



Audit Strategy and Completion Report

Bury Borough Council – Year ended 31 March 2025

February 2026

Members of the Audit Committee
Bury Metropolitan Borough Council
Knowsley Street
Bury
BL9 0SW

5 February 2025

Dear Audit Committee Members,

Audit Strategy and Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Strategy and Completion Report for Bury Metropolitan Borough Council for the year ended 31 March 2025. The purpose of this document is to summarise our audit and to explain how the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of our work and the reporting consequences. We consider two-way communication with you to be key to a successful audit and particularly important in the context of the backstop arrangements as it facilitates:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities; and
- providing you with constructive observations arising from the audit process even though this has been curtailed by the backstop arrangements.

We would usually report the outcome of our planning work, including the significant risks identified and our planned procedures, in our Audit Strategy Memorandum. The results of our audit, including significant matters identified would usually be reported to you in our Audit Completion Report. As a result of the backstop arrangements, we have determined that the most appropriate way to communicate each of the matters required under auditing standards, in this single document, our Audit Strategy and Completion Report.

As it is a fundamental requirement that an auditor is, and is seen to be, independent of audited bodies, section 8 of this document summarises our considerations and conclusions on our independence as auditors.

We appreciate the courtesy and co-operation extended to us by Bury Council throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. At previous meetings of this Committee, we provided a summary of our plans to rebuild assurance in accordance with guidance issued by the National Audit Office and endorsed by the Financial Reporting Council. We will provide more details as part of our 2025/26 Audit Strategy Memorandum. We would happy to discuss any questions you have in relation to rebuilding.

Yours faithfully

Karen Murray

Forvis Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.
Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

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Our audit and the implications of the statutory backstop

Our audit and the implications of the statutory backstop

We are appointed to perform the external audit of Bury Metropolitan Borough Council (the Council) for the year to 31 March 2025. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the [PSAA website](#).

Our audit of the financial statements

The detailed scope of our work as your appointed auditor for 2024/25 is set out in the National Audit Office's (NAO) Code of Audit Practice ('the Code'). Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ('the 2014 Act').

We are appointed to audit the financial statements in accordance with International Standards on Auditing (UK). 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 the 2021/22, 2022/23 and 2023/24 financial years. 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. Further information on the procedures we have undertaken in order to issue a disclaimed opinion in advance of the backstop date is provided in section 3.

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 will be issuing a disclaimed opinion in time for the Council to publish its financial statements by the backstop date of 27 February 2026 as required by the relevant legislation. We have included our proposed audit report in Appendix B.

When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

Responsibilities in respect of fraud and internal control

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both Those Charged With Governance and management. This includes establishing and maintaining internal controls over compliance with relevant laws and regulations, and the reliability of financial reporting. As part of our audit procedures in relation to fraud we are required to inquire of Those Charged with Governance and including key management and internal audit as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks.

Management is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Despite our intention to issue a disclaimed opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 5 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

Value for Money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Council's Value for Money arrangements. We are responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work and our findings further in section 6 of this report.

Our audit and the implications of the statutory backstop

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers under the 2014 Act. No such correspondence from electors has been received.

Whole of Government Accounts

As a result of the backstop arrangements and our intention to issue a disclaimer of opinion on the Council's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions. We are awaiting confirmation of when and how this should be reported to the NAO.

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Your audit team

Your audit team



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Our audit approach

Our audit approach

Audit scope

Our audit is designed to comply with all professional requirements. Our audit of the financial statements has been conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. We have also had regard to the Local Audit Reset and Recovery Implementation Guidance ('LARRIG') issued by the National Audit Office and endorsed by the Financial Reporting Council in delivering our audit in the context of the backstop arrangements introduced by the 2024 amendments to the Accounts and Audit Regulations.

Our approach to the audit of the financial statements

In the absence of the backstop arrangements, our audit would be risk-based and primarily driven by the issues we consider lead to a higher risk of material misstatement of the accounts. After completing our detailed risk assessment work and developing our audit strategy, we would design and complete audit procedures in response to the risks identified.

The conditions created by the imposition of the backstop arrangements mean we have not carried out all of the work necessary to issue a detailed audit plan and to complete all the required audit procedures to provide an opinion on the financial statements. The approach we have taken to carrying out the Council's audit has been designed so that we can comply with International Standards on Auditing (UK) and issue our audit report to allow the Council to meet the backstop date of 27 February 2026 for publishing the financial statements and other relevant information.

We summarise below, the work we have undertaken to inform our audit strategy and our determination that it is necessary to issue a disclaimed opinion on the Council's financial statements. As we have not completed all our planning procedures, including all risk assessment work, we do not include a summary of significant and enhanced risks as part of this report.

Area of the audit	Summary of our procedures
Acceptance and continuance	We have carried out all acceptance and continuance procedures including consideration of: <ul style="list-style-type: none">• The financial reporting framework adopted by the Council and the existence of any unusual or controversial accounting policies• The form, timing and expected content of our communication with Those Charged with Governance• Any actual or potential threats to our independence• The existence of any other factors that indicate we should not continue as the Council's auditor
Understanding the entity	We have carried out audit procedures to understand and document our understanding of the Council across a range of areas, including but not limited to: <ul style="list-style-type: none">• The Council's structure, including its wider group• Key accounting policies• Accounting estimates• The use of experts
Control environment assessment	We have documented our consideration of the Council's control environment. We carry out this work to inform both our work on the financial statements and as an element of our Value for Money arrangements risk assessment work.
Walkthroughs	We have undertaken walkthroughs in all relevant audit areas, with the exception of children's social care expenditure. This is because, despite numerous attempts, we were unable to secure officer time to complete this in line with the timing of our work. Note for the walkthroughs we have carried out, for a number of these we have not been provided with all of the required supporting evidence. We carry out this work to gain an understanding of the key controls in place and to ensure they are operating effectively.

Our audit approach

Area of the audit	Summary of our procedures
Fraud	We have carried out work on identifying potential fraud risks and made specific inquiries of management and Those Charged with Governance in respect of actual, potential or suspected fraud. We have not yet received a response to our inquiries. We are unable to sign the audit report until we receive these.
Materiality	We have considered the application of materiality for the audit of the Council's financial statements. Further details on the materiality thresholds determined, is included later in this section of our report.
Laws and regulations	We have obtained an understanding of the legal and regulatory framework applicable to the Council and made specific inquiries with management and Those Charged with Governance in respect of any instances of noncompliance with laws and regulations. We have not yet received responses from our inquiries.
Written representations	We have requested certain written representations from management in accordance with ISA (UK) 580. The draft management letter of representation is provided in Appendix A.
Completion, review and reporting	<p>We have undertaken sufficient review procedures to ensure our audit complies with the requirements of ISA (UK) 230. This includes specific work to document our consideration of the implications of the backstop arrangements on our audit and the reporting implications.</p> <p>We have also considered whether any matters have come to our attention that we deem should be reported to Those Charged with Governance or that may be relevant to our auditor's report. Such matters may include misstatements identified in the draft financial statements or internal control recommendations.</p> <p>As we intend to issue a disclaimer of opinion, additional quality and risk management processes have also been followed.</p>

Audit approach and risk summary

Overview of Group audit approach

You engaged us to audit the group financial statements of Bury Council. Based on our risk assessment and the financial information for the year ending 31 March 2025, we determined that certain components consolidated into the group financial statements should be subject to either a full scope audit or a specific scope audit, as set out in the table below.

The Council prepares Group accounts and consolidates the following bodies:

- Six Town Housing Ltd
- Bury MBC Townside Fields Ltd
- The Persona group of companies (Persona Care and Support and Persona Group Ltd)
- Bury Bruntwood (Millgate) LLP
- The Prestwich Regeneration LLP

Forvis Mazars UK are the appointed auditor for the Council only. As such we are the appointed auditor for 99% of the Group’s total expenditure. We do not plan to obtain specific assurance from the component auditors of the Council’s subsidiary companies.

Entity	Classification	Auditor
Six Town Housing Ltd	Non-significant	RSM UK Audit LLP
Bury MBC Townside Fields Ltd	Non-significant	Horsfield & Smith
The Persona group of companies	Non-significant	Horsfield & Smith
Bury Bruntwood (Millgate) LLP	Non-significant	Deloitte LLP
The Prestwich Regeneration LLP	Non-significant	N/a

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Materiality

Materiality

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Our approach to determining materiality

Although we intend to issue a disclaimed opinion on the financial statements as a result of the backstop arrangements, we are required to determine materiality and communicate this to Those Charged with Governance.

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to the Audit Committee.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Materiality

Our approach to determining materiality (continued)

For the group and single-entity financial statements, we consider that gross expenditure is the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

We expect to set a materiality threshold of 2% of gross expenditure for the group financial statements, and a materiality threshold of 2% of gross expenditure for the Council's single entity statements.

As set out in the tables alongside, based on the draft 2024/25 Statement of Accounts we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £12m (£11.1m in the prior year), and performance materiality to be in the region of £6m (£7.7m in the prior year).

For the single entity statements, we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £11.9m (£11m in the prior year), and performance materiality to be in the region of £5.9m (£7.7m in the prior year).

Group financial statements

	2023/24 £'000s	2024/25 £'000s
Overall materiality	£11,050	£11,979
Performance materiality	£7,735	£5,989
Clearly trivial	£331	£359
Specific materiality	N/A	N/A

Council/Authority's single-entity financial statements

	2023/24 £'000s	2024/25 £'000s
Overall materiality	£11,000	£11,950
Performance materiality	£7,700	£5,975
Clearly trivial	£330	£358
Specific materiality for Senior Officers Remuneration	£5	£5

Materiality and misstatements

Misstatements

We accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to you and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our assessment of overall materiality, our clearly trivial threshold is £359k, based on 3% of overall materiality. If you have any queries about this, please raise these with us.

We are required to report each misstatement above the reporting threshold that we identify. Misstatements can be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.
- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

Reporting

Due to the backstop, we have not undertaken substantive testing procedures on any balances or transactions reported in the accounts. Consequently, there are no misstatements to report.

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Significant findings

Significant findings

Background and modification of the audit opinion

As a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the effects, or potential effects on the financial statements of the lack of sufficient appropriate evidence are pervasive, we will be issuing a disclaimed opinion. This means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimed opinion being the fact we will not have been able to rebuild assurance in respect of opening balances by 27 February 2026 after issuing a disclaimed opinions in previous year(s) as a result of the backstop arrangements.

Members will note the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability 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 law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

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 have not received any such questions.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- Delays in the preparation of the 2021/22 financial statements and difficulties in completing the audit work required due the poor quality of the draft accounts and supporting working papers, has had a knock on impact on the 2022/23, 2023/24 and 2024/25 audits.

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Council's compliance with laws and regulations. However, we have not yet received responses from management and those charged with governance on our inquiries in relation to fraud and compliance with laws and regulations.

We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error .

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties. This reflects the limited work we have undertaken in respect of the financial statements audit.

We note the Council's accounts for the 31 March 2025 year end were not published until October 2025. The statutory deadline for publication was 30 June 2025. The delay in preparation of the accounts means that public inspection rights were delayed.

The Annual Governance Statement published in October 2025 was of poor quality. The document did not properly reflect the Council's overall position and the significance of the governance issues it needs to address. Furthermore, the document had not been fully updated, containing some incorrect year references and links to supporting evidence that did not work. The statement also had typographical errors. We reported this to the Council in November 2025 but have not yet received a revised draft.

However, as in previous years, and despite the full co-operation of Executive Leadership, we have struggled to secure timely engagement following our requests for information and meetings. At times, we have faced significant delays in receiving information. We remain concerned about the Council's ability to support our work in future years to support the rebuilding of assurance at the Council.

Summary of amendments to the financial statements

The Council's S151 Officer authorised the Council's draft financial statements for issue in October 2025.

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the audit committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

Amendments to the financial statements

There are no amendments to the financial statements to report.

Unadjusted misstatements

When we issue a disclaimed opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements identified but which have not been amended by management in the final financial statements. We confirm no such matters have come to our attention.

06

Value for Money arrangements

Value for Money

Approach to Value for Money

We are required to form a view as to 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 in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This is the first audit year where we have undertaken our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31st March 2025 to you in draft by the 30th November 2025. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report).

The Code requires us to structure our commentary to report under three specified criteria:

- **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; and
- **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.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. 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 significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report by exception. We will also highlight emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

The primary output of our work on the Council arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary provides a summary of the work we have undertaken and our judgements against each of the specified reporting criteria.

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2025 and have identified 3 significant weaknesses in arrangements and have made associated recommendations. We provide further details on the identified significant weaknesses and our recommendations later in this section of our report.

VFM arrangements

Overall Summary – Planning and Risk Assessment



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 page 13.

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

Financial Sustainability

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



VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Bury's operating environment

During 2024/25 the Council continued to face significant operational and financial challenges. Against a backdrop of an adverse national economy and a cost-of-living crisis, the Council continued to see significant increase in demand for its services, most notably for children and young people's services including education and social care.

In response to these pressures, it is essential the Council has timely and accurate financial reporting to members and senior management, and decision makers make prompt decisions to maintain the financial sustainability of the Council.

2024/25 Financial performance

We have undertaken a high level analysis of the financial statements for 2024/25, including the Movement in Reserves Statement and the Balance Sheet. The 2024/25 draft statements of account continues to show a declining financial position compared to prior years.

The most significant change in the balance sheet relates to movement in the Council's Property, Plant and Equipment balance, which increased mainly due to the revaluation gains recognised in the year. However, the revaluation gains do not represent a usable reserve the Council can access.

Although the Council's cash balance has increased by £0.7m from 31/03/24 to 31/03/25, the cash position is still much lower than previous years. Alongside this, borrowings have increased by £30m over the twelve-month period to 31/03/2025, largely to fund the capital programme.

Total general fund reserves have been declining over the last few years. General Fund and earmarked reserves reduced by £28 m, from £99.6 (31 Mar 2024) to £71.57m (31 Mar 2025). The Budget Stabilisation Reserve is now insufficient to support the funding gap forecast past 2026/27. Whilst there is a recognition the use of reserves cannot be relied on to provide a long term solution to the funding challenges, the Council now needs to take urgent action to ensure any use of these reserves is properly planned and that all options to increase income and reduce expenditure have been considered.

	31 March 2024 £m	31 March 2025 £m
Property, plant and equipment	639	731.5
Cash/ Cash Equivalents	0.5	1.2
Total Current Assets	76	94
General fund (Unallocated)	10	10
Earmarked Reserves	89.6	61.5
Total General Fund Balance	99.6	71.6
Total usable reserves	156.7	133.7

The minimum revenue provision (MRP) charge for 2024/25 year included in the draft accounts is £3.2m (2023/24 £2.5m). This equates to spreading the opening capital financing requirement of £383.5m over roughly 117 years. The statutory guidance suggests Councils should use asset lives of 50 years as a maximum, although the guidance also recognises there may be circumstances where this maximum can be prudently exceeded. Although the MRP charge has not been subject to detailed audit review in 2023/24 or 2024/25, we are concerned the current approach may not be sufficiently prudent, even allowing for the extent to which the Council's capital programme is directed towards regeneration schemes.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - Continued

Financial planning and monitoring arrangements

In February 2024 the Council set a balanced budget for the 2024/25 financial year. However, this was set with a reliance on reserves of £15.1m and a savings target of £5.3m. The total net budget for Council services was approved at £209.6m with an assumed increase in Council Tax of 2.99% excluding the Adult Social Care Levy of 2%. Whilst challenging, the Council considered this to be achievable. The budget was produced on the basis the savings and efficiencies identified to close the full gap would be delivered recurrently.

The Council reported a final overspend on the revenue budget of £4.365m for 2024/25 on a final revised budget of £224.480m. This included funding of £13.149 m from reserves (£2m lower than budgeted). A significant amount of the overspend relates to Health & Adult Care and Children and Young People services which reported a £3.7m and 2.5 overspend. The overspend in the Health & Adult Care and Children and Young People services was offset by an underspend of £2.29m in non-service specific expenditure.

During the year the Council reported its financial position to Cabinet on a regular basis. We have reviewed a sample of the reports presented for 2024/25. These contain appropriate detail of the significant variances to budget and provide an update on the delivery against savings targets. They also contain appropriate information on the delivery of the approved capital programme, including explanations for both over and under spends against the budget profile.

The budget report presented to Budget Council in February 2025 set out the Council's budget requirement for the 2025/26 financial year and provided details on the Council's reserves position. Council approved a net revenue budget of £238m for 2025/26, which included an approved use of reserves of £5.8m to balance the revenue budget. The budget report assumed an increase in Council Tax of 2.99% excluding the Adult Social Care Levy of 2%. We reviewed the forecast outturn reported to Cabinet on 3 December 2025 we noted a continuing overspend in 25/26 and a budget proposals for 26/27 show a budget gap after use of reserves of £16m (before savings proposals of 8.4m), which means again use of reserves above the level approved in budget.

Spend on the capital programme for the 2024/25 year was £59.81m. In February 2024 Council approved the 2024/25 capital budget at £146.92m, which was later increased by £23.42m to accommodate slippage from 2023/24 increasing the 2024/25 Capital Programme to £170.347m. However, subsequent in-year capital programme reviews led to the 2024/25 capital programme being

reduced to £79.17m.

In the summer of 2024, the Council declared itself to be in a state of financial distress. It established a voluntary Finance Improvement Panel, with support from CIPFA and the LGA, to review its financial position, including the systems and processes in place. The work of this panel included a review of the policy on reserves, a review of the recently approved Treasury Management strategy and saw the beginning of a zero-based budget exercise across every department. It also included a review of the staffing structures in place across the finance service.

The work of the Financial Improvement Panel identified the Council did not have a clear understanding of its financial position or of the Council's cost base. The level of usable reserves available to the Council, whilst declining, was higher than reports to members had previously indicated. As a result, leadership of the Council's finance team changed with the appointment of a new Interim Section 151 officer. A substantive appointment was made in autumn 2024. Since then, considerable further work has been undertaken to better understand the Council's financial position and challenges, and to update the medium term financial planning to ensure the Council can get to a more financially sustainable position.

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

The Medium Term Financial Strategy (MTFS) is a four 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 that represent good value for money.

A key part of the MTFS is to highlight the budget issues that need to be addressed by the Council in each of the years it covers. This includes assumptions to allow forecasting of the level of available resources from all sources together with the budget pressures relating to both capital and revenue spending. It also assesses the adequacy of reserves and the level of provisions held for past events which may impact on the Council's resources. The financial plans were developed based a number of estimates and assumptions. We have reviewed the assumptions used and are satisfied these were appropriate at the time, reflecting the professional judgement of the finance team. However, it is clear the level of reserves available to the Council was not properly understood.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - Continued

The Council's 2024/25 and 2025/26 budgets were set to reflect the prevailing rate of inflation due to the Ukraine war and the cost of living crisis. However, the MTFs reflected some significant uncertainties, particularly with the funding assumptions for future years because local authorities were working with single year settlements. The 2026/27 settlement, announced in December 2025, was a multi year settlement through to 2028/29 which provides a clearer base for future decisions.

Following the independent reviews of the Council's financial position undertaken in the autumn of 2024 and spring of 2025, and the reassessment of the level of reserves available to the Council, the budget for 2025/26, presented to Council in February 2025, set out the Council's budget requirement for the 2025/26 year as a net revenue budget of £238m. This included an approved use of reserves of £5.8m. However, the 2025/26 quarter 1 position presented to September 2025 Cabinet showed a forecast overspend of £4.15m.

In the budget setting process for 2026/27, there is a recognition the Council needs to make investments in a range of areas in order to improve services for local people and also to transform the way the Council operates for the longer term. This, together with some known financial pressures arising from increasing demand and continuing pay and price inflation, means the Council knows it has a significant financial challenge to set a balanced budget. Members have been presented with a range of options to both reduce costs and increase income but rejected some. As a consequence, the delivery of the savings plans that were agreed will be essential. The Council still needs to use reserves to help to achieve a balanced position. The 2025/26 budget report recognised that although there was a significant reduction in the funding gap covered by reserves between 2024/25 and 2025/26, this is dependent on the delivery of over £16m of new savings proposals of which £8.260m needs to be delivered in 2025/26. The updated MTFs shows a structural funding gap remain that needs to be addressed through the identification of new savings proposals for 2026/27.

In January 2025, the Council introduced new assurance boards to support its governance framework in response to our formal recommendation issued in December 2024. Following this, delivery of the in-year budget together with the development of the refreshed MTFs and 2026/27 budget proposals has been overseen by the Finance Board. As a result of the significant work undertaken over the last few months, the Council now expects to be able to set balanced budgets over the life of the MTFP without recourse to exceptional financial support.

Dedicated Schools Grant (DSG) deficit – Project Safety Valve

In addition to the use of reserves to balance its general fund budget, the Council has also accumulated a large deficit balance in relation to Dedicated Schools Grant. The deficit stands at £19.04m as presented in the draft 2024/25 statements. Although the Council entered into a Safety Valve agreement with the Department for Education (DfE) in 2021, intended to eradicate the DSG deficit by the end of the 2024-25, the Council has not been able to do so. An amendment has been made to the Council's DSG Management Plan and agreed with the department which now has a timeframe for eradicating this deficit by the end of 2028/29. As part of this plan, the Council has agreed to reach a positive in-year balance on its DSG account by the end of 2028/29 and in each subsequent year. The Council has also agreed to implement the action plan agreed with the DfE, and to complete ongoing monitoring of the Council's performance in fulfilling this agreement.

The financial projection for the year end position in 2025/26 is for a £2.5m overspend and a DSG deficit of £21.5m. However, this reflects costs of the Council's investment in the Children and Young People's team and a sharp increase in demand which, because of insufficient in-borough provision, meant the Council had to increase the use, and bear the additional cost of, Independent and Non-Maintained Special School (INMSS) provision. As a result, and despite the financial plan being off trajectory, the DfE has not made further interventions and continues to monitor the Council's position closely.

In May 2024 OFSTED published the results of its inspection of the Council's SEND services. This inspection concluded there were widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND). The DfE confirmed they would work with Bury to ensure the response to the OFSTED inspection outcome and their Safety Valve activity are properly aligned.

OFSTED have continued to engage with the Council to ensure the actions taken to address the inspection findings are being put in place. However, it is too early to determine the impact of these actions.

Based on the above considerations we have identified a 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

Bury Council has a risk management system in place which is included in the governance structure of the organisation. As part of the Council's governance framework, the Audit Committee has been responsible for ensuring that management arrangements are in place and are regularly reviewed to ensure they are working effectively.

Each department maintains and updates its own risk register, which then feeds into the Council-wide corporate risk register. We have reviewed an example department register and confirmed it is sufficiently detailed. Each risk has an assigned risk owner and a risk score based on the likelihood and impact matrix. Where mitigating actions are identified they are also assigned an owner(s) to ensure there is appropriate accountability.

The Corporate Risk Register focusses on risks that are cross cutting and strategic. These risks are defined as those with the potential to disrupt the Council's ability to meet its strategic and operational objectives. The risks are agreed by the Executive Team as warranting regular scrutiny to help minimise future adverse implications including financial challenges.

The corporate risk register is a live document subject to review by the Executive Team on a quarterly basis in alignment with the schedule of meetings for the Audit Committee. It is presented to the Committee for scrutiny with some risks then identified for a more detailed review by members. Although the Council has a documented approach to managing risks, this was not fully embedded across the Council. As a consequence, when, in August 2023 a national issue relating to the use of Reinforced Autoclaved Aeriated Concrete (RAAC) in buildings was identified, the Council was slow to react to undertake an assessment of all its buildings to ensure it had a clear picture of the extent of RAAC in its exposure, other than in schools where DfE coordinated the initial response. By the end of October 2023, the Council was aware of RAAC in the Market Hall building, which was immediately closed to ensure public safety but had made little progress in inspecting other Council buildings. By December 2024, some 15 months after first being notified of the issue, the Council still did not have a clear understanding of the potential risk. We have been told the Council has now completed its assessment of the risks in relation to RAAC. However, in our view, during 2024/25, the Council's risk management framework was not sufficiently embedded and did not necessarily drive the completion of effective mitigating action.

Internal Controls

In order to provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Council has a team of internal auditors, led by the Head of Internal Audit. Annual Internal Audit Plans were agreed with Management at the start of each financial year and reviewed by the Audit Committee prior to final approval. The plan for 2024/25 was approved by Committee in March 2024 and the plan was amended during the year where management requested changes or deferrals, or because there was insufficient audit team capacity to deliver.

The internal audit plans were based on an assessment of the risks the Council faced and were determined to ensure assurance could be provided on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. We have reviewed the internal audit plan for 2024/25 and confirmed it follows a risk based approach.

Internal audit progress reports are presented to each Audit Committee meeting, including follow up reporting of recommendations not implemented by agreed dates. At the end of each financial year the Head of Internal Audit provided an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. For 2024/25, the Head of Internal Audit concluded that Limited assurance could be given that significant risks facing the Council are addressed. A total of 27 audit reviews, making 165 recommendations, were considered as part of forming the overall opinion for the year. 17 audits were still in progress at the end of the financial year and were carried forward into 2025/26 to be finalised. The Head of Internal Audit Opinion reflects concerns about the high volume of limited assurance reports in the year, delays in the implementation of fundamental and significant recommendations and the ongoing governance and financial pressures.

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

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

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - Continued

Internal Controls

In respect of the main accounting system review reported in August 2024, Internal Audit reported that:

- periodic reviews of all user permissions on the Unit 4 system are not undertaken. As a result, officers may have access rights beyond those required for their role;
- bank reconciliations are undertaken on a monthly basis. However, they are not undertaken on a timely basis and there is a delay in completion. Reconciling items are not always cleared and reconciliations are not subject to review by a Senior Finance Officer; and
- no formal records exist to evidence the budget monitoring undertaken for each service.

We attended all of the Audit Committee meetings during 2024/25 and to date. From our attendance at these meetings, we confirmed the Committee receives regular updates on both internal audit progress and risk management. We have seen members engage by challenging the papers and reports which they receive from officers, internal audit and external audit. Notwithstanding this challenge, the Audit Committee's intervention is not driving management to take actions in response to either risks identified or internal control weaknesses.

From our review of internal audit update reports and our attendance at Audit Committee, we remain concerned that internal audit recommendations were not actioned on a timely basis during 2024/25.

Alongside this, in our view, this challenges the Council faces in operating its internal control framework effectively is evidenced by the impact of the finance team restructures undertaken in 2022 and 2023. The changes left the Council without the capacity, skills and experience required to operate systems and processes as required to maintain an adequate system of internal control. A further restructure and recruitment process has been launched in 2025/26 to properly resource the function. This will sit alongside a planned upgrade to the Council's financial systems.

More recently, new governance arrangements introduced as part of the council wide improvement plan established a Governance Board to oversee the implementation of Internal Audit recommendations as this had been recognised as an area requiring improvement. Reports to this Board indicate significant improvements have been made in 2025/26. The Members Assurance Group receives monthly updates with regard to outstanding audit recommendations and has asked accountable managers to attend to explain reasons for any delays and agree revised timelines. Whilst it is positive to see the Leadership Team taking steps to improve the implementation of audit recommendations and to strengthen internal controls, it is too early to assess the effectiveness of the actions.

Arrangements for budget setting and budgetary control

The Council's approach to budget setting aligns to the corporate plan and LET'S Do It! Strategy (Bury 2030). The budget setting process is a continuous process with work being undertaken to identify new savings proposals early in the new financial year before being considered by Cabinet in the Autumn. The initial budget and associated proposals go through several iterations with Executives, Policy Advisory Group, Overview and Scrutiny Finance and Performance Subgroup before budget consultation being undertaken to feed into the final budget proposals to be considered by Cabinet and Council in February each year. Regular meetings between Services and Finance Leads to discuss the financial position and emerging pressures, delivery of savings plans and opportunities for future service redesign, savings or efficiencies.

Whilst members are actively engaged in budget setting and have an understanding of the seriousness of the Council's overall position, we note that some of the policy options proposed were declined by members because they were considered difficult.

Throughout the 2024/25, budget monitoring was undertaken and reports were taken to cabinet quarterly. In 2024/25 the outturn report confirmed transfers from reserves were in excess of the planned use of reserves per the budget. This suggests that budget monitoring arrangements in year were not effective. As in previous years, budget monitoring is the responsibility of budget managers with the support of the Finance team. Monthly budget meetings are held with budget holders and departments to discuss progress against the financial forecasts. Significant variances are reported to cabinet quarterly with explanations provided.

Decision making arrangements and control framework

Bury 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. Decision Making processes are formally set out in the Council's Constitution.

The Council operated four Scrutiny Committees and 2 sub committees responsible for ensuring robust scrutiny of decisions made by Cabinet. The Committees call in decisions and hold Portfolio Holders to account for Council performance.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - Continued

The role and responsibilities of the Audit Committee are established within the Council's Constitution. The Council's Audit Committee had responsibility for 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.

Following the formal recommendation we made to the Council in December 2024, a formal Council-wide improvement plan was agreed. From January 2025, the Council took steps to strengthen improvement focus by establishing six new Boards, each chaired by a member of the Executive Leadership Team to provide effective oversight of the actions required. These Boards cover:

- Commercial
- Finance
- Governance and Assurance
- Performance, Delivery and Transformation
- Property and Estates
- Regeneration

The Boards meet monthly and consider business in line with their formally agreed terms of reference. There is a direct reporting line through to members through the Members Assurance Group.

Audit of the Statement of Accounts

In 2020/21 we raised a significant weakness linked to the poor quality of the draft accounts submitted for audit and the significant difficulties encountered during the audit process because of problems with underlying records. The issues identified affected significant balances within the draft accounts published by the Council, such as Property, Plant and Equipment and the Dedicated Schools Grant (DSG) deficit. In 2021/22, as in the previous years, the draft accounts were not prepared to the required quality standard and contained a number of significant internal inconsistencies and errors. As the audit commenced, it became clear the working papers and supporting information required to support the audit were not always available and were being prepared as we requested them. A significant number of amendments, some of them material, were been made to the financial

statements. Unfortunately, by late November 2024, we had still not been provided with all of the information we required to conclude our work. As a result, we were unable to complete our audit work by the statutory deadline of 13 December 2024 and therefore issued a disclaimed opinion on the financial statements.

Due to the issues with the quality of the draft financial statements, supporting working papers and underlying records in 2020/21 and 2021/22, there were significant delays in the audit process. This led to us issuing a disclaimed audit opinion on the financial statements for the 2021/22 and 2022/23 years. Furthermore, due to the previous years significant issues and delays we were unable to complete our audit of the 2023/24 financial statements by the statutory deadline of 28 February 2025 and therefore a disclaimed audit opinion was issued on the 2023/24 financial statements.

The Council's 2024/25 draft financial statements were due for publication by the statutory deadline of 30 June 2025. However, the accounts were late and were not published on the Council's website until October 2025.

Although the draft accounts were supported by an annual governance statement, this was a poorly drafted document containing typographical errors, references to the wrong year and hyperlinks to documents that did not work. Our high-level review also found the Annual Governance Statement required revision because it did not adequately reflect the scale of governance issues and risks identified through both internal and external audit and management. These issues demonstrate ongoing strain in financial governance and reporting capability in 2024/25.

The Council is required to publish its Accountability Statements for the year ended 31 March 2025, by 27 February 2026 ('the 2026 backstop date'). The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion in June 2025. We have determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance before the 2026 backstop date and disclaimed opinion for 22024/25 is to be issued.

The finance restructure undertaken in 2022 and key staff turn over in finance team in following years meant loss of continuity and corporate knowledge. Interim staff were appointed to try to bridge the gaps in technical skills. The cost of such interim staff can be relatively high and the lack of corporate knowledge can make their role difficult.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - Continued

A new Chief Accountant took up post on the 6th March 2023 and made progress in reviewing timetables, providing training and establishing model working papers. These were used for the 2023/24 closedown. A new Director of finance was appointed in June 2024, to provide more stability in the function. However, there is more to do to make sure the finance function of the Council is appropriately resourced and has the capacity, skills and technical knowledge to provide appropriate financial reporting as well as to support the wider business of the Council.

Statutory Recommendation

In December 2024 we issued the following written recommendation to the Council:

We recommend the Council should, as a matter of urgency, develop a comprehensive Council-wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. As part of this, appropriate senior leadership and management is required to ensure the improvement plan delivers the required changes. Member oversight is needed to ensure the changes are embedded into the organisation.

Since this recommendation was issued, the Council developed and approved an improvement action plan to map out how the required organisational improvements would be taken forward. This included adopting new governance arrangements through the six new delivery boards as discussed previously. The Boards have clear accountability to the Executive Leadership Team (ELT). They operate within defined remits aligned to the Council's Service Improvement Plan, with delivery activity tracked and monitored to support effective oversight and escalation. During the initial implementation phase, the boards met at an increased frequency to establish pace and grip. These arrangements have since transitioned into a business-as-usual cycle, with meeting frequency adjusted to reflect maturity, workload and risk. The Executive Leadership Team has continued to engage with senior managers to reinforce Service Improvement Plan actions and to emphasise the importance of Council-wide cultural change in supporting sustainable improvement. While not all improvement actions were deliverable

immediately following the issuing of external recommendations, the governance arrangements are now embedded. Delivery and effectiveness continue to be monitored through ELT oversight, Audit Committee reporting and the Annual Governance Statement, demonstrating ongoing commitment to strengthening governance, financial management and organisational culture

Alongside this, the Executive Leadership Team oversight has been strengthened by establishing a Chief Office Group and a Senior Manager Group intended to support delivery of the Council's strategy and to drive the culture change needed. Notwithstanding these changes, management capacity and capability across the Council remains stretched.

Regulators

We reviewed the regulatory reports issued in respect of the Council.

Information Commissioners Office (ICO)

The ICO published a report in August 2021 following a data protection audit carried out in June 2021. The report made 79 recommendations, including seven urgent and 24 high-priority actions. The scale of the findings represented a significant weakness in the Council's internal control arrangements at that time. A follow-up review by the ICO in April 2022 identified 22 recommendations still outstanding, including some originally categorised as urgent or high priority, highlighting that progress had not been sufficient at that stage. Since 2022, the Council has undertaken sustained remedial action to address the ICO findings. The majority of recommendations have now been implemented, supported by strengthened information governance arrangements, dedicated compliance capacity, and regular oversight through the Audit Committee.

Since the ICO's follow-up review in April 2022, there have been no further ICO data-protection audits or enforcement action. During 2024/25, the ICO issued only routine FOI/EIR decision notices, which were case-specific and not indicative of systemic data-protection failings.

VFM arrangements – Financial Sustainability

Overall commentary on the Governance reporting criteria - Continued

OFSTED

A focused Ofsted visit in October 2020 found that Children’s Services in Bury had deteriorated since 2016, with leadership instability and insufficient focus on improvement. A full Ofsted inspection in 2021 judged services ‘Inadequate’, citing serious failures leaving children at risk of harm. Although a peer review and Improvement Board had been established, these arrangements took some time to embed, not least because of leadership changes in September 2021.

Following the inspection, improvement governance was strengthened, with an DfE-appointed independently chaired Improvement Board, revised terms of reference agreed in January 2022. The Board receives reports setting out the progress against the improvement plan. This plan is organised around 3 key themes: leadership and management, quality and impact of practice on the outcomes for children, and workforce. A separate workforce board has been established to facilitate input from staff to the Improvement Board.

In January 2022, the Children and Young People’s Scrutiny Committee considered both the Ofsted findings and the Council’s response, and the final improvement plan was submitted to Ofsted in January 2022. The Council made available finances to invest into Children’s Services in order to address the remedial actions. This investment was used to recruit additional staff, in order to reduce social worker caseloads as a step to improving the quality of practice. Externally managed teams were also commissioned by the Council to immediately provide additional service capacity.

A six-month review was undertaken by OFSTED in February 2023. This report identified some positive progress and emerging strengths. The strengths noted were a restructured and stable leadership, a commitment to invest as evidenced by 50 new posts, and the implementation of family safeguarding model. The report concluded the Council should continue to address areas of concerns and DFE should continue to monitor progress.

A further monitoring visit was undertaken by OFSTED in November 2023. Findings from this visit noted a delay in implementing the changes. As a result, OFSTED concluded outcomes for care-experienced young people remain too inconsistent. OFSTED also found progress has been hindered by a lack of management capacity at both service manager and assistant director level to implement the improvement plans, and that a performance culture is not embedded.

In December 2024 OFSTED published their findings from an October 2024 follow up visit. This noted further progress had been made since the previous report. OFSTED noted an improvement in the

pace of actions since the appointment of a permanent Director of Social Care and Early Help in May 2024. Whilst the December report was generally positive, it noted that, in some instances, it was too early to see the impact of the actions put in place and said there was still evidence of weaknesses in some areas.

The Council had its most recent Ofsted Full Children services inspection in June 2025. While the overall outcome of the report was ‘Requires improvement to be good’, Ofsted acknowledges services for children and families in Bury have improved since the inspection in 2021. Ofsted noted the leadership has strengthened and is now rated Good, reflecting improved strategic grip, a more stable workforce and a stronger quality assurance framework. However, the inspection also confirms three of the four judgement areas—help and protection, children in care, and care leavers—continue to require improvement, demonstrating that improvements are not yet consistent or embedded across frontline practice. Persistent weaknesses such as drift and delay in planning, ineffective escalation by IROs and conference chairs, inconsistent quality of direct work and life story work, and delays in meeting children’s emotional and mental health needs continue to undermine timely and effective outcomes for children. These issues are explicitly highlighted by Ofsted as ongoing areas requiring improvement.

Separately, and in May 2024 OFSTED published the results of an inspection of the Council’s SEND services. The inspection took place between 12 and 16 February 2024. The inspection outcome concluded “there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently”.

Bury Council and NHS Greater Manchester Integrated Care Board (ICB) are jointly responsible for SEND services in the borough. As a result of the inspection, the local area was issued with a formal Improvement Notice in May 2024, identifying six priority actions and three areas for improvement to be addressed jointly by the Council and the ICB.

In response, the local area developed a Priority Action Plan, locally referred to as the Priority Impact Plan (PIP). The PIP was co-produced with stakeholders, including parents, carers and young people, and sets out actions, milestones and performance measures to be delivered over 18–24 months. The plan has since been approved by Ofsted and the CQC and is published on the Council’s Local Offer.

VFM arrangements – Financial Sustainability

Overall commentary on the Governance reporting criteria - Continued

To oversee delivery, the SEND Improvement & Assurance Board (SIAB) was established, replacing previous SEND partnership boards. The SIAB is accountable to Cabinet and to the GM ICB via the Locality Board and is chaired independently. The Board meets monthly, with its first meeting held in June 2024, and maintains an action log and risk register to monitor progress against the PIP.

The recent “Requires improvement to be good” rating for children services and outcome of SEND service from OFSTED following their inspections, indicates a risk of significant weaknesses in proper arrangements and sufficient progress has not been made to address the findings.

Our work highlights a continued significant weakness in relation to the Council’s arrangements for ensuring there is a sound system of internal control and risk management in place.

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 – Financial Sustainability

Improving Economy, Efficiency and Effectiveness

Performance Management

In 2021 a corporate strategic planning process was established, which provided an annual, integrated strategic corporate plan for the Council and (the then) Bury Clinical Commissioning Group (CCG) partnership to guide the partnership's delivery against the Let's Do It! Vision.

The Council continues to monitor its progress against its Corporate Plan with progress being reported to the Executive team on a monthly basis and Cabinet on a quarterly basis. As reported previously the Council's Performance Management Framework sets out how the progress against the Corporate Plan is managed and reported on. Departmental performance is monitored against a set of agreed measures with each department managing performance within its own departmental processes. The departmental performance monitoring feeds upwards into the Directorate Business Plans and the Corporate Plan.

In 2021/22 the corporate plan sets out 15 council across three strategic themes grouped around the Council's 3 "Rs" of Respond; Recovery; and Renewal. In February 2022 the Council refreshed the Corporate Plan for the 2022/23 year. The plan continued to focus on the 15 priority areas but committed to "strengthening the basics" in terms of the Council's services and internal operations. Within the 2022/23 refresh the Council acknowledged the significant challenges in the delivery timeframe over which it expected to see outcomes.

Although the Council had an established and agreed corporate plan and performance monitoring framework, this has not worked effectively enough to ensure services provided by the Council are good. In recent years, there have been a number of failings within Council services most notably: services for children's and young people as assessed by OFSTED inspections, including SEND services, and the failure to deliver the service changes to support the DfE's Safety Valve programme.

Further work has been undertaken since the Council received our formal recommendation on improvement in December 2024 clarifying the Council's priorities and changes to the service planning arrangements to ensure the supporting departmental business plans are in line with these. Formal Key Performance Indicators (KPIs) have been agreed across both childrens and adults services. During 2026/27, other services will agree an appropriate suite of KPIs to report.

Bury has an agreed performance management framework in place. Based on our review of Draft People Strategy, which was presented through the Council's Employment Panel process in November 2025, 90% of Bury Council employees had completed a performance / employee review within 2024/25. A PowerBI Dashboard was issued to all line managers in January 2025. This provides access to individual level information on outstanding employee reviews and those due in the next three months, as well as mandatory training completion information.

Partnerships and Commissioning

The Council works in partnership with a range of third parties, both under statutory and other arrangements to provide services. These partnership arrangements are subject to review. The Team Bury Executive Board brings most of these partner organisations together to support the delivery of the Council's ambitions articulated through its community strategy and local community plans.

The Council is open to considering all models for the delivery of service. This means that some services are provided directly by the Council and others are contracted out to third parties. To support this, the Council has a Procurement Strategy and set of Contract Procurement Rules, which are part of the Constitution, and which outline how the procurement of goods, works and services is to be achieved. These documents take into account latest legislative and operational changes at the Council. Controls are designed to ensure that all procurement activity is conducted with openness, honesty and accountability.

The latest revised Contract Procedure Rules (CPRs) were approved by Full Council on 13 November 2024, and a procurement strategy in October 2022. The new strategy was written for the Council by a third party and covers the period 2022- 2026. Once approved, ownership of delivery of the strategy transferred to the Council's strategic procurement team. A further review of the Council's contract procedure rules was undertaken and approved by Council in December 2022 with an implementation date 1 February 2023.

However, the Council does not have a fully resourced procurement and contract management function. As a result, it cannot be sure the services it procures from third parties are being delivered in accordance with contract terms. Recognising the capacity gap, the Council has developed a Procurement Transformation / Future Operating Model business case (issued December 2025) to strengthen resourcing, capability and contract management arrangements over time. The Council is

VFM arrangements – Financial Sustainability

Improving Economy, Efficiency and Effectiveness

open to changing delivery models where it believes it can get a better outcome. It commissioned a review of the housing management arrangements of its wholly owned subsidiary Six Town Housing in late 2022. Following this review, and in order to address the issues raised, the Council took a decision, in June 2023, to directly manage all of its housing stock including those previously managed by Six Town Housing. Following a formal Cabinet decision, services were brought back into the Council in a transfer that was completed in February 2024.

We have identified a significant weakness in arrangements against the economy, efficiency and effectiveness reporting criteria as a result of the matters arising from the OFSTED’s inspection of Children’s Services.

Value for Money

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and have identified three significant weaknesses in arrangements and have made associated recommendations.

Follow up of previously-reported significant weaknesses in arrangements

As part of our 2020/21 audit work, 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 2022/23 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>Ofsted Inspection: Children's Services</p> <p>The council had its most recent Ofsted Full Children services inspection in June 2025. The overall outcome of the June-25 report was 'Requires improvement to be good'. Ofsted acknowledges Services for children and families in Bury have improved since the last inspection in 2021, when the overall effectiveness was inadequate. Ofsted noted the leadership has strengthened and is now rated Good, reflecting improved strategic grip, a more stable workforce and a stronger quality assurance framework. However, the inspection also confirms that three of the four judgement areas—help and protection, children in care, and care leavers—continue to be rated "Requires Improvement to be Good", showing that improvements are not yet consistent or embedded across frontline practice. Persistent weaknesses such as drift and delay in planning, ineffective escalation by IROs and conference chairs, inconsistent quality of direct work and life story work, and delays in meeting children's emotional and mental health needs continue to undermine timely and effective outcomes for children. These issues are explicitly highlighted by Ofsted as ongoing areas requiring improvement.</p> <p>Separately, and in May 2024 OFSTED published the results of an inspection of the Council's SEND services. The inspection took place between 12 and 16 February 2024. The inspection outcome concluded "there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently.</p> <p>The Council recognises that a failure to address the weaknesses identified in the Ofsted report could adversely impact upon the safety of children. In our view this is indicative of a significant weaknesses in the council's arrangements in relation to the governance and improving economy, efficiency and effectiveness reporting criteria.</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>We recommend the Council puts in place robust arrangements to ensure the actions identified in its improvement plan are being delivered on time and are having the required impact on the quality of service provided to, and the safety of, children in the Borough.</p>	<p>Whilst the December report was generally positive, it noted that, in some instances, it was too early to see the impact of the actions put in place and said there was still evidence of weaknesses in some areas.</p> <p>The June 2025 Ofsted report acknowledges Services for children and families in Bury have improved since the last inspection in 2021, when the overall effectiveness was inadequate. Ofsted noted the leadership has strengthened and is now rated Good, reflecting improved strategic grip, a more stable workforce and a stronger quality assurance framework.</p>	<p>In our view, the identified weaknesses are still present in the 2024/25 financial year.</p>

Follow up of previously-reported significant weaknesses in arrangements - Continued

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>Weaknesses in Internal Control We reported several issues including the poor quality of the draft accounts submitted for audit and the significant difficulties encountered during the audit process because of problems with underlying records. The issues identified affected significant balances within the draft accounts published by the Council. The Statement of accounts of the council for 2024/25 were not published by the statutory deadline demonstrating ongoing strain reporting capability. Additionally, internal control weaknesses have been highlighted by the Internal Audit. Internal Audit's 2024/25 Annual Report issued a limited assurance opinion based on many Limited/Moderate opinions, a high volume of high-risk recommendations, and slow close out at follow up -particularly in core finance and IT/IG control areas. In our view, the totality of the issues identified indicates a significant weakness in relation to the governance reporting criteria.</p> <p>In our view, the totality of the issues identified indicate a significant weakness in relation to the governance reporting criteria.</p>	<p>Governance</p>	<p>With reference to the weaknesses in internal control identified, the Council should ensure it has arrangements in place for strengthening and maintaining the adequacy and effectiveness of the internal control framework.</p>	<p>The lessons learnt exercise completed post 2020/21 which was reported to the Audit Committee to outline how the issues identified in the 2020/21 external audit were to be addressed did not materialise. The improvements needed did not occur as the interim Chief accountant who was working with the Council and who produced the lessons learnt and plan for improvement left the Council before the end of March 2022. A replacement interim Chief accountant was engaged in March 2022 but did not see out the external audit leaving before the audit had concluded. A permanent Chief accountant took up post on the 6th March 2023. Although he has made progress in reviewing timetables, providing training and establishing model working papers, there is more to do to ensure the Finance team has the capacity, skills and experience required to support the Council. This is evidenced by the Council's failure to prepare accounts for the 31 March 2025 year end in line with the statutory timetable.</p> <p>Internal audit have continued to report weaknesses in internal control with a high number of limited assurance reports in the period from 2021/22 through to 2024/25, including in respect of the main financial systems including creditors, debtors, cash and bank and the main accounting system. There has been an improvement in</p> <p>In January 2025, the Council strengthened its governance arrangements by establishing six new delivery boards reporting up to the Executive Leadership Team. One of the boards has a focus on finance and is chaired by the Section 151 Officer. However, it is too early to tell if this board will bring around the required improvements, not least because the improvements are somewhat dependent on a significant upgrade to the Council's finance system.</p>	<p>In our view, the identified weaknesses are still present in the 2024/25 financial years.</p>

Value for Money

Progress against significant weaknesses and recommendations made in the prior year - Continued

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>Financial Sustainability</p> <p>In 2022/23 we raised a significant weakness in relation to financial sustainability. The Council's budgets for the 2021/22 to 2023/24 and 2024/25 financial years all relied on significant use of reserves to get to a balance position. In 2022/23, 2023/24 and in 2024/25 the Council recorded a General Fund overspend requiring additional reserve draw and worsening the underlying resilience position. Further, on review of forecast outturn reported to Cabinet on 3 Dec we noted a continuing overspend in 25/26 and a budget proposals for 26/27 show a budget gap after use of reserves of £16m (before savings proposals of 8.4m)</p> <p>General Fund and earmarked reserves reduced by £28 m, from £99.6 (31 Mar 2024) to £71.57m (31 Mar 2025). The Council's own narrative acknowledges the Budget Stabilisation Reserve is now insufficient to support the forecast funding gap past 2026/27.</p> <p>3 In addition to the use of reserves to balance its general fund budget, the council has also accumulated a large deficit balance in relation to Dedicated Schools Grant, which stands at £19.04m as presented in the council's draft 2024/25 statements. Although the council entered into a Safety Valve agreement with the Department for Education in 2021, aimed to eradicate the DSG deficit by the end of the 2024-25. Council could not eradicate its deficit by the end of 2024/25 target, and an amendment has been made to the council's DSG Management Plan and agreed with the department which has a timeframe of the end of 2028/29. The financial projection for the year end position in 2025/26 is for a £2.5m overspend and a DSG deficit of £21.5m.</p> <p>In summer 2023 the Council declared itself to be in a state of financial distress and established a voluntary Finance Improvement panel to review its financial systems and pressures. Although progress has been made in understanding the sources of funding available to the council, including exploring the flexible use of capital receipts, the council still faces significant inflationary pressures as a result of having historically made the decision to outsource a large proportion of the delivery of its services. To date the Council has not fully explored income generation opportunities to support the financing and continued delivery of its services.</p> <p>The issues set out above are evidence of a significant weakness in the council's arrangements for financial sustainability and governance, specifically how the council plans finances to support the sustainable delivery of services, how the Council identifies and manages risks to financial resilience and how the council approaches and carries out its annual budget setting process.</p>	<p>Financial sustainability</p>	<p>The Council should undertake a full review of how it delivers and funds its services, including developing and implementing sustainable financial plans to ensure services can be provided within available resources. Sufficient information should be provided to Members so they can understand the position of the council and actions.</p> <p>Any planned use of capital receipts flexibilities should be fully supported and in-line with the statutory guidance and in the timeframe allowed by the current direction.</p>	<p>Since this recommendation was issued the Council has been working on a comprehensive improvement action plan to map out how the required organisational improvements will be made. The Council has proposed new governance arrangements made up of six new delivery boards reporting up to the Executive Leadership Team. One of the boards has a focus on finance and is chaired by the Section 151 Officer.</p> <p>The work undertaken through the latter part of 2024/25 and through 2025/26 on the zero-based budget means the Council now has a better understanding of its financial position and the reserves available to use. It also has a clearer idea of the drivers of overpends. As a result, the Council will set a budget for 2026/27 which, whilst still requiring the use of reserves to support services, avoids the need for Exceptional Financial Support.</p> <p>However, there is more to do to ensure both members fully understand the financial challenge and the need for difficult decisions on the options for both savings and additional income. It is also too soon to know the Council can deliver the financial plans, including savings, set given the continuing demand pressures it faces, most notably in the Children and Young People's service.</p>	<p>In our view, the identified weaknesses are still present in the 2024/25 financial year.</p>

07

Audit fees and other services

Audit fees and other services

Fees for work as the Council's appointed auditor

Our fees (exclusive of VAT and disbursements) as the Council's appointed auditor are outlined below. Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit.

	2022/23 £	2023/24 £	2024/25 * £
Scale Fee (for Info)	106,118	321,724	348,886
Planning & Reporting Disclaimed Opinion	31,712	38,539	43,335
Value for Money – core	8,000	93,461	104,671
Value for Money – additional risks	74,447	30,000	42,144
Total Fee	106,118	162,000	190,150

- The 2024./25 fee is a proposed fee, subject to review by PSAA.

We have not provided any non-audit services to the Council.

08

Confirmation of our independence

Confirmation of our independence

Requirements

We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Revised Ethical Standard.

Compliance

We are not aware of any relationship between Forvis Mazars and Bury Council that, in our professional judgement, may reasonably be thought to impair our independence.

We are independent of Bury Council and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.

Non-audit and Audit fees

We have not provided any non-audit services to Bury Council.

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.

- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.

- Rotation policies covering audit engagement partners and other key members of the audit team.

- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with me in the first instance.

Prior to the provision of any non-audit services, I will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

Principal threats to our independence and the associated safeguards we have identified and/ or put in place are set out in Terms of Appointment issued by PSAA available from the PSAA website: [Terms of Appointment from 2023/24 - PSAA](#). Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

Appendices

A: Draft management representation letter

B: Key Communication points

Appendix A: Draft management representation letter

Forvis Mazars
One St Peter's Square
Manchester
M2 3DE

[Date]

Dear Karen,

Bury Metropolitan Borough Council - Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of Bury Metropolitan Borough Council the Council and Group for the year ended 31 March 2025. I note that you intend to intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code Update and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as the s151 officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council and Group's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current or fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code Update and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council and Group's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code Update and applicable law.

I have disclosed to you the identity of the Council and Group's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code Update and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Council and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and Group’s risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group’s financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

s151 officer

Appendix B: Draft audit report

Independent auditor's report to the members of Bury Metropolitan Borough Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Bury Metropolitan Borough Council ("the Council") and its subsidiaries and joint ventures ('the Group') for the year ended 31 March 2025, which comprise the Council and Group Comprehensive Income and Expenditure Statement, the Council and Group Movement in Reserves Statement, the Council and Group Balance Sheet, the Council and Group Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations specify the date by which the Council is required to publish its Accountability Statements, which include the financial statements and the auditor's opinion, for each financial year. The Council is required to publish its Accountability Statements for the year ended 31 March 2025, by 27 February 2026 ('the 2026 backstop date').

We issued disclaimers of opinion in relation to the financial statements for the years ended 31 March 2022 to 2023 on 12 December 2024 and on 28 February 2025 a disclaimer of opinion was issued in relation to the financial statements for the year ended 31 March 2024. The disclaimers of opinion were issued as there was insufficient time to perform all necessary audit procedures to obtain sufficient appropriate evidence upon which to form an opinion before the relevant backstop dates specified in the Amendment Regulations.

The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion through Local Audit Reset and Recovery Implementation Guidance 06 ("LARRIG 06") in June 2025. We have had regard to LARRIG 06 and other relevant guidance and determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance. As a result, we are not able to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for the year ended 31 March 2025 before the 2026 backstop date.

Responsibilities of the Executive Director of Resources for the financial statements

As explained more fully in the Statement of Responsibilities, the Executive Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Executive Director of Resources is also responsible for such internal control as the Executive Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Appendix B: Draft audit report - Continued

The Executive Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Executive Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council's arrangements for the year ended 31 March 2025.

In March 2022 we identified significant weaknesses in relation to Governance and Improving Economy, Efficiency and Effectiveness for the 2020/2021 year. In December 2024 we identified a significant weakness in relation to Financial Sustainability for the 2022/23 year. In February 2025, the weaknesses remained for the year ended 31 March 2024.

In our view these significant weaknesses remained for the year ended 31 March 2025.

Appendix B: Draft audit report - Continued

Significant weakness in arrangements – issued in a previous year	Recommendation
<p>Ofsted Inspection: Children’s Services</p> <p>The most recent full inspection of Children’s Services by OFSTED was carried out between 9 to 20 June 2025, the service was assessed as “Inadequate”. In our view this is indicative of a significant weakness in the Council’s arrangements in relation to the governance and improving economy, efficiency and effectiveness reporting criteria.</p>	<p>We recommend the Council puts in place robust arrangements to ensure the actions identified in its improvement plan are being delivered on time and have the required impact on the quality of service provided to, and the safety of, children in the Borough.</p>
<p>Weaknesses in Internal Control</p> <p>We reported several issues including the poor quality of the draft accounts submitted for audit and the significant difficulties encountered during the audit process because of problems with underlying records. The issues identified affected significant balances within the draft accounts published by the Council. The Statement of accounts of the council for 2024/25 were not published by the statutory deadline demonstrating ongoing strain reporting capability.</p> <p>Additionally, internal control weaknesses have been highlighted by the Internal Audit. Internal Audit’s 2024/25 Annual Report issued a limited assurance opinion based on many Limited/Moderate opinions, a high volume of high-risk recommendations, and slow close out at follow up -particularly in core finance and IT/IG control areas. In our view, the totality of the issues identified indicates a significant weakness in relation to the governance reporting criteria.</p>	<p>The Council should ensure it has arrangements in place for strengthening and maintaining the adequacy and effectiveness of the internal control framework.</p>
<p>Financial Sustainability</p> <p>The Council’s budgets for financial years from 2021/22 to 2022/25 all relied on significant use of reserves to get to a balanced position. Further, the forecast outturn shows a continuing overspend in 25/26. The Council has also accumulated a large deficit balance in relation to Dedicated Schools Grants in the Council’s draft 2024/25 statements. Council could not eradicate its DSG deficit under Safety Valve agreement with DfE by the end of 2024/25 target, and an amendment has been made to the council’s DSG Management Plan.</p> <p>The issues set out above are evidence of a significant weakness in the Council’s arrangements for financial sustainability and governance.</p>	<p>The Council should undertake a full review of how it delivers and funds its services, including developing and implementing sustainable financial plans to ensure services can be provided within available resources. Sufficient information should be provided to Members so they can understand the position of the Council and actions.</p> <p>Any planned use of capital receipts flexibilities should be fully supported and in-line with the statutory guidance and in the timeframe allowed by the current direction.</p>

Appendix B: Draft audit report

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of Bury borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Appendix B: Draft audit report

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.

Karen Murrey, Key Audit Partner

For and on behalf of Forvis Mazars LLP

One St Peter's Square

Manchester

M2 3DE

February 2026

Appendix C: Key communication points

We value communication with Audit Committee, as a two-way feedback process is at the heart of our client service commitment. The Code of Audit Practice as well as ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of matters with you. We meet these requirements, principally, through presenting the following documents to you:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Our Auditor's Annual Report.

These documents will be discussed with management prior to being presented to you and their comments will be incorporated as appropriate.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Key communication points at the planning stage as included in this report

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points included in this report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

Changes introduced by the 2024 Code of Audit Practice

The 2024 Code now requires the auditor to issue the draft Auditor's Annual Report by 30th November following each year end. For the 2024/25 audit, this means that we were required to issue our draft Auditor's Annual Report by 30 November 2025, whether our audit was complete or not. We issued our draft report on 30 November 2025.

In instances where our audit work is not complete by 30 November for any given year, the 2024 Code requires us to provide a summary of the status of the audit at the time of issuance and should reflect the work completed to date since we issued our previous Auditor's Annual Report. In such instances, we will issue an Interim Auditor's Annual Report to meet the 30 November deadline. On completion of any outstanding financial statement audit work or Value for Money arrangements work, we will re-issue the Auditor's Annual Report which will include an updated commentary on Value for Money arrangements

Appendix C: Key communication points

ISA (UK) 260 *Communication with Those Charged with Governance*, ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	This document
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	This document
With respect to misstatements: <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion; • The effect of uncorrected misstatements related to prior periods; • A request that any uncorrected misstatement is corrected; and • In writing, corrected misstatements that are significant. 	This document
With respect to fraud communications: <ul style="list-style-type: none"> • Inquiries with Audit committee to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the entity; • Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • A discussion of any other matters related to fraud. 	This document and discussion at Audit Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)

Appendix C: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity. 	<p>This document</p>
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Council or Audit committee in the context of fulfilling your responsibilities. 	<p>This document</p>

Appendix C: Key communication points

Required communication	Where addressed
Significant deficiencies in internal controls identified during the audit.	This document
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	This document
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that the Audit Committee may be aware of.	This document
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements. 	This document
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management:</p> <ul style="list-style-type: none"> • Ensure there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm’s strategies and priorities • Identify, review, and update quality risks each quarter, taking into consideration the number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.) • Identify, design, and implement responses as part of the process to strengthen our firm’s internal control environment and overall quality • Evaluate responses and remediate control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.</p> <p>The details of our evaluation of our system of quality management as of 31 August 2024, and our conclusion, set out in our 2023/24 Transparency Report, which is available on our website here.</p>	This document

Appendix C: Key communication points

Other communication	Response
 <p>System of Quality Management</p>	<p>To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management, including:</p> <ul style="list-style-type: none"> • Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities • Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.) • Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluating responses and remediating control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website here.</p>

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