DATA QUALITY PROGRESS REPORT

1 SUMMARY

1.1 This report presents our External Auditor's (PKF) Data Quality Report for 2008 and the consequent action plan for 2009 and provides an update on the progress being made against the Data Quality Strategy previously approved by this Committee in 2007.

1.2 The Data Quality Report for 2008 and action plan for 2009/10 are included at Appendix 1.

2 INTRODUCTION

2.1 The Council aims, through its Data Quality Strategy and action plans, to maintain and improve its ability to ensure that the data it uses to measure its performance is of the highest quality, consistent with the efficient and effective use of its resources.

2.2 The Council's arrangements for assuring data quality are assessed for each financial year by its external auditors, who give an overall assessment of our data quality arrangements and produce a Data Quality Report stating their key findings, together with an action plan for the coming financial year to address any areas for improvement.

3 KEY FINDINGS OF THE EXTERNAL DATA QUALITY ASSESSMENT

3.1 The external auditors' overall assessment of Rochford's Data Quality for 2007/8 is that our arrangements were "consistently above minimum requirements and embedded" and so we were "performing well".

3.2 This is a significant improvement on previous assessments for 2005/06 and 2006/07, which found that we maintained an "adequate performance". It was our aim to achieve the "performing well" level in 2008 and it is therefore pleasing to note that this goal has been achieved.

3.3 Spot checks conducted by the external auditors as part of the 2008 assessment revealed that a performance indicator for the time taken to process changes of circumstances for benefit claimants could not be proved as being fairly stated because of the inclusion of non-qualifying cases. The relevant staff have been reminded of the process to exclude non-qualifying cases from the statistics. (It is understood that some other Authorities had similar issues.)

3.4 A further round of data quality awareness training is planned for 2009 to reinforce the importance of accurate and quality data.

3.5 The actions arising from the 2007 Data Quality Audit have been substantially completed or have been carried forward into the new action plan shown in the attached report.

4 RISK IMPLICATIONS

4.1 Accuracy of data is fundamental to sound decision making and the formulation of policy. Failure to assure our data quality could therefore have a significant impact on the Council's ability to correctly define its policies and strategies or deliver against its objectives.

4.2 The continued implementation of the Data Quality Strategy and Action Plan will minimise data quality errors and thus mitigate any potential strategic, operational, reputational or regulatory consequences.

4.3 Failure to implement the Data Quality Strategy and Action Plan will create the potential for inaccurate data and could put the Council's overall score in future Data Quality and Use of Resources assessments at risk.

4.4 Results of external Data Quality reviews will be used to support the reported performance data for the Audit Commission's Comprehensive Area Assessments (CAA) and thus a poor Data Quality review would have negative implications for our assessments under the CAA process.

5 LEGAL IMPLICATIONS

5.1 The Data Quality and Records Management Policy and the Data Quality Strategy and Action Plan assist the Council in meeting its obligations under the Data Protection Acts 1984 and 1998 and the Freedom of Information Act 2000.

6 RECOMMENDATION

6.1 It is proposed that the Committee **RESOLVES**

(1) That the findings contained in the Data Quality Report 2008 be noted and accepted.

(2) That a further Data Quality progress report should be reported for consideration by the Audit Committee, when the results of the 2009 Data Quality Audit are available.

Yvonne Woodward

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Background Papers: -

None.

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Appendix

PKF

Accountants &
business advisers

Rochford District Council

Data Quality Report - 2008 Performance Indicators

February 2009

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Action plan

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission contains an explanation of the respective responsibilities of auditors and of the audited body. Reports and letters prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

1 Executive summary

Conclusions

1.1 The assessments are based on the Council's position as at 31 March 2008 and therefore do not reflect improvements made since that date. The conclusions from each of the three Stages are set out in the table below:

Stage 1: Management Arrangements	**Overall, the Council's management arrangements for securing data quality are assessed as "performing well".** This is an improvement in overall assessment since the prior year. Of the thirteen sub-elements, the Council's arrangements were considered to be "inadequate" in one area but the remainder were "adequate" or "performing well".
Stage 2: Performance validation	The Audit Commission notified us of six indicators where the percentage change, from the previous year's values, were outside the expected range of movement. **However, we were able to satisfy ourselves from further enquiries that the variances reflected real changes in performance.**
Stage 3: Spot checks	Based on our risk assessment, we did not consider it necessary to spot check any indicators in addition to the two mandated benefits indicators. However, when tested, **one of these was found to be "unfairly stated".**

Key findings

1.2 Key findings are summarised in Section 2. The majority of the recommendations raised in last year's report have been satisfactorily implemented. The Council now needs to focus on:

- Developing and implementing third party data validation checks
- Clarifying data quality responsibilities in job descriptions and setting data quality targets against which relevant staff will be performance appraised
- Raising awareness of the importance of data quality and its role in underpinning the new Use of Resources Assessment.

Action plans

1.3 An action plan to secure improvements to data quality arrangements is set out in the Appendix.

Acknowledgement

1.4 We would like to thank the Council for the co-operation and assistance provided in advance of and during the course of the review. We wish particularly to highlight the considerable increase in analysis and support time provided to us consequent upon the introduction of the Commission's new integrated benefits approach, and to recognise that contribution in assisting our own committed efforts to meet the tight deadlines set for us.

2 Introduction and key conclusions

Introduction

2.1 The Audit Commission requires us to conclude on the Council's arrangements for "monitoring and reviewing performance, including arrangements to ensure data quality".

2.2 The approach is divided into three Stages, as follows:

- Stage 1: A "Key Lines of Enquiry" (KLoE) assessment of management arrangements for securing data quality
- Stage 2: Validation (or otherwise) of significant variations in reported performance for a set of indicators selected by the Audit Commission
- Stage 3: Detailed audits of a sample of indicators selected from a list specified by the Audit Commission, with the sample size risk-based and dependent on the assessment at Stage 1. This year the Audit Commission mandated spot check testing on the two housing and council tax benefit indicators BV78a and BV78b to be undertaken as a minimum.

2.3 Our explicit conclusion on whether the Council "made proper arrangements to secure economy, efficiency and effectiveness in its use of resources" was based on assessments against twelve criteria set by the Audit Commission, one of which was the Stage 1 data quality management arrangements assessment referred to above.

2.4 The results of the reviews will also be used to support the reported performance applied in the Audit Commission's CPA assessments.

Period assessed

2.5 Our audit work and related assessments were made in respect of the year ended 31 March 2008 and considered the arrangements in place for that year only. Audit Commission guidance on scoring management arrangements prevents us from taking into account improvements made to arrangements after that date and this report reflects, therefore, a "snap shot" of the Council's position up to and including 31 March 2008.

Key conclusions

2.6 **Overall, the Council's corporate arrangements for ensuring data quality have been assessed as "performing well".**

2.7 The Council has made substantial progress since our previous assessment, particularly with regard to the individual KLoE themes of policies and governance and leadership, and the majority of the recommendations raised in last year's report have been implemented.

2.8 In particular, the approved Data Quality Strategy (June 2007) is now fully embedded in the Council's arrangements. This has resulted in progression to the next level of a number of sub-themes now being assessed as "performing well".

2.9 Our spot check testing on the two mandated housing and council tax benefit indicators, BV78a and BV78b, concluded that BV78a was fairly stated but BV78b was unfairly stated due to non-compliance with the indicator's definition.

2.10 The new Comprehensive Area Assessment regime is underpinned by the Use of Resources Assessment which includes data quality considerations. The Council needs to raise awareness of the importance of data quality across the organisation because KLoE 2.2 of the new Use of Resources assessment will be informed by the results of future spot checks of performance indicators. The mandated scope of this testing will extend beyond benefits indicators.

3 Detailed findings

Management arrangements (Stage 1)

3.1 The audit approach to the Stage 1 management arrangements review used the same key lines of enquiry (KLoE) format previously utilised for the assessment of financial standing, financial management, financial reporting, internal control and value for money.

3.2 The overall data quality management arrangements score is derived from a number of KLoE themes and areas of audit focus and evidence:

- Governance and leadership
- Policies
- Systems and processes
- People and skills
- Data use.

3.3 The Audit Commission has not specified any "must have" criteria, emphasising instead the need for "rounded judgements" taking into account all necessary evidence and the conclusions on separable KLoE criteria.

3.4 The Council did not complete a self-assessment of its arrangements against each KLoE, instead a meeting was held with officers to discuss the progress made in each area. We used the outputs from this meeting, supplementary evidence to support the matters discussed and our knowledge of the Council to score each KLoE, by considering the descriptors for different levels of performance to determine which most closely matches the Council's.

3.5 Criteria for each theme and sub-theme fall within an ascending scale as set out in the table below:

Assessment
Below minimum requirements – "inadequate" performance
Only at minimum requirements – "adequate" performance
Consistently above minimum requirements, and embedded – "performing well"
Well above minimum requirements, and embedded – "performing strongly"

Key findings

3.6 The Council's *overall* management arrangements were assessed as being "consistently above minimum requirements" or "performing well", although *KLoE 3.4: Standards are specified for shared data or data supplied by third parties* was considered to be "inadequate".

3.7 An Action Plan for reinforcing and improving arrangements is appended to this report. Recommendations from last year have been repeated where they were due for implementation after the date of our Stage 1 review (June 2008).

Improvement areas

3.8 The Council does not have processes in place for validating external data provided by third parties, or specifying data quality agreements where information is provided by third parties.

3.9 Testing carried out during our Stage 3 spot checks identified that one of the indicators was unfairly stated due to non compliance with its stated definition. The Council's arrangements should ensure up to date definitions of information used in the calculations of National and Local Indicators are circulated to update all staff involved in recording and reporting on performance information and data quality.

Completeness check (Stage 2)

3.10 The Audit Commission undertook an analysis of the performance indicators submitted by the Council, and highlighted those outturns that were outside of the plausible range or variance criteria.

3.11 The Audit Commission notified us of six indicators where the percentage change, from the previous year's values, were outside the expected range of movement. The significant variances identified related to the following performance indicators:

- BV82a (i) – household waste management, percentage of recycling
- BV82b (i) – household waste management, percentage of composting
- BV183b – average length of stay in hostel accommodation
- BV199a – street cleanliness, amount of litter and detritus
- BV199b – street cleanliness, amount of graffiti
- BV199c – street cleanliness, amount of fly-posting.

3.12 All the indicators had been reviewed by Internal Audit and satisfactory explanations were obtained for the variances identified. On this basis no further investigation was necessary and we were able to conclude that the variances reflected a real change in performance.

Spot checks (Stage 3)

3.13 The objective of the spot check was to determine whether the indicators provided for audit were fairly stated, by assessing whether the:

- source data had been assessed against the six data quality dimensions (completeness, accuracy, reliability, validity, relevance and timeliness)
- source data was correctly represented in the indicator
- correct indicator definition had been used
- correct calculation method had been used.

3.14 Based on our risk assessment, which included consideration of the results of the Stage 1 management arrangements review and Stage 2 analytical review, we did not consider it necessary to spot check any further indicators than those mandated by the Audit Commission. These were:

- BVPI 78a – Time taken to process new benefit claims
- BVPI 78b – Time taken to process benefit changes in circumstances.

Key findings

3.15 The audited performance indicators were submitted to the Audit Commission on 12 November 2008, meeting the submission deadline. The spot check results of the indicators tested are detailed in the table below:

BV78a	Time taken to process new benefit claims	**Fairly stated**
BV78b	Time taken to process benefit changes in circumstances	**Unfairly stated**

BV78a – Time taken to process new benefit claims

3.16 This indicator was concluded as being fairly stated. From our sample of 34 new claims tested, we identified 6 new claims included in the indicator where the processing time had been incorrectly calculated.

3.17 In these cases the date on which the application form was scanned into the Comino system, or another date (such as the date on which a document was signed), was used in calculating the processing time, as opposed to the actual receipt date recorded on the application form received in the designated office. This does not comply with the indicator definition and resulted in an overstatement of the processing time in these cases.

3.18 However, extrapolation of the impact of such errors on the stated indicator value was not considered to be significant, resulting in the fairly stated conclusion.

BV78b – Time taken to process benefit change in circumstances

3.19 This indicator was concluded as being unfairly stated. From our sample of 38 changes of circumstances tested, we identified 9 changes of circumstance included in the indicator that did not meet the stated definition.

3.20 As for BV78a above, the Council used, in several cases, the date on which the notification was scanned into the Comino system as opposed to the actual receipt date recorded on the form received in the designated office. This does not comply with the indicator definition and resulted in an overstatement of the processing time in these cases.

3.21 There was a further case identified that had been classified as a change of circumstance but the claimant had not previously claimed benefit. This should have been classified as a new claim and included in the BV78a indicator calculation not BV78b.

3.22 There was also one instance identified where no written notification had been received from the claimant as notification of a change of circumstance. Instead there was only a record of a telephone conversation on the file. The indicator definition states that only changes of circumstances notified in writing should be included in the indicator calculation. Further enquiries identified that this case was a tax credit case, changes in which are not notified or confirmed in writing, and that all such cases were likely to have been included in the indicator calculation.

3.23 The mandated methodology requires us, where possible, to identify the sub-population relevant to the issue identified before we undertake further testing, with the aim of quantifying and correcting any error identified. Although we were able to determine that the issue related to tax credit cases, the IT system was unable to isolate the relevant population and the Council's efforts to do so manually were deemed too time consuming. Consequently we were unable to quantify the extent of the error in order to conclude whether the indicator value reported was or was not fairly stated or make a correction. In such circumstances we are required to conclude that the indicator is "**not fairly stated**".

Appendix – Action plan arising from the 2008 Data Quality assessment

STAGE 1 – MANAGEMENT ARRANGEMENTS				
General				
1. Circulate the most up to date definitions to all staff involved in the recording of information, to be used in the calculation of National and Local Indicators.	High	Definitions are circulated at the beginning of each financial year and updates are circulated as they are received.	Diana Hall – Audit and Performance Assistant	April 2009
Systems and processes				
2. Design and implement processes for validating data from third parties. *Brought forward from prior year Action Plan*	Medium	A Risk Based approach has been adopted. • Data from other government agencies eg: Police and or NHS or ONS are not validated • Data from the Audit Commission is subject to thorough checks against submitted data • Suppliers and partners will be asked to provide data quality assurances and be subject to audit by agreement	Terry Harper - Senior Performance Management Officer /Kate O'Brien – Performance Information Officer	Done Done September 2009
3. Roles and responsibilities of officers in respect of data quality should be clearly defined and documented as a part of job descriptions. *Brought forward from prior year Action Plan*	Medium	Human Resources have added Data Quality responsibilities to the Personal Development Review/Job Description guidance for 2008/09.	Terry Harper - Senior Performance Management Officer /Human Resources Manager	Done
4. Develop a set of data quality targets and standards against which officers are assessed. *Brought forward from prior year Action Plan*	Medium	To be applied on a risk assessed basis once Divisional Plans are agreed and the Annual PI audit has been conducted.	Terry Harper - Senior Performance Management Officer/Heads of Service	April 2009

Data usage				
5. Subject information that is used for external reporting to vigorous verification, especially where errors may lead to loss of income. *Brought forward from prior year Action Plan*	Medium	Achieved by Data Capture Process and developing use of risk based audits. In place since September 2008.	Kate O'Brien – Performance Inprovement Officer	Done
STAGE 3 – SPOT CHECKS				
BV 78a and b – Time taken to process new benefit claims and changes in circumstances				
6. Exclude from the calculation of indicators any cases which are proper to be excluded in line with current guidance.	High	Quality assurance procedures were implemented in February 2008 to address this aspect of process.	Revenues and Benefits Manager	Done
7. Provide refresh training to all staff involved in recording information used in the calculation of these indicators. In particular, remind staff to use the date of receipt of documentation into the designated office as the start date when calculating the number of calendar days taken to process a claim or change of circumstance.	Medium	Staff training has been conducted and staff reminded of the correct use of statistical control fields to ensure data accuracy.	Revenues and Benefits Manager	Done