



External audit 2006/07

Report to management: Data quality review

Contents

Section	Page
1 Background	1
2 Scope and objectives	2
3 Overall Conclusions	3
4 Matters arising from review of the corporate data quality arrangements	4
5 Matters arising from detailed review of performance indicators	8
6 Acknowledgements	12

Statement of Responsibilities of Auditors and of Audited Bodies

Our audit letters and reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies, issued by the Audit Commission.

Reports prepared by appointed auditors and addressed to Members or Officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or Officer in their individual capacity, or to any third party.

1 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. Auditor's work on data quality and performance information has supported the Audit 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 audit work on data quality is that it will drive improvement in the quality of local government performance information, leading to a greater confidence in the supporting data on which performance assessments are based.

2 Scope and objectives

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

Stage 1	Management arrangements 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).
Stage 2	Analytical review An analytical review of 2006/07 Best Value Performance Indicators (BVPs) and non-BVPI data, and selection of a sample for testing based on risk assessment.
Stage 3	Data Quality spot checks In-depth review of a sample of 2006/07 PIs to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information in practice.

9. All three stages of the review have been carried out at Havant Borough Council.
10. Our Data Quality spot check (Stage 3), included one indicator from a list of PIs specified by the Audit Commission for use in CPA (BV199a: Local street and environmental cleanliness – litter & detritus) and one further indicator chosen because of the potential risks associated with the quality of the underlying data (BV109a-c: Planning speed). This PI was chosen because of its importance in the determination of elements of Planning Delivery Grant for the Council.
11. In addition, we have followed up our work from last year on BV183a (Average time in temporary accommodation: bed and breakfast) where we had found data quality issues.

3 Overall Conclusions

Stage 1 – Management arrangements

12. The Council is performing well in relation to its overall management arrangements for ensuring data quality.

Stage 2 – Analytical review

13. Our analytical review work at stage 2 identified that the PI values reviewed fell within expected ranges and there were no matters that required further investigation or clarification.

Stage 3 – Data quality spot checks

14. On the basis of the results of stages 1 and 2, we undertook detailed audit work in relation to the following PIs:
- BV199a: Local Street and Environmental Cleanliness - Litter & Detritus (from a list of specified indicators)
 - BV109a-c: Planning speed
15. BV109a-c were found to be fairly stated in accordance with the Audit Commission criteria and no amendments were required
16. It was necessary for us to report to the Audit Commission that BV199a was not fairly stated as the methodology followed for planning and carrying out the surveys did not comply with the Audit Commission criteria.
17. We followed up work from last year on BV183a. We found that the arrangements for production of this indicator had improved and the recommendations made in 2005/06 had been implemented. There were no further matters arising in relation to this PI.

4 Matters arising from review of the corporate data quality arrangements

Overall assessment

18. On the basis of our audit work, we are satisfied that the Council is performing well in terms of its arrangements for monitoring the quality of its published performance information and reporting the results to Members.
19. It will be important for the Council to continue to develop its approach to ensure that the arrangements become embedded across the whole organisation. In particular, it is important to bear in mind the increasing emphasis that will be placed on data quality with the introduction of CAA (as mentioned in paragraph 4 above). There will also be significant changes to performance indicators in the future as a result of the introduction of the new National indicator set from 1 April 2008.
20. The key findings for each of the themes are summarised below:

1. GOVERNANCE AND LEADERSHIP

Strengths

The importance of Data Quality is highlighted in the Corporate Plan 2005-08 (under the heading Continuous Service Improvement).

The Council Leader has been designated as the Member with overall responsibility for performance quality/performance management.

A Data Quality Register is in place, which identifies the owners of data sets, as well as deputy owners to ensure continuity. All data sets follow a staged process which ensures that there is review of the information at each stage. In relation to PIs, data is signed off by the relevant head of service before it is released. Heads of Service are also required to challenge information as they receive it.

Staff have been made aware of performance management issues, including data quality as part of the annual training programme to ensure that they are aware of their responsibilities in these respects.

Data Quality is included as a key risk on the Council's risk register, and the Risk Management Strategy Group will monitor the associated risks going forward.

Internal Audit also plays an active role in reviewing the accuracy of performance management information.

Areas for improvement

The Council should be able to demonstrate how the data quality lead member focuses on data quality as part of their overall role.

Formal corporate objectives in relation to Data Quality should be clearly identified and documented.

A framework should be established to ensure the effective monitoring of Data Quality within the Council, with regular reporting on the accuracy of data supporting key performance indicators.

2. POLICIES

Strengths

A Data Quality Policy was introduced in 2006/07. This covers the collection, recording, analysis and reporting of all data across the Council, in all business areas and covers data quality in relation to partners. It is available to all staff internally on the computer network and can therefore be accessed at any time. Training on data quality issues and the data quality policy was provided to raise staff awareness.

Extensive guidance on performance indicators is available. However, this does not currently cover all aspects of data collection, recording, analysis and reporting for all business areas.

The Council's Planning and Development officers (PDOs) are available to assist with any queries that staff may have. The PDOs also identify any changes in guidance on national PIs and communicate these to relevant staff, as appropriate.

Data owners have been assigned for each of the data sets within the Council. These are considered as "data quality champions".

The responsibility to keep staff up to date with the policy or procedures lies within the departments that they work in.

Areas for improvement

The Council should ensure that the data quality policy becomes embedded and that all staff are regularly reminded of its existence and the need to comply with it

The Council should continue to develop operational guidance for all aspects of data collection, recording, analysis and reporting.

Although data owners are required to sign off on the data sets at the appropriate time, there does not appear to be evidence to support data owners reporting regularly in relation to compliance.

3. SYSTEMS AND PROCESSES

Strengths

Systems are in place to produce reliable data and to minimise the need for data cleaning and manipulation. The outputs from these systems are reviewed to ensure accuracy prior to being reported as required.

All of the business critical systems have adequate security controls including hierarchical password access and periodical backups. Systems are regularly tested and any issues identified appropriately reported to the IT strategy board.

When developing or implementing new systems a project group is set up to ensure the views of staff and PI requirements are understood and considered.

There are robust procedures in place for reporting performance through the Group Management Team to the Extended Management Team (EMT) and to Members.

Internal Audit play a lead role in the review of controls in place to ensure accuracy of the data produced by the Council. This work is performed on an annual basis and reported to top management / members as part of the quarterly Internal Audit reporting.

The Council has a business continuity plan in place and a disaster recovery solution is currently being developed.

Areas for improvement

All instances of internal and external data sharing should be formally identified and recorded and appropriate protocols and standards developed.

The Council should put in place procedures for validating information from third parties to ensure that external data complies with its data quality requirements.

4. PEOPLE AND SKILLS

Strengths

In 2006/07 the Council has provided staff with guidance notes as to what information they should be keeping and how to keep it. The EMT has also allowed all staff two days since the year end in which to review whether the information that they hold is relevant and necessary for the purposes of the Council. Although this relates to practices put in place after 2006/07, it is further evidence of the Council's commitment to ensuring data quality.

The owners of the different data sets (i.e. the data quality champions) have received appropriate training, as part of the managers' training programme. Data quality is also included within the induction and ongoing training provided to relevant staff with data input responsibilities. The data champions are available for support whenever required.

Areas for improvement

Roles and responsibilities of management and operational staff, in relation to data quality should be clearly defined and documented (e.g. incorporated in job descriptions). Data quality targets and standards should be set for all relevant staff and performance against these should be assessed as part of the appraisal process.

Training on data quality should be developed into a formal programme, which should be reviewed on a regular basis to ensure that it is adapted to changing needs.

5. DATA USE

Strengths

Financial data is available throughout the authority as well as customer performance information and other PIs.

The Authority is represented on the Policy and Performance Review Network (Hants & Isle of Wight) where best practice is shared (e.g. data quality) .

Reports are produced on a monthly basis for the relevant Group Management

Teams. They are produced on an exception basis, (i.e. where variances exceed 15%).

Quarterly reports are provided to the Customer Care and Performance Panel (CCPP), which are available to all Members.

Clear audit trails are available to support information sent to government departments, their agencies and other regulators.

Areas for improvement

Verification of data quality within individual departments should be informed by reference to the level of risk attached to the data (e.g. misstatement, likelihood and impact of errors, and accuracy required).

A formal documented process should be in place for checking externally reported data, both departmentally and corporately.

5 Matters arising from detailed review of performance indicators

21. On the basis of our assessment of the Council's overall corporate management arrangements for data quality, we undertook detailed audit work in relation to the following performance indicators
- BV199a: Local Street and Environmental Cleanliness - Litter & Detritus
 - BV109a-c: Planning speed
22. We were satisfied that BV109a-c reported to the Audit Commission was fairly stated.
23. However, our work on BV199a identified that the PI had not been calculated in accordance with the Audit Commission's criteria. As a result, it was necessary for us to report to the Audit Commission that the PI was not fairly stated. The matters arising from our review of this PI were discussed with relevant managers at the conclusion of our audit, to enable action to be taken to address weaknesses during 2007/08. These matters are detailed below, together with our recommendations for action and the formal management response.

Matters arising	Recommendation	Management responses
BV199		
<p>1. All surveys for the 1st period (April-July) were carried out on consecutive days 23rd, 24th and 25th August (Wednesday, Thursday and Friday).</p> <p>Therefore, the surveys were not carried out during the correct period and were also not spread across the days of the week as required by the Encams guidance.</p>	<p>The Council must ensure that the timing of the surveys complies with the Encams guidance.</p>	<p>The following response is in respect of all the issues raised:</p> <p>As discussed at the time of the audit of BVPI 199 we immediately engaged the services of a consultant we were working with on a County wide project looking at improving the BVPI 199 scores across Hampshire. His remit was to address the issues raised following the audit. He spent the day working with the Environmental Quality Team Leader and subsequently produced a report detailing the actions the team needs to take in order to ensure future surveys comply with the ENCAMS guidance. The most recent survey conducted reflects the findings contained within the consultant's report.</p>

Matters arising	Recommendation	Management responses
		We will also ensure future years' surveys are based on representative samples of transects representing appropriate wards.
<p>2. The Council has not used the listing of 2004 IMD scores for the selection of wards in order to plan the survey as prescribed by the Encams guidance. This has resulted in more transects being surveyed in wards with low deprivation index and therefore bias of the indicator.</p> <p>Furthermore, while only 5 wards should be selected for each 4-monthly period (with some allowance when land use classes are not present in all target wards), it was identified that all or most wards appeared in each survey period.</p>	<p>When planning the survey, the listing of wards ranked by 2004 IMD scores should be used to select the wards to be surveyed in each 4-monthly period.</p> <p>The Council should refer to the Encams guidance (version 4, 31/03/2005) which is very precise as to the way in which wards should be selected.</p>	Refer to point 1 above
<p>3. We identified from analysis of the BV199 spreadsheet that:</p> <ul style="list-style-type: none"> - Some surveys have been carried out before 8am or after 6pm. - For some surveys, no time was recorded. - For some surveys, time was recorded using the 12-hour clock instead of the required 24-hour clock. <p>The last 2 findings are no longer an issue since the introduction of the electronic recording of survey results via PDAs.</p>	To comply with Encams guidance, surveys should not be carried out before 8am and after 6pm.	Refer to point 1 above

Matters arising	Recommendation	Management responses
<p>4. From a sample of 20 surveys, we identified 4 where a grade of A- was given by the surveyors. However, A- is not a recognised grade in the seven point scale which is defined in the Encams guidance.</p>	<p>Surveyors should be reminded of the seven point scale grading system for BV199 (A, B+, B, B/C, C, C- and D).</p>	<p>Refer to point 1 above</p>
<p>5. From discussion with the Environment Quality Team Leader, street cleansing times and refuse collection times are not taken into account when surveying.</p> <p>As stated in the Encams guidance, surveying directly after street cleansing will tend to give an over-optimistic view of standards of cleanliness for the area while surveying directly after refuse collection will tend to give a pessimistic view of standards of cleanliness.</p>	<p>When planning the surveys, street cleansing and refuse collection time records should be reviewed to ensure that surveys are not carried out directly after cleansing or refuse collection.</p>	<p>Refer to point 1 above</p>
<p>6. The sample of transects surveyed has not changed for the last 3 years.</p>	<p>It is best practice to select, as far as possible, a new sample of transects each year, as this reduces the risk of bias of the indicator.</p>	<p>Refer to point 1 above</p>
<p>7. We identified that no transects have been surveyed for High Density Housing areas and for Rural Roads.</p> <p>From discussion with the Environment Quality Team Leader, we understand that this is due to the fact that those land use classes do not exist in the Borough.</p>	<p>Strict rules apply for land use classes which do not exist or exist in very limited amount in target wards. Officers may wish to review the current classifications to ensure the position remains unchanged and, assuming this is the case, that the allocation of transects for surveys is in accordance with Encams guidance.</p>	<p>Refer to point 1 above</p>

Matters arising	Recommendation	Management responses
<p>8. In 2006/07, the Council introduced electronic recording of the survey results using PDAs to replace manual recording on a survey result form. Whilst this removes the risk of human error in transferring survey results to the Encams spreadsheet, there is no longer an audit trail back to the original survey results and reliance must be placed on the integrity of the transfer from PDA to the Encams spreadsheet.</p>	<p>Internal Audit should check that there is no loss of the integrity of data during the transfer of results from the PDAs to the IT network and from the network to the reporting spreadsheet.</p>	<p>Refer to point 1 above</p>

6 Acknowledgements

We would like to take this opportunity to thank Council staff for their co-operation during the course of our work.