Data Quality Feedback

Stevenage Borough Council

Audit 2005/2006

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

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

- any third party.

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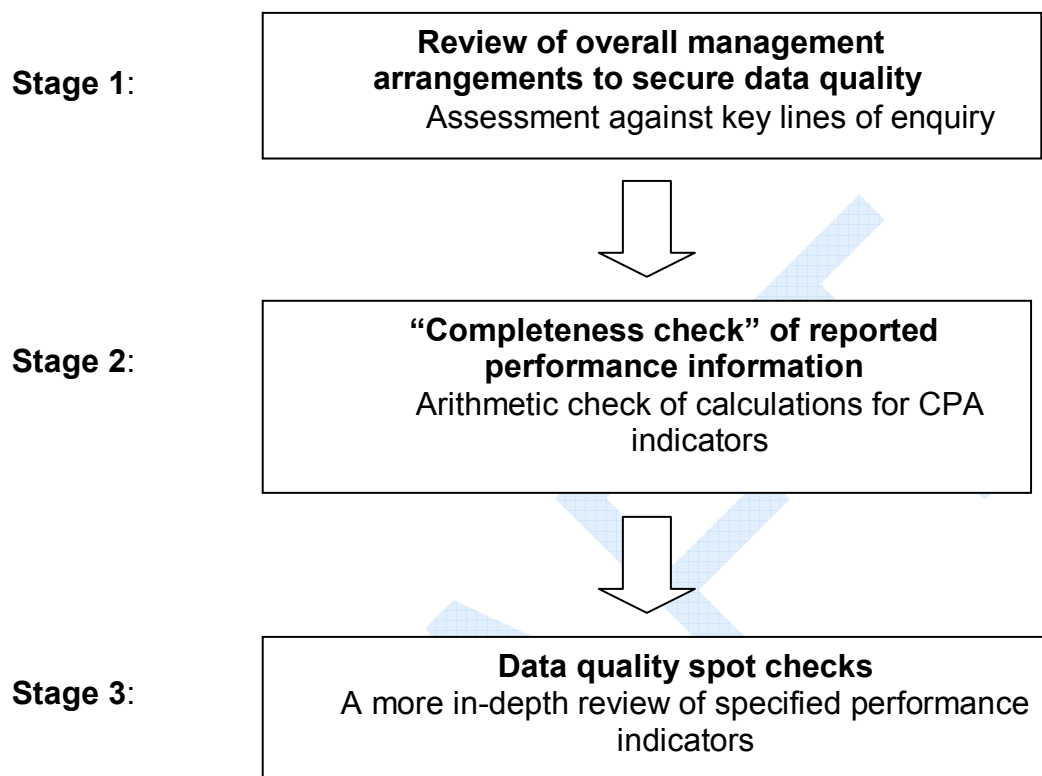# Contents

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Introduction

1   Public services need reliable, accurate and timely information with which to manage services, inform users and account for performance. Service providers make many, often complex, decisions about their priorities and the use of resources. Service users and members of the public more widely, need accessible information to make informed decisions. Regulators and government departments need information to satisfy their responsibilities for making judgements about performance and governance.

2   Good quality data is the essential ingredient for reliable performance and financial information to support decision making. The data used to report on performance must be fit for purpose, and represent an organisation's activity in an accurate and timely manner. At the same time there must be a balance between the use and importance of the information, and the cost of collecting the required data to the necessary level of accuracy.

3   Public bodies can improve the quality of their data by identifying the performance information that is important to them and their stakeholders, and securing the quality of the data to support these information needs. This is more likely if the performance information is routinely used for the day to day planning and management of services, and the people who collect the data understand its importance.

Audit approach

4   The Audit Commission has developed a new approach to the audit of performance indicators for 2005/06, which focused on the Council's arrangements to secure data quality.

5   The approach has been developed so that it will both:

- enable auditors to deliver their conclusion on audited bodies' arrangements to secure value for money; and

- support the Commission's performance assessment framework within CPA.

6   This report presents the results of the 2005/06 review of data quality at Stevenage Borough Council (the Council). We undertook this review during the period August to October 2006.

7   This report summarises our findings, highlighting strengths and areas for improvement, the later of which is summarised in an action plan at Appendix 1 to this report.

Figure 1

The new data quality audit approach comprises the following three stages.

Stage 1:	**Review of overall management arrangements to secure data quality** Assessment against key lines of enquiry

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Stage 2:	**"Completeness check" of reported performance information** Arithmetic check of calculations for CPA indicators

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Stage 3:	**Data quality spot checks** A more in-depth review of specified performance indicators

8 Data quality management arrangements (stage 1) are assessed using key lines of enquiry and areas of audit focus. This assessment forms the basis of the risk assessment which determines the number of further data quality spot checks undertaken (stage 3).

9 In parallel with the development of the new audit approach outlined above, the Commission has developed standards for better quality data, which are based closely on the Public Audit Forum publication, 'Improving Performance Information'. The draft standards set out the systems and processes that a good public body should put in place to assure itself about the robustness of published performance information. The Commission hopes to secure formal endorsement of the draft standards from other key stakeholder bodies, such as government departments, representative associations of audited and inspected bodies, and professional bodies.

10 The Commission hopes the published standards will enable audited and inspected bodies to implement and adopt them formally for 2006/07. It is envisaged that for 2006/07 and subsequent years' PIs, the stage 1 review of management arrangements will focus on compliance with the standards.

Overall conclusions

Management arrangements (stage 1)

11 The Council has established robust arrangements for monitoring and reviewing performance, including arrangements to ensure data quality. A detailed summary of our key findings in relation to each theme and areas for improvement is given in the next section of this report.

12 The Council produced a detailed self-assessment and supporting evidence against the key lines of enquiry for data quality management arrangements, which provided useful evidence to inform our audit. Our own assessment for individual themes did, however, identified a number of areas of variance with the Council's own assessment. Further details of these difference are summarised in Appendix 1.

Completeness checks (stage 2)

13 We concluded that the indicators checked at stage 2 were arithmetically correct. The Council provided satisfactory explanations for the variances highlighted within the following performance indicators:

- BV 109a-c: Planning applications.
- BV 82b: Composting performance.
- BV 183a: Temporary Accommodation B&B.
- HIP BPSA: Average re-let times.
- HIP HSSA: Private sector homes vacant for greater than six months.
- HIP HSSA: Repeat homelessness.
- HIP HSSA: Private sector unfit properties made fit.

14 In most instances, the variances from prior year were due to improvements in services, which confirms the Council's commitment to improving its BVPI results.

15 The main area for improvement noted was making explanations for variances from analytical review and documentation of non-BVPI figures more readily available for audit.

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Detailed spot checks (stage 3)

16 Our assessment at Stage 1 concluded that the Council's management arrangements for data quality are adequate and represent a 'Medium' risk. This resulted in the selection of three BVPIs for detailed testing:

- BV 184a: Non-decent homes.
- BV 183a: Temporary accommodation B&B.
- BV 109a-c: Planning applications.

17 We concluded that all of the above PI's were fairly stated. A detailed summary of our findings in relation to each PI and areas for improvement is given in the next section of this report.

Notable practice

18 We identified several items of notable practice, in particular, the improved performance management and monitoring arrangements over key performance indicators.

19 The establishment of BVPI Clinics and the Performance, Priorities and Improvement Group (PPIG) has enabled the Council to significantly improve its performance in key areas, for example benefits and planning administration. As a result of these measures, the Council has satisfactory arrangements to ensure that data supporting BVPIs is used to manage and improve services, actively address areas of poor performance and ensure adequate resources are allocated to rectify issues, with a sustained focus on achieving value for money.

Management arrangements key findings and areas for improvement

Governance and leadership

20 *The Council has put in place arrangements at a senior level to secure the quality of data used to manage and report on its performance.*

Strengths

- Responsibility for data quality has been assigned appropriately at a departmental and corporate level.

- The commitment to data quality has been outlined through the Data Quality Policy (the policy) and Performance Management Guide (the guide).

- Effective arrangements in place for monitoring and reviewing data through the establishment of the PPIG and BVPI Clinics.

Key areas for improvement

- Incorporate the policy within the Corporate Business Strategy.

- Review staff awareness of data quality issues.

Policies

21 *The Council has defined its expectations and requirements in relation to data quality.*

Strengths

- A policy is in place and approved by senior management.

- Comprehensive performance management framework in place covering data collection, recording, analysis and reporting.

- Corporate documents are readily available to staff via the Council's intranet.

- Adequate mechanisms are in place to monitor and report compliance with policies and procedures.

Key areas for improvement

- Appoint champions within each department to raise the importance of data quality.

- Review and update the policy annually taking account of internal and external requirements.

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Systems and processes

22   *The Council has effective systems and processes in place to secure the quality of data.*

Strengths

- Actively addressing system weaknesses in the collection, recording, analysis and reporting of performance information data.

- Recognising the importance of systems that operate on a 'right first time' basis and are proactively working to achieve this.

- Data is subject to departmental checks prior to reporting to senior management.

- Effective security arrangements are in place for the Council's business critical performance information systems.

- A framework for identifying and complying with standards is in place.

- A county wide data sharing protocol has been established.

Key areas for improvement

- Ensure procedure manuals are produced for all business critical systems which are provided to responsible officers.

- Incorporate a detailed contingency plan for performance information systems in the Council's IT Business Continuity Plan.

People and skills

23   *The Council has the resources in place to secure data quality.*

Strengths

- Plans to improve data quality training by enhancing the Performance Management Programme.

- Addressing weaknesses identified through data quality reviews.

- Data quality targets and standards are cascaded from senior management to individual staff performance appraisal targets.

Key areas for improvement

- Undertake a data quality skills audit to ensure that all staff are familiar with respective roles and responsibilities and training/development areas have been identified.

- Establish effective communication networks to update staff on changes in data quality procedures, guidance and systems.

Data use

24 *The Council has effective arrangements and controls in place for the use of data.*

Strengths

- Reported data is fed back to originators through BVPI Clinic and PPIG reports in order to reinforce understanding of how it is used.

- BVPI clinics and PPIG have enabled the Council to take proactive actions to address areas of under performance with a focus on achieving value for money in service provision.

- Performance information is used to plan and allocate resources against strategic objectives.

- Members have access to up to date performance information which has resulted in scrutiny and accountability on areas of under performance and in challenging the robustness of data.

- Through corporate reviews and use of Internal Audit, sufficient checks are made to ensure performance information is compliant with external guidance prior to publication.

- Adequate controls are in place to verify the accuracy of data prior to reporting via the Policy Unit, BVPI Clinics and PPIG.

Key areas for improvement

- Ensure that all data returns are supported by sufficient and appropriate evidence (ie Recycling BVPIs).

Detailed spot check key findings and areas for improvement

BV 184a: Non-decent homes

25   The Council has put in place arrangements to address prior year performance issues substantially through the completion of the stock condition survey and the implementation a new asset management database (Keystone). Keystone is still in its infancy which resulted in our concerns over the accuracy of the reported indicator for 2005/06.

26   The Council revisited the calculation of the indicator and made available to us sufficient and appropriate evidence to confirm the accuracy of the indicator.

27   We are satisfied that the Council has more robust monitoring and reporting arrangements in place for compilation of the 2006/07 indicator.

Key areas for improvement

- Investigate the asset management database so that the following outputs can be generated to support the calculation of the BVPI:
  - identification of decent homes that are likely to become non-decent in a reporting year;
  - list of all non-decent homes on the database that is not derived from a comparison of year on year total stock figures; and
  - list of all non-decent homes made decent with reconciliation to the planned maintenance programme.

- Provide a clear audit trail of reviews, checks and approvals undertaken on the BVPI prior to finalising the outturn data.

BV 183a: Temporary accommodation B&B

28 Although some inconsistencies were noted in the systems for recording departures dates, the variations identified, were within our tolerance levels and the BVPI was concluded as fairly stated. The Council missed its BVPI target in 2005/06, due to the fire at Harrow Court in 2004/05. Adequate arrangements have now been implemented to mitigate the need for B&B temporary accommodation in the future.

Key areas for improvement

- Establish a policy for recording tenancy commencement and departure dates that is applied consistently across the Housing department.

BV 109a-c: Planning applications

29 We concluded that planning indicators were fairly stated.

Key areas of improvement

- Ensure that all planning applications are date stamped upon receipt by the Council. The date that the 'clock starts' should be the date that the application is received in the Council's post room and not the Department.

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Appendix 1 – Variances in self-assessment - Management arrangements

Theme and key line of enquiry	Variance in assessment
Governance and leadership • Responsibility for data quality is clearly defined. • The body has effective arrangements for monitoring and review of data quality.	• Insufficient evidence that data quality is integrated into planning, monitoring and reporting processes. • Insufficient evidence to confirm that all external and internal requirements for Data Quality data are met.
Systems and processes • There are appropriate systems in place for the collection, recording, analysis and reporting of data used to monitor performance, and staff are supported in their use of these systems.	• Lack of detailed procedure manuals for new systems (ie Pericles).

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Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
6	**Completeness checks**					
	R1 Ensure explanations for variances and documentation of non-BVPI figures are readily available for audit.	2				
8	**Governance and leadership**					
	R2 Incorporate the Data Quality Policy within the Corporate Business Strategy.	2				
	R3 Review staff awareness of data quality issues.	3				
8	**Policies**					
	R4 Appoint champions within each department to raise the importance of data quality.	2				
	R5 Review and update the policy annually taking account of internal and external requirements.	2				

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	**Systems and processes**					
	R6 Ensure procedure manuals are produced for all business critical systems which are provided to responsible officers.	3				
	R7 Incorporate a detailed scenario plan for performance information systems in the Council's IT Business Continuity Plan.	2				
9	**People and skills**					
	R8 Undertake a data quality skills audit to ensure all staff are familiar with respective roles and responsibilities and training/development areas have been identified.	1				
	R9 Establish effective communication networks to update staff on changes in data quality procedures, guidance and systems.	3				

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
10	**Data use**					
	R10 Ensure that all data returns are supported by sufficient and appropriate evidence.	3				
11	**BV184a Non-decent homes**					
	R11 Investigate the asset management database so that reports can be generated to support the calculation of the BVPI.	3				
	R12 Provide a clear audit trail of reviews, checks and approvals being undertaken on the BVPI prior to finalising the outturn data.	3				
12	**BV183a Temporary accommodation B&B**					
	R13 Establish a policy for recording tenancy commencement and departure dates that is applied consistently across the Housing department.	2				

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
12	**BV109a-c Planning applications**					
	R14 Ensure that all planning applications are date stamped upon receipt by the Council. The date that the 'clock starts' should be the date that the application is received in the Council's post room and not received within the department.	2				

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