

Oldham Council Audit and Counter Fraud Team

Delegated Reports Review

Final Report

June 2025

Prepared by:
Internal Audit Service

Reviewed by:
John Miller Head of Internal Audit and Counter Fraud

Issued to:
Fiona Greenway Interim Executive Director of Corporate Resources
Heather Moore Assistant Director (Governance)

Delegated Reports

1 Background

- 1.1 Under Section 101 of the Local Government Act 1972, non-executive functions of the Council may be delegated to officers by the Council, Committees and Sub-Committees.
- 1.2 Executive functions of the Council may be delegated to officers by the Leader of the Council and, unless directed otherwise by the Leader, by the Cabinet, Cabinet Committees and Individual Cabinet Members under s9 of the Local Government Act 2000.
- 1.3 The Scheme of Delegation sets out who is responsible for various “levels” of decision in Part 3 of the Council’s Constitution, “Responsibility for Functions”.
- 1.4 The Council has three levels of decision making:
 - **Key Decisions** – a decision taken by Cabinet, a Board or Cabinet Committee which is likely to result in significant expenditure or savings. The Constitution defines significant as over £250k for which provision is already made in the Council’s budget.
 - **Principal Decisions** – these are decisions which are not a key decision but result in expenditure or savings of over £100k for which provision is already made in the Council’s budget.
 - **Administrative Decisions** – these decisions have not reached the threshold of a principal decision and fall within approved budgets and policies. There is no requirement to publish administrative decisions.
- 1.5 When reaching the decision outlined in the delegated report, officers are required to consult with Members and other Officers as appropriate. This must include the Director of Legal Services and Director of Finance.
- 1.6 The Finance team records and monitors delegated reports through the use of a report tracking spreadsheet which holds information on each report including the relevant department, report author, and the report’s due date.
- 1.7 The Council’s decision recording system, Modern.Gov, holds records on all the meetings held as part of Council business, alongside any decisions reached. The decisions should also include a delegated report and any background papers, with items restricted as appropriate.

2 Objectives and Scope

- 2.1 The objective of the audit was to review the processes by which expenditure or savings are approved, and to ensure that expenditure has been approved in line with policies outlined in the Council’s Constitution.
- 2.2 The scope of the review included, but was not limited to, examining whether:
 - The officer responsible for the delegated report has acted in accordance with the processes outlined in the Council’s Constitution;
 - Purchase Orders raised have been approved by the appropriate body, with regard to their relevant decision thresholds.
 - Expenditure is supported by a corresponding decision report.

- Formal agreed comments have been received in each report from Finance, procurement and Legal, in line with the Council's Constitution;
- The reason for each decision within the delegated report is clear, appropriately documented and can be justified in the event of a decision being challenged.

2.3 Our approach involved:

- Documenting the systems and controls in operation in respect of each delegated decision.
- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Selection of a sample of delegated decisions and compliance testing of key controls in operation throughout the course of each decision.

2.4 This review has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).

3 Summary of Findings

3.1 Decision recording

In a number of cases reviewed full details of the decision-making process were not always clear from the reports reviewed. Our findings are summarised below:

- In one instance aggregate expenditure over the whole period of service delivery was not included in the report.
- In two cases the rationale for seeking an exemption to CPRs would benefit from further details.
- Requests for an exemption to CPRs should be authorised by someone who does not have direct line management responsibility for the service, this was not the case for one report reviewed.
- One report requested retrospective approval to appoint a contractor.
- In one case there was a lack of a named supplier in the Delegated Decision Report (DDR).

Please refer to Recommendation 1 in the Action Plan below.

3.2 Report Author Training

Uploading of documents and DDRs onto the Modern.gov system is the responsibility of the service area submitting the report for approval. This requires individual officers to have sufficient knowledge of the system and the processes involved. Currently, staff receive limited training around how to upload decision reports and the relevant decision thresholds.

Please refer to Recommendation 2 in the Action Plan below.

3.3 Manual Review of Decision of Reports

There is no formal QA process prior to publishing reports on to Modern.gov. A review of the documentation uploaded to confirm that information released into the public domain does not fall under the category of "exempt information" would help mitigate the risk of publishing this information inadvertently.

Please refer to Recommendation 3 in the Action Plan below.

3.4 Decision Reports

In the course of sample testing we found a number of decisions which were not supported by an appropriate decision report.

The lack of an available decision report means that the rationale for a decision was not always clear. Additionally, the lack of any financial data did not allow for confirmation that the decision had been made with respect to the appropriate decision thresholds.

Please refer to Recommendation 4 in the Action Plan below.

3.5 Final Agreed Comments

As part of the review, other GM authorities were consulted to confirm the available functionality of the system, specifically with regard to providing comments within Modern.Gov, and for Director oversight of comments/reports held within the system.

Two Authorities responded to our consultation. Both utilise the system feature available to allow comments to be typed/submitted within the system itself, as opposed to uploading documents created outside of the system. To the extent that comments via any medium other than directly through Modern.Gov, are rejected. One Authority utilises an additional control, requiring sign off on finance and legal comments by the relevant Director within the Service before the report could be released.

Comments at Oldham are currently received via email and the option above, which already exists within modern.gov, for in-system version control is not being utilised. A lack of version control could potentially lead to the risk of uploading an incorrect version, as there is no robust audit trail within the system to confirm that the comments provided within the report are the agreed final comments.

As the option for a proper audit trail and in-system document editing are available via modern.gov, the available functionality should be fully utilised to streamline and safeguard the reporting process.

Please refer to Recommendation 5 in the Action Plan below.

4 Overall Opinion

4.1 The audit assessment is that the systems and controls examined are considered to be **Inadequate**.

4.2 Five recommendations have arisen as a result of this review. These are outlined in the action plan in section 6.

5 **Acknowledgement**

5.1 Internal Audit would like to thank officers in the Constitutional Services and Finance teams for their help in this review. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

5.2 Disclaimer

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

6 Action Plan

The table below shows the recommendations for the finding shown in Section 3 of this report. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service; the recommendation is essential for sound or effective control.
Medium Priority - Moderate risk to the Service; it is important that the recommendation is completed.
Low Priority - Small risk to the Service; it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
1	<p>Decision recording</p> <p>Full details of the decision making process, and supporting information, should be held for all decisions taken.</p> <p>There should be a clear record in all reports outlining the rationale for adopting the chosen course of action.</p>	High	<p>The Council has commissioned an internal review of Modern.gov, supported by Modern.Gov themselves. This review will identify best practice in the use of the system, and how internal Council Policies and practice will be updated to reflect best practice in the use of the system. The Council is in the process of recruiting an AD Governance who will be tasked with taking this review and implementation forward.</p>	AD Governance	November 2025	<p>We have reviewed the number of decision recording templates (5 currently in place) with a view to reducing these to streamline and to support compliance.</p> <p>A new delegated report template has been designed, which includes strengthened guidance for officers. Meetings have taken place with the Monitoring Officer, Assistant Director of Governance and Interim Head of Democratic Services. Amendments and clarity is required in the Council's Constitution and this work will be taken through the cross-party member constitutional working group for consideration.</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
						The draft report template will be tested through an internal working group for feedback, before wider roll-out.
2	<p>Training</p> <p>Training sessions should be undertaken regularly, particularly for report authors whose previous roles may not have included experience of drafting delegated decision reports.</p> <p>This will reduce the risk of errors in the report and ensure that all relevant information is included, and the appropriate comments obtained.</p>	High	The review noted above will include the commissioning of training for users.	AD Governance	November 2025	<p>Detailed training guides are available for officers, and the Assistant Director of Governance has discussed with Organisational Development how we can align this to the induction for new starters.</p> <p>A draft training programme has been developed by Democratic Services. This will be shared with the internal working group referred to above for feedback, prior to wider roll-out. It is proposed to utilise networks including the Extended Leadership Team to disseminate training. The Council's new intranet site will also be updated with guidance and templates.</p> <p>Training will also be offered to elected members to ensure they can login to the modern.gov system and know how to use this to look for decisions.</p>
3	<p>Review</p> <p>Constitutional Services should conduct a</p>	High	Agreed	Interim Head of Democratic Services	Complete	The Interim Head of Democratic Services now reviews reports uploaded by officers onto Modern.Gov for quality assurance purposes. Where issues have been

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
	<p>manual review of all information that is uploaded to modern.gov, in order to reduce the risk of officers uploading commercially sensitive information that could be deemed as “exempt” as per the Constitution.</p>					<p>identified, for example, making a report exempt which should be public and vice versa, the relevant officer has been contacted and advice has been given to mitigate similar issues going forward. The Head of Democratic Services is also delivering training across the team to build capacity to quality assure reports.</p> <p>It is proposed to maintain a list of frequent matters/issues, which will feed into the training so that learning can be shared – and a list of FAQs added to our intranet site so that learning can be shared.</p>
4	<p>Delegated Reports</p> <p>Each decision uploaded onto modern.gov should be accompanied with the relevant final delegated decision report.</p> <p>This provides evidence that the decision is appropriately justified and that the relevant comments have been received.</p>	High	Agreed	Interim Head of Democratic Services	Complete	<p>This is part of the quality assurance role in Democratic Services. It will also be a key part of the roll-out of the training.</p>

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
5	<p>Confirmation of Final Comments</p> <p>The service should fully utilise the modern.gov system in order to establish a robust audit trail and version control to ensure that all comments received are those of the original author and the responsible officer.</p>	High	<p>The Council has commissioned an internal review of Modern.gov, supported by Modern.Gov themselves. This review will identify best practice in the use of the system, and how internal Council Policies and practice will be updated to reflect best practice in the use of the system. The Council is in the process of recruiting an AD Governance who will be tasked with taking this review and implementation forward.</p>	AD Governance	November 2025	<p>There are interdependencies with recommendation 1 above in terms of the roll-out of a new report template. Through the working group it is proposed to agree the internal comments process, so that modern.gov can build it to our specification, for example, the order in which the report goes to officers for comments.</p> <p>An initial meeting has taken place with Modern.Gov to look at how we can fully move decision making online to strengthen version control and the audit trail of reports. This will also ensure that teams such as legal and finance have to input their comments as the responsible teams.</p>

