



Audit Progress Report

Oldham Metropolitan Borough Council –Year ending 31 March 2026

September 2026

forv/s
mazars

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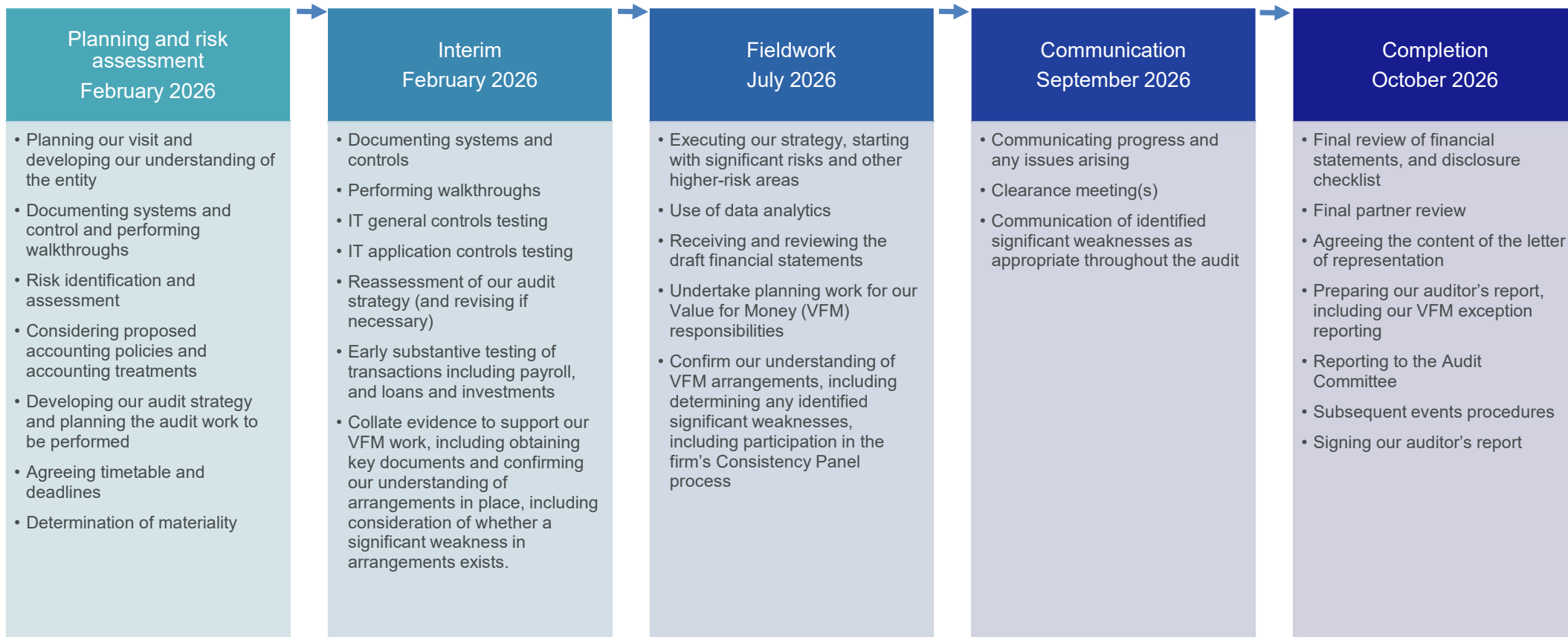
01

Audit approach and progress

Audit approach and progress

2025/26 Audit

The following timeline was reported in our ASM, we are still on track to be able to complete the audit in October.



Audit progress

2025/26 Audit

Our work on the statement of accounts audit is progressing well and there are no significant issues we need to highlight at this stage. We have summarised the outstanding information below:

Journals

Information has been received and is currently being reviewed by the audit team.

Pensions

We are awaiting information from the auditors of the pension fund, together with a breakdown of pensionable pay to support our audit testing.

PPE valuations

We have ongoing queries with the valuer and have also raised an enquiry with the Council regarding the non-application of indexation to all un-revalued assets during the year, as required under the updated Code. We are currently awaiting a response and an assessment of the potential impact to determine whether any issues arise as a result of this matter. The other property revaluations work has been completed is currently going through our quality review processes other than the work on .

Spindles

We are waiting for information from the Council’s valuer.

Omitted Bank accounts

We have outstanding queries relating to omitted bank accounts testing.

Manchester Airport Group

The audit team is currently reviewing the information provided and considering the findings of the expert.

Leases

The audit team is currently reviewing the information provided and considering the findings of the expert.

Income and expenditure

We are progressing our testing of sample evidence, including cut-off procedures.

Loans

We are verifying the classification of balances between long-term and short-term liabilities.

Audit progress

Creditors

We are reviewing the information provided by the Council.

REFCUS

We are reviewing the information provided by the Council.

Related parties

We are awaiting supporting evidence from the client in relation to the related party disclosures note.

Group consolidation

We are in the process of compiling our workings in relation to the group consolidation

Quality control

Our quality control and review procedures of work performed in key areas of the audit are ongoing.

Completion procedures

Procedures such as our qualitative review of the final financial statements, ongoing consideration of any post balance sheet events, and management representations are ongoing, and will remain as such, through to the date of issuing the auditor's report. We are on track to finalise our completion procedures in October, as per our timetable set out in the ASM (included on page 4 of this report).

Value for money arrangements

The NAO Code of Audit Practice requires auditors to issue their draft auditor's annual report to Those Charged with Governance by 30 November each year.

We have requested and received management's self assessment against the criteria set out in the NAO guidance, we are working through the information provided and complying with our internal consistency processes.

We will continue to keep Audit Committee updated as the audit progresses and will report our commentary and findings on the Council's value for money arrangements by 30 November 2026, in line with the national deadline. We have not identified any further risks of significant weakness at this stage.

Audit progress

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 Trust'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 Trust'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 will be 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.

Audit progress

Other deficiencies in internal control

None noted at present.

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National Publications

National publications

	Publication/update	Key points
National Audit Office (NAO)		
1	NAO Report: Using data analytics to tackle fraud and error	The NAO has published its report which examines how well-placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. For information only.
2	NAO report: Improving local areas through developer funding	The NAO has published its report Improving local areas through developer funding which is a return to this topic since its 2019 report now that the current government has chosen not to implement a previously proposed mandatory infrastructure levy which would have largely replaced the current system. For information only.
3	Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06	The C&AG has approved and published the Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06. For information only.
4	NAO report: Home to school transport	The NAO has published its report 'Home to school transport' which looks at spending on, and delivery of, home to school transport by local authorities in England. For information only.
5	NAO Good practice Guide – Financial management in government: reporting for decision making	The NAO has produced this good practice guide for finance leaders in government departments and other public bodies. For information only.
6	NAO report: Managing children's residential care	The NAO has published its report Managing children's residential care which assesses the Department for Education's (DfE) response to challenges faced by local authorities in placing looked-after children in cost-effective, high-quality residential care in England. For information only.
7	NAO publication: Implementation of climate-related reporting in central government annual reports	The NAO has published its report 'Implementation of climate-related reporting in central government annual reports' which examined the progress central government has made implementing Task Force on Climate-related Financial Disclosures (TCFD) reporting. For information only.
8	NAO Audit insights: Good practice in annual reporting	The NAO has published its report Good practice in annual reporting which showcases leading examples of good practice for annual reporting from different sectors. For information only.
9	NAO report: Unlocking land for housing	The NAO has published its report Unlocking land for housing which assesses whether the Ministry for Housing, Communities & Local Government's (MHCLG) programmes to increase the supply of suitable land for housing development are effectively supporting the government's ambitions to build the right homes in the right places. For information only.

National publications

NAO

1. NAO Report: Governance and decision-making on mega-projects

The NAO has published a report which examines how well-placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. The report sets out:

- case studies of how the private sector and government are already using data analytics to tackle fraud and error; and
- lessons from these case studies, and the NAO's discussions with those involved in implementing them, about the strategic challenges

Link: <https://www.nao.org.uk/reports/using-data-analytics-to-tackle-fraud-and-error/>

2. NAO report: Improving local areas through developer funding

The NAO has published its report Improving local areas through developer funding which is a return to this topic since its 2019 report now that the current government has chosen not to implement a previously proposed mandatory infrastructure levy which would have largely replaced the current system.

This report assesses whether the MHCLG is overseeing an effective and efficient system of developer contributions that delivers the intended benefits.

The report is made up of the following parts:

- Part One sets out how the system works and MHCLG's oversight of it;
- Part Two examines challenges within the system; and
- Part Three assesses MHCLG's actions to make the system more effective at delivering the intended benefits.

Link: [Improving local areas through developer funding - NAO report](#)

National publications and technical updates

3. Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06: Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions

The C&AG has approved and published Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06.

This LARRIG, endorsed by the FRC, sets out guidance to auditors where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. Its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in LARRIG 05.

Link: [LARRIG 06](#)

4. NAO report: Home to school transport

The NAO has published its report 'Home to school transport' which looks at spending on, and delivery of, home to school transport by local authorities in England. The report builds on the NAO's 2024 report 'Support for children and young people with special educational needs' and the 2025 report 'Local government financial sustainability' which noted the increase in home to school transport costs. In 2023-24, local authorities spent £2.32 billion transporting an estimated 520,000 children and young people to school or college.

The report concludes that for the children and young people who rely on it to get them to school and college each day, local-authority-provided transport is an invaluable service. Without it, many may struggle to access or continue with their education. When first introduced, it was predominantly a service for children in rural areas. Following changes in legislation, the number of children and young people assessed as having special educational needs increased, with implications for home to school transport.

Link: [Home to school transport - NAO report](#)

5. NAO Good practice Guide – Financial management in government: reporting for decision making

The NAO has produced this good practice guide for finance leaders in government departments and other public bodies. It sets out insights and good practice on how information can be reported to make better financial management decisions.

Link: [Financial management in government: reporting for decision-making - NAO insight](#)

National publications and technical updates

6. NAO report: Managing children's residential care

The NAO has published its report Managing children's residential care which assesses the Department for Education's (DfE) response to challenges faced by local authorities in placing looked-after children in cost-effective, high-quality residential care in England. The report:

- describes the characteristics of looked-after children, and how the current residential care system works in terms of costs and outcomes;
- examines the underlying reasons behind increasing residential care costs; and
- assesses DfE's understanding, approach and response to supporting local authorities to meet their statutory duty to house looked-after children.

The report concludes that the cost of supporting looked-after children in residential care almost doubled between 2019-20 and 2023-24, to £3.1 billion. And, with these vulnerable children not always receiving the support they need, the residential care system is not delivering value for money. A shortage of places for some looked-after children, particularly those with more complex needs, has driven cost increases.

The demand for places, along with a largely private provider-led market has led to local authorities competing for places and providers charging higher fees. The estimated annual spend per child in a children's home has increased from an average of £239,800 in 2019-20 to £318,400 in 2023-24 in real terms – and more children are living in residential care settings that are not best suited to their needs.

DfE recognises the scale of the challenge and has started to respond. Alongside investing in preventative care and fostering to reduce residential care demand, it is progressing legislation to improve financial oversight of private providers and encouraging local authorities to collectively commission places. These measures are taking time to implement with, for example, draft legislation introduced in December 2024.

To ensure these changes deliver a residential care system that works, DfE needs to improve its understanding of the system, set out what it wants the market to look like and support local authorities to make effective decisions.

[Managing-childrens-residential-care](#)

7. NAO publication: Implementation of climate-related reporting in central government annual reports

The NAO has published its report 'Implementation of climate-related reporting in central government annual reports' which examined the progress central government has made implementing Task Force on Climate-related Financial Disclosures (TCFD) reporting. The scope of the review includes an early look at the potential value it might have, and risks to its efficiency and effectiveness. This report draws out learning from the early phases of implementation, with a view to informing the phases to come. This report sets out:

- climate-related reporting in the UK
- progress so far implementing TCFD-aligned reporting in central government
- the experience of central government bodies preparing TCFD-aligned reporting.

[Implementation-of-climate-related-reporting-in-central-government-annual-reports](#)

National publications and technical updates

8. NAO Audit insights: Good practice in annual reporting

The NAO has published its report Good practice in annual reporting which showcases leading examples of good practice for annual reporting from different sectors.

In addition, organisations in the public sector may find the guide that the NAO shares with bodies it audits helpful which sets out how reporting and auditing requirements have changed over recent years, and practical actions that organisations can take to support transparent, timely, and clear annual reporting.

[Good practice in annual reporting](#)

9. NAO report: Unlocking land for housing

The NAO has published its report Unlocking land for housing which assesses whether the Ministry for Housing, Communities & Local Government's (MHCLG) programmes to increase the supply of suitable land for housing development are effectively supporting the government's ambitions to build the right homes in the right places. These programmes include activities such as capacity support, funding for infrastructure, land assembly, or viability gap funding; they are aimed at 'unlocking' sites. The report examines whether MHCLG:

- has unlocked land to deliver the right homes in the right places
- is learning and innovating to improve the productivity of its land unlocking programmes
- alongside Homes England, is putting in place an approach to unlock the right land in the right places to support future housing target

The report concludes that since 2016-17, MHCLG has allocated £10.5 billion of funding to unlock land for housing, through a variety of programmes that utilise different funding types, including grants, loans and equity investments. MHCLG expects that this funding will have been spent on unlocking land by March 2034. This land will provide the capacity for building 713,000 homes, with homes expected to be built on this land for decades to come.

MHCLG monitors the status of unlocking land activity for the projects it helps fund, it also knows how many homes have been built by housing developers on the land it has helped to unlock across the majority of its funds. However, it did not set out to track how many homes have been built on land unlocked by the Home Building Funds and the Brownfield, Infrastructure and Land Fund but is now working with Homes England to do so on these funds.

To be able to fully demonstrate value for money on these programmes, MHCLG needs to continue to monitor housebuilding over the long term and should consider what further measures it can take to embed monitoring of housebuilding across all its programmes.

MHCLG and Homes England have ongoing evaluations and have drawn on an understanding of what works in their existing programmes to evolve their intervention strategies. Efforts include implementing ongoing engagement instead of set bidding periods, maintaining continuous pipelines of projects, and offering a more flexible mix of funding options. It has also revised its assessment criteria to better account for non-monetisable benefits to facilitate more investment in areas of lower land values.

MHCLG aims to establish the new National Housing Delivery Fund to bring together all the funding for unlocking land and set up a housing bank, as a subsidiary of Homes England, from 1 April 2026. To be able to demonstrate value for money and be successful, MHCLG will need to swiftly build on the work it has started and set out its long-term ambitions, provide clarity about its investment priorities to the market and decision-makers in local authorities, and to have a clear articulation and management of risk.

[Unlocking land for housing](#)

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