Data Quality Arrangements - feedback

District of Easington Council

Audit 2005/2006

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Introduction

1 For the first time we have carried out a detailed review of Easington's corporate management arrangements for data quality. Similar reviews will be undertaken at each of the Audit Commission's local government audited bodies.

2 This document provides summarised feedback from our review, for feedback and discussion with officers.

Background

3 This review represents a significant change in our approach to the audit of performance information. There are a number of underlying reasons for this change:

- Increasing reliance is being placed on performance information, e.g. to manage services, inform users, account for performance, and as basis of taking decisions

- The weight attached to published performance indicators as the basis for reducing the burden of regulation has increased

- The need for reliable data has therefore become more critical

- However there remains a prevailing lack of confidence in much performance data

- The quality of financial information is higher than for performance information

- Finance data is collected according to professional accounting rules, and subjected to strong internal controls and a formal audit regime

- Conversely the internal controls for recording and preparation of the underlying performance data are often less developed

- There is often less ownership of performance information by those charged with governance.

Audit approach

4 Our work on Data Quality has three stages as detailed below:

- **Stage 1 (Management Arrangements)**

  - Assessment of Easington's corporate management arrangements for data quality using Key Lines of Enquiry (KLoE's) developed by the Audit Commission.

  - Assessments are made on a 1 to 4 basis (4 being the highest), with a score of 2 representing adequate or effective arrangements

  - This work will contribute to the auditor's conclusion under the Code of Audit Practice on an audited body's arrangements to secure value for

money. The work relates specifically to the arrangements for 'monitoring and reviewing performance, including arrangements to ensure data quality'

- Stage 1 work has been completed and the feedback is contained within this report.

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- **Stage 2 (Completeness Check)**
    - Reviewing queries on individual BVPIs submitted to the Audit Commission by the Council
    - The number and extent of these queries are determined by the Audit Commission following their review of data nationally
    - This stage of the audit is timetabled for mid to late July.
- **Stage 3 (Data Quality spot checks)**
    - Detailed audit of individual BVPIs
    - The number of BVPIs selected for review will be determined by the outcomes of Stages 1 & 2, but be selected from a list developed by the Audit Commission
    - This stage of the audit will be completed by mid to end Sept.

Main conclusions - Data Quality Stage 1

5   The following table provides summarised feedback over each of the 5 areas covered within our Stage 1 review, namely:

- Governance and Leadership
- Policies and procedures
- Systems and processes
- People and skills
- Data use

Table 1   Feedback from Data Quality Audit - Stage 1

Corporate arrangements generally adequate

Assessed objective	Findings
Governance and leadership	
Responsibility for data quality is clearly defined	The council has a commitment to data quality with top management level responsibility having been assigned. Staff responsible for data quality

Assessed objective	Findings
	are aware of their duty although this is not specifically referred to in their job description or set out coherently in any of the council's key strategic documents. Staff accountable for data quality are assessed as part of the corporate framework for performance appraisal. The role of members needs to be defined more clearly along which may identify personal development needs.
The body has clear data quality objectives	Objectives for data quality are developing but have yet to be formalised in a strategy or plan. The council has an action plan in place to improve but it lacks milestones and targets. The council has strengthened its corporate approach to improvement of data quality.
The body has effective arrangements for monitoring and review of data quality	Monitoring and review of PI's is ad hoc but the council has developed a planned programme of review of key PI's starting from the end of June 2006. In conjunction with Internal Audit the corporate development unit will undertake reviews of key PI's both national and local. The council has yet to begin to consider data quality as a corporate risk. The council can demonstrate that it has taken action to address weaknesses previously identified by internal and external review.
Policies and procedures	
A policy for data quality is in place, supported by operational procedures and guidance	There is no formal policy or strategy in place in relation to data quality. The council adhere to national guidance and have developed some corporate and departmental procedures and guidance but these have yet to be comprehensively reproduced to support operational objectives across the whole of the council.
Policies and procedures are followed by staff and applied consistently throughout the organisation	The council ensure staff are aware of national guidance and where local guidance is in place it is accessible and staff generally comply with it through a standard proforma approach. There are regular updates to guidance in relation to BVPIs and these are supplied to staff responsible for data. Further support is available from the corporate team and ad hoc training in the form of one to ones takes place

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Assessed objective	Findings
	when guidance changes
Systems and processes	
Appropriate systems are in place for the collection, recording, analysis and reporting of data.	Systems generally produce fit for purpose data on a right first time basis and where weaknesses are identified action is taken to rectify them. For example the council has recognised weaknesses in its manual systems but has invested some of its reserve balances in the procurement of a new computerised performance management system. Data collection is integrated into work and staff were happy to work to the right first time ethos
The body has appropriate controls in place to ensure that systems secure the quality of data used.	Generally appropriate controls are in place for BVPIs, with senior officers now having a greater role in ensuring controls are in place and working A recent Audit Commission report highlighted areas where there is still some scope to improve underlying systems security, subject to assessment of risk.
Security arrangements for performance information systems are robust and business continuity plans are in place	Security arrangements for access to systems are adequate, but the council recognises that a lot of their data relies on manual interfaces. The council has in place corporate IT security guidelines and procedures. Although a business continuity plan has been drafted it has yet to be approved. This was identified as a weakness in last years Statement of Internal Control and will remain a risk in this years as well. The lack of a detailed plan is potentially a risk to security of data, although the disaster recovery plan does mitigate some of the risks.
An effective management framework for data sharing is in place	The council has some protocols in place for sharing data with external partners but it has yet to develop these in every case. There was a general lack of awareness across the council in this area and whether there was a framework in place which complied with all relevant legal, compliance and confidentiality standards.
People and skills	
The body has communicated clearly the responsibilities of staff for achieving data quality	Although the council has not undertaken a assessment of data quality skills across the workforce they have allocated responsibility for every PI to relevant staff and recorded this. Staff

Assessed objective	Findings
	have been in post for several years and are aware of their responsibilities to data through custom and practice rather than specifically referenced in their job description. Some units, such as Benefits, have extensive training with DWP because of the constantly changing rules and guidelines but this is not reflected across the council where training is more ad hoc as and when necessary. Performance is picked up through the annual appraisal process and relevant new staff receive training through the corporate induction process.
The organisation has arrangements in place to ensure that staff with data quality responsibility have the necessary skills	Staff with responsibility for data management have been coached with a series of one to ones, and through the appraisal process. Where weaknesses are identified corporate improvement teams help develop the necessary skills in the relevant area.
Data Use	
The body has arrangements that are focused on ensuring that data is used to manage and improve the delivery of services	The body has arrangements in place that are focused on ensuring data is used to manage and improve service delivery. The council produced several examples where this can be evidenced. The council has further invested cash resources to strengthen their approach and identified individual terms of reference for portfolio holders towards performance management .
The body has effective control in place for data reporting	Data returns through a standard proforma on a quarterly and annual basis are supported by audit trails and information is subjected to verification by senior officers. Any internal control weaknesses identified by external or internal scrutineers in the past have been addressed by the council.

Assessment against Audit Commission KLoE's

The Way Forward

6   The issues raised within this report will be discussed with officers to provide them with timely feedback and to assist them in formulating an action plan to improve data quality arrangements in future years. The principal areas for discussion are:

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- lack of policy and strategy - hence no clear statement and nothing in Corporate Plan etc
- gaps in formalised procedures - potential for inconsistency - should have procedures in place for all
- lack of consideration of data quality in corporate risk assessment - missing importance of good data quality for decision making
- extend protocols for data sharing
- address weaknesses in security of data outlined in recent Audit Commission report
- lack of an agreed business continuity plan and the potential impact on data
- perform the planned levels of checking of each PI which is being introduced
- develop the role of members more and identify one with clear responsibility for data quality
- develop milestones, targets and responsibilities for delivery of the action plan