



Auditor's Annual Report

Tameside Metropolitan Borough Council – year ended 31 March 2025

February 2026

Contents

- 01** Introduction
- 02** Audit of the financial statements
- 03** Our work on Value for Money arrangements
- 04** Other reporting responsibilities
- 05** Audit of the Pension Fund

- A** Appendix A: Further information on our audit of the Pension Fund's financial statements

Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Tameside Metropolitan Borough Council. It has been prepared for the sole use of the Audit Committee as those charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Introduction

Introduction

Purpose of the Draft Auditor's Annual Report

Our Auditor's Annual Report ('AAR') summarises the work we have undertaken as the auditor for Tameside Metropolitan Borough Council ('the Council') for the year ended 31 March 2025 to date. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Under the Code of Audit Practice ('the Code') issued by the National Audit Office, we are required to issue a draft of our Auditor's Annual Report to the Audit Committee by the 30 November following the year end for each year where we have not completed the audit by this date.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 ('the 2014 Act') and the Code. The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 27 February 2026, in line with the national timetable. Our opinion on the financial statements is disclaimed.



Reporting to the group auditor

The NAO, as group auditor, require us to perform specific procedures in support of their work on the Whole of Government Accounts ('WGA'). Whilst we have received partial instructions, we have yet to receive the full group audit instructions from the NAO.

On completion of the audit, we expect to issue our assurance statement to the NAO. However we are unable to conclude our work on the WGA until we receive confirmation from the NAO that no further work is required to be completed by us.



Value for Money ('VFM') arrangements

From the work we have completed, we have identified two significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The first is due to regulator findings in respect of the Council's provision of Children's Services. The second is due to the limited assurance opinion issued by the Head of Internal Audit on the Council's framework of governance, risk management and internal control for the year.

Section 3 provides more detail on the significant weaknesses in Council's arrangements at the point of issuing our draft AAR.



Wider reporting responsibilities

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We confirm no objections or questions from local electors, nor any such correspondence from electors has been received.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit is conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2025 and of its financial performance for the year then ended.

We have issued a disclaimed audit opinion on the 2024/25 financial statements. This means our audit report does not express an opinion on the financial statements, and no assurance is provided. The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion through Local Audit Reset and Recovery Implementation Guidance 06 ("LARRIG 06") in June 2025. We have had regard to LARRIG 06 and other relevant guidance and determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance. As a result, we are not able to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for the year ended 31 March 2025 before the 2026 backstop date. We issued our audit report on 27 February 2026, in line with the national timetable.

Our focus through 2024/25 and into 2025/26 is on assessing the risks of material misstatement in the opening balances which are derived from the financial statements that have had a disclaimer opinion

03

Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



- **Financial sustainability** – How the Council plans and manages its resources to ensure it can continue to deliver services.



- **Governance** – How the Council ensures that it makes informed decisions and properly manages its risks.



- **Improving economy, efficiency and effectiveness** – How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 – Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council have in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information;
- Information from internal and external sources, including regulators;
- Knowledge from previous audits and other audit work undertaken in the year; and
- Interviews and discussions with officers.

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

Phase 3 – Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this draft AAR. We do this as part of our commentary on VFM arrangements which we set out for each criteria later in this section.




We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- Recommendations arising from significant weaknesses in arrangements – we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- Other recommendations – we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11-14	No	No	No
 Governance	15-18	Yes	Yes – see page 23 and 24 for actual significant weakness identified	Yes – see page 23 and 24 for Recommendation made
 Improving economy, efficiency and effectiveness	19-21	Yes	Yes – see page 24 for actual significant weakness identified	Yes – see page 24 for Recommendation made

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

2024/25 Financial Performance

We have undertaken a high-level analysis of the draft financial statements, including the Movement in Reserves Statement and the Balance Sheet.

The Council's balance sheet position has decreased significantly when comparing the net assets to the prior year (£422.5 in 2024/25; £522.7m in 2023/24). The significant change in the balance sheet relates to movements in the Property plant and equipment due to £86m decrease related to derecognition on Academisation of schools. The significant decrease in cash and cash equivalents (£17.7m in 2024/25; £102.1m in 2023/24) is partially offset by the significant increase in the short-term investments position (£46 m in 2024/25; nil in 2023/24) and decrease in cash due to spend of capital schemes in 2024/25. The short-term borrowings have increased from prior year due to short-term loan taken out in the year.

Reserves:

In total the usable reserves decreased by £18.2m, from £154.7m as at 31 March 2024 to £136.5m as at 31 March 2025.

There was a revenue budget overspend of £16.9 m in 24/25. The Council's total general fund balance dropped by £14.6m from £125.5m in March 2024 to £110.8m in March 2025. This includes a decrease in Earmarked Reserves by £14.1m to £74.3m.

The in year overspend of £16.9m was funded from reserves and the General Fund balance is replenished to be maintained to the planned level of £27.5m. The Strategic Priorities and Budget Resilience reserves were consolidated into the new 'MTFS Investment and Resilience Reserve' (previously known as the Medium-Term Financial Plan) before funding the in year overspend. The total of non-ringfenced Earmarked reserves as at 31 March 2025 was £ 35.1m and general fund balance of £27.5 m.

The 2025/26 budget was approved with the delivery of £19.7m of savings for 2025/26 in addition to £3.2m of unachieved savings brought forward from previous years.

At the end of Period 9, only £3.564m of these savings have been fully achieved. The remaining unachieved savings have been RAG rated, with £3.273m rated green, £4.365m rated amber and £11.341m rated red. We reviewed the budget monitoring report for period 9 - 2025/26 and noted that at the end of Period 9 a forecast revenue budget overspend is £9.201m after implementation of recovery plans.

The most significant pressure in the Period 9 2025/26 forecast overspend is within Children's Social Care, where workforce costs and increased demand for placements are driving a forecast overspend of £7.175m.

The council recognises the use of reserves to fund overspends is not sustainable and council needs to ensure that savings are implemented in full or permanent reductions in expenditure are identified without delay.

The DSG deficit increased by £14.1m to cumulative £22m as at 31 March 2025. We noted that council forecast a deficit of £22.4 million in 25/26 predominantly relating growth in demand for Education, Health and Care Plan (EHCPs) within the High-Needs Block, that will increase the cumulative deficit to £44.5 million at 31 March 2026. The Government has extended the DSG deficit override until March 2028. We reviewed the schools Forum papers for the Council that shows that the DSG deficit primarily within the High Needs Block has been the subject of repeated formal consideration. Minutes from the Schools Forum in June 2025 confirm that the Council has implemented a multi year deficit recovery strategy, including participation in the DfE Delivering Better Value programme, reductions in reliance on high-cost placements, improved EHCP demand management, expansion of local specialist provision, and approved transfers from the Schools Block to the High Needs Block.

Arrangements for the identification, management and monitoring of funding gaps and savings

The MTFS is the Council's five-year plan which sets out the resources available to deliver the Council's overall commitment to provide services that meet the needs of people locally and represent good value for money. The MTFS also assesses the adequacy of reserves and of provisions held for past events which may impact on the Council's resources.

Budget setting and MTFS review is a six-to-nine-month process which starts in May / June each year and through to February, with the final full Council sign off at the February Council meeting. The MTFS was routinely refreshed throughout the year to update forecasts for known and anticipated cost pressures, savings, and funding changes. Emerging pressures were also identified through the in-year budget monitoring process and factored into future year budget forecasts.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – Continued

How the Council plans to bridge its funding gaps and identifies achievable savings

In March 2024 Full Council approved a balanced budget that includes £11.8m of budget reduction proposals to be delivered during 2024/25, The majority of reductions were attributed to Children's (£4.1m) and the Corporate (£3.7m) directorates. The Council have set a minimum level of general fund balances to maintain throughout the 2024/25 year, to set aside for the coming financial year. This is set at £27.5m, which is no change from prior year. Council incurred an overspend of £16.9m funded from Earmarked reserve (MTFS Investment and Resilience Reserve) in FY 24/25.

All directorates completed an implementation template as part of their original proposal, and the reporting schedule was tailored to align with key implementation points of proposals. For those assessed to be a red or amber delivery risk, this reporting provides assurance to members that delivery is on track. As part of this reporting, detailed plans are reviewed by the Senior Leadership Team against the implementation section of the original savings templates. Proposed savings were subject to robust review and challenge by the finance team, Senior Officers and Members. The review process was used to continue to monitor both the delivery of savings through the year and the identification of new savings for future years. Throughout the 2024/25 year the Council regularly updated its budget forecast, which enabled budgets to remain up-to-date.

A detailed analysis of the Council's balances and reserves is carried out as part of the budget setting process and a report provided to Budget Council each February under the Local Government Act 2003 to provide assurance that the level of reserves and balances are appropriate.

2024/25 Outturn

As noted above, the final outturn position on the 2024/25 budget presented a overspend on the Council Budget of £16.9m. The Council maintained the level of reserves in the general fund to £27.5m, same as recorded at the end of the 2023/24 financial year and meeting the target of a minimum level for the general fund set in the 2024/25 budget.

The main areas of overspend for 2024/25 were in the Children's Social Care and Adults directorates. Within the Children's Social Care directorate, a £16.4m overspend was recorded. The reason for overspend is attributed to expenditure on external cared for Children's placements £10.6m in excess of budget, and staffing costs exceed budget by £6.7m. Additional costs in agency staffing costs to employ social workers to deal with caseload requirements also contributes to the overspend.

There are also overspends in Adults Services where increased demand for residential and nursing care, combined with complexity of need and a shortage of local provision, is resulting in expenditure in excess of budget.

Arrangements and approach to 2025/26 financial planning

In March 2025 Full Council approved a balanced budget that includes £19.7m of budget saving proposals to be delivered during 2025/26, in addition to £3.2m of unachieved savings brought forward from previous years, alongside new areas to mitigate cost and demand pressures. Most reductions are attributed to the Adults (£9.1m) and Resources (£5.8m) directorates. Larger of the budget reduction proposals is related to Adult Social Care transformation proposals focusing on maximising independence through stronger commissioning, reviewing existing provision, and resettling out of area placements into local, community-based support. The Council have set the target to maintain the minimum level of general fund balances at £27.5m, comparable to the level set in 2024/25.

The Council has arrangements in place for the robust monitoring of all revenue and capital budgets, as well as processes for devising and reviewing savings plans. These are reported to the Single Leadership Team, Board and Executive Cabinet. Arrangements were also in place for the regular monitoring of Service Delivery Plans by directorates in terms of performance indicators and updates.

How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The MTFS brings together the key issues affecting the revenue budget, capital strategy and capital programme, treasury management strategy, and the organisational development strategy.

The performance against these plans is reported with reference to the Council's Corporate Plan with an updated vision "A place where everyone can achieve their hopes and ambitions". The corporate plan is based on four priorities and objectives:

- Best start in life;
- Opportunity to learn and earn;
- Safe, Green & Supportive Communities; and
- Healthy and Active Lives.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – Continued

How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The Council's Strategic Risk Register includes financial resilience and is reviewed regularly by risk owners and reported quarterly by SLT and Audit Committee. Reserves are monitored quarterly through monitoring reports taken to Executive Cabinet, underpinned by a reserves strategy. Monthly financial monitoring identifies emerging risks. The Council's MTFS arrangements include the identification and evaluation of risks to the Council's finances. Through regular reporting of the performance against the budget on a monthly basis, the Council take the opportunity to update the MTFS and factor in any potential funding gaps, existing and potential pressures and areas of investment aligned to Council priorities, to consider the impact on the Council's finances. This feeds into discussions during the next budget setting period also. Assumptions underpinning the MTFS are regularly stress tested.

We have reviewed the budget setting arrangements throughout the period by observation and discussions with officers.

From our review of the arrangements in place, we have not identified any risks of significant weaknesses in the Council's financial sustainability arrangements.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

How the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Throughout the year we have attended all Audit Committee meetings. Through attendance at these meetings, we have confirmed that the Panel receive regular updates on both internal audit progress and risk management in the form of risk registers.

The internal audit plan for 2024/25 was presented in March 2024. The 2024-25 Internal Audit Annual Report includes a limited assurance opinion issued by the Head of Assurance. This is attributed to a limitation in scope due to capacity issues in the internal audit team, and in terms of strategic risk coverage, the outcome of the OFSTED inspection, the limited assurance rating from the July 2024 ICO audit, the outcomes of a limited assurance opinion on the Council's risk management framework, and disclaimer of opinion on external audit of the Council's accounts for FY 2023/24.

This is the second consecutive year the Council has received a limited assurance opinion. In the prior year, this was primarily driven by issues within Children's Services, which we reported as a significant weakness in our VFM assessment. However, the current year's opinion reflects a broader range of issues, compounded by a reduced volume of completed internal audit work due to resourcing challenges, which limited the breadth of assurance available. The Head of Assurance stated that the limited assurance opinion was "based on the actual audit work completed in 2024/25." We also noted a slight limitation in coverage of strategic risks, specifically relating to Climate Change, which is scheduled for review in the 2025/26 audit plan.

Further, the former Head of Assurance left shortly after drafting the report, creating an additional gap. In May 2025, the Council appointed an Interim Head of Assurance and Interim Internal Audit Manager to address resourcing issues. Shortly thereafter, the Senior Auditor left, leaving one remaining auditor, who also departed in November 2025, leaving council's internal audit reliant on temporary staffing undermined team stability and eroded institutional knowledge. Despite efforts to recruit replacements, persistent capacity challenges prevented delivery of the full audit plan. Consequently, at its meeting on 29 October, Cabinet approved the recommendation to procure services through an established Internal Audit Partnership. From 1 April 2026, Tameside's internal audit provision will be delivered by Southwest Audit Partnership (SWAP) Internal Audit Services.

In our view, these circumstances provide clear evidence of a significant weakness in the Council's governance arrangements, based on the Head of Assurance's limited assurance opinion on the overall adequacy of the Council's framework of governance, risk management, and internal control for the 2024/25 period.

How the body approaches and carries out its annual budget setting process

The annual budget setting process begins with MTFS refreshes including a review of the current year for changes in demand, continuation of service budgets and savings progress. Budget setting and the MTFS review is a six-to-nine-month process which starts in May / June each year and concludes during February or March, with the final full Council sign off at the February / March Council meeting. The Strategic Director of Finance and the Assistant Director of Finance have worked with the Executive Members and the Senior Leadership Team during the budget preparation period to ensure that a robust set of savings plans are in place and a delivery plan has been drawn up for the year ahead.

A detailed analysis of the Council's balances and reserves is carried out as part of the budget setting process. A report provided to Budget Council each February under the Local Government Act 2003 provides assurance that the level of reserves and balances are appropriate.

How the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Monthly budget monitoring is led by Finance Business Partners in partnership with Directorates. Financial reports are produced monthly, and regular meetings are held to discuss progress against the financial forecasts. Significant variances against budget are investigated.

Monthly budget monitoring reports are presented to SLT, with quarterly report taken to Executive Cabinet. Corporate performance reports track a range of financial and non-financial indicators. Corrective action where needed is taken per the Council's Financial Regulations. We have reviewed a sample of the reports presented for 2024/25. These contain appropriate detail of the significant variances to budget and provide an update on the delivery against savings targets.

Review of the work of other Regulators

Care Quality Commission ('CQC')

There are two services registered with the CQC. These are Tameside Learning Disability Service and Wilshaw House. Both services received "good" ratings across each of the five CQC inspection areas of: Safe; Effective; Caring; Responsive; and Well-led. Tameside Learning Disability Service was inspected by the CQC in January 2024. The last full inspection of Wilshaw House was in June 2018. The CQC carried out a review of the service in July 2023 and concluded the rating did not require review at that time. The current ratings across all five areas of both services are "good".

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Information Commissioners Office ('ICO')

We have reviewed the ICO's website and decision notices in respect of Tameside Metropolitan Borough Council. From our review, we did not identify any issues indicating a weakness in arrangements.

However, following a data breach identified at the Council, the ICO agreed with the Council to carry out a consensual audit. The audit began in July 2024 leading to the report published at the end of September 2024. The focus of the audit covered five areas; governance and accountability; the role of the Data Protection Officer; personal data breach management and reporting; requests for access and data portability; and freedom of information ('FOI'). In summary, across all of these areas a limited assurance rating was provided and identified considerable scope for improvement in existing arrangements. Across the five areas, 33 urgent, 49 high, 20 medium and 4 low priority recommendations.

As also described in the report alongside the recommendations, the Council are focused on improving these areas for improvement. The Council have built an action plan addressing each of the ICO's recommendations, which includes a priority ranking for each recommendation, agreed actions and planned implementation date deadlines, along with setting an owner responsible for carrying out actions agreed upon.

In December 2025, Council identified that its Waste Offences Register had been inadvertently accessible to the public via the Council's website, resulting in the potential exposure of personal data. The incident was self-identified by the Council, and immediate action was taken to remove the data, secure the affected web pages, and assess the extent and duration of any access. The Council formally reported the breach to the Information Commissioner's Office (ICO) in line with its statutory obligations under the UK General Data Protection Regulation. A robust internal investigation was undertaken to understand the root cause, identify affected individuals, and implement additional protective controls to prevent recurrence. The ICO did not issue a reprimand, enforcement notice, or monetary penalty, and the matter was addressed through regulatory engagement and remediation.

From our work and discussions with management, our review has not identified any issues which indicate there is a significant weakness in the Council's arrangements.

Office for Standards in Education, Children's Services and Skills ('OFSTED')

OFSTED is the Office for Standards in Education, Children's Services and Skills. It inspects and regulates services that care for children and young people. The most recent full inspection of Children's Services by OFSTED was carried out between 4 and 15 December 2023 and issued on 13 February 2024. The overall effectiveness of the service was assessed as "Inadequate". Of the four inspection areas, "the impact of leaders on social work practice with children and families", "the experiences and progress of children who need help

and protection" and "the experiences and progress of children in care" were rated "inadequate", and "the experiences and progress of care leavers" remained at the rating of "requires improvement to be good" from the previous full inspection.

OFSTED identified that not all shortfalls from previous recommendations made had been addressed and such issues included:

- Quality and timeliness of interventions with children and families and other actions;
- Sharpen the extent of understanding and oversight of the service by members and corporate leadership; and
- Regularity and effectiveness of management oversight and challenge.

In March 2024 Secretary of State for Education issued a statutory direction which required the Council to take a number of steps to improve the quality of its services and appointed a Children's Services Commissioner (CSC). The Children's Services Commissioner's report of Sept-24 found that the Council does not have the capability and capacity to improve its children's services without effective oversight and support and recommended retention of a commissioner and commissioning of a local authority (Stockport MBC) to act as a Strategic Partner. In September 2024 report the CSC reported further weaknesses in the provision of Children's Services.

OFSTED carried out two monitoring visits in October 2024 and February 2025 and later issued a letter in March 25, this details that TMBC have not ensured improvements have been made and that weaknesses identified since the last inspection continue to be present. The letter highlights that October 2024 visit identified limited leadership grip and persistent weaknesses in assessment quality, management oversight and safeguarding timeliness, with no sustained improvement evident. The February 2025 visit concluded that progress had not been delivered at the pace required to keep children safe, highlighting ongoing poor practice and a serious decline in the timeliness of initial child protection conferences. Although new senior leadership and external support were in place by early 2025, Ofsted judged these changes too recent to demonstrate impact, and key risks to children remained.

The CSC also revisited and issued a report in April 2025, who despite setting out positive actions being taken by the Council has highlighting progress is very limited; a year effectively lost due to leadership churn and weak corporate/partnership support.

The most recent Ofsted visit in December 2025 noted Tameside Children's Services is showing early but meaningful signs of progress, aided by new leadership, improved organisational stability, and early strengthening of social work practice.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Area SENDS

A Written Statement of Action ('WSOA') was produced in response to the OFSTED and CQC SEND inspection report published in 2022. TMBC took steps to improve the services post WSoA, and progress was monitored. In March 25 council received an Improvement Notice in respect of the poor progress against Written Statement of Action taken to address the findings of the 2022 inspection. The improvement notice is clear that actions taken to make the necessary improvements must have a delivery date of no later than July 2026, and until sufficient progress has been evidenced the notice will not be stepped down.

Further, from 12–16 May 2025, Ofsted and the CQC carried out a joint full inspection of the local area SEND services. The outcome was published 3 July 2025, marking "widespread and/or systemic failings" and requiring an action plan.

The Council have continued to take a number of positive steps to implement changes to address the recommendations within the OFSTED inspection reports, including:

- Close review and oversight reported regularly to lead Members, the Tameside Safeguarding Children's Partnership and the Children's Improvement Board;
- Moving the multi-agency safeguarding hub ("MASH") to new premises for co-location of related service-delivery teams;
- Establishing the Children's Services Scrutiny Panel with the responsibility to consider all matters related to Children's Social Care and Education; and
- A restructured and regularly refreshed Improvement plan.

However, when considering the arrangements in place during the 2024/25 year, we believe there to be a continuation of a significant weakness in the Council's arrangements for Children's Services in relation to governance and improving economy, efficiency and effectiveness from the 2023/24 period. Therefore, we continue to report this significant weakness in respect of the 2024/25 year.

How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

The Council has an established governance structure in place which is set out within its Annual Governance Statement. This is supported by the Council's Code of Corporate Governance, the Governance Framework, the Constitution and scheme of delegation. Members and Officers are governed by Codes of Conduct, Cabinet Portfolios, contracts of employment, employment rules and procedures, Professional Codes of

Conduct and bound by the Constitution and Code of Corporate Governance. Conflicts of interest are recorded in the minutes of all meetings, where applicable, and a register is maintained for both members and officers by the Monitoring Officer.

The Council produce a review of the governance arrangements in place against the Code of Corporate Governance. This review looks at the principles within the Corporate Governance Code, reviewing existing arrangements and updating where appropriate. On review of this document, there is evidence the Council have arrangements in place for good governance in line with the Corporate Governance framework.

How the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution is the document that describes the decision-making process and establishes the legal framework in which the Council operates. The constitution is reviewed regularly and whenever updates are required to be made to it. During the 2024/25 year, Tameside MBC's Constitution was adopted by Full Council in July 2024 and subsequently updated by Full Council in December 2024 to refine officer delegations and related governance provisions.

The Council has in place all relevant policies we would expect including policies on:

- Gifts and hospitality;
- Declarations of interest; and
- Whistle blowing.

In summary, from our review of the arrangements in place, we have identified a significant weaknesses in the Council's arrangements on governance and to secure economy, efficiency and effectiveness in respect of the Council's Children's Services.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

How the Council evaluates the services it provides to assess performance and identify areas for improvement

The Council's Corporate Plan outlines the Council's aims and aspirations for the area. A Corporate Scorecard which sets out a range of data (financial and non-financial) is reported to the senior leadership team and Council Board. Data monitored and used to drive corrective action includes staff headcount, sickness rates (by Directorate), Freedom of Information requests, Subject Access Requests, key cost and demand drivers including temporary accommodation, numbers of care users and so on.

Corporate performance reports and service-level performance regimes (e.g., Children's Services deep dives, demand modelling) drive improvement. Corporate performance reports reported to Executive Cabinet set out a range of financial and non-financial data. Data is monitored and used to drive corrective action. Progress on transformation programmes is monitored by a Transformation and Improvement Board chaired by the Executive Leader. Elected members also monitor and challenge the Executive through the Council's scrutiny panels.

Where the Council commissions or procures services, how it assesses whether it is realising the expected benefits

The Council operates a commissioning and procurement framework to ensure compliance with legislation, professional standards and internal policies. Procurement activity is governed by Contract Procedure Rules, which were updated in October 2025. It is delivered through the STAR Procurement shared service, which provides specialist expertise and ensures adherence to Public Contracts Regulations and transparency requirements.

STAR procurement services partners include Rochdale, Stockport, Knowsley, St Helens, Tameside and Trafford Councils who govern STAR through a Joint Committee.

Commissioning decisions are underpinned by:

- Strategic Needs Assessments and service reviews to identify gaps and priorities
- Business cases that set out expected outcomes, financial implications and alignment with corporate objectives.
- Market engagement exercises to test capacity and capability before formal procurement.

To assess whether expected benefits are realised:

- Post-tender approval reports include an assessment of anticipated savings or cost reductions, as well as

qualitative benefits such as improved service quality or social value contributions

- Contract management plans are implemented for all significant contracts, setting out KPIs, performance monitoring arrangements and escalation routes
- Quarterly performance reporting ensures oversight of procurement outcomes and financial performance
- Benefits realisation reviews are undertaken at key milestones, comparing actual outcomes against the original business case.
- For high-value or strategic contracts, supplier relationship management meetings are held regularly to review delivery, resolve issues and identify opportunities for continuous improvement.

The Council also embeds social value objectives in its commissioning approach, requiring suppliers to demonstrate contributions to local employment, skills development and community initiatives.

Partnerships

The Council has a comprehensive and well-respected engagement and consultation framework. This framework is underpinned by the Partnership Engagement Network (PEN), an active and well-regarded network of individuals and stakeholders who participate in engagement activity locally. The PEN meets three times a year for PEN conferences, which include workshops and co-design sessions to ensure that stakeholders are actively involved in shaping policy and service delivery.

Tameside works closely with the other nine Greater Manchester (GM) Councils and the Greater Manchester Combined Authority (GMCA) to deliver better outcomes for residents both locally and across the region. Through this partnership Tameside contributes to pan-GM projects to tackle issues faced by the Councils and local residents.

The Council is one of many partners within the Greater Manchester Integrated Care Partnership. Through this system the Council works closely with local healthcare providers to plan and operate local healthcare services and works closely with all partners and communities who can contribute to improving health and tackling inequalities. Following the formation of integrated care boards in 2022, the Council has continued to work constructively with the wider "system".

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

How financial and performance information has been used to assess performance to identify areas for improvement

The Corporate Plan Outcomes Scorecard provides evidence for demonstrating progress being made towards achievement of the Corporate Plan, supported by the thematic scorecards which enable services to monitor their own performance and consider their contribution towards achievement of the Corporate Plan. The Scorecard follows the structure of the Corporate Plan. The scorecard breaks down the indicators of performance into directorate and gives reference numbers for each of the items. The indicators are focused on the long term outcomes across the corporate plan's priorities. It is a mechanism to be able to provide updates to members with data on which to measure the Council's performance. The scorecard breaks down the indicators of performance into directorate and gives reference numbers for each of the items. Financial information is included within these updates and updates are provided quarterly at the Executive Cabinet meeting.

For the 2024/25 year, updates were provided quarterly. In these updates, we can see evidence that key issues are discussed across the long, medium and short term, on items linked to Education placements, assessments carried out by Children's Services, and entrants into the Youth Justice System. Progress is reported on each priority and desired outcome, with the metric clearly stated, and the current position stated clearly against the previous position reported and the national average.

The Council utilises a range of external benchmarking tools, including benchmarking provided by Grant Thornton and IMPOWER comparative analyses, alongside findings from the Local Government Association (LGA) Corporate Peer Challenge, to inform and shape its ongoing transformation programmes. These external assessments provide an evidence-based framework that supports the Council's strategic decision-making and its approach to organisational improvement.

Delivery of the Council's transformation activity, including progress against agreed savings, is monitored through the established corporate performance reporting framework. Regular performance reports are produced to track the implementation of key transformation initiatives and to assess whether programme outcomes are being achieved within expected timeframes.

Oversight of the capital programme is maintained through quarterly reporting to the Executive Cabinet, where capital delivery, financial performance, and project milestones are scrutinised. Budget reprofiling is considered in the context of actual project progress to ensure capital resources are aligned with deliverability and emerging risks.

Improvement actions arising from the Council's wider transformation agenda are identified and monitored through the Transformation Programme, with governance provided by the Transformation Board and associated Transformation Groups. This structure ensures that improvement plans are subject to systematic review, enabling clear accountability for delivery and supporting the Council's broader organisational change ambitions.

Performance of Children's Services at the Council

We have commented on the Council's Children's Services elsewhere in this report. Reports of poor performance have been noted from external regulators, including OFSTED and the Children's Services Commissioner's reports to the Secretary of State for Education. From review of the report, it is apparent there is a weakness in arrangements for performance management of Children's Services at the Council. The OFSTED follow-up monitoring visits covers the reporting period under our review from our work on the Council's arrangements.

Based on the above considerations we consider there continues to be a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness with respect to Children's Services in respect of the 2024/25 period.

VFM arrangements

Identified significant weaknesses in arrangements and our recommendations



VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified significant weakness in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>Head of Internal Audit Limited Assurance Opinion The Annual Internal Audit Report for 2024/25 issued by the Head of Internal Audit gave a limited assurance opinion, reflecting a combination of significant weaknesses, including previously identified issues within Children's Services, a limited assurance rating from the July 2024 ICO audit, weaknesses in the Council's risk management framework, the disclaimer of opinion issued on the Council's 2023/24 accounts, and other scope limitations due to constraints on internal audit's ability to provide assurance. This marks the second consecutive year in which the Council has received a limited assurance opinion, while the prior year's judgement stemmed primarily from deficiencies in Children's Services reported as a significant VFM weakness, the 2024/25 opinion arises from a broader range of concerns, further compounded by reduced internal audit coverage due to resourcing pressures..</p> <p>1 The internal audit function became severely understaffed after multiple key departures, leaving the Council dependent on temporary staff and unable to deliver the full audit plan. Following ongoing recruitment difficulties, Cabinet agreed on 29 October 2025 to procure external support, and from 1 April 2026 the internal audit service has been outsourced to a third party provider. A failure to address the weaknesses identified could mean significant control weaknesses may go undetected, increasing the risk of financial mismanagement, or regulatory noncompliance. It can also undermine the Council's ability to demonstrate effective oversight, leading to adverse audit opinions and loss of public trust.</p> <p>In our view, although internal audit provision has been outsourced from year 2026/27, the circumstances provide clear evidence of a significant weakness in the Council's governance arrangements, specifically how the Council monitors and assesses risk and gains assurance over the effective operation of internal controls.</p>		●		<p>The Council should ensure that robust arrangements are in place to strengthen and maintain the adequacy and effectiveness of the internal audit function. The Council should ensure that the transition to third party internal audit services is effectively implemented and closely overseen, using the new arrangement to stabilise capacity, strengthen governance, and address the weaknesses evidenced by consecutive limited assurance opinions.</p>	<p>The Council has recognised the ongoing difficulties and has engaged a third party provider to procure external support, and from 1 April 2026.</p> <p>We will continue to monitor the Council's progress in addressing the issues identified in the Head of Internal Audit Opinion in future years.</p>

VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in a prior year

As part of our audit work in previous years, we identified the following significant weakness and made recommendations for improvement in the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources. The identified weakness has been outlined in the table below, along with our view on the Council’s progress against the recommendations made, including whether the significant weakness is still relevant in the 2024/25 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>OFSTED Inspection: Children’s Services OFSTED is the Office for Standards in Education, Children’s Services and Skills. It inspects and regulates services that care for children and young people. The most recent full inspection of Children’s Services by OFSTED was carried in December 2023 and assessed the Council’s service as “Inadequate”. The Council was already aware of the issues in the service as a result of previous inspections, monitoring visits and ongoing discussions with OFSTED. However, actions taken in response had not led to a sustainable improvement in the Council’s services for children. The issues identified by the December 2023 inspection were reflective of practice during the 2021/22 year.</p> <p>To address the issues identified previously, action had been taken to implement changes in leadership within the Children’s Services team, establish a scrutiny panel to consider matters relating to Children’s Services and Education, and to create a new performance management framework. The changes were acknowledged by OFSTED as “swift and decisive action” taken to improve management oversight and improve service quality.</p> <p>Despite the actions taken by the Council, the OFSTED report highlighted the quality of the social work practice as having deteriorated for those in need of help, referencing senior leaders as not having a clear line of sight on practice. The report also states that failures in the service “leave children being harmed or at risk of harm”. In our view this is indicative of a significant weakness in the Council’s arrangements in relation to the governance (how the body monitors and ensures appropriate standards), and improving economy, efficiency and effectiveness (how the body evaluates the services it provides to assess performance and identify areas for improvement) reporting criteria.</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>We recommend the Council puts in place arrangements to ensure the actions taken in response to OFSTED’s findings are being delivered on time and have a sustainable impact on the quality of service provided to, and the safety of, children in Tameside.</p>	<p>We documented the actions taken by management to improve the provision of Children’s Services, including a change in senior leadership, setting up a Scrutiny Board and an Improvement Board, and implementing a new performance management framework. The Children’s Service Commissioner’s report highlighted that Tameside’s Children’s Services have remained too weak for too long.</p> <p>The effect of the weakness on Children’s Services has had a significant impact on the Head of Assurance’s opinion within the Internal Audit Annual Report.</p> <p>We note the steps taken by management to improve the service but it is too early to see if these changes have the desired effect on the provision of services by the Council.</p>	<p>The actions taken by management to date received recognition from both OFSTED and the Children’s Service Commissioner in their reports. These were taken around the end of the 2023/24 period under our consideration and in the 2024/25 period. It is too early to say whether the actions taken have delivered the required improvements and positive change needed to Children’s Services. We consider the significant weakness in arrangements is still relevant in relation to governance arrangements and arrangements to improve economy, efficiency and effectiveness</p>

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The 2014 Act provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account.

We had not received any such objections or questions at the time of drafting this report.

Reporting to the group auditor

Whole of Government Accounts ('WGA')

The NAO, as group auditor, require us to complete the WGA Assurance Statement in respect of the council. On completion of the audit, we expect to issue our assurance statement to the NAO in line with their instructions.

In line with instructions issued by the NAO, we have undertaken work on the Council's Whole of Government Accounts (WGA) return. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.

05

Audit of the Greater Manchester Pension Fund

Audit of the Greater Manchester Pension Fund

As the auditor for the Greater Manchester Pension Fund ('the Pension Fund'), our responsibilities are defined by the 2014 Act and the Code issued by the NAO. This section of the AAR summarises how we have discharged these responsibilities and the findings from our work we have undertaken as the Pension Fund auditor for the year ended 31 March 2025.



Opinion on the Pension Fund financial statements

We issued our audit report on 28 February 2025. Our opinion on the financial statements was unqualified.



Misstatements and internal control recommendations

A summary of the uncorrected misstatements we identified and any internal control recommendations we made is included in Appendix A



Consistency report

We conclude our work confirming the consistency of the Pension Fund financial statements within the Pension Fund's Annual Report with the Pension Fund financial statements within the Statement of Accounts of the Council on receipt of the final version of the Pension Fund's Annual Report..



Wider reporting responsibilities

We have not exercised any of these powers as part of our audit of the Greater Manchester Pension Fund.



Appendix

Appendix A: Further information on our audit of the Pension Fund financial statements

Appendix A: Further information on our audit of the Pension Fund financial statements

Summary of uncorrected misstatements

We identified the following misstatements which management has assessed as not being material, individually or in aggregate, to the financial statements, and therefore has not adjusted for.

Details of adjustment	Fund Account		Net Asset Statement	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
Dr Pooled investment vehicles			59,472	
Cr Profit and losses on disposal of investments and changes in value of investments		-59,472		
<p>In order to produce the draft accounts by the required timetable the Pension Fund use the most up to date valuation for the investment assets. Subsequently, and during the audit, more up-to-date information became available on the valuation of the assets at 31 March 2025. The Pension Fund adjusted for large known variances which are summarised in the adjusted misstatements. Following this adjustment, from our audit work on a sample of pooled investment vehicles, we identified errors totalling £134m. Applying our audit methodology, we extrapolated the errors over the remaining untested population to establish a potential misstatement of £19m, resulting in a known and extrapolated misstatement of £153m. The Pension Fund adjusted for £94m of the known errors in our sample, therefore our remaining known and extrapolated misstatement is £59m.</p>				
Total effect of unadjusted misstatements		-59,472	59,472	

Appendix A: Further information on our audit of the Pension Fund financial statements

Summary of uncorrected misstatements – continued

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have not been corrected by management:

- **Note 11f Insurance policies** – The Code requires disclosure of insurance policies to be split between unit-linked policies, annuities and with-profits policies. Management have opted to retain the current disclosure, but indicating which sub-categories fall into the required split. Whilst the required disclosure is satisfied, the audit team is of the judgement that retaining the old sub-categories obscures the reader's view of the required disclosures.

During the audit, we identified disclosures in the accounts which were either not required disclosures by the Code or were not required on the basis of materiality. We requested these disclosures were removed from the accounts to allow for focus on the disclosures required by the Code and the material financial information. Management have chosen to remove some disclosures but have chosen to retain other disclosures in the accounts, on the basis that the disclosures retained add value to the users of the accounts. Given these disclosures are either not required by the Code or are considered immaterial by the audit team, we report these as unadjusted disclosure misstatements. The aforementioned disclosures are as follows:

- **Note 7 Payments to and on account of leavers** – Immaterial;
- **Note 8 Management expenses (excluding the first summary table and the break down of the external audit fee)** – Immaterial;
- **Note 10 Taxation** – Immaterial;
- **Note 11b Bonds** – Not required by the Code;
- **Note 11g Cash** – Not required by the Code; and
- **Current assets and current liabilities within Note 11h Other investment balances and net assets** – Immaterial.

Appendix A: Further information on our audit of the Pension Fund financial statements

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out here could result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

Deficiencies identified in the prior year not yet addressed

Formal change management policy – Design, Implementation and Operating Effectiveness

Description of deficiency

Our audit procedures on the General Ledger system, Agresso, identified that the Pension Fund has no formalised policy/procedure supporting the change management process.

Potential effects

Unauthorised changes could be deployed, compromising the confidentiality, integrity and availability of information. Information relating to software development, authorisations for deployment, and test plans and results may not be documented sufficiently.

Recommendation

We recommend the Pension Fund formally document the change management process. The procedure/policy should clearly describe how change requests are registered, classified, analysed, solved and monitored. The document should be formally approved by the relevant senior officers, acknowledged by all relevant staff and periodically reviewed.

2024/25 update

TBC

Appendix A: Further information on our audit of the Pension Fund financial statements

Significant deficiencies in internal control – continued

Deficiencies identified in the prior year not yet addressed – continued

Formal disaster recovery plans – Design, Implementation and Operating Effectiveness

Description of deficiency

Our work on IT general controls identified that there are no formal disaster recovery provisions in place. Via the Council, the Pension Fund is now in the process of commissioning a new Disaster Recovery facility located at Tameside Hospital and the Corporate IT Business Continuity and Disaster Recovery plan is currently going through the internal governance process.

Potential effects

Major incidents or disasters may cause outage of one or more business critical systems, causing data loss, thereby affecting the availability and integrity of information.

Recommendation

In order to avoid data loss due to the outage of one or more business critical systems, we recommend ensuring the disaster recovery plan clearly defines: Roles and responsibilities; Assets classification; Recovery point objective (RPO) for all critical systems; Recovery time objective (RTO) for all critical systems; The disaster recovery plan should be regularly tested, the testing should include business users and should be documented for audit and monitoring purposes.

2024/25 update

TBC

Contact

Forvis Mazars

Daniel Watson

Partner

Daniel.Watson@mazars.co.uk

Osama Rathore

Manager

Osama.Rathore@mazars.co.uk

Jimly Johnny

Assistant Manager

Jimly.Johnny@mazars.co.uk

Suresh Patel

Partner

Suresh.Patel@mazars.co.uk

Harry Short

Manager

Harry.Short@mazars.co.uk

Nathan Chimene

Assistant Manager

Nathan.Chimene@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73