

Data Quality Report

January 2008



Data Quality Report

Gedling Borough Council

Audit 2007/08

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2008

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Background	4
Scope and objectives	5
Conclusions	5
Key recommendations	6
Management arrangements (Stage 1)	7
Analytical review (Stage 2)	12
Data quality spot checks (Stage 3)	13
Appendix 1 – Action plan	14

Background

- 1 Public bodies are accountable for the public money they spend: they must manage competing claims on resources to meet the needs of the communities they serve, and plan for the future. The financial and performance information they use to account for their activities, both internally and externally, to their users, partners, commissioners, government departments and regulators, must be appropriate for these purposes, providing the level of accuracy, reliability and consistency required.
- 2 Considerable weight is attached to published performance indicators as the basis for reducing the burden of regulation and awarding freedoms and flexibilities. This has made reliable performance information, and the quality of the underlying data, significantly more important. Regulators and government departments need to be assured that reported information reflects actual performance. This will provide confidence that they are focusing on the key areas for improvement.
- 3 Auditors' work on data quality and performance information supports the Commission's reliance on performance indicators in its service assessments for comprehensive performance assessment (CPA). This delivers the commitment to reduce significantly the level of service inspection required.
- 4 Introducing the comprehensive area assessment (CAA) framework from 2009 will make reliable performance information more important. The CAA will place greater emphasis on assessments that are proportional to risk. Councils will also be required to use information to reshape services, and to account to the public for performance.
- 5 The responsibility for securing the quality of the data underpinning performance information can only rest with the bodies that collect and use the data. Producing data which is fit for purpose should not be an end in itself, but an integral part of a body's operational, performance management, and governance arrangements. Organisations that put data quality at the heart of their performance management systems are most likely to be actively managing data in their day-to-day business, and turning that data into reliable information.
- 6 This is the second year in which we have undertaken work on data quality in local government. Our work is complemented by the Audit Commission's paper, *'Improving information to support decision making: standards for better quality data.'* This paper sets out standards, for adoption on a voluntary basis, to support improvement in data quality.
- 7 The expected impact of our work on data quality is that it will drive improvement in the quality of local government performance information, leading to greater confidence in the supporting data on which performance assessments are based.

Scope and objectives

- 8 The Audit Commission has developed a three-stage approach to the review of data quality.

Table 1

The Commission has a top down approach.

Stage 1	<p>Management arrangements</p> <p>A review to determine whether proper corporate management arrangements for data quality are in place, and whether these are being applied in practice. The findings contribute to the auditor's conclusion under the Code of Audit Practice on the Council's arrangements to secure value for money (the VFM conclusion).</p>
Stage 2	<p>Analytical review</p> <p>An analytical review of 2006/07 BVPI and non-BVPI data for possible selection of a sample for testing based on risk assessment. None were selected for further detailed work.</p>
Stage 3	<p>Data quality spot checks</p> <p>In-depth review of a sample of 2006/07 PIs all of which come from a list of specified BVPIs and non-BVPIs used in CPA, to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information in practice.</p>

- 9 All three stages of the review have been carried out at this Council.
- 10 Note that this year the Commission has modified the reporting arrangements such that we no longer give individual scores, only an overall assessment.

Conclusions

Stage 1 – Management arrangements

- 11 The Council's overall management arrangements for ensuring data quality are demonstrating adequate performance.

Stage 2 – Analytical review

- 12 Our analytical review work at stage 2 identified that the PI values reviewed fell within expected ranges.

Stage 3 – Data quality spot checks

- 13 Our review and spot checks of PIs:
- BV199 - cleanliness of public spaces; and
 - BV212 - average relet time.

Found both were fairly stated.

Key recommendations

- 14 These are:
- R1 Implement effective arrangements for monitoring and review of data quality.
 - R4 Ensure that individual departments have local procedures for the collection and submission of source data for submission.
 - R6 Ensure there are appropriate systems and controls (including security) are in place for the collection, recording, analysis and reporting of the data used to monitor performance.
- 15 We have produced an action plan for the Council (see Appendix 1) to use to help it address the issues arising from this review.

Management arrangements (Stage 1)

- 16 Overall, the Council's corporate arrangements for data quality are demonstrating adequate performance.

Governance and leadership

- 17 Responsibility for performance management monitoring and reporting has been assigned to a corporate management team member. Departmental managers have responsibility for their department's performance and for signing off performance data prior to inputting for corporate monitoring and reporting.
- 18 Although there is a top level commitment to data quality, the corporate plan and business planning do not contain reference to data quality strategy or policies, this is particularly relevant as departmental managers are responsible for data quality.
- 19 Overview and scrutiny committees receive quarterly reports on performance and issues of data quality are recognised through variance analysis. However, there is no planned data quality checking across departments, only ad hoc checking on submission of data to end users. Therefore, on submission, the Council cannot be sure of the accuracy of its data.
- 20 Although ad hoc data quality checks do take place, there is no clear framework for doing this, supported by guidance for those departmental managers responsible for submitting data. Issues are identified through monthly and annual variance identification and an annual calculation verification on submission of the data.
- 21 Performance is formally reported quarterly to the corporate management team and quarterly to members through the electronic database. There is a clear audit trail from submission of data through to the original collection and calculation of the performance indicators.
- 22 There is clear evidence that risk is being managed through the corporate risk register and at service level. However, there are no specific references to the risk associated with poor data quality and the need to implement improvements identified last year.
- 23 There are no clear data quality policies supported by corporate data quality objectives. Neither is there clear evidence of the commitment to data quality being communicated to all staff through Council wide communications. Action planning to address this issue is in place through the draft data quality strategy, and a data quality working group is now in place. However, in 2006/07 it is too early to say how effective this new group and strategy has been.
- 24 There is very good support for staff in departments from the policy officer responsible for collating PI data. This helps with achievement of accurate definitions and calculations.

Recommendations	
R1	<p><i>Implement effective arrangements for monitoring and review of data quality.</i></p> <ul style="list-style-type: none"> • <i>Establish a routine checking system to periodically monitor, review and check the quality of source data and PI data in particular.</i>
R2	<p><i>Ensure responsibility for data quality is clearly defined.</i></p> <ul style="list-style-type: none"> • <i>The Council should ensure that reference to data quality is explicitly mentioned in corporate documents relating to performance.</i> • <i>Communication to staff should ensure that all staff understand the importance of data quality, not just those involved with monitoring and reporting.</i> • <i>A data quality objective should be included in appraisal targets for all those responsible for performance management.</i>
R3	<p><i>Develop and implement data quality and training objectives.</i></p> <ul style="list-style-type: none"> • <i>The Council should produce a formal data quality policy, supported by corporate objectives for data quality management which are linked to business objectives.</i> • <i>Full operational procedures and training should be put in place to support the strategy and these should be reviewed annually.</i>

Policies

- 25** As with last year there are no formal data quality policies or guidance in place for individual departments. However, there is a draft strategy and action plan, including actions to implement new policies and guidance for staff responsible and some generic guidance on the submission of data. Heads of Service decide local procedure for the completion of data quality and they are all aware of their responsibilities. Other staff involved in gathering, monitoring and collating of data are aware of their responsibilities regarding data quality.
- 26** Procedures when sharing data externally are not identified or developed. There are no clear data sharing policies or protocols in place with external partners who submit data. It is still the case that we cannot establish if legal, compliance and confidential standards had been met as part of these arrangements.
- 27** Annual checks against submitted data are done prior to submission to the data recipients. This is backed by a clear trail recording how the data is collected and submitted. Data is validated manually by the service manager submitting and the central performance team responsible for final submission. Performance is monitored on a quarterly basis by the senior management team. Any clear variances in the data are investigated and challenged. In most cases the variance is accompanied by a clear explanation or action plan or both.

- 28 The Council has a set of operational policies which include the IT strategy, IT disaster recovery plan, Business continuity Plan and Anti Fraud strategy. These plans have the requisite and appropriate approval by Cabinet, Senior Management Team or departmental managers.

Recommendations

R4 Ensure that individual departments have local procedures for the collection and submission of source data for submission.

- *Enable each department to analyse source data collection and develop clear processes and procedures to support data submitted being of a high quality and auditable.*

R5 Develop procedures to be followed when sharing data with external bodies policies.

- *Operational procedures and training should be put in place to support the new approach which should help to ensure with compliance with legal requirements and good practice.*

Systems and processes

- 29 Clear systems and processes to ensure data quality are not in place.
- 30 There is a Council performance information spreadsheet containing all of the information relating to performance. This is supported by IT and the central team responsible for data quality. There are security arrangements in place for some of the corporate systems being used.
- 31 Local systems do not have any robust security arrangements to support password protection of simple spreadsheets. For example, there are no clear policies on data security for data quality and performance information collection. Many departments have their own ad-hoc systems based upon simple data bases and spreadsheets that are not security enabled. Some of the bespoke systems allow error recording when incorrect data is submitted.
- 32 The Senior Management Team and members cannot be sure that the systems and processes for collecting data, at source, are producing reliable and robust data. In turn, this may not be the most efficient way of delivering data quality. Manual checks are developed and delivered when data is discovered (only through data variance) and the relevant action is taken to correct errors. There are some procedure notes for housing performance indicators; however there are no clear procedure notes or guidance for all other individual performance indicators. Aligned to the new national performance indicator set, plans are in place to ensure all other indicators have such guidance.
- 33 The Council has clear plans to purchase a more robust system, in partnership with other councils, this year.

Recommendation

R6 Ensure there are appropriate systems and controls (including security) are in place for the collection, recording, analysis and reporting of the data used to monitor performance.

- The Council needs to assure itself that where the new 'approved' corporate system is not used, departmental systems for collection, recording and analysis of data provide accurate and auditable data.*
- Arrangements for management of data should be integrated into the wider business planning and management processes of the organisation.*
- Controls are reviewed annually and the results are reported appropriately.*

People and skills

- 34** Staff collecting and submitting data have the relevant capabilities to complete the work as part of their day to day duties. Although training is given it is clearly around performance management and does not focus on the importance of data quality, nor has a clear training plan or needs analysis been put in place following last year's data quality report.
- 35** Job descriptions broadly reflected the tasks and the key competencies required for this element of their work. However, they do not specifically refer to data quality responsibilities despite these being seen as the key responsibility for service managers, nor are data quality objectives or targets set for those responsible for this area of work. This has been delayed due to work continuing on other corporate priorities.
- 36** Members have not received data quality training, however the Chair of the Performance and Scrutiny Committee is a member champion for data quality. A new data quality working group has now been developed and convened one meeting in 2006/07 to adopt its terms of reference. This group includes the central team responsible for data quality and data quality champions from most of the council's departments. It is too early to understand the impact of their work and their impact on delivering the strategy.

Recommendation

R7 Embed data quality responsibilities in individual targets and objectives.

- The Council needs to review job descriptions and key competencies to ensure that roles and responsibilities are clearly defined and documented.*
- Data quality standards should be set and staff assessed against these standards.*

Recommendation

R8 Develop and implement training for all staff and members who are responsible for data quality.

- *A training needs analysis should be completed for staff around data quality skills so that focussed training can be delivered. Staff should receive regular training updates.*

Data use and reporting

- 37** Data collected is fed back to those who submit it, as well as scrutiny committees and senior management team. These groups scrutinise and identify issues relating to this performance information. Such information is used at meetings of these groups to assess progress against corporate objectives and targets. These meetings happen either quarterly in the case of officers and quarterly in the case of Councillors.
- 38** Where issues relating to data are identified, action planning is developed to rectify any downturns in performance and reported to overview and scrutiny and the senior management team. When the data quality strategy is adopted these groups will also monitor improvement against it and action plans.
- 39** All data returns are supported by some evidence at departmental level though this cannot be guaranteed to be accurate. There is a clear trail from initial information through to data submission, in paper format. The submission of data to the relevant bodies is controlled well with timelines met.
- 40** While ad hoc systems are in place, it is clearly left to the service manager to be responsible for data collection, calculation and submission to the centre. There are no clear processes in place to ensure the data collected is guaranteed accurate and that the systems in place are the best they could be. This leaves the data open to a level of error that could be avoided.
- 41** Our previous recommendations should help to address this issue and we make no further ones here.

Analytical review (Stage 2)

- 42 An analytical review of the following BVPIs and non-BVPI was carried out. The findings are shown below.

Table 2 Performance Indicators reviewed by Audit Commission centrally

All were within variance.

2006/07 Performance indicator	Assessment	Comment
BV82 a (i- ii) - waste management - recycling	within variance	none
BV82 b (i - ii) waste management - composting	within variance	none
BV183b hostel accommodation	within variance	none
BV184a non-decent LA homes	within variance	none
BV199 (a-c) cleanliness	within variance	none
BV212 council dwelling re-lets	within variance	none
BV214 repeat homelessness	within variance	none
H18 private sector homes vacant > 6 months	within variance	none

Data quality spot checks (Stage 3)

- 43 A number of PIs were reviewed using a series of detailed spot checks and audit tests. Our findings are shown below.

Table 3

Performance indicator	Assessment	Comment
BV199 (a-c) cleanliness]	fairly stated	none
BV212 council dwelling re-lets	fairly stated	none

Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	<p>R1 Implement effective arrangements for monitoring and review of data quality.</p> <ul style="list-style-type: none"> Establish a routine checking system to periodically monitor, review and check the quality of source data and PI data in particular. 	3				
8	<p>R2 Ensure responsibility for data quality is clearly defined.</p> <ul style="list-style-type: none"> The Council should ensure that reference to data quality is explicitly mentioned in corporate documents relating to performance. Communication to staff should ensure that all staff understand the importance of data quality, not just those involved with monitoring and reporting. A data quality objective should be included in appraisal targets for all those responsible for performance management. 	2				

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	<p>R3 Develop and implement data quality and training objectives.</p> <ul style="list-style-type: none"> The Council should produce a formal data quality policy, supported by corporate objectives for data quality management which are linked to business objectives. Full operational procedures and training should be put in place to support the strategy and these should be reviewed annually. 	2				
9	<p>R4 Ensure that individual departments have local procedures for the collection and submission of source data for submission.</p> <ul style="list-style-type: none"> Enable each department to analyse source data collection and develop clear processes and procedures to support data submitted being of a high quality and auditable. 	3				
9	<p>R5 Develop procedures to be followed when sharing data with external bodies policies.</p> <ul style="list-style-type: none"> Operational procedures and training should be put in place to support the new approach which should help to ensure with compliance with legal requirements and good practice. 	1				

16 Data Quality Report | Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
10	<p>R6 Ensure there are appropriate systems and controls (including security) are in place for the collection, recording, analysis and reporting of the data used to monitor performance.</p> <ul style="list-style-type: none"> • The Council needs to assure itself that where the new 'approved' corporate system is not used, departmental systems for collection, recording and analysis of data provide accurate and auditable data. • Arrangements for management of data should be integrated into the wider business planning and management processes of the organisation. • Controls are reviewed annually and the results are reported appropriately 	3				
10	<p>R7 Embed data quality responsibilities in individual targets and objectives.</p> <ul style="list-style-type: none"> • The Council needs to review job descriptions and key competencies to ensure that roles and responsibilities are clearly defined and documented. • Data quality standards should be set and staff assessed against these standards. 	2				

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
11	R8 Develop and implement training for all staff and members who are responsible for data quality. <ul style="list-style-type: none"> • A training needs analysis should be completed for staff around data quality skills so that focussed training can be delivered. Staff should receive regular training updates. 	2				