Data quality arrangements - feedback

Sedgefield Borough Council

Audit 2005/2006

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Audit in the public sector is underpinned by three fundamental principles:
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Introduction

1 We have carried out a detailed review of Sedgefield Borough Council's corporate management arrangements for data quality. Similar reviews have been 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 The 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)**

  - The assessment of Sedgefield Borough Council's corporate management arrangements for data quality using Key Lines of Enquiry (KLoE's) developed by the Audit Commission.

  - 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

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and reviewing performance, including arrangements to ensure data quality'.

- **Stage 2 (Completeness Check)**
  - The review of 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.
- **Stage 3 (Data Quality spot checks)**
  - The detailed audit of individual BVPIs.
  - The number of BVPIs selected for review were determined by the outcomes of Stages 1 & 2, and were selected from a list developed by the Audit Commission.

Main conclusions

Data Quality Stage 1

5 Overall the Council has arrangements in place for ensuring data quality, however there are areas where arrangements could be further strengthened.

Recommendation
R1   *The Council should use the data quality key lines of enquiry to identify where arrangements could be strengthened and develop an action plan to monitor progress.*

6 Appendix 1 provides detailed 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; and
- data use.

Completeness check Stage 2

7 Information was submitted for the six specified best value PIs and variances were either within expectations or could be explained.

8 Information was available for analysis for four of the five specified non BVPIs and variances were either within expectations or could be explained. The level of private sector homes vacant for more than six months showed a large increase. No explanation was requested for this as this PI was subject to detailed testing.

9 Appendix 2 provides detailed feedback.

Spot checks Stage 3

10 Our assessment at Stage 1 was that the Council has arrangements in place for data quality and represent a medium risk. This resulted in the selection of three PIs for spot checking.

- Recycling
- Composting
- Private sector homes vacant for more than six months

11 The recycling and composting PIs were amended at audit because detailed testing highlighted manual errors in entering information from the County into the Borough's spreadsheets. Recent changes to checking procedures should ensure that errors are identified in the future.

12 A reservation was placed on the private sector homes vacant for more than six months PI because the system used to collect the data is not in line with the definition.

Recommendation
R2 *The Council should review the system in place for calculating the private sector homes vacant for more than six months PI.*

13 Appendix 3 provides detailed feedback.

The Way Forward

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

- the lack of a detailed overarching statement relating to the Council's data quality objectives;
- improvements to underlying systems security, subject to risk assessment - increased focus on the importance of good data quality for decision making;
- extending protocols for data sharing; and

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- assessment of data quality skills across the workforce to identify any skill gaps and development of specific training packages to address any identified skill deficiencies.

Appendix 1 – Stage 1 management arrangements

Assessed objective	Findings
Governance and leadership	
Responsibility for data quality is clearly defined	There is a clear commitment to data quality, overall responsibilities have been assigned; there are reporting arrangements relating to the quality of data, issues relating to data quality are brought to the attention of those charged with governance and action is taken as a result. However, the commitment to data quality throughout the authority is not formalised through clear and interlinked policies and strategies.
The body has clear data quality objectives	There is no overarching statement relating to the council's data quality objectives. Nevertheless improvements continue to be made to data quality largely through departmental efforts.
The body has effective arrangements for monitoring and review of data quality	The Council has effective arrangements for monitoring and review of data quality. Monitoring and review of data quality has been undertaken initially on an ad hoc basis. Formal reviews of data quality have now been established, proportionate to the risk and reported those charged with governance. Internal Audit also routinely assesses data collection systems and their accuracy as part of their audit function.
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. However there are some departmental procedures and guidance in place although these do not provide comprehensive coverage for all areas or aspects.

Assessed objective	Findings
Policies and procedures are followed by staff and applied consistently throughout the Council	Where guidance is in place it is accessible and staff comply with it. There are regular updates to guidance in relation to BVPIs and these are supplied to staff responsible for data. Also staff comply where procedural notes are in existence.
Systems and processes	
Appropriate systems are in place for the collection, recording, analysis and reporting of data.	Data collection systems produce fit for purpose data on a right first time basis and where weaknesses are identified action is taken to rectify them. Internal Audit routinely assesses data collection systems and their accuracy as part of their audit function.
The Council has appropriate controls in place to ensure that systems secure the quality of data used.	Generally appropriate controls are in place for all systems of data collection. 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 performance information systems are robust and business continuity plans are in place
An effective management framework for data sharing is in place	There is due regard to compliance in terms of sharing personal information. Shared data is largely from sources considered to be credible, but there is scope to extend the recently signed data sharing protocols with other local authorities within Durham County which covers all external sources or sharing.
People and skills	
The Council has communicated clearly the responsibilities of staff for achieving data quality	The Council has not yet undertaken an assessment of data quality skills that it has across the workforce and identified any skill gaps. For employees who have specific responsibilities for data collection; their responsibilities are communicated through the performance management framework.

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Assessed objective	Findings
The Council has arrangements in place to ensure that staff with data quality responsibility have the necessary skills	Managers with specific responsibilities for data collection have the appropriate skills and are supported through training, development and access to guidance. General training is given to all staff as part of induction or when new systems / procedures are introduced. The PDP process combined is effective in identifying other training needs.
Data Use	
The Council has arrangements that are focused on ensuring that data is used to manage and improve the delivery of services	The Council has arrangements in place to ensure that data collected is used to manage and improve services and focus on priorities.
The Council has effective control in place for data reporting	The Council has robust systems of internal control in place in relation to reporting. They are reviewed and developed where issues are identified. There is rigorous evaluation where there are direct financial implications related to published data.

Assessment against Audit Commission KLoE's

Appendix 2 – Completeness check

BVPI	Conclusion
109 planning speed	Increase in performance confirmed as real variance.
82a recycling	Increase in performance confirmed as real variance.
82b composting	Increase in performance confirmed as real variance.
184a non decent homes	Performance in line with expectations.
183a temporary accommodation, bed and breakfast	Performance in line with expectations.
183b temporary accommodation, hostels	Performance in line with expectations.
Non BVPI	
Average re-let times	Performance in line with expectations.
Planned to responsive repairs	Performance in line with expectations.
Private sector homes vacant for more than 6 months	Large variance year on year, PI subject to detailed testing.
Repeat homelessness	Performance in line with expectations.
Private sector unfit properties made fit	Performance in line with expectations.

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Appendix 3 – Spot checks Stage 3

Performance indicator	Detailed findings
Recycling	The definition has been followed and there is good supporting evidence to support the PI. Depot records are well organised and maintained to clearly demonstrate the complex calculation of the PIs. There are three problems to note with service systems. First, reporting spreadsheets are not always consistent, the annual/monthly spreadsheet summarises waste by rounds (1-9 and spare vehicle), but the breakdown reports down to days and individual loads are reported by vehicle, this can lead to confusion when auditing. Second, instances found of weigh ticket data not recorded correctly (glass recorded as paper), this was infrequent and does not affect the BVPI value and recent changes to checking procedures should ensure correct transfer in the current year. Third, tonnages have not been transferred correctly from the DCC aerobic treatment monthly report. BVPI 82a is valid for the revised values of 14.11 per cent (i) and 5585.80 tonnes for BVPI 82a(ii).
Composting	As above. BVPI 82b is valid for the revised values of 6.14 per cent (i) and 2432.15 tonnes (ii).

Performance indicator	Detailed findings
Private sector homes vacant for more than six months	The information to support this indicator comes directly from the HIP returns.
	Total vacant dwellings figures come from the council tax system and then RSL and council properties are removed to find total private sector homes vacant. Total private sector stock is based on a stock survey carried out in the past from which right to buys and completions are added and demolitions are taken away.
	Initial testing found that the figures in the HIP return did not agree to the supporting information and a revised HIP return was submitted.
	In addition, RSL figures are estimated. Letters are sent out to the RSLs requesting relevant data. The return rate accounts for 72 per cent of RSL stock. The figure is not extrapolated and is given as an estimate.
	Further detailed testing identified that the report from the council tax system of total vacant dwellings contained some properties more than once. The information listed is based on account numbers (directly attributable to a person or occupier) not property addresses.
	It was not possible to resolve these issues within the timescale for the audit and a reservation was placed on this PI.

Detailed testing

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Appendix 4 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
5	R1 The Council should use the data quality key lines of enquiry to identify where arrangements could be strengthened and develop an action plan to monitor progress.	2	Heads of Service co-ordinated by Head of Organisational Development	Yes	An overall data quality policy has been drafted. The policy is supported by three subordinate policies covering financial, human resources and performance data. A fourth subordinate policy for customer data is currently under development. An action plan has also been prepared. These documents are currently out for consultation with the Heads of Service and will then be taken to management team before adoption.	December 2006
6	R2 The Council should review the system in place for calculating the private sector homes vacant for more than six months PI.	3	Head of Housing Management	Yes	A system needs to be established with some urgency to allow accurate information to be calculated and published for the current year.	December 2006

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