



Auditor's Annual Report
Tameside Metropolitan Borough Council – year ended 31 March 2024

February 2025

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Introduction

Introduction

Purpose of the 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 2024. 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.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 ('the 2014 Act') and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). 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 28 February 2025. Our audit report included a disclaimer of opinion. This means our audit report did not express an opinion on the financial statements and no assurance was provided. It was necessary to issue a disclaimer of opinion as amendments to the Account and Audit Regulations introduced a statutory deadline for publication of the Council's financial statements. We were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base our opinion before the date the Council published its audited financial statements.



Wider reporting responsibilities

In line with group audit instructions issued by the NAO, on 28 February 2025 we reported that the Council's Whole of Government Accounts ('WGA') return and reported to the group auditor in line with their instructions. We are unable to conclude our work in this area until we receive guidance from the NAO to confirm if further information is required from us.

We have not exercised any wider powers granted to us under the 2014 Act, nor have we received any objection or question from local electors or other parties.



Value for Money arrangements

We issued a recommendation in relation to a significant weakness in the Council's governance arrangements and the arrangements to improve economy, efficiency and effectiveness. We have modified our audit report in respect of this significant weakness in arrangements. Section 3 provides our commentary on the Council's arrangements, a summary of the identified risks and the work performed to address the risks, the weakness identified and our recommendation issued.

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Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) ('ISAs (UK)'). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. Amendments to the Accounts and Audit Regulations introduced a deadline for publication of local authorities' audited 2023-24 financial statements. Prior to issuing our audit report, the ISAs (UK) require us to determine whether we have obtained sufficient appropriate audit evidence based on the audit procedures completed at that date. We concluded we had not obtained sufficient appropriate audit evidence to enable us to express an opinion on whether the financial statements present a true and fair view and have been prepared, in all material respects, in line with the Code. Consequently, as required by the ISAs (UK), we modified our audit report and issued a disclaimer of opinion. This means, in our audit report issued on 28 February 2025, we have not expressed an opinion on the Council's financial statements.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify significant inconsistencies between the content of the annual report and our knowledge of the Council.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

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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 its 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 has 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
- 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.

We outline the risks that we have identified and the work we have done to address those risks on pages 11 and 12.

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 Auditor's Annual Report. 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	13 – 16	No	No	No
 Governance	17 – 21	Yes – see pages 11 and 12 for identified risks of significant weaknesses	Yes – see page 12 for actual significant weakness identified	No
 Improving economy, efficiency and effectiveness	22 – 24	Yes – see page 12 for identified risk of significant weakness	Yes – see page 12 for actual significant weakness identified	No

VFM arrangements – Overall summary

Risks of significant weaknesses in arrangements

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>1 Head of Assurance opinion of Limited Assurance</p> <p>The Internal Audit Annual Report for 2023/24 contains the Head of Assurance opinion on the overall adequacy of the Council’s framework of governance, risk management and internal control for the period.</p> <p>Due to limitation in scope in terms of strategic risk coverage, to the outcome of the OFSTED inspection rating Children’s Services inadequate, and to the outcome of the Children’s internal audit reviews providing no assurance, the opinion issued was limited.</p> <p>We consider this to indicate a potential risk of significant weakness in the Council’s governance arrangements.</p>	<p>Work undertaken</p> <p>To address the risk identified, we:</p> <ul style="list-style-type: none"> • Reviewed the Internal Audit Annual Report for 2023/24, including the limited assurance opinion wording and reason for the opinion given; • Met with Internal Audit to further understand the reasons behind the issuance of a limited assurance opinion; and • Reviewed the other Internal Audit reports delivered to the Audit Panel during the 2023/24 period. <p>Results of our work</p> <p>The Head of Assurance opinion states the reason for the limited assurance opinion as being due to “<i>limitation in scope in terms of strategic risk coverage, the outcome of the OFSTED inspection rating Children’s Services inadequate and the outcome of the Children’s internal audit reviews providing no assurance.</i>” We reviewed the full Internal Audit Annual Report for the 2023/24 period and also noted “. Appendix B shows the two no assurance opinions on Children’s Services in draft stage, however there are 24 reports at a reasonable or substantial opinion and six with a limited assurance opinion. This indicates 75% of internal audit reviews within 2023/24 provide reasonable or substantial assurance.</p> <p>We reviewed other internal audit reports taken to the Audit Panel during the 2023/24 period and these were consistent with the summary of findings within the full Internal Audit Annual Report. Conclusions drawn within the Annual Report are consistent with the sample of individual reports we have reviewed. From attendance at Audit Panel meetings, we see progress updates provided to members on internal audit work completed, along with discussions over recommendations proposed and over reports with a limited or no assurance opinion.</p> <p>Our discussion with the Head of Assurance led us to further understand the reasons for the limited assurance opinion. Reasons were consistent with the findings reported in the Internal Audit Annual Report, with an emphasis on the findings related to Children’s Services. The OFSTED inspection rating of inadequate on Children’s Services and the no assurance opinions on specific areas of Children’s significantly contributed to the limited assurance opinion. Without such Children’s Services related findings brought into consideration into the overall opinion, and reviewing the other information in the Annual Report and reflecting on discussions with the Head of Assurance, a reasonable assurance opinion would have been likely. The Children’s Services related matters are encompassed within the separate identified risk of significant weakness on the page overleaf.</p> <p>Given the significant impact of the Children’s Services related matters on the overall opinion, we do not consider there to be any additional significant weakness in arrangements in respect of the Head of Assurance’s limited assurance opinion for the 2023/24 period. The findings from this work supports the existing significant weakness in arrangements in delivering Children’s Services.</p>

VFM arrangements – Overall summary

Risks of significant weaknesses in arrangements – continued

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>2 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.</p> <p>In February 2024 OFSTED issued a report following its inspection carried out between 4 and 15 December 2023 on the Council’s Services.</p> <p>The inspection report concluded that the overall effectiveness of the Council’s services is inadequate.</p> <p>These matters indicate a risk of significant weaknesses in proper arrangements in respect of governance and in respect of improving the economy, efficiency and effectiveness of services.</p>	<p>Work undertaken To address this risk of significant weakness, we:</p> <ul style="list-style-type: none"> • Reviewed the OFSTED inspection report; • Held discussions with management to understand the arrangements which were in place within Children’s Services; • Reviewed the Council’s response to the OFSTED report and action plan; • Reviewed the report of the Children’s Services Commissioner; and • Reviewed the Council’s response to the Children’s Services Commissioner’s report and action plan. <p>Results of our work We reviewed the OFSTED inspection report published in February 2024 to gain an understanding of the findings. We have previously discussed the findings with management to understand how this report reflected the arrangements in place during the year to 31 March 2024 and the arrangements in place for subsequent periods. The 2024 report followed a series of inspection activity from OFSTED for which areas of improvement had not been adequately addressed.</p> <p>The Council has since refreshed the Children’s Services improvement plan, along with implementing a new performance management framework to respond to the findings of the inspection. Through to the end of the 2023/24 period, there is insufficient evidence to show the actions taken have resulted in the improvements needed in the Council’s Children’s Services.</p> <p>Following the period end, a Children’s Commissioner was appointed following a statutory recommendation and the Commissioner’s report reinforced the reporting of weaknesses in the provision of Children’s services at the Council. Since the report has been issued, there have been changes in senior leadership and a continuation of reporting on the progress against recommendations, but we have not seen evidence of the required improvements having been made at this stage.</p> <p>The Head of Assurance’s limited assurance opinion for 2023/24 is significantly impacted by the weaknesses in Children’s Services, providing further evidence of weaknesses during the period.</p> <p>In our view, the matters identified with respect to weaknesses in delivering Children’s Services represent a significant weakness in the Council’s governance arrangements and the Council’s arrangements to improve economy, efficiency and effectiveness during the 2023/24 year.</p>

VFM arrangements

Financial Sustainability

How the Council 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

2023/24 Financial Performance

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

The Council's balance sheet position has decreased significantly when comparing the net assets to the prior year (£589.4m in 2022/23; £522.7m in 2023/24). The most significant change in the balance sheet relates to movements in the Council's share of the pension fund net liability. At 31 March 2023, this was reported as a net pension asset of £51.2m, but as at 31 March 2024 this is a net pension liability of £45.9m, reported as a decrease in the net position by £97.1m. It is not unusual to see significant movements in the net pension position and this is consistent with our experience at other local authorities.

The significant increase in the balance of cash and cash equivalents (£26.5m in 2022/23; £102.1m in 2023/24) is almost entirely offset by the significant decrease in the short term investments position (£101.9m in 2022/23; nil in 2023/24). Long term investments have increased by £26.3m, primarily as a result in the increase in the valuation of the Council's shareholding in Manchester Airport Group. Apart from some slight increases in the Council's property, plant and equipment, heritage assets and debtors balances, and decreases in the Council's borrowing and PFI liability positions, other account balances have remained relatively stable.

The Council's usable reserves decreased by £16.7m, from £171.3m at 31 March 2023 to £154.7m at 31 March 2024. This includes a decrease in Earmarked Reserves by £8.2m to £88.5m whilst the General Fund increased by £1.4m to the planned level of £27.5m. The reduction in reserves is lesser than that recorded in the 2022/23 financial year. Of this overall downward movement, £9.7m is the net position from applying and deferring capital grants, £7m was contributed into the collection fund reserve and £3.7m was drawn down to support delivery of the Medium Term Financial Strategy ('MTFS') (previously known as the Medium Term Financial Plan).

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.

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

Financial planning and monitoring arrangements

In February 2023 Full Council approved a balanced budget that includes £15.8m of budget reduction proposals to be delivered during 2023/24, which includes savings not delivered in 2022/23 alongside new areas to mitigate cost and demand pressures. The majority of reductions are attributed to the Corporate (£6.4m) and Children's (£4.2m) directorates, and the larger of the budget reduction proposals is in relation to £4.4m release of contingency to fund the pay award for 22/23, which is part of the Corporate directorate reduction proposals.

The Council have set a minimum level of general fund balances to maintain throughout the 2023/24 year, to set aside for the coming financial year. This is set at £27.5m, which is £1.4m higher than the general fund balance at the 2022/23 period end. Achieving the increase would return the general fund to close to the balance brought forward into the 2022/23 period of £27.4m.

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 assure 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 2023/24 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 the 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.

Looking ahead to 2024/25, there is a budget gap of £14m to be resourced. The budget reduction plan produced ahead of the 2024/24 period shows only £0.2m of reductions planned, but it is noted in the budget reports that the budget gap for 2024/25 remains significant and further budget reductions are likely to be required.

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 – continued

2023/24 Outturn

The final outturn position on the 2023/24 budget presented a small overspend on the Council Budget of £0.3m. The Council increased the level of reserves in the general fund to £27.5m, similar to that recorded at the end of the 2021/22 financial year and meeting the target of a minimum level for the general fund set in the 2023/24 budget.

The main areas of overspend for 2023/24 were in the Adults and Children's Social Care directorates. Within the Adults directorate, a £4.6m overspend was recorded. Similar to 2022/23, the reason for a higher than average overspend in comparison to the other Council directorates is attributed to the high demand for residential placements, both short and long term, given a rise in the number of elderly residents requiring placements, and such cases being more complex to process than standard cases. Within the Children's Social Care directorate, a £4.9m overspend was recorded. The overspend is attributed primarily to Cared for Children, due to high cost external placements being used, an increase in the number of children in such residential care, and rising costs in each placement arranged. Additional costs in staffing costs to employ social workers to deal with caseload requirements also contributes to the overspend.

Of the savings programmes set for the 2023/24 budget, 61% were delivered, with 39% not achieved. Over half of the savings unachieved relate to schemes within the Children's Services directorate. Monitoring of the budget reduction schemes is done throughout the year, and the savings not delivered in full in 2023/24 have been carried forward 2024/25 to be delivered.

Arrangements and approach to 2024/25 financial planning

In March 2024 Full Council approved a balanced budget that includes £11.8m of budget reduction proposals to be delivered during 2024/25, which includes savings not delivered in 2023/24 alongside new areas to mitigate cost and demand pressures. The majority of reductions are attributed to the Children's Services (£4.1m) and Corporate (£3.7m) directorates, and the larger of the budget reduction proposals is related to managing demand within the Children's Services directorate.

The Council have set the target to maintain the minimum level of general fund balances at £27.5m, comparable to the level set in 2023/24.

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 programme, 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 – 'Our People – Our Place – Our Plan'. The corporate plan is for everyone every day and is based on five themes:

- Starting Well;
- Living Well;
- Ageing Well;
- Great Place; and
- Inclusive Growth.

The Corporate Plan is based on a relationship between public services and citizens, communities and businesses that enables shared decision making, democratic accountability and voice, genuine co-production and joint delivery of services.

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 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.

We have reviewed the budget setting arrangements throughout the period by observation and discussions with officers. No matters have been identified indicating a significant weakness in arrangements. Overall, the Council is aware of the financial pressure it faces.

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 Council 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 Panel 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 2023/24 was presented in March 2023, however a revised plan was presented in August 2023 which acknowledged capacity issues in the internal audit team, and the original plan not fully addressing the Council's risks. The new plan involves a programme of work sufficient to be able to deliver a reasonable level of assurance in compliance with Public Sector Internal Audit Standards ('PSIAS').

The 2023-24 Internal Audit Annual Report includes a limited assurance opinion issued by the Head of Assurance. This is attributed to a limitation in scope in terms of strategic risk coverage, the outcome of the OFSTED inspection, and the outcomes of no assurance on the Children's internal audit reviews. Recommendations have been made to management, which have been agreed and have either been implemented already or are still in the process of being implemented. This indicated to us there was a risk of significant weakness in the Council's governance arrangements. We reported this to the Audit Committee in December 2024.

We reviewed the reasons behind the limited assurance opinion through review of the wider Internal Audit Annual Report, meeting and discussing the opinion with the Head of Assurance, and review of other notable Internal Audit Reports sent to us and progress reports presented at the Audit Panel throughout the 2023/24 year. The impact of Children's Services on the Council, and by extension the opinion concluded by the Head of Assurance, is significant. This involves the 2024 OFSTED report rating the Children's Services inadequate and the two no-assurance reports from internal audit in respect of the 2023/24 period. From our understanding of these matters on the overall Head of Assurance opinion, an improved level of assurance would have been issued if the Children's Services matters were not factored in. As we raise a significant weakness in arrangements on the Council's Children's Services in respect of governance and improving economy, efficiency and effectiveness, we factor this into our work and conclude that a significant weakness in the Council's arrangements is not present as a result of the limited assurance opinion issued by the Head of Assurance for 2023/24.

The internal audit plan for 2024-25 was presented in March 2024, and includes a programme of work sufficient to be able to deliver a reasonable level of assurance in compliance with PSIAS.

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

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 Director of Resources 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 clear 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.

During the year the Council reported its financial position to the Executive Cabinet monthly. We have reviewed a sample of the reports presented for 2023/24. 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

Review of the work of other Regulators – 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.

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 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" are rated "inadequate", with "the experiences and progress of care leavers" remaining 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.

Following the 2024 OFSTED report, we held discussions with management to understand the issues underpinning the report and the challenges faced by Children's Services at Tameside. The Council have taken a number of positive steps to implement changes to address the recommendations within the OFSTED inspection report, 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.

OFSTED recognise the action taken by the Director for Children's Services and her team to improve the service provided. However, they concluded it was too soon to say whether the "swift and decisive action" taken by the Council since August 2023 are sufficient to lead to sustained improvements to the service and ultimately improve the quality of care provided to children in Tameside.

We have reviewed a sample of Children's Services Scrutiny Panel meeting minutes and reports following the issuing of the 2024 OFSTED report. These demonstrate a positive outlook from management on the future of the directorate in responding to OFSTED's findings. Management intend to continuously engage with OFSTED to demonstrate the service improvements are being delivered.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria – continued

Review of the work of other Regulators – continued

Office for Standards in Education, Children’s Services and Skills (‘OFSTED’) – continued

Following the latest OFSTED inspection report, in March 2024 the Secretary of State appointed a Commissioner for Children’s Services to the Council through a statutory direction. The terms of reference set out the steps which the Children’s Services Commissioner would take, which included issuing instructions for the immediate improvement in the Council’s delivery of children’s social care; bringing together evidence to assess the Council’s capacity and capability to improve itself and recommending whether the Council can deliver the long-term sustainable improvement; and advising on relevant alternative delivery and governance arrangements for children’s social care outside of the operational control of the Council.

The Commissioner’s report on the Council’s Children’s Services dated July 2024 has been reviewed. The Commissioner references a set of issues which are common to appear in other Commissioner’s reviews of local authorities, of which all are deemed to be present at Tameside. Sixteen recommendations were set and are describe in the report. Some of which include:

- Retaining a commissioner to work with the Council for the next three years (up to it’s next full inspection);
- Commissioning a strategic partner to work with the Council for the next three years, being either a strong local authority or a Children’s Trust experienced in supporting other organisations; and
- Embed the recent positive changes made by the DCS into the improvement journey going forward, which includes the Performance and Assurance Cycle recently implemented.

There are other recommendations made which echo key themes from previous inspections and recommendations made by OFSTED. Early in October, a Council meeting received responses to the Commissioner’s recommendations. Each of the sixteen recommendations have responses against them and actions are being implemented to address the recommendations made. The Council have confirmed the appointment of a commissioner to support in the Council retaining control of Children’s Services. The Council acknowledge their Children’s Services are in need of improvement and are committed to addressing the recommendations of the Children’s Services Commissioners report with haste.

The OFSTED inspection report was issued in February 2024 and the Children’s Services Commissioner’s report was dated in July 2024. When considering the arrangements in place during the 2023/24 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 2022/23 period. Therefore we continue to report this significant weakness in respect of the 2023/24 year.

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

Tameside 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.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria – continued

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 2023/24 period, this was reviewed in December 2023 at a full Council meeting.

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 Council 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

Tameside's Corporate Plan 'Our People - Our Place - Our Plan' outlines the Council's aims and aspirations for the area. It is based on a relationship between public services and citizens, communities and businesses that enables shared decision making, democratic accountability and voice, genuine co-production and joint delivery of services.

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.

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

The Council is open to considering all options to deliver services. This means it commissions from other organisations where it is appropriate, and where it can achieve the same or better outcomes at reduced cost. The Council actively seeks to commission jointly with other public service agencies where possible.

Tameside use STAR procurement for procuring services. STAR partners include Rochdale, Stockport, Tameside and Trafford Councils who govern STAR through a Joint Committee, as well as NHS Tameside & Glossop, and NHS Trafford Clinical Commissioning Groups ('CCGs') at the beginning of the 2022/23 period, and the newly established Integrated Care Boards ('ICBs') taking over the responsibilities of CCGs for the remainder of the financial period.

STAR and the organisations it provides services to have agreed a Responsible Procurement Strategy to reflect how they work and to place responsible, sustainable and ethical procurement at the heart of their service. The Strategy recognises the national, regional and local influences which shape procurement world and sets out how STAR will achieve their business objectives through procurement activity. The STAR Partners are fully committed to supporting Greater Manchester to achieve net carbon zero by 2038.

Partnerships

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. The Leader of Tameside Council is a member of the Combined Authority and has responsibility for the Greater Manchester Pensions, Fund Investments and Bee Network Portfolio. Through this partnership Tameside contributes to pan-GM projects to tackle issues faced by the Councils and local residents. One such example of this is Project Skyline, a proposal to create 10 new children's homes to accommodate children with complex needs across GM. The Council signed a Memorandum of Understanding in January 2024, recognising its commitment to the project. The project continues to be implemented throughout 2024/25.

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".

The Council actively seeks partnerships with other local authorities in procurement activities and awards joint contracts where appropriate. The Council is a member of STAR Procurement which is a shared procurement service with Rochdale, Stockport, Trafford, St Helens and Knowsley Councils. STAR reported back to the Council on a regular basis and reports that this approach is delivering financial savings alongside social value requirements. The Council works closely with other bodies to deliver its strategic priorities.

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 2023/24 year, we can see updates were provided in July and November 2023, and in February and June 2024. 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.

LGA Corporate Peer Challenge

The Peer Challenge programme is offered to Councils from the Local Government Association ('LGA'), which aims to support continuous improvement by providing effective insight, guidance and challenge to enable continuous improvement at Councils. It is expected Councils will receive a fully subsidised corporate peer challenge at least once every five years. A feedback report was produced by the LGA in January 2024 provided feedback and recommendations to the Council considering five themes which form the core components of all Corporate Peer Challenges, being:

- Local priorities and outcomes – Are the council's priorities clear and informed by the local context? Is the Council delivering effectively on its priorities?
- Organisational and place leadership – Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?
- Governance and culture – Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

- Financial planning and management – Does the Council have a grip on its current financial position? Does the Council have a strategy and a plan to address its financial challenges?
- Capacity for improvement – Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

Over four days, the LGA peer team gathered information and reviews from meetings with Council staff, members and external stakeholders, as well as additional research and reading. The Peer Challenge process identified 12 recommendations which management should seek to address. Overall, the view of the Council was positive and recognised the challenging period it had gone through the majority of the 2022/23 period through to the date of the report.

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 in their 2024 inspection report and the Children's Services Commissioner's report 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 inspection covers the reporting period under review from our work on the Council's arrangements.

A new performance management framework has been implemented in the directorate support better services. As it stands, it is too early to assess whether these changes are leading to a sustainable impact on the quality of services provided. Both OFSTED and the Children's Services Commissioner acknowledge and praise the positive changes made at the Council. OFSTED recognise the swift action taken to the recommendations they have raised and the Children's Services Commissioner recognises these actions in advance of issuing recommendations within his report. The actions suggested by the more recent report from the Children's Services Commissioner indicate a substantial amount of change must be made to the Council's provision of Children's Service to deliver long term sustainable improvements.

Based on the above considerations we consider there 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 2023/24 period.

VFM arrangements

Identified significant weaknesses in arrangements and our recommendations



VFM arrangements – Identified significant weaknesses in arrangements and our 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 weaknesses, and made recommendations for improvement 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, along with our view on the Council’s progress against the recommendations made, including whether the significant weakness is still relevant in the 2023/24 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>1 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.</p> <p>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.</p> <p>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

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 did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and for some employer auditors, complete testing on the consolidation data.

We submitted our assurance statement to the NAO on 28 February 2025. We are waiting for guidance to confirm if we are required to provide further information to the NAO, therefore we are unable to conclude our work on WGA.

Audit of the Greater Manchester Pension Fund

Audit of the Greater Manchester Pension Fund

Summary of key information

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 2024.



Opinion on the Pension Fund financial statements

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



Risks, misstatements and internal control recommendations

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix B. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.



Consistency report

We will 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 responsibilities

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

Appendices

Appendix A: Further information on our audit of the Council's financial statements

Appendix B: Further information on our audit of the Pension Fund's financial statements

Appendix A: Further information on our audit of the Council's financial statements

Follow up on previous years' recommendations for the Council

We set out below an update on internal control points raised in previous years.

Description of deficiency

In our work on leases, we identified errors in our testing where the incorrect figure for annual rent was used and the calculation of future minimum lease payments was incorrect. We noted similar issues in our work on leases testing in the prior year.

Potential effects

There is a risk the lease schedule contains inaccurate information leading to misstatements within the lease disclosure.

There is a risk the lease schedule rolled forward to produce the lease disclosure in future years' accounts leads to misstatements in the accounts.

There is a further risk whereby the information used to account for transactions, account balances and disclosures in compliance with the new leases standard is inaccurate, resulting in further misstatements, potentially material.

Recommendation

Management should review the leases schedule to ensure the details of each lease is reflective of the arrangements entered into by the Council, and ensure the information is analysed accurately to produce a materially accurate leases disclosure for future years.

Current position

The recommendation is accepted and work on the leases register was undertaken into 2023/24 closing. Part of the 2024/25 asset valuation exercise will also pick up and sense check and correct, if necessary, some of the issues picked up in this recommendation.

Appendix A: Further information on our audit of the Council's financial statements

Follow up on previous years' recommendations for the Council – continued

Description of deficiency

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

Potential effects

Unauthorised changes could be made, 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 Council 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.

Current position

The first iteration of the change management process within IT is in place, using an MS form that needs to be completed for all change requests. This is now being piloted in the ITSM tool (Freshdesk), and the Council plan to transition the process to the ITSM tool over the coming weeks.

Agresso change management will sit between the systems teams and the supplier in the main as the system is now hosted by Unit 4, where any changes to export files etc. will be picked up via a change request being raised in the ITSM tool.

An organisation wide Digital Project Request has also been launched to better understand requirements and plan in any subsequent changes in a controller manner.

The governance process and associated Terms of Reference for approving Digital Project business cases is being drafted and will be presented to the Senior Leadership Team mid-Feb 2025, after which formal meetings will be scheduled.

Appendix A: Further information on our audit of the Council’s financial statements

Follow up on previous years’ recommendations for the Council – continued

Description of deficiency

Our work on property, plant and equipment valuations identified that floor areas used by the valuer contained errors. These floor areas were summarised and sent to the valuer by the Council’s estates team. When reviewing source evidence for floor areas of assets, the measurements within the evidence did not agree to the list of measurements provided by the estates team to the valuer.

Potential effects

For future valuations, or other Council-related activities, the information within the summary of recorded measurements of floor areas could be used and create further issues in valuations, or decision making.

Recommendation

Management should engage with the Council’s estates team to ensure that the right measurements are communicated to the valuer.

Management should consider checking a sample of measurements to ensure the correct measurements are communicated to the valuer.

Current position

This was addressed during the 23/24 assets valuation where we worked with the valuer and our estates department to check and correct any incorrect floor areas used as part of the valuation exercise.

Description of deficiency

Our review of the Council’s lease register identified some tenants within Council properties were “holding over” previous rent agreements and as such, did not have an up to date rent agreement in place with the Council.

Potential effects

There is a risk the Council is not receiving the market rent for properties where there is not a current lease agreement in place because rent reviews are not being undertaken. The Council is also open to other risks where the tenant does not have a current lease agreement in place.

Recommendation

The Council should ensure that lease agreements are reviewed and updated as they expire to ensure all properties leased out are subject to a contract.

Current position

The Estates Department is satisfied that they hold an accurate record of all outstanding rent reviews and lease expiries across the Estate. Dealing with these events internally has proven to be a challenge due to a lack of professional human resources. Some of these events have already been outsourced to professional property consultants. The Department is in the process of outsourcing the remaining lease events to clear this outstanding casework. Work is underway to address this issue, to be clear there is no general loss of rent to the Council.

Appendix A: Further information on our audit of the Council’s financial statements

Follow up on previous years’ recommendations for the Council – continued

Description of deficiency

Our testing of payroll transactions identified one employee who continued to receive pay for a three month period after they left the Council. This resulted in an overpayment of £7,717.33 which the Council is currently recovering from the former employee at a rate of £20 per month.

Potential effects

Without effective controls in place to ensure all leavers are removed from the payroll system promptly, there is a risk of overpayments being made.

Recommendation

Ensure the leaver process is strictly followed, by removing employees from the payroll on a timely basis.

Current position

A project has begun to create an individual post level budgeted establishment, which, used as part of the recently implemented move to self-service and business partnering approach to budget monitoring, means that managers will have greater oversight and control of their staffing. Additional communications on the requirement of managers to update Payroll with information on leavers has been issued through the intranet.

Senior managers receive a monthly staffing list on the 1st of each month which lists their current employees, new starters, and leavers. Managers are responsible for reporting any inaccuracies to the payroll team i.e. if a leaver is incorrectly included in the current employee list. This approach enables senior managers to have increased oversight to ensure direct managers are taking appropriate action when an employee leaves the Council.

Appendix A: Further information on our audit of the Council’s financial statements

Follow up on previous years’ recommendations for the Council – continued

Description of deficiency

Our payroll testing identified one case where employers national insurance was incorrectly calculated. This arose due to a coding error.

Potential effects

Incorrectly coding items of employee benefits expenditure in the payroll system can result in issues with compliance to paying over taxes and related costs to HMRC.

Recommendation

Ensure where additional pay, benefits and deductions are added within the payroll system, these are correctly set up to allow for pay and benefit costs to be calculated correctly.

Current position

Work is required to fix an element within the payroll system where the coding error occurred. The Council has also taken the opportunity to review wider processes for Payroll at Tameside and findings alongside any proposed changes will be reviewed by the Council’s Senior Leadership Team.

The Council confirm that the number of employees this improvement requirement impacts is small, as it is those required to undertake jury service.

Description of deficiency

Our payroll audit testing identified a number of employees where the Council does not hold evidence of a signed contract being returned.

Potential effects

There is a risk that where a contract of employment is not in place between the Council and individual employees, that the terms of employment may not be fully agreed and enforceable.

Recommendation

Controls to be implemented to ensure during the new starter process, a signed contract is obtained and stored by the Council.

Current position

During 2024 a new applicant tracking recruitment system (ATS) will be implemented. As part of this implementation, it will enable the opportunity to review what onboarding functionality can be used, which will include the potential for using the ATS to issue offer letters with applicants having the ability to sign and accept the role / terms. As part of this, the Council can explore whether the same can be used for contracts of employment.

Appendix A: Further information on our audit of the Council's financial statements

Follow up on previous years' recommendations for the Council – continued

Description of deficiency

Our work on IT general controls identified that the Council does not have formal disaster recovery provisions in place.

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.

Current position

A paper has been prepared for the Senior Leadership Team in relation to Tier 1 and Tier 2 systems hosted within the data centre, for approval of the priority systems and associated test plans in each tier – the report is going through the Resources Directorate Leadership team with a plan to table the report at Senior Leadership Team in early March 2025.

The Tier System report includes recommendations for services to have updated their Business Continuity plans.

The Council uses an Immutable Back Up solution for Data Back Up protection with 'object locking' to keep any actors from altering or deleting data. Immutable backups are one of the highest levels of protection and one of the easiest and quickest solutions to get systems back online – although this will not be applicable to Agresso which is hosted by Unit 4.

The Council's data primary site is currently hosted at the Tameside General Hospital (TGH) in a reciprocal arrangement. TMBC's recovery site is at Ashton Old Baths (AOB), where the link has been installed and the Council are in the process of configuring the new storage solution. Once this work is completed, data and systems will be migrated from TGH to AOB, making AOB our primary site and TGH our recovery site. 60% of the systems have been migrated to facilitate this, with the remaining 40% underway over the coming months.

Appendix B: Further information on our audit of the Pension Fund’s financial statements

Significant risks and audit findings for the Pension Fund

As part of our audit of the Pension Fund, we identified significant risks to our opinion on the financial statements during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
<p>Valuation of investments within Level 3 of the fair value hierarchy</p> <p>As at 31 March 2024, the value of these investments accounted for approximately 30 per cent of net investment assets. Level 3 assets are those assets whose value is based on unobservable inputs, and consequently the estimation uncertainty for these assets is more significant than for assets valued at level 1 and 2.</p> <p>Within the Pension Fund, the categories of assets within Level 3 of the fair value hierarchy are pooled investment vehicles and investment properties.</p>	<p>How we addressed this risk</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the skills, experience and qualifications of any external valuers used by the Pension Fund, and considering the appropriateness of the Pension Fund's instructions to those valuers; • Obtaining an understanding of the basis of valuation applied in the year; • Agreeing the valuation of a sample of pooled investment vehicles to supporting documentation including fund manager valuation statements and cash flow adjustments, and where appropriate agreeing the valuation statements through to audited financial statements and / or other independent supporting documentation; and • Testing a sample of investment properties to underlying investment property data used by the valuer as part of their valuations, reviewing the valuation methodology applied by the valuer and obtaining supporting documentation behind the key inputs to the valuation. <p>Audit conclusion</p> <p>Our work on pooled investment vehicles identified misstatements caused by more up-to-date information being available after the Pension Fund produced their draft financial statements. We identified errors totalling £14m across the material level 3 investments and errors totalling £20m across our residual sample testing. As errors were identified from a sample test, applying our audit approach, we have extrapolated the errors in our residual sample over the remaining untested population to establish the potential misstatement. The total known and extrapolated misstatement is £66m. The Pension Fund have not adjusted for this misstatement based on the immaterial value of the extrapolated error. The unadjusted misstatement is shown on the page overleaf.</p> <p>Our work on investment properties identified no issues to bring to your attention.</p>

Appendix B: Further information on our audit of the Pension Fund’s financial statements

Significant risks and audit findings for the Pension Fund – continued

Risk	Our audit response and findings
<p>Management override of controls</p> <p>This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	<p>How we addressed this risk</p> <p>We addressed the risk of management override of controls through performing work over material accounting estimates, journal entries that met our risk criteria, and significant transactions outside the normal course of business or otherwise unusual.</p> <p>Audit conclusion</p> <p>We have completed our work on the Pension Fund’s journals and accounting estimates and there are no matters to bring to your attention. We have not identified any significant transactions outside the normal course of business nor otherwise unusual during our audit.</p>

Summary of uncorrected misstatements for the Pension Fund

We set out below the misstatement identified during our audit. Management has assessed the misstatement as not being material to the financial statements and has not adjusted for this.

Details of adjustment	Fund Account		Net Asset Statement	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
Dr Pooled investment vehicles			65,604	
Cr Profit and losses on disposal of investments and changes in value of investments		-65,604		
<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 2024. Prior to us commencing our audit, the Pension Fund adjusted for large known variances and these are included in the audited financial statements. From our audit work on a sample of pooled investment vehicles, we identified errors totalling £34m. Applying our audit methodology, we extrapolated the errors over the remaining untested population to establish a potential misstatement of £32m, resulting in a known and extrapolated misstatement of £66m.</p>				
Total effect of unadjusted misstatements		-65,604		65,604

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