2025/26 effectiveness review and to be utilised as a basis for further training. Comprehensive CIPFA Guidance materials distributed to issued to new and existing Members 25th June 2025. Self-assessment questionnaire issued to existing Members 9th May 2025, and to new Members 25th June 2025. Responses received indicate that members feel they have either a good or adequate knowledge in most areas pertinent to their role.

		The Council successfully recruited a second independent member to support the committee in undertaking its role.
7	Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.	**Ongoing** Head of Audit and Counter Fraud liaising with the Assistant Director (Governance) on updating the Committee's Terms of Reference in line with CIPFA's Model Terms of Reference.
8	Seek feedback from the Cabinet Portfolio Holder and Council following presentation of the Committee's annual report to full Council.	**Complete and ongoing** Meeting between the Audit Committee Chair, the Executive Member for Value for Money and Sustainability, the Director of Finance and Head of Audit and Counter Fraud took place on 10th July 2024 to discuss the outcome of the Committee's self-assesment of it's own effectiveness for 2023/24. Good feedback on the work of the Committee was received. Next meeting to be arranged following Audit Committee approval of 2025/26 effectiveness review.
9	The Committee to receive regular update reports on the Corporate Risk register, and from the Senior Information Risk Owner (SIRO).	**Ongoing** The Audit Committee work plan will reflect this requirement going forward.
10	The Committee to meet annually in private with the Council's external Auditor following completion of the External Auditor's work in reviewing the Council's Annual Financial Statements.	**Ongoing** The Audit Committee work plan will reflect this requirement going forward and a meeting will be scheduled for September 2026 onwards.

3.4 Ongoing actions will be taken forward during 2026/27 and their implementation reviewed as part of the Committee's subsequent annual review process.

4 Options

4.1 There are two options as follows:

a) Accept the Annual Report of the Audit Committee.
b) Reject the Annual Report of the Audit Committee and request an alternative style of report.

Preferred Option

Option (a) at 4.1 is the preferred option, that the proposed Annual Report of the Audit Committee is accepted by Council.

5 Consultation

5.1 There has been consultation with the Audit Committee on the preparation of this report.

6 Financial Implications

6.1 There are no specific financial implications arising from this report.

7 Legal Services Comments

7.1 There are no direct legal implications arising from the report.

8 Co-operative Agenda

8.1 The Annual Report of the Audit Committee has been prepared to support the Council in its delivery of the cooperative agenda.

9 Human Resources Comments

9.1 There are no specific human resources implications.

10 Risk Assessments

10.1 The Council is required to prepare an Annual Report on the operation of its Audit Committee. The report does not identify any specific risks to identify to full Council.

11 IT Implications

11.1 There are no specific IT implications.

12 Property Implications

12.1 There are no specific property implications.

13 Procurement Implications

13.1 There are no specific procurement implications.

14 Environmental and Health & Safety Implications

14.1 There are no specific Environmental and Health & Safety Implications.

15 Equality, community cohesion and crime implications

15.1 There is no specific equality, community cohesion and crime implications.

16 Equality Impact Assessment Completed?

16.1 N/A.

17 Key Decision

17.1 No.

18 Key Decision Reference

18.1 N/A

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Background papers are shown as the Annexes to this report.

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20 Appendices

Annex 1 - Self-assessment of good practice
Annex 2 - Self -assessment of effectiveness
Annex 3 - Member Knowledge and Skills questionnaire 2025 – aggregated results

Annex 1 - Self-assessment of good practice

This annex provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
Scale of improvement required	Major	Signifi-cant	Moder-rate	Minor	None
Scoring of answers	0	1	2	3	5
Audit committee purpose and governance					
1 Does the authority have a dedicated audit committee that is not combined with other functions (e,g. standards, ethics, scrutiny)?					5
2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					5
3 Has the committee maintained its advisory role by not taking on any decision-making powers?					5

4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					5
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					5
6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7 Does the governing body hold the audit committee to account for its performance at least annually?					5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					
• compliance with the CIPFA Position Statement 2022.					5
• results of the annual evaluation, development work undertaken and planned improvements					5
• how it has fulfilled its terms of reference and the key issues escalated in the year?					5
Functions of the committee					
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
Governance arrangements					5
Risk management arrangements					5
Internal control arrangements, including: • financial management • value for money • ethics and standards • counter fraud and corruption				3	
Annual governance statement					5
Financial reporting					5
Assurance framework					5
Internal audit					5
External audit					5

10 Over the last year, has adequate consideration been given to all core areas?				3	
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?					5
12 Has the committee met privately with the external auditors and head of internal audit in the last year?				3	
Membership and support					
13 Has the committee been established in accordance with the 2022 guidance as follows?					
• Separation from executive					5
• A size that is not unwieldy and avoids use of substitutes					5
• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation					5
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			2		
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?					5
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					5
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?					5

18 Is adequate secretariat and administrative support provided to the committee?					5
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
Effectiveness of the committee					
20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?					5
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22 Are meetings effective with a good level of discussion and engagement from all the members?				3	
23 Has the committee maintained a non-political approach to discussions throughout?					5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					5
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5
26 Do audit committee recommendations have traction with those in leadership roles?					5
27 Has the committee evaluated whether and how it is adding value to the organisation?					5
28 Does the committee have an action plan to improve any areas of weakness?					5

29 Has this assessment been undertaken collaboratively with the audit committee members?					5
Sub totals	0	0	2	12	175

Total score is 189 out of a maximum of 200, with areas of potential development identified. The proposed actions to address these areas where less than full compliance were identified from the 2024/25 and 2025/26 assessments. Actions taken to date, and development areas to take forward into 2026/27, are shown in the table below:

Question	**Level of Compliance 2025/26**	**Action to reach full compliance**
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows? • ethics and standards	3	Action ongoing – Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.
10 Over the last year, has adequate consideration been given to all core areas?	3	The Committee to receive regular update reports on the Corporate Risk register and from the Senior Information Risk Owner (SIRO)
12 Has the committee met privately with the external auditors and head of internal audit in the last year?	3	The Audit Committee work plan will be updated to reflect this requirement going forward and a meeting scheduled for September 2026 onwards.
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	2	Committee Membership is not based solely on skills and knowledge, political balance of the Committee is a consideration. Action completed – A short, plain English induction sheet outlining the role and functions of the Committee based on the Committee's Terms of Reference has been completed and distributed to Members.

		Action completed – The Council has recruited a second independent member to support the committee in undertaking its role. Action ongoing – see Members Skills and Knowledge Assessment and Training responses below.
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	5	Action completed and ongoing – A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference has been circulated and completed in June 2025 and the exercise will be repeated for new committee membership in 2026.
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	5	Action ongoing - The self-assessment of Member skills and knowledge based on the Committee's Terms of Reference found Members responded positively and reported either adequate or good knowledge in most areas. Feedback will be utilised to identify further additional Member training and development needs. Action Completed – Members received targeted training on the role of the Committee from CIPFA on 7th and 16th July 2026. Action completed – The Council has recruited a second independent member to support the committee in undertaking its role.
20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	5	Action ongoing – Committee Chair met with Cabinet Portfolio Holder following 2023/24 assessment and feedback from Portfolio Holder was positive. Further meeting to be arranged following Member approval of the 2025/26 assessment.
22 Are meetings effective with a good level of discussion and engagement from all the members?	3	No proposed action – Member comments and questions on all aspects of Committee business are actively sought and welcomed at each meeting and levels of engagement have been good throughout 2025/26. Inevitably some

		Members contribute more frequently than others.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
Promoting the principles of good governance and their application to decision making.	• Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurances underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnerships.	• The council has a local code of corporate governance presented to the audit committee in June 2024. • The AGS is reported to the Committee each year as part of the Council's draft Financial Statements. • Annual audit plan 2025/26 contained a review of the compilation of the AGS. • Miocare financial systems are audited each year and a review of OTC has been undertaken in 2025/26. • Audit committee chair has attended the NW LGA Chair's Forum.	• Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. • Local arrangements for governance have been clearly set out in an up-to-date local code. • The authority's scrutiny arrangements are forward looking and constructive. • Appropriate governance arrangements established for all collaborations and arm's-length arrangements. • The head of internal audit's annual opinion on governance is satisfactory (or similar wording).	• Structures are generally sound. One weakness with audit committees generally is the length of tenure linked to the electoral cycle. • The council has a local code of corporate governance last presented in June 2024. • The council's scrutiny committees have been restructured. • Annual CAE opinion reported in July 2026 is Limited assurance. Committee to monitor progress against agreed actions throughout 2026/27. • Miocare financial systems are audited each year and a review of OTC has been undertaken in 2025/26.
Contributing to the development of an effective control environment.	• Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant	• During 2025/26 Service representatives and Senior Leaders have addressed the Audit Committee during the year in relation to audit review findings. • Recommendation tracker is reported to Committee. • Moving forward into 2026/27 the Committee will continue to receive	• The head of internal audit's annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified.	• Annual CAE opinion of Internal Control published in July 2026 is Limited assurance. • Assessment against FM code completed by CFO and presented to Audit Committee January 2022 and September 2023. A high level of compliance was identified. • Control frameworks are in place for key control areas. Where these are not currently in place the Council is working

Areas where the audit committee can have impact by supporting improvement	• Examples of how the audit committee can demonstrate its impact	• Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	• Key indicators of effective arrangements	• Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
	concerns over controls with appropriate senior managers.	reports in connection with all audit opinions of Limited assurance or below.	• Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.	towards addressing these areas. • Moving forward into 2026/27 the Committee will receive reports in connection with all audit opinions of Limited assurance or below. • Committee to monitor progress against agreed actions throughout 2026/27.
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	• Reviewing risk management arrangements and their effectiveness, e.g. risk management maturity or benchmarking. • Monitoring improvements to risk management. • Reviewing accountability of risk owners for major/strategic risks.	• The Corporate Business Planning Process supports the production of the Corporate Risk Register. The Corporate Risk Register has not been reported regularly to the Audit Committee during 2025/26.	• A robust process for managing risk is evidenced by independent assurance from internal audit or external review.	• IA Review of Corporate Risk register undertaken during 2024/25 received an Adequate assurance opinion. • The Corporate Risk Register has not been reported regularly to the Audit Committee during 2025/26.
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	• Reviewing the adequacy of the leadership team's assurance framework. • Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. • Seeking to streamline assurance gathering and reporting. • Reviewing the effectiveness of	• During the 2025/26 The Audit Committee has not received reports on the following elements of the Council's assurance framework: the Local Code of Corporate Governance, the Corporate Risk Register or SIRO update reports. • The Committee has identified its own assurance needs and gaps in assurance and requested reports on all audit reports with a Limited opinion or below.	• The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.	• During the 2025/26 The Audit Committee has not received reports on the following elements of the Council's assurance framework: the Local Code of Corporate Governance, the Corporate Risk Register or SIRO update reports. • Going forward into 2025/26 the Committee will receive the above reports.

Areas where the audit committee can have impact by supporting improvement	• Examples of how the audit committee can demonstrate its impact	• Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	• Key indicators of effective arrangements	• Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
	assurance providers, e.g. internal audit, risk management, external audit.	• The Committee receives regular reports from both internal and external audit on progress throughout the year. It also receives the annual report and opinion from the CAE and the external Auditors audit completion report. • FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement. • The Committee receives an annual review of the system of Internal Audit. In March 2023 an External Quality Assessment was conducted by CIPFA and the results reported to the Committee.		
Supporting effective external audit, with a focus on high quality and timely audit work.	• Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations.	• FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement. • Liaison is good, The Committee met privately with the External Auditor during 2024/25. • External Auditor attends all Audit Committee meetings and provides a regular update and opinion	• The quality of liaison between external audit and the authority is satisfactory. • The auditors deliver in accordance with their audit plan, and any amendments are well explained. • An audit of high quality is delivered.	• Liaison is good, the Committee met privately with the External Auditor during 2024/25 and a further meeting will be arranged post September 2026. • The External Auditor delivered in line with the external audit backstop arrangements in place for Local Audit as at the end of February 2025. • FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed

Areas where the audit committee can have impact by supporting improvement	• Examples of how the audit committee can demonstrate its impact	• Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	• Key indicators of effective arrangements	• Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		reports to the Committee on their work.		requiring significant improvement.
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	• Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit.	• The Audit Committee reviews the Audit Charter, including reporting arrangements, annually. • The Committee receives an annual review of the system of Internal Audit. In 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity. Since then the PSIAS and LGAN have been replaced by the GIAS 2024 and LGAN 2024. HIA self-assessment indicates that the service remains in full conformance with the updated standards.	• Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). • The head of internal audit and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019).	• The Committee receives an annual review of the system of Internal Audit. In 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity. Since then the PSIAS and LGAN have been replaced by the GIAS 2024 and LGAN 2024. HIA self-assessment indicates that the service remains in full conformance with the updated standards. • The organisation and HIA operate in accordance with the CIPFA statement.
Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.	• Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of	• During 2024/25 the Audit Committee has received the draft AGS, and The Annual Report and Opinion of the HIA • During the 2025/26 The Audit Committee has not received reports on the following elements of the Council's assurance framework: the Local Code of Corporate Governance, the Corporate Risk Register or SIRO update reports.	• Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory.	• During the 2025/26 The Audit Committee has not received reports on the following elements of the Council's assurance framework: the Local Code of Corporate Governance, the Corporate Risk Register or SIRO update reports. • Going forward into 2025/26 the Committee will receive the above reports. • The Committee has monitored progress against agreed audit actions throughout 2025/26.

Areas where the audit committee can have impact by supporting improvement	• Examples of how the audit committee can demonstrate its impact	• Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	• Key indicators of effective arrangements	• Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
	performance management arrangements.			
Supporting the development of robust arrangements for ensuring value for money.	• Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work.	• External Audit reports on VFM assessment to the Audit Committee. • IA Review of the compilation of the AGS reported in Q1 2026/27. • VFM assessments have been as follows from Forvis Mazars: • 2022/23 – "Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability/governance/ improving economy, efficiency and effectiveness. • 2023/24 – "We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources." • 2024/25 – Forvis Mazars identified two significant weaknesses in the Council's arrangements to secure value for money in the areas of Financial Sustainability and Governance. During 2025/26 the Council has taken steps to address both of these weaknesses and the	• External audit's assessments of arrangements to support best value are satisfactory.	• VFM assessments have been as follows from Forvis Mazars: • 2022/23 – "Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability/governance/ improving economy, efficiency and effectiveness. • 2023/24 – "We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation." • 2024/25 – Forvis Mazars identified two significant weaknesses in the Council's arrangements to secure value for money in the areas of Financial Sustainability and Governance. During 2025/26 the Council has taken steps to address both of these weaknesses, and the Audit Committee has received regular reports on the Council's progress in addressing these weaknesses.in governance.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
		Audit Committee has received regular reports on the Council's progress in addressing these weaknesses in governance.		
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	• Reviewing arrangements against the standards set out in the *Code of Practice on Managing the Risk of Fraud and Corruption* (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors.	• The Council's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is presented to the Audit Committee and is written in line with the CIPFA Code. • The Council's Fraud and Loss risk Assessment and the Council's self-assessment of it's performance against the FFCL Checklist are reported to The Audit Committee. The Annual Audit Plan is constructed with the results the FFCL self-assessment in mind. • IA Review of Standards of Conduct reported during 2024/25 with opinion of Adequate. • IA Review of Discipline in 2025/26 with opinion of Reasonable. • IA Review of Delegated Decision Reports in 2025/26 with opinion of Reasonable.	• Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.	• IA Review of Discipline in 2025/26 with opinion of Reasonable. • IA Review of Delegated Decision Reports in 2025/26 with opinion of Reasonable. • Committee to monitor further progress against agreed actions throughout 2026/27.
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and	• Working with key members/the PCC and chief constable to improve their understanding of the AGS and their	• All Committee reports to Audit Committee are reviewed by Senior Leaders. The 2025/26 AGS is signed by the CEX. • In respect of improving how the Authority discharges its	• The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. • The external auditor completed the audit of the financial	• The External Auditor has completed the audit of the 2024/25 financial statements with an unqualified opinion. • The authority has published its 2024/25 and 2025/26 financial statements and AGS by the statutory deadline.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Self-evaluation by Oldham Council's Audit Committee as to how the Committee demonstrates its impact	Key indicators of effective arrangements	Self-evaluation by Oldham Council Audit Committee of its strengths, weaknesses and proposed actions
accountability.	contribution to it. • Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. • Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. • Publishing an annual report from the committee.	responsibilities for public reporting, Members have, in the past, questioned the need for inclusion of reports in the private part of the Committee's agendas. • The Committee publishes an annual report to full Council on its work for the year.	statements with minimal adjustments and an unqualified opinion. • The authority has published its financial statements and AGS in accordance with statutory guidelines. • The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.	• An IA review of the compilation of the AGS for 2025/26 returned an opinion of Reasonable.

Annex 3 – Member Knowledge and Skills questionnaire June 2025 – aggregated results

This questionnaire is designed to identify any areas for future training and development needs for Members of the Council's Audit Committee.

It covers the broad areas of responsibility of the Committee, and key areas of understanding which assist Members in discharging their responsibilities in their role.

Members were asked to self-assess their level of knowledge and understanding in the broad areas below as either Weak, Adequate or Good. There was also space for commentary on Members' assessment and/or specific areas where Members' felt they may benefit from greater understanding.

5 responses were received, and the aggregated results are shown in the tables below.

Roles and responsibilities	**Weak**	**Adequate**	**Good**	**Total**
The role of the Audit Committee.			**5**	**5**
The role of Scrutiny Committees.		**2**	**3**	**5**
The role of External Audit		**3**	**2**	**5**
The role of Internal Audit		**1**	**4**	**5**
The role of the S151 Officer	**1**	**1**	**3**	**5**

Governance, risk and control	Weak	Adequate	Good	Total
Corporate Governance and the principles of good governance.		3	2	5
Ethics		2	3	5
Business Planning and Risk Management		3	2	5
Value for Money		3	2	5
Anti-fraud and Corruption		2	3	5

Financial and Governance reporting	Weak	Adequate	Good	Total
The Council's Annual Governance Statement.		4	1	5
The Council's Financial Statements.		3	2	5
Treasury Management		3	2	5