

Audit Summary Report

December 2006



# Data Quality Review

**Torridge District Council**

**Audit 2006/2007**

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## Background

- 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 Much time and money is spent on the activities and systems involved in collecting and analysing the data which underlies performance information, yet there remains a prevailing lack of confidence in much of this data. As increasing reliance is placed on this information in performance management and assessment regimes, the need for reliable data has become more critical.
- 3 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.
- 4 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.

## Scope and objectives

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

Stage 1	<p><b>Management arrangements</b></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 audited body's arrangements to secure value for money (the VFM Conclusion).</p>
Stage 2	<p><b>Completeness check</b></p> <p>An arithmetic check of calculations for BVPIs, and selection of a sample for testing based on risk assessment. The sample has been drawn from two key service areas: culture and leisure and environment.</p>
Stage 3	<p><b>Data quality spot checks</b></p> <p>In-depth review of a sample of PIs (from a list of specified BVPIs and non-BVPIs) to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information.</p>

## Conclusions

- 6 The Council's management arrangements are below minimum requirements. Performance management is improving from a low base and the Council's performance management system and approach to data quality is developing. However, policies and procedures are underdeveloped and are not being applied consistently. The Council does not have effective arrangements for the governance, monitoring and review of data quality. The accuracy of data is improving and processes to support this, such as service planning and performance reporting, are progressing but are still at an early stage.
- 7 Our review and spot checks of four specified PIs revealed that all had been fairly stated.

## Management arrangements (Stage 1)

- 8 Overall the Council's management arrangements for data quality are below minimum data management requirements.
- 9 The Council's commitment to data quality and performance management is strengthening from a low base. There is strong leadership from the new Chief Executive supported by investment in improving performance management and data quality. However, data quality is not explicitly stated in the Council's key corporate documents and the involvement of councillors in ensuring good data quality is limited.
- 10 Processes and policies for assuring data quality are underdeveloped. There is no adopted policy or action plan for strengthening data quality and systems to support this, such as staff appraisals, are not yet in place. Objectives and guidance for data quality management have been recently adopted and are included in the new business planning guidance for 2007-2008.
- 11 Monitoring and reviewing of BVPI information is undertaken. However, there is no corporate approach to the monitoring and review of all data. A monthly reporting system to senior managers is being introduced but is not yet established. Reporting to members is on an ad hoc basis and lacks challenge and there is limited assessment of data quality in the Council's risk management arrangements. However, some poor performing services have received rigorous external assessment, such as benefits, and actions have been taken as a result.
- 12 Improvements have been made over the last 12 months to ensure that the arrangements for the collection, recording and reporting of data are accurate. Heads of service are responsible for ensuring that PIs are signed off and that they are accurate through the Council's performance management system. However, a significant level of inaccuracies in reported PIs were identified by internal audit which suggests that this process is not yet robust.
- 13 Internal Audit takes the lead in collating and testing the quality of data and up-dates on BVPI definitions are reviewed on a regular basis. In specific service area checks on data quality do occur. However, these tend to be random and not formalised with limited structured reporting of performance to senior managers.
- 14 There are good security arrangements in place including access controls. Procedure manuals and guidance is available for the Council's main performance management system (SPAR.net). The system has comprehensive support information on its help system. Business continuity plans are in place for the Council's main performance management system but have not been fully tested. Data is held in a secure location and is backed up on a regular basis.
- 15 There is no corporate protocol on data sharing. There was no clarity from managers and staff about how, who and when data is shared externally. Internally anybody can access SPAR.net and read performance information but there are no clear guidelines on how this can be shared. However, strong data protection and freedom of information policies and procedures are in place.

- 16 The Council has not adequately assessed the skills of its staff in order to address data quality issues. It has provided relevant officers with the skills to input data into the SPAR.net system and provides guidance on the collection and reporting of BVPI information, but this is not supported with any skills gap analysis with training to support such gaps.
- 17 Training on data quality is weak. No training has yet been delivered as new policies have not been adopted. Some resources for training have been allocated but there is no detail on who will receive training, how it will be rolled out and what it will contain. Some services have reviewed training requirements and have started to implement training programmes examples include benefits, planning and housing.
- 18 The lack of any mention in job descriptions and absence of a staff appraisal system means there is little corporate structure to ensure staff are clear about their data quality responsibilities and are monitored against them. The new, as yet not implemented, business plan framework and guidance does highlight staff responsibilities on data quality. There is a developing emphasis on staff ownership of the data they collect and manage and particularly in key improvement areas such as housing and benefits.
- 19 The Council is improving the way it reports data internally through staff and service newsletters but the Council is not yet using the SPAR.net system to report regularly to senior managers and members on deviations from planned performance. Performance management processes are still their infancy, gaps remain and outcomes as a result of performance management are few and recent.
- 20 The Council has a history of not reporting and addressing poor performance examples include housing, planning and benefits. However, performance is showing improvement in these services most notably in planning and benefits.

## Completeness check (Stage 2)

- 21 Our assessment at Stage 1 was that the Council's management arrangements for data quality are inadequate and represent a 'High' risk.
- 22 The risk assessment considerations and review of calculations and completeness resulted in the selection of three performance indicators for stage three spot checks. These being:
  - temporary Accommodation in Bed and Breakfast– BV183a;
  - temporary Accommodation in Hostels – BV183b;
  - repeat Homelessness – (HIP HSSA); and
  - composting performance – BVPI 82b.

## Review of Performance Indicators (Stage 3)

- 23 The findings from the review of performance indicators selected are detailed below.

### Summary of review findings - Housing PIs

- 24 The three housing PIs reviewed were found to be **fairly stated**.

#### Temporary accommodation in Bed and Breakfast and Hostels (BV183a and b)

- 25 Overall, the Council's system is designed adequately to ensure that temporary accommodation indicators are materially accurate: Testing found:
- the Council's calculation of the PI is correct in line with current guidance;
  - only those households fulfilling the relevant criteria when calculating the PI have been used; and
  - that the correct time and dates for stays in B&B and hostel accommodation have been included in the calculation.

However:

- manual extraction of information and calculation increases the risk of error; and
- there is some lack of organisation in paper file management.

#### Repeat homelessness (HIP HPSSA)

- 26 Management arrangements for recording and monitoring repeat homelessness are satisfactory:
- overall, the Council's system is designed adequately to ensure the repeat homelessness indicators are materially accurate;
  - testing confirmed the Council's calculation of repeat homelessness is accurate using the correct criteria; and
  - the Council has correctly captured and recorded repeat homelessness statistics during the period.

### Summary of review findings - Environment PI

#### Composting performance (BVPI 82b)

- 27 The data quality checks for BVPI 82b, composting performance, found the PI to be **fairly** stated.
- 28 The BVPI for composting is calculated in accordance with the Audit Commission's criteria. **The source data sampled was found to be complete, accurate, reliable, valid and relevant and routinely** updated so that it is effectively used to monitor performance. The correct definitions have been used to calculate the PI and the calculations to arrive at the BVPI are accurate.

- 29 However, the checking of contractor's data is limited and not sufficiently robust. The Council needs to ensure that the accuracy of data from third parties is subject to more rigorous checks to ensure that it is accurate and valid.

## Recommendations

- 30 To move to the next level the Council should:

<b>Recommendations</b>
<i>R1 Improve the consistency of data quality processes and checks across departments.</i>
<i>R2 Include explicit policies, objectives and targets for data quality in relevant plans and strategies and ensure that, where relevant, staff appraisals address data quality issues.</i>
<i>R3 Include data quality, where relevant, in job descriptions linked to performance targets within staff appraisals.</i>
<i>R4 Outline clear roles and responsibilities for members on data quality and performance management.</i>
<i>R5 Introduce protocols for external data sharing.</i>
<i>R6 Ensure that training is provided for staff with specific data quality responsibilities and undertake an analysis's of the Councils data quality training requirements for officers and members.</i>
<i>R7 For housing PIs, minimise the risk of incorrect calculations by introducing more integration and automation between operations in order to reduce manual calculation and strengthen file management.</i>
<i>R8 In the calculation of waste PIs the Council needs to ensure that the accuracy of data from third parties is subject to more rigorous checks to ensure that it is accurate and valid.</i>

## Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	R1 Improve the consistency of data quality processes and checks across departments.	3	Head of Corporate Services	Agreed.	We will continue to use our BVPI verification procedure to identify where Service level controls need to be strengthened and take appropriate action to ensure accuracy.	June 2007
9	R2 Include explicit policies, objectives and targets for data quality in relevant plans and strategies and ensure that, where relevant, staff appraisals address data quality issues.	3	Head of Corporate Services  Head of Human Resources	Agreed.	The Council's Data Quality Guidelines set out the framework for ensuring a high standard of data quality at Torridge. Data quality issues will be incorporated in the detailed plans for 2007/08 and performance against these plans will be reviewed through the performance management process.  Staff Appraisals – see R3 below.	September 2007
9	R3 Include data quality, where relevant, in job descriptions linked to performance targets within staff appraisals.	2	Head of Human Resources	Agreed.	An appraisal process will be introduced for all staff and, where appropriate, data quality responsibilities will be included in job descriptions.	December 2007

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	R4 Outline clear roles and responsibilities for members on data quality and performance management.	3	Head of Corporate Services	Agreed.	A clear role and responsibilities for members is an integral part of our approach to performance management currently being implemented. One aspect of this is that every Service will have a Member Champion whose role is to challenge and support service performance. The Member Champion will play a significant role in structured quarterly business reviews to be carried out for each service.	June 2007
9	R5 Introduce protocols for external data sharing.	2	Head of Corporate Services	Agreed.	We will bring together the current fragmented approach to this into a corporate framework and ensure that the arrangements are properly communicated.	September 2007
9	R6 Ensure that training is provided for staff with specific data quality responsibilities and undertake an analysis of the Council's data quality training requirements for officers and members.	3	Head of Corporate Services  Head of Human Resources	Agreed.	Our recently approved Data Quality Guidelines state our commitment to training on data quality issues and this will be built into training programmes for 2007/08.  Introduction of the council-wide appraisal process will ensure that training requirements are systematically identified by a skills gap analysis.	March 2008
9	R7 For housing PIs, minimise the risk of incorrect calculations by introducing more integration and automation between operations in order to reduce manual calculation and strengthen file management.	2	Head of Housing	Partly agreed.	We will review current arrangements to ensure that we operate a robust system. However, the Council has taken a deliberate risk-based decision not to commit resources to major computerisation in this area in light of the possible transfer of the housing stock to an RSL.	March 2007

## 12 Data Quality Review | Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	R8 In the calculation of waste PIs the Council needs to ensure that the accuracy of data from third parties is subject to more rigorous checks to ensure that it is accurate and valid.	2	Head of Operational Services	Agreed.	We will work with Devon County Council, South Molton Recycling, and other partners to ensure that adequate controls are in place.	June 2007