Oldham Council Audit and Counter Fraud Team

Corporate Performance Management

16 June 2025

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Corporate Performance Management

1   Background

1.1   The Local Government Act 1999 requires that Council services are: 'responsive to the needs of citizens, of high quality and cost-effective, and fair and accessible to all who need them'. Statutory guidance on the Council's 'best value duty' (2011 and 2015), places Authorities under a general duty: 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness'.

1.2   The Council's Corporate Plan 2024-2027 sets out the Council's priorities for the Borough in connection with improving the outcomes for Oldham's citizens and businesses. Oldham, in line with many other Local Authorities is faced with a range of challenges in achieving its corporate objectives and in delivering key services. Effective performance management and measurement helps to ensure success in meeting these challenges and to identify areas of underperformance.

1.3   Up to December 2023, the Council's corporate performance management system was CorVu, purchased in 2008 and implemented in 2010, with a requirement for a rolling 3-year maintenance licence. The last licence renewal ran up to December 2023, with the product being discontinued after this period. The CorVu system provided automated reports from data within the system; and performance management modules to monitor corporate measures, projects, actions, and risks.

1.4   As CorVu reached the end of its life in December 2023, the Council conducted research into viable alternatives. The research concluded that there was no viable product available to replace CorVu. The Council intended on utilising Power BI as a method of bridging the gap until a suitable alternative is found.

1.5   Currently, Corporate Performance Reports (CPR) are being presented via PowerPoint, in an effort to provide more nuance to each services performance. These reports also include comments from the portfolio holder. For some services with quantifiable KPIs, PowerBI dashboards are also being utilised.

1.6   Although Power BI was not originally intended as a direct replacement for CorVu, the absence of a viable alternative has necessitated its continued use as the primary tool for corporate performance reporting. Given that Power BI will remain in place for the foreseeable future, it is essential that robust governance, quality assurance, and control processes are implemented and maintained.

2   Objectives and Scope

2.1   The objective of the review was to provide assurance that the corporate performance management system adequately supports the Council's corporate objectives, and that the new arrangements for corporate performance management are sufficient for monitoring progress to the Council's corporate objectives.

2.2   Therefore the scope of the review included, but was not limited to:

*   performance reporting procedures,
*   corporate performance management arrangements,
*   performance indicators are in place for services with supporting documentation.
*   the performance management system is aligned with the Corporate Plan.

- engagement with performance management is positive and contributes towards Council objectives.

2.3 Our approach involved:

- Documenting the systems and controls in operation in respect of each KPI and corporate performance report.
- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Selection of a sample of KPIs and compliance testing of key controls in operation throughout the course of each performance report to the relevant scrutiny board.

2.4 This review has been conducted in accordance with the Global Internal Audit Standards (GIAS) 2024 and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024.

3 Summary of Findings

3.1 Verification of KPI Data

During the course of the review, it was found that the CPM team do not ask for any supporting documentation or conduct any verification of the data that is submitted to the service via the Microsoft form.

Sample testing of KPI data revealed that supporting documentation is not always held within the relevant service to enable the accuracy of the KPI data to be verified.

The CPM Service consider the process as collaborative and, therefore challenging the veracity of the figures provided was not the intention of the CPM team.

Please see recommendation 1 in the action plan below.

3.2 Business Plans

As part of the BIPS Programme, service areas are responsible for the development and implementation of a Business Plan. Although the Performance Improvement Team (PIT) developed and provided support to services for creating their business plans, issues have been reported with services failing to submit. To address this, clear accountability measures should be established, along with regular follow-ups ensuring all services submit timely and complete business plans to facilitate effective monitoring of KPIs.

Please see recommendation 2 in the action plan below.

3.3 KPI Reporting

The content of Corporate Performance Reports to each of the relevant Scrutiny Boards typically contain a small number of the overall KPIs against each service area. KPIs currently reported are those agreed upon by service managers, potentially leading to an incomplete or biased view of overall performance.

The process for selecting KPIs should be more transparent, with a view to ensuring that every KPI against each service area is reported to the relevant Overview and Scrutiny board over the course of the financial year.

Please see recommendations 3 & 4 in the action plan below.

3.4   Performance Reporting System

The current reporting format was designed as an interim solution pending the full implementation of the Business Insight, Performance & Strategy Transformation Programme. However, with CorVu having been decommissioned some time ago, it is important to prioritise the development and deployment of a permanent reporting solution.

A delay to the implementation of a CorVu replacement creates a risk of reliance on an interim system that may lack robustness around key controls. Therefore, it is recommended that a comprehensive reporting system that aligns with organisational needs is established as soon as possible.

Please see recommendation 5 in the action plan below.

3.5   Completeness of KPI Records

Given that Power BI will remain the primary performance reporting tool for the foreseeable future, it is important that all data inputs, particularly KPIs, are complete, accurate, and submitted on time. The audit noted instances of incomplete KPI records, which the CPM service has attributed to non-responsiveness from those responsible for providing the data.

The service has already implemented some areas of good practice around this, by clearly assigning responsibility for each KPI and establishing a clear timetable for expected responses.

Please see recommendation 6 in the action plan below.

4   Overall Opinion

4.1   The audit assessment is that **<u>Limited</u>** assurance can be provided around the systems and controls examined.

4.2   Six 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 Corporate Performance Management team 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 Global Internal Audit Standards (GIAS) 2024, and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN) 2024. 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	Verification of KPI Data Submission of KPIs should be alongside supporting Data, or on a formal template providing assurance that data is accurate and complete, and confirming that the figures provided and reported to Scrutiny Boards are reliable. Services should retain a record of the information and sources utilised in compiling their KPIs. A statement should be included within the submission form for the service manager to confirm that data is true and accurate.	High	Entry into CorVu did not require supporting documentation or verification of the data submitted – the replacement system therefore matched this protocol. The PI Team does not have the capacity to test or verify data (other than a basic sense check) therefore the process of preparing the CPR has to be collaborative. The PI Team will add a section to the MS Form that submitters complete to confirm the data they are submitting is 'accurate, complete, and reliable'. We will also issue guidance that reminds Services that	Performance Improvement Lead	As of Q1 reporting of 2025/26 cycle	Action completed as of Q1 reporting of 2025/26 cycle and will be repeated thereafter.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			they should retain a record of the information and sources utilised in compiling their KPIs.			
			The Council requires a Management Accountability Framework (or similar) that ensures accountability for the veracity of the data provided would come from senior leaders when they sign off the reports or utilise them in peer and portfolio discussions. The Framework should also confirm who in services the accountability for the retention of records of the information and sources utilised in compiling their KPIs lies with. Data sharing for performance reporting must be considered as part of the Council's emerging Digital Strategy and developments	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging Local government Outcomes Framework (LGOF) The PI Team will continue to support relevant teams / services in the development of the Council's Digital Strategy and projects such as the DSP;	This work is ongoing – a draft Performance Management Framework was presented in August 2025

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			such as the DSP; Migration to SharePoint; Azure AI integration. The Performance Improvement Team should collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.		Migration to SharePoint; Azure AI integration.	
2	Business Plans A policy should be drafted to implement a formal monitoring process to ensure all services submit their business plans in line with established guidance and timelines. Non-compliance should be addressed through specific measures to support consistent performance management.	High	The Council requires a Management Accountability Framework (or similar) that allocates responsibility and accountability for business plan submission and incorporates a formal monitoring process to ensure all services submit their business plans in line with established guidance and timelines; and that non-compliance is escalated and addressed. (The current Business Planning 2025/26 guidance has been widely shared and communicated to managers). The Performance Improvement Team should	Performance Improvement Lead/ Assistant Director Strategy & Transformation	The business planning process / Performance Management Framework is being reviewed & refreshed; it will be synchronised with agreed financial planning processes in late 2025.	This work is ongoing – a draft Performance Management Framework was presented in August 2025. The new approach will strengthen performance management and improve alignment of business plans with corporate priorities.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.			
3	KPI Reporting A clear process of selecting which KPIs are reported to the Overview and Scrutiny Board should be drafted, ensuring that the narrative for KPIs is consistent and provides a clear picture of service performance that aligns with the Corporate Plan.	High	The Council requires a Management Accountability Framework (or similar) that ensures all services submit their business plans in line with established guidance that includes a clear process for selecting which KPIs are reported to Scrutiny Boards and ensures the narrative for KPIs is consistent and provides a clear picture of service performance aligned to the Corporate Plan. To support this, the Corporate Plan should have a delivery plan (with metrics) to ensure performance alignment (the Golden Thread) with services. (This issue has been escalated and proposals drafted by the PI team previously.) The Performance Improvement Team should	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging Local government Outcomes Framework (LGOF) The PI Team will continue to support relevant teams in the development of a Corporate Plan delivery plan / outcomes framework and its subsequent monitoring and reporting	This work is ongoing – a draft Performance Management Framework was presented in August 2025. Initial discussions have taken place with service leads to identify priority measures, and work is underway to strengthen the quality of performance commentary to provide a clearer picture of service delivery.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.			
4	Performance Reporting System A CorVu replacement should be sought out and implemented as soon as possible, to ensure that oversight of the Council's performance management function is robust and meets organisational needs.	High	As noted above, there is no 'like for like' replacement for CorVu. The business intelligence tools used to gather and report on performance management are not the issue for the Council – it needs formal Data Management Policy, procedures and monitoring processes linked to its Information Governance Framework and supported by a Management Accountability Framework. This issue is also inextricably linked to the progress of the Digital Change / BIPS programme and the development of a Data Services Platform (DSP); Migration to SharePoint; Azure AI integration and other initiatives. The Performance Improvement Team should	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging Local government Outcomes Framework (LGOF) The PI Team will continue to support relevant teams / services in the development of a Data Management Policy and the execution of the Digital Change / BIPS programme and the development of a Data Services Platform (DSP); Migration to	This work is ongoing – a draft Performance Management Framework was presented in August 2025.

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
			collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.		SharePoint; Azure AI integration and other initiatives.	
5	Performance Reporting Policy A policy should be drafted and communicated to managers in order to support services submitting KPIs in their service area.	High	The Council requires a Management Accountability Framework (or similar) that includes a formal Performance Reporting Policy and monitoring process. (The current Corporate Performance Reporting guidance has been widely shared and communicated to managers). The Performance Improvement Team should collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging Local government Outcomes Framework (LGOF)	This work is ongoing – a draft Performance Management Framework was presented in August 2025. This new framework will be adopted before the next Business Planning cycle for 2026/27.
6	Completeness of KPI Records All KPI data should be collated and reported	High	The Council requires a Management Accountability Framework (or similar) that includes a formal Escalation Policy and monitoring	Performance Improvement Lead/ Assistant Director Strategy & Transformation	A Management Accountability Framework (or similar) for performance reporting will be clarified	This work is ongoing – a draft Performance Management Framework was presented in August 2025. As part of the

No	Recommendation	Priority	Management Comments	Who	When	Progress update October 2025
	ensuring that they are reported to scrutiny board. Unreported KPIs by the service should be escalated to senior management.		process to ensure timely and robust action when unreported KPIs, comments etc are escalated to senior management. (This issue has been routinely escalated and proposals drafted by the PI team previously.) The Performance Improvement Team should collaborate with the Assistant Director Strategy & Transformation and Executive Director Health & Care for the actions arising as a result of this recommendation.		as part of the business planning / Performance Management Framework review & refresh (by Sept 2025); this will be in line with the emerging Local government Outcomes Framework (LGOF) The PI Team will continue to support relevant teams in the development of a Corporate Escalation Policy and its subsequent monitoring and reporting	Performance Management Framework, arrangements are being put in place to escalate unreported KPIs to senior management to strengthen accountability and ensure comprehensive performance oversight.