Data Quality 2008

Chorley Borough Council

Audit 2008/09

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Contents

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.

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 which come from a list of specified BVPIs and non-BVPIs used in CPA, 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.

5   As this is the third year of applying this approach to data quality, we tailored our work to focus on the key changes and actions taken to address previously identified weaknesses and recommendations.

Summary conclusions

Stage 1 – Management arrangements

6   The Council's overall management arrangements for ensuring data quality are consistently above minimum requirements. It has strengthened its arrangements for all five review themes. Responsibilities for data quality are more clearly defined at member and officer level. A corporate framework is in place, reflected in the Data Quality Strategy and Policy which is subject to regular reviews and updates.

7   Polices and procedures are in place to secure the quality of data and are reviewed, where appropriate with partners, to ensure that they are up-to-date. Checks by Internal Audit and our own checks confirm that procedures are routinely followed. Systems and processes to secure the quality of data continue to be enhanced. Opportunities for further development are being explored, including linking the systems from different departments for reporting corporate performance information. The Council seeks assurances from partners that data complies with a third party protocol but arrangements for validating such data are less well developed.

8   The Council continues to ensure that staff have the knowledge, competences and capacity for their roles in relation to data quality linked to personal development reviews and training. It continues to make excellent use of performance data in managing and improving the delivery of services and, in 2007/08, can demonstrate a range of improved outcomes and enhanced capacity through a significant reduction in sickness absence.

Stage 2 – Analytical review

9   Our analytical review work at Stage 2 identified that the PI values reviewed fell within expected ranges or were substantiated by evidence.

Stage 3 – Data quality spot checks

10   Our review and spot checks of PIs BV 78a (average times for processing new claims: housing and council tax benefit) and BV 78b (average times for processing change in circumstances for housing and council tax benefit claims) found that they were fairly stated. However, we found errors in the receipt dates for the claims tested and incorrectly recorded changes of circumstances.

11   An action plan has been agreed with the Council (Appendix 1) to address the issues arising from this review.

Detailed findings

Management arrangements (Stage 1)

12   Overall, the Council's corporate arrangements for data quality are consistently above minimum requirements.

Governance and leadership

13   The Council has put in place a corporate framework for management and accountability of data quality. It demonstrates a commitment to secure a culture of data quality throughout the organisation. In 2007/08 it strengthened its governance and leadership by defining more clearly responsibilities for data quality at officer and member level. These responsibilities are set out in performance agreements and reporting checklists, directorate assurance statements and a Data Quality Strategy and Policy that is subject to regular reviews and updates. Data quality is now fully integrated into the Council's planning, monitoring and reporting processes. Members have received training on the importance of data quality. As a result of these arrangements it is more likely that the Council will achieve consistently high standards of data quality to underpin its performance information.

14   Clear data quality objectives are formally documented within the Data Quality Strategy and Policy which has been approved by senior managers and members. The objectives are also reflected in partnership arrangements through a data sharing protocol. Individual service areas are provided with guidance on data collection, collation and reporting. The Council has consequently reduced the risks associated with poor quality data that might adversely affect the quality of services.

15   Effective arrangements for monitoring and reviewing of data quality are in place. A data quality action plan contains actions to strengthen data quality and address previous years' recommendations. Progress is now reported to the Audit Committee. Data Quality is now incorporated into the annual governance statement, strategic risk register and directorate level business assurance statements. Examples of good practices are shared amongst staff. All these developments provide reassurance that data quality is reliable and robust.

Policies

16   The Council has put in place policies and procedures to secure the quality of the data it records and uses for reporting. Organisational policy for data quality has been defined and is supported by a current set of operational procedures and guidance, including requirements on partnership working. Procedures and guidance are reviewed at least annually with staff and partners such as Community Leisure Services. The Council has, for example, issued revised guidance to staff - following last year's recommendation - for undertaking surveys to measure BV199 (cleanliness of public space). It has also put in place systems to ensure that new staff with data quality responsibilities are identified and given relevant training. Up-to-date policies and procedures help to ensure that data and performance are recorded accurately and in accordance with prescribed definitions.

17 Policies and procedures are generally followed by staff and applied consistently throughout the organisation, verified by routine checks within directorates and - proportionate to risk - by Internal Audit. However, our stage 3 checks found errors in calculating processing times for samples of benefit claims and changes in circumstances, together with incorrectly recorded changes in circumstances. The Council can demonstrate that it is effective in rectifying any non-compliance with its own data but not specifically within partnerships. Good quality data allows members and officers to make informed decisions about policy and the allocation of resources.

Systems and processes

18 The Council has strengthened its systems and processes which secure the quality of data as part of its normal business activities. Arrangements for recording and reporting data are more closely integrated within the Council's wider business management processes, and support staff in their day to day work. Appropriate systems are in place for the collection, recording, analysis and reporting of the data used to monitor performance, including the Performance Plus software management system, year-end checklists, detailed procedures and audit files. Performance Plus has been updated to ensure that built-in controls minimise the scope for human error. Opportunities for further development are being explored, including linking the systems from different departments for reporting corporate performance information. The range of activities ensures that performance data is accurate, reliable and consistent according to the principle of 'right first time'.

19 Controls are in place to ensure that information systems produce the quality of data needed to report on performance and to keep top management aware of necessary action in relation to data quality. The Council has, for example, developed detailed procedures for all Community and Corporate Strategy performance indicators. System output is monitored on a quarterly basis. Areas of high risk (including external reporting, new staff and significant variations) are identified. Keeping partners informed of any identified issues is an area for further development. The systems provide suitable controls to ensure that the information systems produce accurate data.

20 Security arrangements for performance information systems are robust, and a business continuity plan is in place, including a specific plan for Performance Plus. A detailed risk assessment of the system has been undertaken, including scenario planning. These arrangements can be further strengthened by seeking robust assurances from partners that their own processes are secure rather than a declaration that written procedures for all indicators have been produced.

Detailed findings

21   Standards are now specified for shared data or data supplied by third parties. A protocol sets out the Council's requirements for accuracy, completeness, relevance, reliability, timeliness and validity. Detailed arrangements for ensuring the quality of data for third parties have been set out in the Data Quality Strategy and Policy. Third party reporting is now a key element of the procurement framework and guidance is incorporated in key procurement and partnership documents. Whilst the third party protocol sets out the required standards - and performance is routinely discussed with partners - the Council cannot demonstrate that processes are in place to monitor and validate data from third parties and ensure that such data is actually fit for purpose with the appropriate assurance from suppliers.

Recommendation

R1   Implement arrangements to:

- validate data from third parties;

- ensure that such data is fit for purpose and third parties demonstrate that it complies with the requirements set out in the third party protocol;

- provide assurance that partners have secure processes in place for providing information; and

- identify and share information on potential data quality issues and address any data sharing problems.

People and skills

22   Arrangements are in place to ensure that staff have the knowledge, competences and capacity for their roles in relation to data quality. The Council has communicated clearly the responsibilities of staff, where applicable, for achieving data quality. As part of personal development reviews for relevant staff data quality objectives, which link to the Data Quality Strategy and Policy, are identified and an assessment of progress/performance against these objectives is included in subsequent reviews. Staff now have a greater understanding of their role in achieving data quality.

23   Arrangements are also in place to ensure that staff with data quality responsibilities have the necessary skills. The Council has provided training and workshops to relevant officers and partners. Training includes raising awareness on the use of data and its impact on the Council. A new dialogue has been developing which ensures that new starters with data quality responsibilities receive guidance, support and training. By investing in these activities the Council has reduced the risk of inconsistent practices in collecting data.

Data use and reporting

24   The Council's arrangements are focused on ensuring that data supporting reported information is actively used in the decision making process and is subject to a system of internal control and validation. It continues to make excellent use of performance data in managing and improving the delivery of services through the Strategy Group, Executive Cabinet, Overview and Scrutiny Committee and the Audit Committee. In 2007/08, for example, the use of data informed the decision to bring the Homelessness service back in-house and drove a significant reduction in sickness absence. Other improvements include the processing of invoices, satisfaction with waste collection, processing benefits claims and planning applications and the removal of abandoned vehicles. Working with partners the Council has successfully used data to target hotspots and contribute to an 18 per cent reduction in crime between 2005 and 2007. The use of such information not only improves services but also value for money and the quality of life for local people.

25   Effective validation procedures are in place to ensure the accuracy of data used in reported performance indicators. Data is subject to a system of internal control by responsible officers, senior managers and Policy and Performance officers. Internal Audit carries out checks on a risk basis and raises any issues with managers but its findings are not formally reported. The effectiveness of the overall arrangements is demonstrated by the accuracy of data and the absence of qualified indicators. The procedures provide assurance on the accuracy of the reported data.

Recommendation
R2   Strengthen validation procedures for the accuracy of data by evidencing the outcomes of checks carried out by Internal Audit.

Analytical review (Stage 2)

26   An analytical review of the following BVPIs was carried out. The findings are shown below.

Table 2   Analytical review findings

2007/08 Performance indicator	Assessment	Comment
BV 82a (recycling performance)	Variance from 2006/07 attributable to real performance improvement from 23.53% to 26.55%.	Wider initiatives, for example, street litter recycling and community skips have contributed to improved performance.

Detailed findings

2007/08 Performance indicator	Assessment	Comment
BV 82b (composting performance).	Variance from 2006/07 attributable to real performance improvement from 20.55 per cent to 21.56 per cent.	Targeted activities have contributed to improved performance.
BV 183b (average time in temporary accommodation: hostels).	Variance from 2006/07 attributable to real performance decline from 9.36 weeks to 12.61 weeks.	The Council became aware of deterioration in performance following a transfer of the Homelessness function. It has subsequently brought this service back in-house and has put in place actions to improve performance and focus on prevention.
BV 199a (cleanliness of public space: litter and detritus).	Variance from 2006/07 attributable to real performance improvement from 7.1 per cent to 4.8 per cent.	Improvement attributable to increased activity and review of sweeping.
BV 199b (cleanliness of public space: graffiti).	Variance from 2006/07 attributable to real performance improvement from 2 per cent to 1 per cent.	More proactive initiatives and presence in the community by Neighbourhood Officers have contributed to the reduction in graffiti.
BV 199c (cleanliness of public space: flyposting).	Variance from 2006/07 attributable to real performance improvement from 1 per cent to 0 per cent.	Reduction in instances of flyposting is due to increased activity and presence of Neighbourhood Officers.
Non-BVPI Percentage of private sector homes vacant for more than six months.	Variance from 2006/07 and value within Audit Commission parameters.	Performance is consistent with previous year.
Non-BVPI Repeat homelessness.	Variance from 2006/07 and value within Audit Commission parameters.	Performance is consistent with previous year.

Data quality spot checks (Stage 3)

27 A number of PIs were reviewed using a series of detailed spot checks and audit tests. Our findings are shown below.

Table 3   Spot check findings

Performance indicator	Assessment	Comment
BV 78a (average times for processing new claims: housing and council tax benefit).	Fairly stated.	Declared figure (17.1 days) found to be fairly stated on testing and not a material misstatement, although an incorrect start date was found in a sample of benefit claims.
BV 78b (average times for processing change in circumstances for housing and council tax benefit claims).	Fairly stated.	Declared figure (5.5 days) found to be fairly stated and not a material misstatement on testing, although incorrect start dates were found were found in a sample of notified changes in circumstances, together with incorrectly recorded changes in circumstances.

28 Although the Council has introduced additional controls where changes of circumstances are processed within one day, on occasions only 10 per cent of such changes are checked. Errors were found to be due to:

- receipt dates being incorrectly recorded on the housing benefits system; and

- two claims being incorrectly treated as changes in circumstances, including one relating to advance rent increases for Chorley Community Housing.

Recommendation

R3 Strengthen internal arrangements for validating processing times for benefits claims by:

- reducing the occasions when only 10 per cent of changes in circumstances processed within one day are checked;

- retaining evidence of such checks; and

- ensuring that annual rent increases for Chorley Community Housing and other Registered Social Landlords are only classified as changes in circumstances where claimants are entitled to benefit at the time when the decision is made.

Appendix 1 – Action plan

Page no.	Recommendations	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R1 Implement arrangements to: • validate data from third parties; • ensure that such data is fit for purpose and third parties demonstrate that it complies with the requirements set out in the third party protocol; • provide assurance that partners have secure processes in place for providing information; and • identify and share information on potential data quality issues and address any data sharing problems.	2	ACE (P&P) Internal Audit		Third Party Protocols signed by third parties and written procedures produced. Include third part data in the data quality risk assessment and undertake internal audit of higher risk data. Use the outcomes of data quality audits to inform future discussions with partners around data sharing.	Complete January 2009 April 2009
9	R2 Strengthen validation procedures for the accuracy of data by evidencing the outcomes of checks carried out by Internal Audit.	2	Internal Audit ACE (P&P) Strategy Group		Report the outcomes and recommendations of data quality exercises to Assistant Chief Executive (Policy and Performance) and Strategy Group.	Following data quality audits

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
14	R3 Strengthen internal arrangements for validating processing times for benefits claims by: • reducing the occasions when only 10 per cent of changes in circumstances processed within one day are checked; • retaining evidence of such checks; and • ensuring that annual rent increases for Chorley Community Housing and other Registered Social Landlords are only classified as changes in circumstances where claimants are entitled to benefit at the time when the decision is made.	2	Dave Price		Introduce a 100 per cent check which will be conducted one day each week for all new benefit claims and changes of circumstances that show a one day processing statistic. All reports and record of checks will be retained for two years. Introduce additional checks to ensure that only live claims are included in changes to annual rents.	Ongoing

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