

Audit Summary Report

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Data Quality

Manchester City Council

Audit 2007/08

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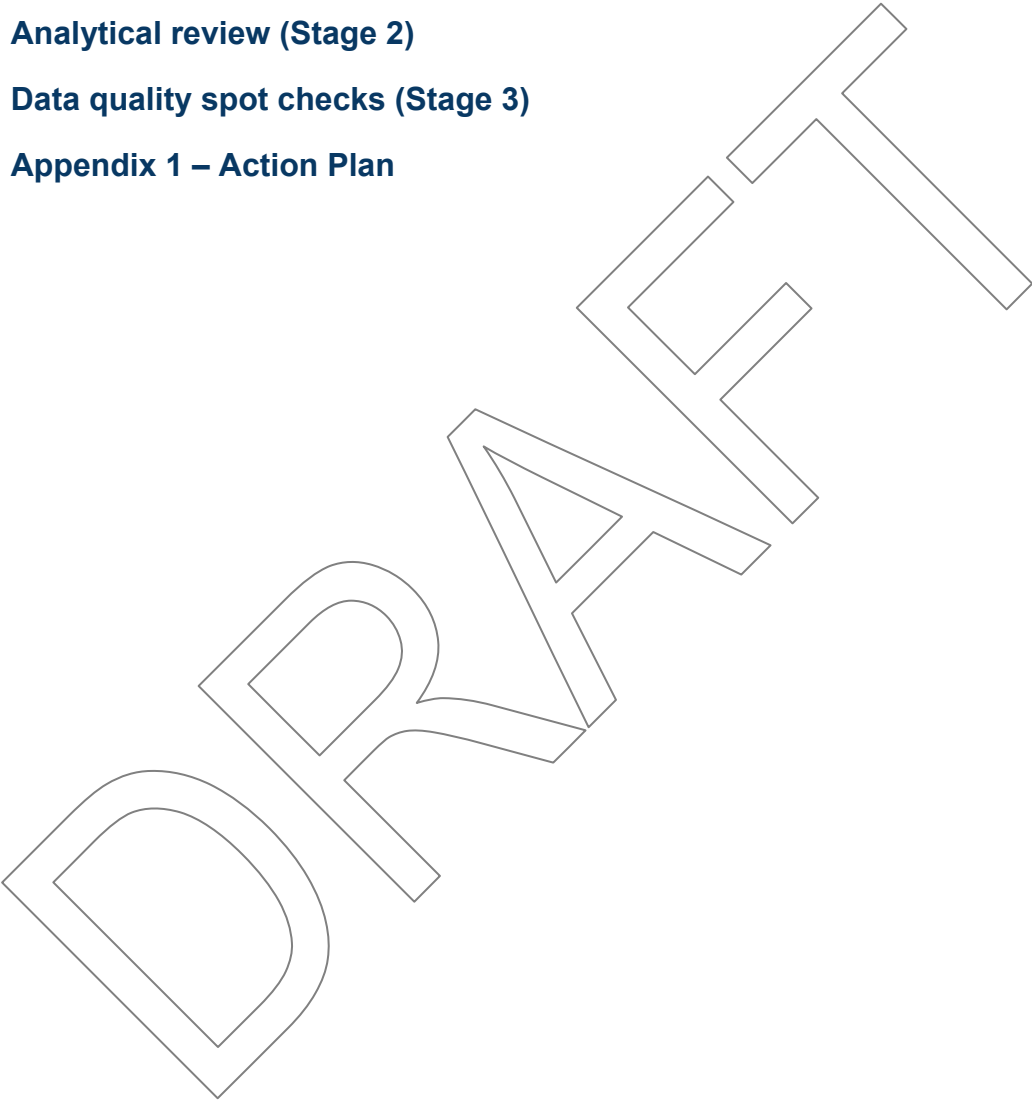
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Contents

- Background 4
- Scope and objectives 5
- Conclusions 6
- Management arrangements (Stage 1) 8**
- Analytical review (Stage 2) 11**
- Data quality spot checks (Stage 3) 12**
- Appendix 1 – Action Plan 15**



Background

- 1 Public bodies are accountable for the public money they spend: they must manage competing claims on resources to meet the needs of the communities they serve, and plan for the future. The financial and performance information they use to account for their activities, both internally and externally, to their users, partners, commissioners, government departments and regulators, must be appropriate for these purposes, providing the level of accuracy, reliability and consistency required.
- 2 Considerable weight is attached to published performance indicators as the basis for reducing the burden of regulation and awarding freedoms and flexibilities. This has made reliable performance information, and the quality of the underlying data, significantly more important. Regulators and government departments need to be assured that reported information reflects actual performance. This will provide confidence that they are focusing on the key areas for improvement.
- 3 Auditors' work on data quality and performance information supports the Commission's reliance on performance indicators in its service assessments for comprehensive performance assessment (CPA). This delivers the commitment to reduce significantly the level of service inspection required.
- 4 Introducing the comprehensive area assessment (CAA) framework from 2009 will make reliable performance information more important. The CAA will place greater emphasis on assessments that are proportional to risk. Councils will also be required to use information to reshape services, and to account to the public for performance.
- 5 The responsibility for securing the quality of the data underpinning performance information can only rest with the bodies that collect and use the data. Producing data which is fit for purpose should not be an end in itself, but an integral part of a body's operational, performance management, and governance arrangements. Organisations that put data quality at the heart of their performance management systems are most likely to be actively managing data in their day-to-day business, and turning that data into reliable information.
- 6 This is the second year in which we have undertaken work on data quality in local government. Our work 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.
- 7 The expected impact of our 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 and objectives

- 8 The Audit Commission has developed a three-stage approach to the review of data quality.

Table 1

Stage 1	<p>Management arrangements</p> <p>A review 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).</p>
Stage 2	<p>Analytical review</p> <p>An analytical review of 2006/07 BVPI and non-BVPI data a selection of a sample for testing based on risk assessment.</p>
Stage 3	<p>Data quality spot checks</p> <p>In-depth review of a sample of 2006/07 PIs most have 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.</p>

- 9 All three stages of the review have been carried out at this Council.
- 10 For stage 3, in addition to the specified indicators, we selected BVPI 8 Percentage of Invoices Paid in Thirty Days for review due to:
- The PI being calculated from information derived from a new financial system; and
 - the analytical review performed at stage 2 highlighted a large reduction in performance.
- 11 We have also followed up our work from last year on HIP HSSA H18 PI (Percentage of Total Private Sector Home Vacant for more than Six months), which was qualified last year.

Conclusions

Stage 1 – Management arrangements

- 12 We concluded that the council has adequate overall management arrangements for ensuring data quality. The arrangements, systems and processes for data quality meet the minimum expected requirements as set out in the key lines of enquiry, with appropriate ownership for the compilation and use of performance information. We did find that these arrangements are not yet being applied consistently across all areas of the Council. Although there are arrangements in place to promote governance, monitoring and the review of data quality, these have not filtered down to all relevant officers, which may result in differing work practices and quality standards being applied across the Council.
- 13 Furthermore, whilst a draft data quality strategy has been developed, this has still to be approved and it is not yet available to officers responsible for producing performance indicators.

Stage 2 – Analytical review

- 14 Our analytical review work at stage 2 concluded that all variations in the PI values reviewed were explained by evidence provided by the Corporate Performance Research and Intelligence Team.

Stage 3 – Data quality spot checks

- 15 We are pleased to report that the PI's reviewed were all found to be materially fairly stated. Through a risk assessment process we selected the following PI's for detailed checking:
- BVPI 199 - Local street and environmental cleanliness - components a, b and c.
 - BVPI 165 - Pedestrian crossing with facilities with for disabled people.
 - BVPI 82b - Household waste management (composting)
 - BVPI 184a - Proportion of LA homes which were non-decent.
 - BVPI 8 - Percentage of invoices paid in 30 days.
 - BVPI 214 - Repeat Homelessness
 - C14a - Assessment of users 16 or over of their library service (PLSS7)
 - H18 Percentage of private sector homes vacant for more than six months
- 16 For each of the performance indicators reviewed we followed a work programme set out by the Audit Commission. This programme looks at the systems in producing data and the calculation of the PI has followed the appropriate guidelines.. Overall the systems and processes were of a good quality, though we have found some potential areas for the Council to make further improvements in the calculation of the PI's.

- 17 These improvements are included in an action plan at Appendix 1 to this report and have been agreed with the council's officers.

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Management arrangements (Stage 1)

- 18 The council’s corporate arrangements for data quality are demonstrating adequate performance and meet the minimum requirements. The Council has arrangements in place to promote governance, monitoring, and review of data quality.

Governance and leadership

- 19 The Council has adequate governance arrangements in place. A draft data quality strategy has now been developed, though not yet circulated to all staff involved in data quality. There is a clear management lead for data quality, with the Head of Corporate Performance having strategic responsibility for data quality. The council is beginning to consider data quality as part of its corporate risk management arrangements,
- 20 The lack of a detailed corporate data quality strategy has resulted in differing standards developing within the Council, for example accountability arrangements vary from department to department. Furthermore there is a lack of corporate targets for individuals associated with data quality..

Recommendations
<i>R1 The data quality strategy should be finalised and circulated to all staff responsible for the production of performance indicators and/or data quality.</i>
<i>R2 Ensure there is consistency in standards followed across the Council for data quality</i>
<i>R3 Set up individual targets in relation to data quality..</i>

Policies

- 21 The Council's policies for data quality are adequate, though further development is required. As previously mentioned the data quality strategy is in draft and covers data collection, recording analysis and reporting over all areas. This is a comprehensive approach though it is still a draft with the senior management team currently considering the strategy.
- 22 Staff have been made aware of the data quality policy and have access to guidance and operational procedures. However the procedures and guidance notes in place do not cover all aspects of the data collection and is limited to the use of Performance information Management System (PIMS), Best Value Performance Indicators (BVPI's) and Local Public Service Agreements (LPSA) targets. This may result in inaccurate performance information being produced.

Recommendations

<i>R4 Review the data quality guidance available to performance staff to ensure that it is comprehensive and reflects the information provided in the data quality policy.</i>
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Systems and processes

- 23** We found that the arrangements in place for systems and processes were developing well. The Performance Information Management System (PIMS) is used to collect, record, analyse and report corporate performance information. Security arrangements are in place for PIMS and other corporate systems, which are regularly tested by ICT.
- 24** The processes in place to capture performance data and to calculate the PI's is mixed. The calculation of some PI's require little or no manual adjustment from system outputs, whilst others are subject to substantial review to produce the output. The impact of this is to increase the amount of resources required to calculate the PI and may increase the risk of mis-statement.
- 25** Data sharing with bodies outside the Council is currently under-developed. We found that there was only limited sharing of information in relation to data quality. Particularly where other Councils have the same information systems, there are real benefits in discussing data quality issues and sharing good practice.

Recommendations

<i>R5 Protocols for data sharing should be produced.</i>
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<i>R6 Discussions with system providers should take place to increase the potential for PI's to be produced automatically by such systems.</i>
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People and skills

- 26** We found that the development of staff and data quality skills was progressing well. The draft data quality strategy sets out appropriate roles and responsibilities. Data quality staff have access to guidance and support, which is demonstrated through the training provision provided. Training is delivered at both service and corporate levels, though this programme remains informal. There are data quality champions within the various services, though networking channels to share good practice have not yet been developed. Not sharing good practice will result in opportunities for improvements in data quality being missed by the Council.

Recommendations

<i>R7 Formalise data quality training arrangements..</i>
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Recommendations

R8 Develop systems of networking for data quality champions.

Data use and reporting

- 27 Data use and reporting is developing well across the Council though there remains some scope for further improvement.
- 28 Corporate performance reports are provided to the Executive and the senior management team on a quarterly basis. The reports provide an overview of the risks of whether targets will be met, ensuring senior officers and members are aware of current performance. The performance information reported is also utilised in the decision making process for example crime data is used to target activity in different areas of the city according to where resources are required.
- 29 Performance information is also used to direct service delivery issues, and is an aid to plan and allocate resources in a more efficient way. PIMS though is not being utilised consistently across all departments, for example our spot check on BVPI 199 identified that the responsible manager did not have appropriate access to the system
- 30 Such inconsistencies may result in differing quality standards across the Council.

Recommendations

R9 Use PIMS in a more effective manner so performance information is complete.

R10 Ensure guidance provided to data quality staff is comprehensive.

Analytical review (Stage 2)

- 31 An analytical review has been performed on the relevant performance indicators available, with all variations receiving appropriate explanation by the Corporate Performance and Intelligence Team. As such we have no further issues to report.

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Data quality spot checks (Stage 3)

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

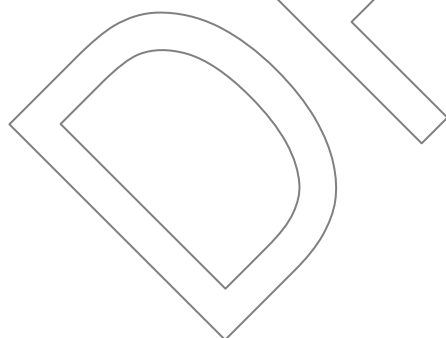
Table 2

Performance indicator	Assessment	Comment
Culture C14a - Assessment of users 16 or over of their library service (PLSS7)	Fairly stated.	The working papers to support the PI were of a high quality. The audit trail provided was complete and well organised. This enabled us to complete our review efficiently and helped ensure the accuracy of the PI.
Environment BVPI 199 - Local street cleanliness - component a, b, and c.	Fairly Stated	There was an incomplete audit trail for the PI, particularly for the first half of the year. In house training has been provided to all inspectors and this is in accordance with ENCAMS, which provides a basis for consistency in the approach.
BVPI 165 - Pedestrian crossing with facilities for disabled people	Fairly stated	The definition as stated within the guidance has been adhered to with any crossings failing to comply being correctly excluded from the outturn. The database that is maintained is complete and information on changes and improvements are recorded on a timely basis.
BVPI 82b - Household waste management (composting)	Fairly stated	There was a good quality audit trail to support the PI outturn, with a clear process of checking data received from Greater Manchester Waste Disposal Authority (GMWDA).
BVPI 184a - Proportion of LA homes which were non-decent	Fairly stated	Whilst the PI was fairly stated there are improvements that can be made. The PI is based on a survey of council homes, undertaken in 2001. This may now mean that some of the data used is inaccurate

Performance indicator	Assessment	Comment
		<p>in the calculation of the PI. Furthermore the responsibility for calculating the PI is allocated to a non council employee. This reduces the level of Council ownership both in the PI itself and the processes used to calculate the PI.</p>
<p>Housing BVPI 214 - Repeat Homelessness</p>	<p>Fairly stated.</p>	<p>Weaknesses in the audit trail were identified. The PI was calculated through information derived from two databases. Whilst we could easily review information from the database in place at the end of 2006/07, this was not the case for the previous system. The impact of this could have resulted in the PI being qualified.</p> <p>Furthermore the indicator was not signed off by senior management. Such a sign off and review can reduce the risk of error in the PI.</p>
<p>H18 Percentage of private sector homes vacant for more than 6 months</p>	<p>Fairly stated</p>	<p>After last year, when this PI was qualified, we found a major improvement in the quality of information provided to support this PI. There is still some improvement to be made, for example testing of the indicator found that landlord properties were incorrectly included in the indicator and that second homes had not been excluded. We considered these errors but concluded that these, this year, would not result in a material error.. The impact of such errors in future years could still lead to the qualification of the PI if the errors identified are considered to be potentially material.</p>
<p>Other service (Corporate Health) BVPI 8 percentage of invoices paid in 30 days.]</p>	<p>Fairly stated</p>	<p>Minor errors were found in the calculation of the PI. Testing of the indicator found errors in relation to the dates recorded for petty cash payments resulting in a small</p>

Performance indicator	Assessment	Comment
		misstatement in the PI. However changes in preparing the evidence for the PI have already been implemented to prevent these errors occurring in the future

Recommendations
<i>R11 Develop mechanisms for the sharing of good practice</i>
<i>R12 The responsibility for the compilation and calculation of Council performance indicators should remain with Council officers.</i>
<i>R13 For BVPI 184a ensure that the survey used as a basis for the PI is appropriately up-to-date.</i>
<i>R14 Full audit trails should be maintained for all indicators.</i>
<i>R15 Where PI's are partially reliant on a database that has been replaced ensure that there are sufficient records maintained to enable the review of the PI.</i>
<i>R16 There should be management review of all PI's produced.</i>
<i>R17 For the vacant homes PI further work with Academy is required to ensure that data used is in line with guidance, for example excluding second homes and RSL properties.</i>



Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R1 The data quality strategy should be finalised and circulated to all staff responsible for the production of performance indicators and/or data quality.	3	Head of Corporate Performance	Yes	DQ policy issued by 31/3/2008	31/03/2008
8	R2 Ensure there is consistency in standards followed across the Council for data quality.	3	Heads of Service / Head of Corporate Performance	Yes	Services to spot check data. Corporate assurance framework developed	31/03/2008
8	R3 Set up individual targets in relation to the data quality.	1	Head of Corporate Performance	Yes	Following implementation of the DQ strategy, targets will be developed based on KLOE and the data quality standards	31/03/2008
8	R4 Review the data quality guidance available to performance staff, to ensure that it is comprehensive and reflects the information provided in the data quality policy.	3	Head of Corporate Performance	Yes	Corporate standards to be reviewed. New set of performance standards to be developed	31/03/2008
8	R5 Protocols for data sharing should be produced.	2	Head of Corporate Performance	Yes	Our approach to data sharing is contained in the DQ strategy. Protocols for sharing data internally and externally will be developed following implementation of DQ strategy	31/03/2008
9	R6 Discussions with systems providers should take place to increase the potential for PI's to be produced automatically by such systems.	1	Heads of Service	Yes	If further development of systems is required following introduction of NIS, discussions with developers will take place.	31/03/2008
10	R7 Formalise data quality training arrangements.	1	Head of Corporate Performance	Yes	Training programme will be developed following implementation of DQ strategy.	31/03/2008

16 Data Quality | Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
10	R8 Develop systems of networking for data quality champions.	2	Head of Corporate Performance	Yes	Performance network established.	31/03/2008
10	R9 Use PIMS in a more effective manner so performance information is complete.	2	Heads of Service	Yes	To ensure that all BVPI's are on PIMs and the right people have access.	31/03/2008
10	R10 Ensure guidance provided to data quality staff is comprehensive.	2	Head of Corporate Performance	Yes	Covered by DQ strategy and associated action plan and performance standards.	31/03/2008
14	R11 Develop mechanisms for the sharing of good practice.	2	Head of Corporate Performance	Yes	Performance network established.	31/03/2008
14	R12 The responsibility for the compilation and calculation of Council performance indicators should remain with Council officers.	1	Director of Housing	Yes	Data is validated by the Council. Responsibility will be reviewed for new national indicator set.	31/03/2008
14	R13 For BVPI 184a ensure that the survey used as a basis for the PI is appropriately up to date.	1	Director of Housing	Yes	Completed. Survey took place in 2006.	Completed
14	R14 Full audit trails should be maintained for all indicators.	3	Head of Corporate Performance	Yes	Agreed	Ongoing
14	R15 Where PI's are partially reliant on a database that has been replaced ensure that thee are sufficient records maintained to enable the review of the PI.	3	Heads of Service	Yes	Agreed	31/03/2008
14	R16 There should be management review of all PI's produced.	3	Head of Corporate Performance	Yes	Agreed	Ongoing

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
14	R17 For the vacant homes PI further work with Academy is required to ensure that data used is in line with guidance, for example excluding second homes and RSL properties.	2	Director of Housing	Yes	Housing confident that these issues can be resolved in time for the next reporting period without recourse to Academy.	31/03/2008

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