

Data Quality

Rossendale Borough Council

Audit 2008/09

February 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

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

- 1 The purpose of this report is to summarise the findings from our work on data quality for 2007/08.
- 2 Auditors' work on data quality and performance information supports the Commission's reliance on performance indicators (PI) in its service assessments for comprehensive performance assessment (CPA).
- 3 Our work on data quality 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. The expected impact of the Audit Commission's 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 of our work

- 4 We have followed the Audit Commission's three-stage approach to the review of data quality as set out in Table 1.

Table 1 Data quality approach

Stage 1	Management arrangements A review using key lines of enquiry (KLOE) 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 2007/08 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 2007/08 PIs to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information in practice. For 2007/08 PI spot checks, the Audit Commission specified that it is compulsory to review two housing benefits PIs at all single tier and district councils as a minimum.

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- 5 As this is the third year of applying this approach to data quality, we have used our existing knowledge of the Council's data quality arrangements to tailored our work to focus on key actions being taken to address improvement opportunities.

- 6 We did not select any additional indicators to review as part of our stage 3 work as we did not identify a potential risk to the quality of the underlying data.
- 7 We also briefly followed up our work from last year on BV199a-c (cleanliness of public places), BV183b (average time in temporary hostel accommodation), and HIP HSSA (private sector homes vacant for more than 6 months) where we had found data quality issues.

Summary conclusions

Stage 1 – Management arrangements

- 8 The Council's overall management arrangements for data quality continue to improve and are now consistently above minimum requirements. Action being taken as part of the wider agenda to improve performance management continues to have a beneficial impact on data quality. Specific action to improve data quality is being taken on an incremental basis across the Council, including addressing recommendations in our previous reports. This demonstrates the Council's commitment to improving its data quality arrangements.
- 9 A Performance Management and Data Quality Strategy was approved by Cabinet in February 2007. The strategy was supported by an action plan and was launched at a workshop of officers in April 2007. This followed provision of training to members in January 2007. Action has now been fully embedded during the year under review resulting in more robust systems and processes helping to address historic data quality issues at service level.
- 10 Arrangements to develop people and skills in relation to data quality continue to be strong, as does data use and reporting. Systems and processes have continued to improve and are now performing well. Also, the over arching Performance Management and Data Quality Strategy has formalised data quality governance arrangements which should provide the basis for consistency across the authority.
- 11 To date, the performance management and data quality improvement agenda has been driven forward by the Head of Policy and Performance, assisted by the Performance Officer who has taken a lead on developing the performance management system (Covalent). Following the recent re-organisation of senior management the roles of Head of Policy and Change Management and Head Human Resources have been merged. Also, at the same time the Performance Officer has resigned. These changes have resulted in two members of staff leaving the Council. The Council needs to ensure there is adequate capacity going forward to maintain and continue to improve performance management arrangements in conjunction with robust data quality.

Stage 2 – Analytical review

- 12 Our analytical review work at stage 2 identified that the PI values reviewed either fell within expected ranges or explanations were provided to support significant variances.

Introduction

Stage 3 – Data quality spot checks

- 13 Our review and spot checks of PIs 78a and 78b found the PIs were fairly stated.
- 14 Our follow up work from last year on BV199a-c (cleanliness of public places), BV183b (average time in temporary hostel accommodation), and HIP HSSA (private sector homes vacant for more than 6 months) and found that the corporate performance team had taken action to ensure our recommendations had been implemented.

Detailed findings

Management arrangements (stage 1)

- 15 The Council's corporate arrangements for data quality continue to improve and are now consistently above minimum requirements. There is clear evidence that performance management is being driven from the corporate centre. For example, integrated performance reports were introduced from December 2007 and publication of performance reports on the internet now gives public access to quarterly and end of year reports. This continues to have a beneficial impact on overall data quality.
- 16 A number of specific actions have been taken to improve data quality, including approval of a Performance Management and Data Quality Strategy by Cabinet in February 2007. The strategy was supported by an action plan and launched at a workshop of BVPI officers in April 2007. This action has now been fully embedded during the year under review, resulting in more robust systems and processes that should help to address historic data quality issues at service level.
- 17 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 continues to be used which is proving to be an effective means of making satisfactory progress across the Council.

Governance and leadership

- 18 The Performance Management and Data Quality Strategy provides a clear framework for governance, 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. Also, the responsible officer is now clearly stated on Covalent to reinforce ownership.
- 19 Progress to implement the action plan which supports the strategy is routinely reviewed by the relevant Director and Portfolio Holder as part of action to manage the Policy and Performance Business Plan. The improvements contained in the action plan should result in more robust corporate arrangements, providing the foundation for improved data quality within services.
- 20 To ensure there is continuous improvement the Performance Management and Data Quality Strategy should be refreshed on regular basis to ensure it is kept up to date whilst helping to provide a focus on data quality across the Council.

Detailed findings

- 21** To date, the performance management and data quality improvement agenda has been driven forward by the Head of Policy and Performance, assisted by the Performance Officer who has taken a lead on developing the performance management system. Following the recent re-organisation of senior management the role of Head of Policy and Performance has been deleted with the current postholder declared redundant. Also, the Performance Officer has resigned. Although alternative resources are to be provided the Council needs to ensure there is adequate capacity to maintain existing arrangements, including a strong focus on continuous improvement of performance management in conjunction with robust data quality. This needs to cover work across the Council and with partners.
- 22** 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.
- 23** Internal Audit (IA) was 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, for example in relation to new PIs. IAs work was undertaken in August 2007 and found that systems were adequate but in some areas of the Council controls were not operating effectively, although only resulting in minor errors. Internal Audit have been commissioned to undertake further work during 2008/09 following the introduction of the National Set of Performance Indicators in April 2008.

Recommendation

- R1** Review the revised management arrangements for performance management and data quality, after a pre-determined time, to ensure that adequate capacity and leadership exists to maintain existing arrangements, including a strong focus on continuous improvement of performance management, in conjunction with robust data quality. This needs to take account of work across the Council and with partners.
- R2** Ensure the Performance Management and Data Quality Strategy is kept up to date supported by an action plan to provide for continuous improvement. Members should be provided with reports to enable progress to be monitored.
- R3** Continue to routinely undertake a risk assessment of performance data as part of assurance monitoring of DQ, followed by appropriate follow-up action. Where appropriate, this work should be undertaken in conjunction with internal Audit.

Policies

- 24 As stated above 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. Also, further documentation and guidance has been included on the intranet which is accessible by all staff.
- 25 Compliance with the strategy and supporting procedures is being addressed by firstly ensuring that relevant officers are briefed and trained, including use of Covalent. This is reinforced by corporate reviews of Data Quality Assurance forms required to be submitted by Heads of Service, in conjunction with compliance checks of procedures by Internal Audit.

Systems and processes

- 26 The Council has invested in the Covalent performance management system and is taking ongoing action to extend use of the system, including the introduction of performance data for key partnerships. An incremental approach to improvement is being used by the Council, for example a system upgrade has been implemented with better a 'help' function, which is proving to be an effective approach.
- 27 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. Ongoing action continues to be taken to develop the system controls within Covalent to strengthen data quality arrangements, for example reviewing levels of access for users.
- 28 To date, the development of Covalent has been principally undertaken by the Performance Officer, under the direction of the Head of Performance and Policy. Although the number of officers in services using the system has increased expertise in managing Covalent has been limited to the Performance Officer. During the course of audit the Performance Officer resigned from the Council. Although there are plans to recruit a replacement this does highlight the risk of lack of adequate cover.
- 29 Action has been taken to develop communication of performance data to a wider group of stakeholders, including the LSP Executive. Covalent provides the basis for reporting and monitoring progress against plans.
- 30 The Council continues to work with partners to develop a 'Data Sharing Protocol' as part of participation in the Lancashire Local Area Agreement. A final draft document has been prepared with a formal protocol to be implemented within partner organisations. This work is being progressed through the Lancashire Partnership Performance Group, reporting to the Lancashire Partnership Executive.
- 31 A review of ICT systems was undertaken in 2006 as part of work to develop an ICT Strategy, including business continuity. A phased approach is now being used to implement business critical and emergency planning arrangements across the Council, in line with availability of resources.

Detailed findings

Recommendations	
R4	Continue to develop Covalent to ensure that the benefits of the system are optimised, through use of the system functionality to assist review of compliance with procedures, including provision of audit trails. Also, continue to develop the system controls within Covalent as this provides an effective and efficient vehicle for control of data quality.
R5	Continue to work with partners to agree and implement standards for sharing of data.
R6	Ensure that effective business continuity plans for systems critical to performance management and data quality are implemented as part of business critical and emergency planning arrangements.
R7	In conjunction with the recruitment of a new Performance Officer ensure that adequate alternative expertise in managing the Covalent system is developed.

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 are intended to help to reinforce accountability which 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 following on from earlier training. This is part of action to raise the involvement of members in performance monitoring. For example, it is proposed that the Portfolio Holder should report progress to Overview and Scrutiny. In conjunction with this work development of reporting has also been reviewed with integrated reporting introduced.

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 was promoted by the Head of Policy and Performance during the period under review.

- 36** The Council uses performance data as part of its monitoring arrangements to focus attention on under-performing service areas. There is evidence that under-performance results in officers being invited to attend scrutiny committees to provide explanations. This focus on under performance should drive up service performance and ultimately lead to an overall improvement in the delivery of services. A strong emphasis on performance management combined with selective detailed checks of PIs by corporate performance staff helps to ensure the accuracy of reported data.
- 37** The introduction of the National Set of Performance Indicators in April 2008 has reduced the number of performance indicators which the Council is required to produce. However, members have decided that the Council will continue to maintain a broadly similar number of indicators to help them monitor performance. This is seen as a clear message that members see performance management as a key activity.
- 38** Our previous stage 3 work and work by Internal Audit found that errors can arise but that they were only minor and would not affect monitoring or decision making.

Analytical review (stage 2)

- 39** An analytical review of all BVPIs was carried out. The following PIs were highlighted for further examination with the findings shown in Table 2 below.

Table 2 Analytical review findings

2007/08 Performance indicator	Assessment	Comment
BVPI 11a (Percentage of top 5 per cent earners that are women).	Variance from 2006/07 outside plausible range - however, the Council have been able to provide satisfactory explanation (see comments).	The top-paid percentage are identified by ranking staff according to their gross pay. During 2007/08 of the 11 employees who were the top earners, six were female which represented 54.5 per cent. During 2006/07 six employees of the top earners were still female but this was based on nine employees who were the top earners, this was reflected in a percentage of 60.24 per cent. Hence, the variance is attributed to the change in the numbers of employees overall as per the methodology used to calculate the BVPI.
BVPI 11c (Top 5 per cent of earners that have a disability).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments)	During 2007/08 of the 11 employees who were the top earners none had a disability, whereas during 2006/07 one employee who was a top earner had a disability.

Detailed findings

2007/08 Performance indicator	Assessment	Comment
BVPI 14 (Percentage of early retirements).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments)	Due to the small number of staff employed, minor changes can have a significant impact on PIs year on year. There was only one early retirement during 2007/08.
BVPI 79b (iii) (Percentage of recoverable overpayments recovered - HB).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments)	To proactively manage the outstanding debt a cleansing exercise was undertaken which identified all old outstanding debt, some going back a number of years. A large number of write-offs were processed in 2006/07 where all recovery action had been exhausted. These overpayments can be written back on should the customer receive benefit in the future. This approach has enabled the write offs for 2007/08 to be kept to a minimum.
BVPI 8 (Percentage of invoices paid on time).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments).	The Council is now benefiting from the recently acquired electronic purchase ordering system. In addition a significant delay in payments was caused in the early part of 2006/07 as the Council completed its final break from its social housing provision. During 2007/08 the Council has been standing alone and benefiting from new IT systems, resulting as anticipated in significant improvements in this area.
BVPI 12 (Number of working days lost due to sickness absence).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments).	During 2006/07 fewer hours were lost due to sickness whereas during 2007/08 there were a number of difficult cases resulting in significant absence.
BVPI 78a (Speed of processing new claim to HB/CTB).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments).	The performance of this KPI has improved significantly due to the introduction of Anite EDMS and improved procedures. Confirmed by detailed testing.
BVPI 78b (Speed of processing changes of circumstances to HB/CTB).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments).	As stated above this benefits KPI has also been improved by the investment in technology, namely Anite EDMS and development of procedures. Confirmed by detailed testing.

2007/08 Performance indicator	Assessment	Comment
BVPI 79b(ii) (Percentage of recoverable overpayments recovered - HB).	Outside variance - however, the Council have been able to provide satisfactory explanation (see comments).	A new overpayments policy and introduction of new procedures has enabled an improvement in this KPI. Performance in this area has also been helped by the write-off exercise undertaken with old outstanding overpayments. Benefit recovered is measured against all outstanding debt, as a percentage. The smaller the outstanding debt the better the performance.

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

Data quality spot checks (Stage 3)

41 The following PIs were reviewed as part of our detailed spot checks and audit tests. Our findings are shown in Table 3 below.

Table 3 Spot check findings

Performance indicator	Assessment	Comment
Housing Benefits BVPI 78a	Fairly stated	None
Housing Benefits BVPI 78b	Fairly stated	None

Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
7	R1 Review the revised management arrangements for performance management and data quality, after a pre-determined time, to ensure that adequate capacity and leadership exists to maintain existing arrangements, including a strong focus on continuous improvement of performance management, in conjunction with robust data quality. This needs to take account of work across the Council and with partners.					
7	R2 Ensure the Performance Management and Data Quality Strategy is kept up to date supported by an action plan to provide for continuous improvement. Members should be provided with reports to enable progress to be monitored.					
7	R3 Continue to routinely undertake a risk assessment of performance data as part of assurance monitoring of DQ, followed by appropriate follow-up action. Where appropriate, this work should be undertaken in conjunction with internal Audit.					

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	R4 Continue to develop Covalent to ensure that the benefits of the system are optimised, through use of the system functionality to assist review of compliance with procedures, including provision of audit trails. Also, continue to develop the system controls within Covalent as this provides an effective and efficient vehicle for control of data quality.					
9	R5 Continue to work with partners to agree and implement standards for sharing of data.					
9	R6 Ensure that effective business continuity plans for systems critical to performance management and data quality are implemented as part of business critical and emergency planning arrangements.					
9	R7 In conjunction with the recruitment of a new Performance Officer ensure that adequate alternative expertise in managing the Covalent system is developed.					

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