

Audit Summary Report

March 2008



# Data Quality

**Rossendale Borough Council**

**Audit 2007/08**

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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.

## Scope and objectives

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

**Table 1**

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 council's arrangements to secure value for money (the VFM conclusion).</p>
Stage 2	<p><b>Analytical review</b></p> <p>An analytical review of 2006/07 BVPI and non-BVPI data, and selection of a sample for testing based on risk assessment.</p>
Stage 3	<p><b>Data quality spot checks</b></p> <p>In-depth review of a sample of 2006/07 PIs, all of which come from a list of specified 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 Rossendale.
- 10 For stage 3, in addition to the specified indicators, we have selected a performance indicator (HIP HSSA) to review that is not on the list of specified indicators. This is because we identified a potential risk to the quality of the underlying data.

## Conclusions

### Stage 1 – Management arrangements

- 11 The Council's overall management arrangements for data quality are operating well. Action which is being taken as part of the wider agenda to further improve performance management is having a beneficial impact on data quality. Also specific work to improve data quality has been undertaken to address recommendations in our previous report. This demonstrates the Council's commitment to improving its data quality arrangements.
- 12 Data quality arrangements relating to people and skills, and data use and reporting continue to perform strongly. Systems and processes have continued to improve throughout 2006/07 and are now performing well. Also, an over-arching performance management and data quality strategy was approved towards the end of the period under review. This formalises data quality governance arrangements and will strengthen other arrangements across the Council, including service areas.
- 13 Our review assesses the arrangements in place up to 31 March 2007 and we recognise that further enhancements have been made since which are not reflected in this assessment.

### Stage 2 – Analytical review

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

### Stage 3 – Data quality spot checks

- 15 Our review and spot checks of BV183b (average time in temporary hostel accommodation), BV199a-c (cleanliness of public places) and non-BVPI HIP HSSA (private sector homes vacant for more than 6 months) found that:
  - all these PIs had been calculated in accordance with Audit Commission criteria; and
  - all these PIs have been fairly stated.
- 16 An action plan has been agreed with the council (see Appendix 1) to address the issues arising from this review.

## Management arrangements (Stage 1)

- 17 The Council's overall corporate arrangements for data quality are operating well. There is clear evidence that performance management is being driven from the corporate centre. This has had a beneficial impact in promoting improvements in overall data quality.
- 18 A number of specific actions have been taken to improve data quality, including the introduction of a Performance Management and Data Quality Strategy, underpinned by an action plan, towards the end of 2006/07. Work continues to strengthen procedures and build on the functionality within the performance management system (Covalent). Management action taken during 2006/07, and following the period under review, will strengthen data quality arrangements including consistency across the Council.
- 19 Investment by the Council in systems, processes and people has been a catalyst for significant improvements of performance management and data quality. An incremental approach to improvement is being used which is proving to be an effective means of making satisfactory progress.

### Governance and leadership

- 20 Following our audit last year the Council have continued to take action to strengthen its data quality arrangements on an incremental basis. This has been driven by a the lead from the corporate centre to improving performance management.
- 21 The Council adopted a Performance Management and Data Quality Strategy in February 2007, underpinned by an action plan. This provides a clear framework, including standards for data quality. The strategy also sets out the roles and responsibilities of officers and members. These responsibilities are captured in job descriptions which are used as the basis of staff performance appraisals.
- 22 Progress to implement the action plan is monitored by the Overview and Scrutiny Committee and is routinely reviewed by the relevant Director and Portfolio Holder as part action to manage the Policy and Performance Business Plan. Once embedded the improvements contained in the action plan should result in more robust corporate arrangements to support data quality at the service level.
- 23 Review of data quality is carried out by ensuring Data Quality Assurance forms are completed and signed by the responsible officer and Head of Service. This process is intended to ensure that relevant officers have confirmed compliance with data quality policy and procedures, including ensuring there is an audit trail.
- 24 Internal Audit were commissioned to review the Council's performance management processes, focussing on a sample of Best Value (BV) and Local Area Agreement (LAA) performance indicators (PIs). The sample of PIs was agreed with officers taking account of the risk of error eg new PIs. The results of their work which was undertaken in August 2007, found that systems were adequate but there were some areas of the Council where controls were not operating effectively. This resulted in errors although only minor. Our Stage 3 work also identified issues with the calculation of some PIs.

**Recommendation**

*R1 Routinely undertake a risk assessment of performance data as part of assurance monitoring, followed by appropriate follow-up action. Where appropriate, this work should be undertaken in conjunction with internal Audit.*

**Policies**

- 25 As stated above since our last audit a Performance Management and Data Quality Strategy which defines the Council's policy for data quality has been adopted. This overarching strategy is supported by guidance notes and protocols attached to the Covalent performance management system.
- 26 An action plan supports the implementation of the Performance Management and Data Quality Strategy. Compliance with procedures is being addressed by firstly ensuring that relevant officers are briefed and trained in procedures, including use of Covalent. This is reinforced by corporate review of Data Quality Assurance forms submitted by Heads of Service, in conjunction with compliance checks by Internal Audit.

**Systems and processes**

- 27 The Council has invested in the Covalent performance management system and is taking on-going action to extend use of the system including the introduction of performance data for key partnerships. An incremental approach to improvement is being used being used by the Council which is proving to be an effective approach.
- 28 The Covalent system provides an effective platform for collection, recording, analysis and reporting of performance data. This includes direct input of data by service areas which helps to reinforce ownership. Also, action has been taken to develop the system controls within Covalent over the past 12 months to strengthen data quality arrangements, eg reviewing levels of access for users.
- 29 Action has been taken to develop communication of performance data to a wider group of stakeholders, eg reporting to the LSP Executive. Covalent provides the basis for reporting and monitoring progress against plans.
- 30 Work is being undertaken with partners to develop a 'Data Sharing Protocol' as part of the participation in the Lancashire Local Area Agreement. The results of this work are expected to be finalised and implemented within partner organisations shortly.
- 31 A review of existing ICT systems was undertaken in 2006 as part of work to develop an ICT Strategy, including business continuity. Work to implement business continuity arrangements across the Council is now being undertaken.

**Recommendations**

*R2 Continue to work with partners to agree and implement standards for sharing of data.*



<b><i>Recommendations</i></b>
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<i>R3 Implement effective business continuity plans for systems critical to performance management and data quality.</i>
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## **People and skills**

- 32 Training events have been run for officers and members to continue to reinforce the message that effective performance management requires robust data quality arrangements. This has been done in conjunction with more detailed training on the use of Covalent.
- 33 A series of meetings have been held with Heads of Service during August/September 2007 led by the Assistant Chief Executive. The purpose of these meetings has been to agree and assign responsibility for performance management in line with the Corporate Plan. This is intended to ensure that business plans are aligned to the Corporate Plans with appropriate indicators identified to measure progress. These meetings should help to reinforce accountability which in turn should assist data quality. Training needs are being considered as part of these meetings with appropriate support subsequently arranged.
- 34 Member training on performance management has been carried out in August 2007. This is part of action to raise the involvement of members in performance monitoring, eg proposal for Portfolio Holder to report progress to Overview and Scrutiny. In conjunction with this work development of reporting is also being reviewed. Improvement of performance management arrangements should assist data quality.

## **Data use and reporting**

- 35 The Council recognises the importance of effective performance management supported by robust data quality arrangements. This is clearly documented in the Corporate Plan and is promoted by the Head of Policy and Performance.
- 36 The Council uses performance data as part of its monitoring arrangements to focus attention on under-performing service areas. This focus on under performance should drive up performance on specific services and ultimately led to an overall improvement in the delivery of services.
- 37 A strong emphasis on performance management helps to ensure the accuracy of reported data. Our Stage 3 work and work by Internal Audit found that errors can arise but that they were not material enough to affect monitoring or decision making.
- 38 The review of performance management undertaken by Internal Audit found that the 2006/07 outturn was accurately extracted from Covalent and reported to the Performance Scrutiny Committee in June 2007.

## Analytical review (Stage 2)

- 39 An analytical review of all BVPIs and non-BVPIs was carried out. The findings, subject to the validation of a sample of PIs in stage 3 spot checks, are shown below.

**Table 2**

<b>2006/07 Performance indicator</b>	<b>Assessment</b>	<b>Comment</b>
BVPI 82a (i) (% household waste recycled)	Variance from 2005/06 attributable to real performance improvement in recycling rates.	Public awareness of and familiarity with the system is improving.
BVPI 82a (ii) (tonnage of household waste recycled)	As above.	As above.
BVPI 82b (i) (% household waste composted)	As above.	As above.
BVPI 183b (average length of stay in hostel accommodation)	Variance from 2005/06 attributable to small numbers involved.	Disproportionate effect of small changes on overall variance
BVPI 199a (local street and environmental cleanliness - litter and detritus)	Variance from 2005/06 attributable to improving performance in street cleansing.	Increasing familiarity with MapInfo mapping software and DEFRA recording systems is leading to more effective planning and recording of street cleansing activity.
BVPI 199b (local street and environmental cleanliness - graffiti)	As above	As above
BVPI 214 (repeat homelessness)	Variance from 2005/06 attributable to small numbers involved.	Disproportionate effect of small changes on overall variance.

- 40 All other PIs reviewed were found to be complete and within plausible and permissible values.

## Data quality spot checks (Stage 3)

- 41 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
Environment BV199a-c (cleanliness of public places)	Fairly stated.	Testing has confirmed the validity of the reported values for this PI. Only minor errors noted (see paragraph 40).
Housing BV183b (average time in temporary hostel accommodation),	Fairly stated.	Zero value recorded for this PI this year. Testing confirmed that the Authority did not have any people placed in hostel accommodation during 2006/07.
Housing HIP HSSA (private sector homes vacant for more than 6 months)	Fairly stated.	Although incorrect information was used in the original PI calculation, this has not materially affected the end-result. The reported value of 3% has been confirmed for opinion purposes. However, the system of internal data validation is weak (see paragraph 41).

- 42 Some survey forms used to record the results of BVPI199 street cleanliness transect surveys did not show the time of day that the survey took place or the class of site surveyed. Also, the survey forms did not include provision for the weather conditions at the time of the survey to be recorded.
- 43 Management arrangements for the compilation of the HIP HSSA PI are generally satisfactory, and can be accepted for opinion purposes. However, there are no internal checks carried out to ensure the consistency of recorded data (for example, that starting dates have been carried over correctly from one year to the next).
- 44 Although BVPI 183a (average length of stay in bed and breakfast accommodation) was not one of those selected for spot check, it emerged during the course of the audit that there was no written evidence available of the dates on which clients left such accommodation.

## 12 Data Quality | Data quality spot checks (Stage 3)

### **Recommendations**

*R4 Remind surveying officers to complete all transect survey forms with details of the time of day that the survey took place, and the class of site surveyed.*

*R5 Adapt the DEFRA spreadsheet and survey forms so as to record the weather conditions at the time each transect survey is carried out.*

*R6 Establish a better system of data validation (eg by using the Council's proposed system of year-on-year cross-checks) to improve the consistency and accuracy of reported data.*

*R7 Green Vale Homes should ensure that evidence of the dates clients leave B&B accommodation is retained on case files in future.*

## Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R1 Routinely undertake a risk assessment of performance data as part of assurance monitoring, followed by appropriate follow-up action. Where appropriate, this work should be undertaken in conjunction with internal Audit.		Head of Policy and Performance supported by Internal Audit	Yes	Will use LCC internal audit to undertake quality assurance of a random sample of the PI's following risk assessment practices.	August 2008
8	R2 Continue to work with partners to agree and implement standards for sharing of data.		Head of Policy and Performance/LCC/Partners	Yes	The Lancashire Partnership has released a Data Sharing Protocol for adoption by their partners. This is currently being reviewed by RBC, with a view to RBC adopting this policy and encouraging it's partners to adopt.	September 2008
9	R3 Implement effective business continuity plans for systems critical to performance management and data quality.		Head of Customer Services and e-Government	Yes	All of customer services systems have a full disaster recovery set up, this is based on a mixture of warm and cold recovery ie key applications such as the revenue and benefits are on a 48 hours recovery while all other systems would be recovered within a week. The implementation of a storage area network has been started and will be complete by the end of March 2008. A business continuity management plan has been scoped for all RBC ICT systems, however due to the proposed costs this will not be implemented until a sufficient budget has been found.	Incremental Programme

14 Data Quality | Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
12	R4 Remind surveying officers to complete all transect survey forms with details of the time of day that the survey took place, and the class of site surveyed.		NEAT Manager (David Whiteman)	Yes	All officers have been instructed to make sure the class of land and time of survey are detailed on all the transect survey forms.	February 2008
12	R5 Adapt the DEFRA spreadsheet and survey forms so as to record the weather conditions at the time each transect survey is carried out.		NEAT Manager (David Whiteman)	Yes	The sheets are pulled directly from the DEFRA website which makes no reference to weather conditions. We will include a box for weather conditions and a weather column on the spreadsheet. This will be applied for the next collection period which is March 2008.	February 2008
12	R6 Establish a better system of data validation (eg by using the Council's proposed system of year-on-year cross-checks) to improve the consistency and accuracy of reported data.		HMR Manager (Steve Jackson)	Yes	The information will be cross checked with other data to ensure accuracy. This may be supplemented by other physical sample checks where appropriate.	February 2008
12	R7 Green Vale Homes should ensure that evidence of the dates clients leave B&B accommodation is retained on case files in future.		Housing Options Team Manager (Julie Bracewell)	Yes	This has been actioned and is in place.	February 2008