audit
commission

Data Quality

Stevenage Borough Council

Audit 2006/07

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

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Scope and objectives

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

Table 1

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 BVPI 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 selected 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.

9 All three stages of the review have been carried out at this Council.

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Conclusions

Stage 1 – Management arrangements

10 The Council's overall management arrangements for ensuring data quality are performing well. Responsibility for data quality has been assigned within the organisation and arrangements are in place for monitoring and reviewing data through the Performance, Priorities and Improvement Group (PPIG) and BVPI clinics. The Council has further enhanced its arrangements by appointing data quality champions in the latter part of 2006/07. This arrangement has not fully embedded in 2006/07 but we anticipate the results of the data quality champions' efforts will be transparent during 2007/08.

11 The Council has also incorporated data quality within its risk register and increased the profile and awareness of data quality through communications within 'Links' - a Council publication. The Council has drafted a corporate business continuity plan and a data quality competency checklist which is in the process of being fully adopted. Within the Council data quality improvements are being driven by the data quality action plan.

12 The Council has processes in place to validate data prior to reporting to senior management. While there are processes in place to enable verification of performance management data from some third party bodies (eg police data), this practice is not consistently applied across all third party data. In addition performance data reported to external bodies is not subject to verification checks prior to submission.

13 Performance management data is also reviewed by Internal Audit. However we have noted that there is no comprehensive reporting of the results from their review to officers and members. Thus Internal Audit recommendations have not been included in the data quality action plan.

14 The Council has incorporated data quality within individual service plans but there is as yet no alignment of data quality objectives with its business objectives.

15 The Council has started to roll out data quality training; training has been provided to senior management in 2007/08. However there is no formal data quality training programme for members and other relevant officers.

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Stage 2 – Analytical review

16 Our analytical review work at stage 2 identified that the PI values reviewed fell within expected ranges, so no further work was required.

Stage 3 – Data quality spot checks

17 Our review and spot checks of PIs BVPI82b and BVPI184a found that both PIs were fairly stated.

18 An action plan has been produced (see Appendix 1) to address the issues arising from this review. The Council should consider integrating these issues into the data quality action plan.

Management arrangements (Stage 1)

19   Overall, the Council's corporate arrangements for data quality are performing well.

Governance and leadership

20   There are numerous strengths stemming from the current data quality arrangements. 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 and performance management guide. There are effective arrangements in place for monitoring and reviewing performance information through the PPIG and BVPI clinics; however there is further scope to review data quality per se. The BVPI clinic and PPIG focus primarily on performance achieved on each PI and this can encompass data quality where this is believed to be a factor in the reported performance. However data quality is not considered in respect of all PIs reviewed.

21   Arrangements have been made in 2006/07 for data quality to be communicated through Link and by data quality champions. This will increase staff awareness of data quality issues. The Council has started to consider data quality as part of its risk management arrangements by including it within the 2007/08 risk register. Although data quality has been included within the risk register it does not include specific data quality risks. Similarly specific data quality risks have not fed into the production of the Statement of Internal Control (SIC) in 2006/07.

22   PIs are subject to internal and external reviews. Findings from external reviews are reported to senior management and members. Internal Audit findings are communicated to officers through individual system reports but there is no comprehensive reporting of all their work on performance management data to both officers and members.

23   The Council includes the achievement of data quality within individual service plans. However this is a generic objective and therefore does not present challenging and specific data quality objectives for each service. There is no direct link between data quality objectives, which are detailed within the data quality policy, and business objectives detailed within individual service plans or the Council's corporate performance plan.

24   The Council has produced a data quality action plan to drive data quality change within the Council. This action plan has been produced from our review of data quality in 2005/06 and does not include actions arising from Internal Audit reviews. Tasks detailed within the action plan are not linked to data quality objectives, so there is no clear monitoring of the achievement of data quality objectives.

Recommendations	
R1	*Focus on data quality as well as service performance when performance management data is reviewed by PPIG and BVPI Clinics.*
R2	*Develop the risk register so that it includes more specific data quality risks.*
R3	*Reflect data quality risks, controls and issues as appropriate within the Annual Governance Statement (which replaces the SIC from 2007/08).*
R4	*Report formally Internal Audit findings from the review of performance management data to management and members.*
R5	*Align specific data quality objectives with business objectives in individual service plans.*
R6	*Develop a comprehensive data quality action plan so that it incorporates recommendations from both internal and external audit reviews. Link tasks within the data quality action plan to data quality objectives.*

Policies

25   The Council has a data quality policy which has been updated and approved by senior management. The performance management framework covers the arrangements for data collection, recording, analysis and reporting. This was updated in July 2007, which was more than a year after the previous update. Procedures and guidance notes should be reviewed annually to ensure changes are identified promptly and an updated version of the document is produced to support the collection of that year's PIs. Relevant staff have not been involved in the development of key data quality documents.

26   Corporate documents are readily available to staff via the Council's intranet. There are adequate mechanisms in place to monitor and report compliance with policies and procedures.

27   The Council has appointed data quality champions who will have a role to promote data quality policy and to promote and communicate performance management data to all staff and cascade advice, changes and best practice in relation to performance indicators.

Recommendation	
R7	*Review data quality documents annually and update documents accordingly. Involve key staff in the development of data quality documents.*

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Systems and processes

28 Data is subject to departmental checks prior to reporting to senior management. The Council obtains performance information from different information systems and is yet to implement a comprehensive performance management system. The Council is developing 'data warehousing' so that information can be extracted from key business systems to generate performance management data. Performance information will be reported to members and senior management using a balanced scorecard approach. A framework for identifying and complying with standards is in place. A county-wide data sharing protocol has been established.

29 The Council has processes to validate data from third parties. However this has not been consistently applied to data from different sources. Internal Audit ensures there is adequate evidence to support underlying data in their reviews, whether generated internally or externally. The Council ensures that information from the police is subject to quality assurance tests. The Council is also reliant on Stevenage Homes Limited (SHL) for housing information. This arrangement is supported by a comprehensive service level agreement which sets out a reporting timetable, the data to be reported, the audit trail to be maintained and quality standards to be achieved. However there is no documented evidence of the Council validating data from SHL.

30 Although information systems work on the principle of 'right first time', this is not yet in place for all systems- for example, there is still significant data cleansing required for housing benefits performance indicators. The Council does not have arrangements for system output monitoring. There are no control maps of the key performance information systems. The Council does not regularly test its business critical performance information systems to ensure that processes are secure. There are no reports to Senior Management Board (SMB) following the testing of performance information systems.

31 A detailed contingency plan for performance information systems has been included in the Council's IT business continuity plan. However this document has not yet been adopted by the Council.

Recommendations
R8   *Retain evidence of verification of SHL data.*
R9   *Produce control maps for key performance information systems. Test systems regularly to ensure that processes are secure. Report findings to SMB.*

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People and skills

32   Roles and responsibilities to achieve data quality have been outlined within the data quality policy. The Council has included data quality responsibilities within staff performance and development meetings (PDMs) but has not set data quality standards and targets for staff and therefore there is no assessment against them. However the Council has developed a data quality competency checklist to be applied as part of the appraisal process from 2007/08, which will assist with this process.

33   Part of the role of the data quality champions is to identify and communicate data quality issues and follow through corrective action. Data champions were appointed in November 2006 and therefore this arrangement was not fully embedded in 2006/07. Staff efforts in promoting data quality are communicated within Links.

34   Data quality training has been delivered to SMB in 2007/08. However there is no formal data quality training programme and no data quality training for other relevant officers and members.

35   The Council, as part of workforce planning, does not perform an assessment of data quality skills so that the right number and the right skill of staff are available to meet data quality standards.

Recommendations
R10 Document data quality standards and targets and assessments against them within PDM forms.
R11 Develop a data quality training programme and roll out training to relevant staff.
R12 Consider the number and skills of staff in respect of data quality when undertaking workforce planning.

Data use and reporting

36   Reported data is fed back to originators through SMB BVPI clinics and PPIG reports in order to reinforce understanding of how it is used. These arrangements have enabled the Council to take proactive action 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.

37 Through corporate reviews, sufficient checks are made to ensure performance information is compliant with external guidance prior to publication. The Council also relies on Internal Audit for checks to ensure performance information is compliant with definition guidance. However the sample of PIs Internal Audit checks is too small to generate conclusions over all PIs. There is scope to introduce 'certification' of PIs by evidencing checks performed at a departmental and corporate level through the completion of a data quality assurance checklist for each PI. This would evidence how the PI has been calculated, that it is in accordance to the definition and that there is an adequate audit trail supporting it.

38 Returns for external reporting are approved by senior management prior to submission. Although returns are approved there is no system in place to ensure that performance information returns are subject to departmental verification checks.

39 Through our spot check work we noted that not all data returns are supported by sufficient and appropriate evidence (see recycling BVPI in stage 3 section below).

Recommendation
R13 Introduce a data quality assurance checklist so that departmental and corporate staff can evidence their checks of internally and externally reported performance information.

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Analytical review (Stage 2)

40   At stage 2 specified PIs are examined to identify whether data falls within expected and permissible values. Where data falls outside expected and permissible range, there would be discussions of these issues with the Council. Following the investigation, we would identify whether the performance change is real or confirm PI issues. In the case of the latter there would be consideration of reviewing the PI at stage 3.

41   All PIs reviewed were found to be complete and within plausible and permissible values.

Data quality spot checks (Stage 3)

42 Two PIs were reviewed using a series of detailed spot checks and audit tests. Our findings are shown below.

Table 2

Performance indicator	Assessment	Comment
Environment - BVPI82b Per cent of household waste sent by the Council for composting or treatment by anaerobic digestion	Fairly stated	This PI was concluded to be fairly stated but arrangements can be further enhanced to address the following issues: • the results of our review highlight that this BVPI is not reviewed and signed off by a senior manager. Checking performed by another officer reduces the risk of error; • there is no evidence of regular monitoring of this BVPI by the operational manager; • the Council was not able to reconcile its BVPI calculation with the waste data flow system (WDF) calculation. In addition the data that feeds into the Council's BVPI calculation could not be agreed with Hertfordshire County Council's (HCC) year end data; • the Council had not excluded fly tipping from their household waste figure. As a result the correct BVPI definition has not been used; • the Council receives weekly reports from HCC detailing waste collection. These reports are used to reconcile HCC figures with the Council's waste collection figures. However during our testing the Council was unable to provide a copy of this report for one of the weeks selected for testing; and • at the time of the audit the Council had not submitted a claim for recycling credits to HCC for 2006/07.

Performance indicator	Assessment	Comment
Housing - BVPI184a Per cent of council dwellings which were non-decent at the start of the financial year	Fairly stated	The indicator was found to be fairly stated but arrangements for producing it could be enhanced to address the following issues: • the Council performs a monthly stock condition assessment of housing stock within Keystone (asset management database). The results of the assessment are not verified by spot checks; • there is no monitoring of data quality for this PI at outturn; and • housing stock as per PI has been reconciled to Northgate housing rents system. However the housing stock figure could not be reconciled to the housing revenue account subsidy base data return.

Recommendations
R14 Improve arrangements for collecting BVPI82b by: • *introducing review and sign off of the BVPI by a senior manager;* • *monitoring the BVPI regularly throughout the year (operational manager);* • *reconciling at year end the Council's performance data for this BVPI to HCC's performance data and then to the WDF figures;* • *excluding fly tipping from the household waste figure;* • *retaining all waste reports from HCC; and* • *submitting recycling credit claims to HCC on a regular and timely basis.*
R15 Improve arrangements for collecting BVPI184a by: • *providing a clear audit trail of reviews, checks and approvals undertaken;* • *performing spot checks on the monthly housing stock condition assessment report from Keystone; and* • *reconciling the housing stock figure as per denominator to the housing revenue account subsidy base data return.*

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Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
	Governance and leadership					
9	R1 Focus on data quality as well as service performance when performance management data is reviewed by PPIG and BVPI Clinics.	2	Elaine Wright	To put in place systems, policies and procedures to ensure the highest possible data quality.	Review Performance Clinic template to include specific data quality questions. Cascade via SMT. Submit report to PPIG to agree protocol for discussing data quality when reviewing performance.	February 2008 March 2008 May 2008
9	R2 Develop the risk register so that it includes more specific data quality risks.	2	Service managers	To ensure that we have the right controls in place to achieve what is expected of us.	Strategic data quality risks identified in Internal Audit or performance clinic process to be added to risk register.	Ongoing
9	R3 Reflect data quality risks, controls and issues as appropriate within the Annual Governance Statement (which replaces the SIC from 2007/08).	1	John Dickson	To ensure that data is stored, used and shared in accordance with the law including the Data Protection Act and Freedom of Information Act.	Identify significant strategic data quality risks in Annual Governance Statement (eg method to ensure data does not fall into wrong hands).	April 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
9	R4 Report formally Internal Audit findings from the review of performance management data to management and members.	2	Internal Audit	To put in place systems, policies and procedures to ensure the highest possible data quality.	Internal Audit to compile annual report for SMB, Audit Committee and PPIG.	May 2008
9	R5 Align specific data quality objectives with business objectives in individual service plans.	2	Heads	To ensure that we put in place the right resources, and in particular have the right people with the right skills, so that we have accurate and timely performance information.	Service Plan template reviewed December 2007 Data Quality forms part of the 'Use of Resources' priority in new CBS from April 2008. Plans in relation to this priority regarding data quality will be reflected in section 3 of the service plan template for Policy Performance and Partnerships. Heads to include service specific objectives identified by External/Internal Audit or Data Quality Champions in their 2008/09 service plans	April 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
9	R6 Develop a comprehensive data quality action plan so that it incorporates recommendations from both internal and external audit reviews. Link tasks within the data quality action plan to data quality objectives.	3	Corporate Policy/Internal Audit	To put in place systems, policies and procedures to ensure the highest possible data quality	External Audit recommendations incorporated. Aligned with DQ policy objectives. Arrange meeting with Internal Audit: • agree current actions required; and • agree future process. Add any additional recommendations to revised action plan	December 2007 December 2007 February 2008 February 2008
9 **Policies**	R7 Review data quality documents annually and update documents accordingly. Involve key staff in the development of data quality documents.	2	Corporate Policy Unit	To make clear what we expect from our staff and Members in terms of the standards of data quality, and communicate these expectations.	Data Quality Champions workshop to review Data Quality Policy. Full review to be completed.	February 2008 March 2008

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
	Systems and processes					
10	R8 Retain evidence of verification of SHL data.	2	Richard Protheroe	To ensure that there are clear protocols in place where information is shared with partners.	Maintain audit trail of quarterly verification checks to validate.	Ongoing
10	R9 Produce control maps for key performance information systems. Test systems regularly to ensure that processes are secure. Report findings to SMB.	3	Corporate Policy Unit

Elaine Wright/ Peter Dean

Carl Roberts

Heads | To ensure that we have the right controls in place to achieve what is expected of us. | (Control maps can take form of either a word document or a flowchart) Ensure system testing, included in reviewed Data Quality Policy.

Develop flowchart for balanced scorecard reporting.

Develop control maps for Benefits system.

Heads of Service to test systems and deal with any issues | March 2008

April 2008

February 2008

Ongoing |

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
	People and skills					
11	R10 Document data quality standards and targets and assessments against them within PDM forms.	2	Heads/Service Managers	To ensure that we put in place the right resources, and in particular have the right people with the right skills, so that we have accurate and timely performance information	Data Quality competency checklist developed and cascaded via SMT All managers to ensure record in relevant PDMs	25 July 2007 Ongoing
11	R11 Develop a data quality training programme and roll out training to relevant staff.	2	CPU/HR		Data Quality Champions consider training approach Develop programme with Human Resources Develop Member training	April 2008 October 2008 October 2008
11	R12 Consider the number and skills of staff in respect of data quality when undertaking workforce planning.	1	D Williams		The Council's adopted Workforce Development Plan will be reviewed following the revision of the Council's People Strategy. The updated Workforce Development Plan will incorporate generic data quality requirements, based on identified skill levels.	October 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
	Data use and reporting					
12	R13 Introduce a data quality assurance checklist so that departmental and corporate staff can evidence their checks of internally and externally reported performance information.	3	Internal Audit/CPU	To put in place systems, policies and procedures to ensure the highest possible data quality	Develop checklist	July 2008
	Spot checks					
15	R14 Improve arrangements for collecting BVPI82b by: • introducing review and sign off of the BVPI by a senior manager; • monitoring the BVPI regularly throughout the year (operational manager); • reconciling at year end the Council's performance data for this BVPI to HCC's performance data and then to the WDF figures; • excluding fly tipping from the household waste figure;	2	Marc Whitfield	To put in place systems, policies and procedures to ensure the highest possible data quality	• Future results to be reviewed by John Crawley or Marc Whitfield. • Monitoring already happens, with Marion producing information and passing it to Dave White for insertion in quarterly monitoring reports. • Following the recent audit of BV82b now use WDF figures to calculate performance. This should mean that the same figures are used for all purposes and prevent any discrepancies. • Under an agreement with Herts County Council all Herts districts declare fly-tipping waste as street cleansing arisings. As a result HCC pay disposal costs. If the waste is declared as fly-tipping each district must pay for its own disposal costs.	April 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Data Quality Objective	Action	Date
	• retaining all waste reports from HCC; • submitting recycling credit claims to HCC on a regular and timely basis.				• We will continue to retain all waste reports from HCC. • Marion Baillie now taken over the production of recycling credit claims and invoicing of materials reprocessors. • Future results to be reviewed by John Crawley or Marc Whitfield.	
15	R15 Improve arrangements for collecting BVPI184a by: • providing a clear audit trail of reviews, checks and approvals undertaken; • performing spot checks on the monthly housing stock condition assessment report from Keystone; and • reconciling the housing stock figure as per denominator to the housing revenue account subsidy base data return.	2	Richard Protheroe	To put in place systems, policies and procedures to ensure the highest possible data quality.	• A written procedure has been defined and implemented. This procedure will be updated to detail the trail of reviews, checks and approvals detailed in the recommendation. • The written procedure will be updated to describe the monthly checks carried out and checks on any movements within the asset management system. The checks are already in place for the financial year ending March 2008. • The housing stock figure has been reconciled as at April 2006 and April 2007 with the HRA base data.	March 2008 March 2008 Complete

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