

**EXTERNAL AUDIT REVIEW OF DATA
QUALITY – MARCH 2009**

Corporate Director (Resources)

1 Purpose

- 1.1 To present the final External Auditors' report on the Review of Data Quality to the Audit Committee.

2 Recommendations/for decision

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| 2.1 The Committee is requested to note the contents of the External Auditors' Review of Data Quality. |
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3 Supporting information

- 3.1 The Committee received a copy of the draft report on 8th December 2008. At this time officers had not had the opportunity to comment on and agree the recommendations in the action plan.
- 3.2 The Council's external auditors have issued their final report on the Review of Data Quality which is attached at Appendix 1.
- 3.3 This Committee's terms of reference include dealing with external and internal audit issues. This report allows the Committee to discuss and comment on the report.

4 Reasons for Recommendation

- 4.1 This report is part of the independent external audit process. It is part of the Audit Committee's role to receive regular reports from the External Auditors on their current work for AVDC.

5 Resource implications

- 5.1 None.

6 Response to Key Aims and Objectives

- 6.1 The external audit review of data quality underpins the Council's own performance management framework which is designed to ensure optimum delivery of the key aims and objectives.

Contact Officer
Background Documents

Val Hinkins Audit Manager
External Audit reports Minutes of Audit Committee meetings 2008/09.

Review of Data Quality

Aylesbury Vale District Council

Audit 2007/08

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 report summarises 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 (PIs) 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 Best Value Performance Indicator (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 BVPI 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 Our work on specified indicators at stage 3 focused on the two benefit PIs only as we had assessed overall arrangements as low risk. Also, there were no areas arising from our work on data quality in 2006/07 that required us to carry out work on specific PIs.

Summary conclusions

Stage 1 – Management arrangements

- 6 The Council's overall management arrangements for ensuring data quality are consistently above minimum requirements. Therefore, we were only required to look at the two benefits BVPIs at stages 2 and 3 of our work. This assessment did not change in the light of the re-review of these arrangements in the light of the findings from the Stage 3 data quality spot checks.

Stage 2 – Analytical review

- 7 Our analytical review work at Stage 2 identified that the only PI that fell outside of the expected range was one of the two benefit BVPIs and so was covered by our review in detail at Stage 3.

Stage 3 – Data quality spot checks

- 8 Our review and spot checks of PIs focused on the two specified benefit BVPIs only. It identified the following.
 - BVPI 78a - average time taken to process new claims (housing benefit and council tax benefit) - was not fairly stated. There was a systemic error in the calculation of the start date for new claims, particularly with telephone claims. The estimated level of error was greater than 10 per cent of the reported value. However, this error is one that officers are confident has been addressed for 2008/09 through a change in the regulations and through staff training.
 - Our initial spot check on BVPI 78b - average time taken to process change of circumstance - concluded that this was not fairly stated. For three of the twenty cases reviewed there were errors in the calculation of the start date (where the start date was incorrect by around one month). Based on this sample the estimated level of error was greater than 10 per cent of the reported value. Council officers disputed the findings and provided information to demonstrate they were isolated errors. We therefore concluded that the BVPI was 'fairly stated'.

Detailed findings

Management arrangements (Stage 1)

- 9** Overall, the Council's corporate arrangements for data quality are consistently above minimum requirements. This assessment remained unchanged as a result of the findings of the spot check of BVPIs.

Governance and leadership

- 10** We assessed the Council as being consistently above minimum requirements. The areas for further development to reach a level of well above minimum requirements on governance and leadership are:
- embedding procedures to demonstrate full integration of data quality into quality processes and greater involvement of councillors in demonstrating effective promotion of data quality;
 - setting challenging data quality objectives and further work to reflect data quality arrangements in partnership agreements; and
 - further work to monitor and review data quality arrangements in partnership agreements. Also, while the Council has made progress in developing an internal - and external - framework for monitoring and review of data quality in partnerships, these processes are not yet in place.

Policies

- 11** We assessed the Council as being consistently above minimum requirements. The areas for further development to reach a level of well above minimum requirements on policies are:
- demonstrating that staff in both the Council and other partner bodies are fully involved in the development of data quality policies based on actual experience of the use - and challenge - of other organisations' data; and
 - an absence of data quality champions, an initiative the Council has decided not to pursue.

Systems and processes

- 12** We assessed the Council as being consistently above minimum requirements. The areas for further development to reach a level of well above minimum requirements on systems and processes are:
- further work needed to monitor and review data quality arrangements in partnership agreements. Also, while the Council has made progress in developing an internal - and external - framework for monitoring and review of data quality, the results of these processes are not yet in place;

- further embedding of scenario planning and risk mitigation around business critical systems; and
- embedding the data sharing protocol and ensuring external contractors are party to the data sharing protocol established for public bodies in Buckinghamshire.

13 Based on the spot check results, the Council needs to ensure information systems produce the quality of data needed to report on performance. The systemic error identified with BVPI78a around the start date highlights the need to establish a feedback loop and controls to provide reassurance that performance indicators are based on the correct definitions.

People and skills

14 We initially assessed the Council as being consistently above minimum requirements. The only reason for not assessing the Council as being well above minimum requirements was due to the Council's decision not to have data quality champions.

15 In the light of the systemic error identified with BVPI78a around the start date, the Council was reassessed as being above minimum requirements. These specific findings indicate that the Council needs to ensure staff with responsibility for data quality have the necessary skills to record data accurately.

16 It should be noted however, that while there has been an impact on the performance indicator, our work did not identify any issues around either amounts paid to benefit claimants or claimed from central government. Also, officers are confident this issue has been addressed for 2008/09 through a change in the benefit regulations and through staff training.

Data use and reporting

17 We assessed the Council as being well above minimum requirements. The Council has put in place arrangements that are focused on ensuring that data supporting performance information is also used to manage and improve the delivery of services.

18 Although the assessment remained unchanged as a result of the BVPI spot check findings, an additional area the Council needs to address is developing validation procedures to ensure the accuracy of data used in reported performance indicators. The systemic error identified with BVPI78a around the start date highlights the need to ensure that there is a feedback loop and controls to provide reassurance that performance indicators are based on the correct definitions. The Council already has a feedback loop that it applies on an exception basis for those indicators assessed as high risk to ensure correct definitions are used. This indicator has now been identified as a high-risk indicator.

Recommendations

R1 Ensure a robust validation process exists to provide assurance that staff with responsibility for data quality are following correct procedures and providing valid and accurate data.

R2 Ensure there is an adequate feedback loop and controls to provide reassurance that performance indicators are based on the correct definitions.

Detailed findings

Analytical review (Stage 2)

- 19** Our work included an analytical review of a number of the Council's BVPIs and non-BVPIs to assess whether or not they appeared reasonably stated. This review compared the Council's performance to that of the previous year and also took into account the maximum and minimum permissible values for each indicator as well as the performance reported by other local authorities.
- 20** The only PI that fell outside of the expected range was one of the two benefit BVPIs (BVPI78a) and so was covered by our review in detail at Stage 3. All other PIs reviewed were found to be complete and within plausible and permissible values.

Data quality spot checks (Stage 3)

- 21** The findings of our work at Stage 1 and 2 led to an overall assessment of this area as low risk. Consequently, our review covered the two mandatory benefits PIs. Our findings are shown below.

Table 2 Spot check findings

Performance indicator	Assessment	Comment
Benefits BVPI 78a Average time taken to process new claims (housing benefit and council tax benefit)	Unfairly stated	Systemic error in the calculation of the start date for new claims, particularly with telephone claims. The estimated error was greater than 10 per cent of the reported value. However, officers are confident this error has been addressed for 2008/09 through a change in the regulations and through staff training.
Benefits BVPI 78b Average time taken to process change of circumstance.	Fairly stated	The initial work identified cases (two of which referred to the same claim) where there was an error in the calculation of the start date (where the start date was incorrect by around one month). The estimated error was greater than 10 per cent of the reported value. Council officers disputed the findings and provided further information to demonstrate that these were isolated errors.

Recommendation

- R3** Ensure that actions taken to address the specific errors identified with BVPIs 78a and 78b are shown as effective.

Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Review of data quality						
6	R1 Ensure a robust validation process exists to provide assurance that staff with responsibility for data quality are following correct procedures and providing valid and accurate data.	3	Tamsin Ireland	Yes		March 2009
6	R2 Ensure there is a feedback loop and controls to provide reassurance that performance indicators are based on the correct definitions.	3	Tamsin Ireland	Yes	The Council already has a feedback loop that it applies on an exception basis for those indicators assessed as high risk to ensure correct definitions are used. This indicator has now been identified as a high-risk indicator.	March 2009
7	R3 Ensure that actions taken to address the specific errors identified with BVPIs 78a and 78b are shown as effective.	3	Tamsin Ireland	Yes	It will be confirmed that action has been taken by the Benefits manager to address the specific errors identified in these areas.	October 2009

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