



Auditor's Annual Report
Wigan Metropolitan Borough Council – year ended 31 March 2025

February 2026

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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 Wigan Metropolitan Borough Council. It has been prepared for the sole use of Audit, Governance and Standards Committee as the appropriate sub-committee 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 Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for London Borough of Harrow Council ('the Council') for the year ended 31 March 2025. 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 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 27 February 2026. 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.

Reporting to the group auditor



In line with group audit instructions issued by the NAO, we have undertaken work on the Council's Whole of Government Accounts (WGA) return in line with their instructions. 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.



Value for Money arrangements

We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Under normal circumstances, our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Council's financial affairs for the year and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

A range of factors have led to a backlog in financial reporting in recent years. Legislation passed by government in 2024 (the Accounts and Audit (Amendment) Regulations 2024) addresses the backlog by introducing a 'backstop date' for the publication of financial statements, even if the audits had not been completed. This is intended to enable the sector to focus on the current financial position rather than historic information.

We issued a disclaimed opinion on your financial statements for 2023/24 financial year. This meant we did not express an opinion on those financial statements, and as such we do not have assurance over the opening balances in the 2024/25 financial statements.

The NAO published Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 in June 2025. This guidance sets out the procedures auditors may undertake to obtain sufficient appropriate evidence over opening balances when previous year's audits have been disclaimed. The guidance acknowledges that how long it will take to rebuild assurance will vary between audit engagements and according to each audit's particular circumstances.

It has not been possible to complete sufficient procedures as part of the current year's audit to enable us to issue a non-disclaimed opinion. For this reason, we have issued a disclaimed opinion.

We reported the findings of our audits of the Council and Pension Fund accounts to the Council's Governance, Audit and Risk Management Committee on 16 February 2026. We do not repeat the detailed findings here but provide further information in Appendix A.

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.

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 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 risk that we have identified and the work we have done to address this risk on page 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	11	Yes – see risk 1 on page 12	No	No
 Governance	16	No	No	No
 Improving economy, efficiency and effectiveness	20	No	No	No

VFM arrangements

Financial Sustainability

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



Value for Money

Risks of significant weaknesses in arrangements in relation to Financial Sustainability

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

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>Financial sustainability – Dedicated Schools Grant deficit</p> <p>The Council had an opening Dedicated Schools Grant (DSG) reserve deficit of £700k, but this increased to £9.7m by the end of 2024/25. This was largely driven by the cumulative overspend on the High Needs Block increasing from £5.6m to £16.0m in 2024/25. The Council is currently projecting the overall deficit on the DSG reserve to increase to over £15m in 2025/26.</p> <p>The Council had a General Fund reserve balance of £13.5m as at 31/03/2025. There is a risk that, while the statutory override for the DSG has been extended to 2028, further pressure may be placed on the General Fund if the Council's DSG deficit is not addressed.</p> <p>The level of overspend presents a risk to the financial sustainability of the Council and mitigation by using reserves is not sustainable.</p>	<p>Work undertaken</p> <p>We have reviewed the Council's DSG management plan shared with the DfE in to determine whether appropriate and realistic plans are in place to enable the Council to bring the DSG account back into a balanced position. We have also reviewed the latest budget reports to assess the Council's level of reserves, and its ability to cover a DSG deficit if required.</p> <p>Results of our work</p> <p>The Council has had an established DSG management plan since the cumulative overspend on the High Needs Block developed in 2023/24 and committed to refresh this plan in October 2024 in light of the increasing deficit. Within the updated DSG management plan in October 2024, several proposals were devised targeting non statutory service delivery to reduce expenditure in the High Needs Block, which aimed to generate £5million in savings in 2025/26, and £6.8million in 2026/27. The Council's plans are thorough and co-ordinated with the support of DfE, and there do appear to be realistic areas in which cost savings can be made.</p> <p>We have received the Council's latest projections for the cumulative overspend on High Needs at the end of 2025/26 within the Q2 monitoring report for 25/26, with the overspend expected to increase further to £31.2m (meaning that the overall DSG deficit is likely to increase to close to £25m at the end of 25/26).</p> <p>The government announced in June 2025 that they would extend the DSG statutory override until the end of 2027-28. This will allow the Council to hold a DSG deficit until the end of 27-28, and they have provided a projection of the High Needs cumulative overspend at 31/03/2028. The Council have not included the impacts of its updated DSG management plan, or the potential impact of anticipated government reform on schools, therefore the projection constitutes a prudent worst-case scenario, but the projected High Needs Deficit at the end of 27/28 is £57.8m (meaning an overall DSG deficit of around £50m).</p> <p>The Council had £241.7m of Usable Reserves at 31/03/2025, with £98.9m of these reserves falling under the General Fund or General Fund Support reserves earmarked by WMBC. The Council is in the process of re-casting its reserves, with historic earmarking's now reconsidered against priorities and emerging pressures, such as the DSG. The Council's reserves balance could offset both the projected DSG deficit at 2025/26, but also the projected deficit at the end of the statutory override period, currently in 2028.</p> <p>We have concluded our assessment of this risk and confirm that it is not indicative of a significant weakness in the Council's arrangements.</p>

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Financial planning and monitoring arrangements

The Council follows an annual budget setting process that meets all its statutory (Local Government Acts 2000, 2003 and Local Government Finance Act 1992) and constitutional requirements. The Council has a well-established, rigorous, budgetary process, and includes a wide range of activities and consultations. The budget setting process includes engagement with senior Council officers and incorporates discussion about the delivery of statutory services/priorities and the impact on resources. Where additional resources are required, these are scrutinised and challenged before they are included in the budget estimates. The budget setting process is completed alongside the overall business and corporate planning process, to ensure budgets align with the performance objectives of the Council.

A range of officer meetings and discussions take place to review proposals for savings and budget reductions, with each proposal supported by evidenced assessments of deliverability and potential savings. Proposals are subject to consultation with staff, officers and Members and are presented to meetings attended by Cabinet Members, senior officers and Audit, Governance and Standards committee members before submission to, and approval at, full Council as part of the formal budget and council tax setting process.

The Council set a balanced budget for 2024/25, without the need to draw on reserves, after forecasting for a maximum increase in council of 2.99% and by an additional 2% in line with announcements made in the 2022 Autumn Statement on core spending power for local government. In preparing the 2024/25 budget, the Council recognised that there was a growing demand, alongside price pressures, in Adult Social Care and temporary accommodation. Budget growth was included in the Medium-Term Financial Plan (MTFP) to reflect the forecast costs following assessment and modelling of future demand. To accommodate the growth, the Council proposed a range of savings across all directorates.

Budget monitoring reports continue to be presented to Cabinet on a quarterly basis. These reports contain appropriate detail on significant variances to budget and an explanation of the pressures impacting delivery. Cabinet also receives regular information on progress against the approved capital programme, together with the reasons for over or underspends against the budget profile. These reports provide for effective scrutiny and oversight by members.

We have reviewed a range of the budget preparation documents and meetings held as part of the budget setting process. This confirmed that the documents were comprehensive and detailed and the process for development had been completed on a timely basis and delivered the intended outcomes to assist with the budget preparation.

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

The Council produces a Medium-Term Financial Plan (MTFP) each year alongside its annual budget. This sets out the resources available to deliver the Council's overall commitment to provide services that meet the needs of people locally over the planned three-year period and is updated and extended as part of each year's budget setting process. Clear challenges remain for the Council with uncertainty around future Government funding, increasing adult social care costs and rising levels in homelessness continuing to be the biggest risks.

As reported in previous years, the Council's approach to its MTFP development and monitoring involves early oversight of individual directorate-level management meetings by the Strategic Finance Managers to ensure finance has insight into performance, delivery and transformation within directorates. Strategic Finance Managers meet with Directors throughout the year to ensure the operational delivery and financial positions reported from the directorates are understood collectively in the context of the MTFP.

The Council provided quarterly reports of its financial position to Cabinet across the year, as well as at year end, which reported its revenue outturn position for 2024/25 as an overall overspend of £2.5m. This was the second consecutive year that the Council had reported an overspend, and this was to be offset through the application of Earmarked Reserves that fall within General Fund support. This overspend was driven through underlying pressures in the Children's directorate and Homelessness, with the Council forecasting an overspend of £8.6m at Q2 of 2024/25. The deficit at year end was reduced due to a combination of the Council generating additional efficiencies within the impacted directorates, and other receipts such as an unbudgeted dividend from Manchester Airport and a government grant related to redistribution of national business rates surpluses. The Housing Revenue Account (HRA) outturn was a surplus of £2.9m in 2024/25, with this being transferred to the HRA reserve. We have reviewed a sample of the reports presented throughout the year and these were detailed and comprehensive and incorporate monitoring of the revenue budget, the capital programme and a range of other financial measures and other performance information.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria (continued)

Officers and Members actively review and consider overall performance in line with this information. The Council has a well-established timetable for Cabinet reporting which includes reporting to directorate, divisional and strategic management teams.

The Council maintains an efficiency savings tracker by division which is reviewed and monitored on a regular basis. The savings plans established cover a two-year period and were developed in conjunction with service directors. Plans included a consideration of workforce management, service redesign and opportunities. We have reviewed the Council's efficiency savings plan and tracker and can confirm it contains sufficient detail to monitor progress against planned efficiency savings.

The Council's budgeting process completed during 2024/25 culminated in the 2025/26 budget and MTFP to 2027/28. In this plan, there is a budget gap of £10.3m for 2026/27, and a gap of £12.5m has been identified for 2027/28. However, these gaps do not assume a rise in Council Tax, which was agreed for 25/26 raising an additional £7.6m for the Council. Despite this, there is still a clear need for the Council to generate further efficiencies to achieve balanced budgets in the coming years. The Local Government settlement for 2024-25 provided a 7.3% increase in spending power for the Council. Although this is higher than the rate of inflation at the time of the announcement, it is lower than the demand-led pressures in social care and homelessness.

The Council has faced challenges around the increasing demand for costly and complex support for children in education. The Council had an opening Dedicated Schools Grant (DSG) reserve deficit of £0.7m. This deficit increased to £9.7m by the end of 2024/25. This was largely driven by the cumulative overspend on the High Needs Block increasing from £5.6m to £16.0m in 2024/25, which was partially mitigated by underspends on other DSG blocks. The Council's Budget Monitoring Report for Q2 of 2025/26, taken to Cabinet in November 2025, is projecting the cumulative overspend on the High Needs Block to increase to £31.2m at the end of 2025/26, which would leave an overall DSG reserve deficit of over £20m. The government extended the period of statutory override, which allows Councils to hold a deficit on the DSG reserve within their statement of accounts, until the end of 2027/28, in June 2025.

The Council have a management plan in place with regards to the Dedicated Schools Grant and refreshed this plan in October 2024 in light of the rapidly increasing deficit on the DSG reserve. Several proposals were devised within the updated DSG management plan in October 2024, targeting non statutory service delivery to reduce expenditure in the High Needs Block, which aimed to generate £5million in savings in 2025/26, and £6.8million in 2026/27. The Council's plans are thorough and co-ordinated with the support of DfE, and there do appear to be realistic areas in which cost savings can be made. The Council are also in a strong reserves position; there were £241.7m of Usable Reserves at 31/03/2025, with £98.9m of these reserves falling under the General Fund or General Fund Support reserves earmarked by the Council. The Council's reserves balance could offset both the projected DSG deficit at 2025/26, but also the projected deficit at the end of the statutory override period, currently in 2028. We have provided a more detailed assessment of the risk of significant weakness regarding the DSG deficit on page 12, and have concluded that it is not indicative of a significant weakness in the Council's arrangements.

Ensuring financial plans support the sustainable delivery of services and consistency with other Council plans

Throughout the financial year officers provided updates on treasury management, revenue and capital budgets to Cabinet and the Audit, Governance and Standards Committee as appropriate. These reports are provided to give assurance that the relevant plans, and outturn to date, are supporting the day-to-day operational requirements of the Council.

The Council uses its MTFP to inform spending plans and funding requirements for the provision of its services. The MTFP reflects the need to deliver statutory priorities as well as to implement corporate flagship actions as part of the Council's priorities. When preparing the MTFP, the Council keep in view its corporate strategy, Progress with Unity, which underpins all strategy including the capital and treasury management strategy. Reports through the Council's democratic process must refer to how the decision supports the Council's missions. Capital investment decisions are reported within the Council's Capital Strategy, which appends the annual Treasury Management report and details the process the Council follows for investment decisions.

Our committee, Cabinet and full Council minute reviews show the Council constantly monitors the outcome of the revenue and capital budget and ensures they are all tying in to working towards the Council's long-term strategy.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria (continued)

Managing risk to financial resilience

To support management of its risks to financial resilience, the Council maintains a Strategic Risk Register which is reviewed quarterly by SMT and reported to the Audit Governance and Standards Committee. There are also Directorate Risk Registers. These are used to identify and monitor risks, as well as setting out key measures to manage the risks. Any financial impact arising from the risks is assessed, and where appropriate, reflected in the future MTFP.

Each risk is assigned a score in line with its potential likelihood and its potential impact. Responses to these risks are then determined in line with the Council's risk appetite. Through our attendance of Audit, Governance and Standards Committee meetings, we have confirmed that the register is reviewed frequently, actions are appropriately tracked, and the Council's risk appetite is kept under review in line with the environment in which it operates.

The Council is in the process of re-casting its reserves, to ensure that they are correctly categorised in headings set out under its reserves strategy. Reserves are streamlined with historic earmarking's now reconsidered against priorities and emerging pressures, such as the Dedicated Schools Grant.

Overall view on arrangements in relation to financial sustainability

Based on the above considerations we are satisfied there is no significant weakness in the Council's arrangements in relation to financial sustainability.

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

Risk management and monitoring arrangements

The Council has an established risk management framework that aligns financial accountability with service decision-making, embedded within the Council's governance structure. There are Strategic and Directorate Risk Registers in place which are refreshed to reflect any significant changes in circumstances in which the Council operates and the current challenges and opportunities it faces. The Audit, Governance and Standards Committee review the effectiveness of the Council's arrangements and has continued to receive relevant update reports and briefings. We have reviewed the Council's Corporate Risk Register and confirmed it covers the areas we would expect, and the risks identified are assigned to appropriate risk owners and are linked to the Council's corporate priorities. Mitigating actions are also identified.

The Council have an internal audit team, led by the Chief Internal Auditor. They are responsible for the delivery of the internal audit annual work programme. Each year, a risk-based plan is formulated which balances coverage of areas across the business cyclically as well as leaving space for thematic reviews as the need arises. This plan is reviewed and approved by the Audit, Governance and Standards Committee annually. We have reviewed the internal audit plan for 2024/25 and confirmed that a risk-based approach was taken in order to determine the planned work.

The internal audit function achieved completion of 82% of its plan in 2024/25, with the other 18% of planned audits relating to ongoing assurance that is provided to the Council's service areas. There was a total output of 39 fully completed report stage internal audits in 2024/25. The execution of this plan during 2024/25 is detailed in the annual internal audit opinion, which stated: 'I am satisfied that sufficient assurance work, as detailed within this report, has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Wigan Council's internal control environment. Satisfactory assurance can be given that Wigan Council operates an effective framework of governance, risk management and management control and audit testing has demonstrated controls to be generally working in practice. Where weaknesses have been identified, we have worked with management to agree appropriate corrective actions and a timescale for improvement.'

The Audit, Risk and Governance Committee are regularly updated on the progress of work against the internal audit plan. We attended all of the Audit, Governance and Standards Committee meetings held in 2024/25 and have confirmed that the internal audit plan is effectively agreed prior to commencement, and any weaknesses in controls identified through the work of internal audit are highlighted and brought to the Committee throughout the year.

Alongside the Annual Internal Audit Report, a set of annual governance reports (Annual Fraud Report, Local Code of Corporate Governance Compliance, Strategic Risk Register), were provided to the Audit, Governance and Standards Committee throughout the year. We have observed active member engagement from the Committee, who challenge the papers and reports which they receive from officers, internal audit and external audit.

The 2024/25 Annual Governance Statement reported on progress made in addressing the 2023/24 priorities and set out a governance action plan for 2025/26. Throughout the year the Committee received regular progress reports on delivery of this action plan, providing Members with assurance that the Council is on track to deliver the plan it has set.

The Council adopts the CIPFA/SOLACE Framework as its own Local Code of Corporate Governance. This framework embeds the Nolan Principles of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership. It is subject to an annual assessment to demonstrate compliance and to identify areas for development. The Nolan Principles are reflected in the Members Code of Conduct within the Constitution, as well as the Register of Interests, Member Officer Protocol and "BeWigan" Behaviours.

Whistleblowing arrangements encourage staff to raise any concerns about fraud, corruption, and poor standards. The Council's Raising a Concern Policy is published on the Council's website.

Arrangements for budget setting and budgetary control

The Council follows an annual budget setting process that meets all its statutory (Local Government Acts 2000, 2003 and Local Government Finance Act 1992) and constitutional requirements. The Council has a well-established budgetary process, with directorate budget holders required to provide detailed budgets for all cost and income headings within their directorate. This process is completed for both revenue and capital budgets, with the latter being indicative of spend to assist with funding and borrowing requirements.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria (criteria)

The budget setting process involves regular meetings between services and Strategic Finance Leads to discuss the financial position and emerging threats and opportunities to deliver savings plans. This feeds through to the MTFP development and monitoring processes, along with scheduled reporting to members.

During 2024/25, the Council completed its annual budget setting process for 2025/26 and the production of its MTFP to 2027/28. The budget for the 2025/26 year was balanced with gaps of £10.3m for the 2026/27 financial year and a further gap of £12.5m for 2027/28. However, these gaps do not assume a rise of 4.99% in Council Tax, which was agreed by the Council for 25/26 raising an additional £7.6m for the Council.

Capital investment decisions are reported within the Council's Capital Strategy, which appends the annual Treasury Management report and details the process the Council follows for investment decisions. Individual departments submit capital appraisal forms in respect of new capital projects to Corporate Finance for review. All capital appraisals are discussed at the Capital & Assets Strategic Management Group, chaired by the Deputy Chief Executive. This group meets quarterly in line with capital programme reviews and the Council's approved Capital Strategy policy. Once a project is agreed, the capital estimate is reflected in the next capital programme review, the outputs of which are then reported to Cabinet and Council and approved. During the year, the Council operated a Corporate Property Management Board chaired by the Deputy Chief Executive and this approved all related asset management activity and also informed the Council's capital programme requirements going forwards.

The budgetary control and monitoring arrangements in place ensure that resources allocated through Council's approval of the budgets were used for their intended purpose and were properly accounted for. There is evidence budgetary control operated as a continuous process throughout 2024/25, enabling the Council to review and adjust the budget during the financial year. The arrangements in place provided a mechanism to hold to account those managers responsible for defined elements of the budget.

A monthly monitoring timetable sees reports issued to budget holders for discussion with designated accountants, with quarterly reported budget monitoring through democratic process. By continuously identifying and explaining the variances against budget, the Council was able to identify changes in trends and resource requirements at the earliest opportunity so that remedial action could be taken.

Detailed financial and performance reports are presented to SMT and Members throughout the financial year, covering:

- Revenue and Capital Budget Framework
- Delivery of Efficiencies
- Quarterly Financial Monitoring
- Treasury Management bi-annual reports
- Treasury Strategy, Prudential and Treasury Indicators, Capital Policy and Minimum Revenue Provision
- Financial Settlement, Council Tax and Budget Setting

We have reviewed these reports to confirm they contained sufficient detail to allow Members to make decisions or provide challenge and scrutiny appropriate to their role. Our review of Council minutes have confirmed that there was regular reporting of the financial position during the 2024/25 financial year, including details of movements in the budget and forecast outturn between quarters. The outturn position was not significantly different to that reported to Members during the year and did not indicate a weakness in arrangements. The data is also reported to SMT and Cabinet.

Decision making arrangements and control framework

We have reviewed Council minutes throughout the year, which support informed decision-making and were clear in the decision or recommendations that Members were asked to make.

Decision making processes are formally set out in the Council's Constitution. The procedures are clearly documented, as well as the roles and responsibilities of the Audit, Governance and Risk Committee. The Council operated four Scrutiny Committees responsible for ensuring robust scrutiny of decisions made by Cabinet. The Committees can 'call in' decisions and hold Portfolio Holders to account for Council performance.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria (criteria)

The Audit, Governance and Standards Committee holds responsibility for dealing with Member standards and conduct matters as well as overseeing the work of the Internal and External Audit functions. It provided Full Council with assurance on the effectiveness of:

- The governance arrangements of the Council and its services.
- The Council's risk management framework and the associated control environment.
- The Council's financial management processes and the way this relates to the performance of individual services and the Council as a whole.

The Council has a standing item at all committee meetings for the declaration of interests by members, with members also expected to complete internal declarations on a regular basis (in line with the Governance framework. These declarations are logged in a publicly held register and is available for viewing on the Council's website. These registers also log any gifts and hospitality received by members, with members regularly reminded of the need to update records.

Ensuring legislative and regulatory requirements are met

Assurance on compliance with regulatory requirements is regularly reported to the Audit, Governance and Risk Committee using summary reports. The Council also follow a process of internal reviews and inspections to ensure reporting standards are being met. There have been no significant issues identified during 2024/25 from these reviews and inspections.

The Council also has established policies for both Counter Fraud and Corruption and Standards of Business Conduct. These have been prepared in accordance with the Bribery Act and central government guidance on the risk management of conflicts of interest. The internal audit function has due regard to the Auditing Practises Board guidelines as interpreted in the United Kingdom Public Sector Internal Audit Standards. These policies, along with all other policies officers and members are required to adhere to, are included within the Council's constitution.

Overall view on arrangements in relation to governance

Based on the above considerations we are satisfied there is no significant weakness in the Council's arrangements in relation to governance.

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

Assessing performance and evaluating service delivery

The Council has an established and effective process for reviewing financial and performance information, which is used to identify areas for improvement. The Council prepares performance monitoring and financial monitoring reports which are presented to senior management, Cabinet and Overview & Scrutiny Committee.

As in previous years, quarterly cabinet reporting encompasses Treasury, Capital and Revenue. The revenue budget is monitored monthly with reports provided to budget holders, and major capital projects have their own project boards. The budget monitoring process is an in-depth exercise undertaken monthly between the service accountants, strategic finance managers and departments so that performance against budget, or the progress of savings/transformation plans is well understood. The Council works with an external advisor in monitoring the performance of the Council's loans and investment portfolio and cash levels.

Annually, Cabinet and Full Council are presented with a final outturn report detailing the Council's performance against budget for the year. The 2024/25 outturn reported a £2.5m overspend which was to be offset through the application of Earmarked Reserves that fall within General Fund support. The Housing Revenue Account (HRA) outturn was a surplus of £2.9m in 2024/25.

The Council has a performance management framework, reporting against an agreed series of performance indicators covering all departments. These indicators are reviewed by services and reported to the senior management team so that any issues requiring action are understood. From our review of senior management team meeting minutes, we have observed regular reporting of Council performance against the agreed key indicators. The reporting contains adequate detail to enable decision makers to base decisions on timely, accurate and wide-ranging information.

Wigan Council's corporate plan, 'Deal 2030' was developed in 2018 and provides a unifying strategy for the Borough. The plan aims to deliver ten clear priorities for communities across Wigan, agreed following feedback from over 6,000 local people. Whilst Deal 2030 established the overall corporate priorities, and following the impact of COVID 19, the Council also published its "Road to Recovery" strategy. This updates the commitments in The Deal 2030 with five recovery pledges. Together, these documents provide a framework for the Council to allocate resources and develop plans to deliver its ambition.

Performance reporting is undertaken by Wigan's Joint Intelligence Unit. The reports provided by the unit's Performance and Insight team show performance data and analysis against agreed indicators for Directorates. Performance reports are presented to the Council's Scrutiny committee, and SMT, with more detailed directorate performance reports to directorate management teams. The Joint Intelligence Unit also supports the Council by providing performance information on transformation projects. The data provided includes the performance information related to the aim of the project, the financial impact and other non-financial impacts such as environmental. This allows the Council to evaluate the impact of its transformation activity across a range of metrics to ensure they are on track to deliver the expected benefits.

The range of services provided by the Council are subject to external regulation, and it makes use of these reports to evaluate its own performance. The Council has not had a full OFSTED review since 2022, but OFSTED did make a focused visit to Wigan's children's services in October 2024. The visit was carried out in line with the inspection of local authority children's services (ILACS) framework and concluded that the Council's leaders had shown consistent and strong ambition for care leavers to achieve. The report confirmed the significant financial investment made by the Council providing increased resources into the service. It acknowledged the consistent focus on strengthening oversight of performance and quality assurance. It was noted that the Council recognise that there is more to do around management oversight and the quality of supervision, for which action plans have been implemented in order to make the necessary improvements.

In January 2025, the Council was voluntarily subject to a Local Government Association Corporate Peer Review. The review found that the Council is a well-managed and well led authority that consistently delivers high quality services to its residents while ensuring value for money. The report concluded that the council is forward-thinking and has demonstrated resilience, innovation, and a commitment to developing new relationships with residents and community groups. It praised the borough's new partnership movement 'Progress with Unity', its clear missions and confident vision for the future, and recognised the many strong collaborative partnerships between the council and community organisations, businesses and public sector bodies. The review found that Progress with Unity had already gained widespread support from partners which demonstrated a widespread belief in its potential to create meaningful change. It found that Wigan Council was a respected and influential voice within Greater Manchester.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

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

Arrangements for effective partnership working

Partnerships continue to play a crucial role in the delivery of the Council's 'Deal 2030' priorities. The Council recognises the importance of partnership working and is committed to ensuring it is represented by senior leaders, officers and members, on all key partnership boards.

One of the key partnerships is the Healthier Wigan Partnership (HWP) which brings together the main health and care providers in primary and community care, mental health and social care in the Wigan Borough. The key purpose is to make a real difference to improving health and wellbeing to the community overall. The Council's Chief Executive is the local place-based lead for the partnership and receives devolved responsibility and resources from NHS Greater Manchester Integrated Care Board. The Board will focus on wellbeing, prevention and social economic issues that impact the community. Bi-monthly meetings and the establishment of an Executive Planning Group bring together senior leads from the Council, ICB, Primary Care and mental health services. Reports on progress made is presented to the Scrutiny Committee which provides an overview of the work of the Healthier Wigan Partnership and outcomes delivered.

Wigans Community Wealth Building (part of the Deal 2030 plan) aims to strengthen the local economy. Key to this is the relationship between the Council and other 'anchor institutions' in health and education. Working together, the anchor partnerships have developed and understood the need for skills and training in order to meet employment needs, provide job opportunities and develop career paths for people in the Borough.

The Council remains committed to major development projects that look to regenerate the Wigan area. Two of the most significant projects are the redevelopment of the Galleries Shopping Centre and the development of Haigh Hall.

Arrangements for commissioning or procuring services

The Council has in place a clear strategy and governance arrangements for the procurement of services which ensure that it complies with all legal and regulatory requirements, as well as achieving best value in procurement processes. The Council adopt the Greater Manchester Combined Authority Social Value Policy to delivery social value through procurement and commissioning.

The Council's Constitution contains a chapter on the Contract Procedure Rules, which sets out the detailed process the Council must follow when procuring goods or services. These documents take into consideration latest legislative and operational changes at the Council and provide a corporate framework for the procurement of goods, works and services. The procedure rules were reviewed and updated in line with the Procurement Act 2023 in February 2025.

We have reviewed the procedure rules to confirm they are comprehensive and cover the key elements including the quotation and tender process, using frameworks, post tender evaluation and contract monitoring procedures. There are also controls in place designed to ensure that all procurement activity is conducted with openness, honesty and accountability.

Key commissioning and procurement decisions are taken by suitably skilled and trained staff to ensure compliance with legislation, professional standards and internal policies. Large and strategic procurements are overseen by Procurement/Project Boards which include relevant senior officer and functional membership. A Contracts Register is maintained centrally, and procurement staff attend Procurement/Project Boards. Any variation from Contract Procedure Rules has been addressed by the Deputy Chief Executive.

Overall view on arrangements in relation to improving economy, efficiency and effectiveness

Based on the above considerations we are satisfied there is no significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 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. Whilst we have received some correspondence, we have received no objections on the 2024/25 statement of accounts.

Reporting to the group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. 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.

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Audit fees and other services

Audit fees and other services

Fees for our work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit, Governance and Standards Committee in September 2025. Our expected fees for the 2024/25 financial year are:

Area of work	2024/25 Proposed fees	2023/24 Actual fees
Planned fee in respect of our work under the Code of Audit Practice	£371,041	£143,240
Additional testing as a result of the implementation of IFRS16	TBC	-
Additional fee in respect of Value for Money risk of significant weakness	TBC	£nil
Additional fees in respect of work required on the net pension asset ceiling	TBC	£nil
Total fees	TBC	£143,240

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

Appendices

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

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

Unadjusted misstatements

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Current liabilities Cr: Current debtors	Known			1,045	1,045
Dr Current debtors Cr Current liabilities				407	407
<i>The Council included debit balances within its accounts payable control account and credit balances within its accounts receivable control account.</i>					
Aggregate effect of unadjusted misstatements		0	0	1,452	1,452

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

As part of our audit, we obtained an understanding of the Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Council's internal controls, we are required to communicate to Audit, Governance and Standards Committee any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Audit, Governance and Standards Committee.

We identified no significant deficiencies in internal control during our audit.

Other observations

We also record our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

Our other internal control observations, as at the date of this report, are set out in this section. These have been reported to management directly and have been included in this report for your information. We have identified one other internal control observation in 2024/25 and followed up on the one other control observation that had been identified in the previous years audit.

Whether internal control observations merit attention by the Audit, Governance and Standards Committee and/ or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Other control deficiencies

Other deficiencies in internal control identified in 2024/25

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our procedures during 2024/25 identified that the accounts receivable control account contained credit balances, and the accounts payable account contained debit balances, reflecting overpayments made by customers and suppliers. These balances should have been reclassified to creditor and debtors respectively. and

Potential effects

While having no net effect on the Council’s balance sheet, gross debtors and creditors included within the Statement of Accounts could have been understated. Our testing on this area identified an unadjusted misstatement which we have reported within our Summary of Misstatements within Section 6 of this report.

Recommendation

We recommend that the Council ensure that all debtor and creditor balances, together with the underlying payments and receipts, are routinely reconciled and cleared through the relevant accounts receivable and accounts payable control accounts.

Management response

Management will action this recommendation in 2025/26.

Other control deficiencies

Other deficiencies in internal control – identified in previous years audits and resolved in 2024/25

Set out below is an update on the action taken by the Council to address other deficiencies in internal control identified on prior audits, that were resolved on commencement of our audit.

Description of deficiency

Management could not provide evidence to support one of the items in our Receipts in Advance sample during the 2022/23 audit. We were told that the service responsible for the entry had not kept the records relating to this item and as a result was unable to demonstrate that the item was correctly accounted for.

Potential effects

There is a risk that the balance sheet value for Receipts in Advance is incorrectly reported. In addition, the Council has failed to comply with document retention requirements where the Council is required to keep records for a period of 6 years.

Recommendation

Management should ensure detailed records of all transactions relating to Receipts in Advance are retained to ensure sufficient appropriate audit evidence can be obtained.

Management response

This recommendation has been actioned in 2024/25. No issues were identified through our testing of Receipts in Advance.

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