

REPORT

REPORT OF	MEETING	DATE	ITEM NO
POLICY & PERFORMANCE	AUDIT COMMITTEE	JANUARY 29 TH 2009	

DATA QUALITY AUDIT

Public item

This item is for consideration in the public part of the meeting.

Summary

The report in Appendix 1 is the final report from the external Auditors on the Data Quality arrangements that are in place at Fylde Council. The highlights of the report will be presented to the committee by a member of the external Audit Team that carried out the inspection.

Recommendations

1. That the committee recognises and commends the improved status of the Data Quality arrangements at Fylde from 'adequate' to 'performing well'.
2. That the committee accepts the recommendations on page 6 of the KPMG report and instructs the Director of Performance and Business Improvement to incorporate the actions into an Action Plan with clear time scales and responsibility for delivery.

Portfolio Holder

The Cabinet Portfolio Holder for Policy & Performance is Councillor Paul Rigby.

Report

1. The report from KPMG on the Data Quality arrangements at Fylde Council is included in Appendix 1 and will be presented to the Audit Committee by a member of the team that carried out the inspection work.
2. The Council has been rated as 'performing well' for Data Quality arrangements which is an improvement on the rating of 'adequate' in 2007. The Data Quality audit examines the arrangements in place at the authority for performance management.

3. This report has been included on the agenda at the request of the external auditors and in line with the terms of reference for the committee.

IMPLICATIONS	
Finance	There are no direct financial implications arising from the report.
Legal	There are no direct legal implications arising from the report.
Community Safety	There are no direct community safety implications.
Human Rights and Equalities	There are no direct human rights and equalities implications arising from the report.
Sustainability	There are no direct sustainability implications arising from this report.
Health & Safety and Risk Management	There are no direct health & safety or risk management implications arising from this report.

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List of Background Papers		
Name of document	Date	Where available for inspection

List of appendices

Appendix 1: Data Quality Review 2007/08 Final Report



GOVERNMENT

**Data Quality
Review
2007-08**

Fylde District Council
8 December 2008

AUDIT

Content

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Page

Executive summary 2

Management Arrangements 4

Performance Indicator Spot Checks 5

Appendices 6

1. Recommendations
2. Prior Year recommendations

This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document. External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Trevor Rees who is the engagement lead to the Council, telephone 061 246 4063 or email trevor.rees@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Team, Nicholson House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SU or by e mail to: complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

Executive Summary

The Audit Commission has developed a three-stage approach for assessing data quality, the first stage being a review of management arrangements for data quality. This review determines whether the Council has in place proper corporate management arrangements for data quality, and whether they are being applied in practice. This is the third year in which work on data quality has been undertaken.

The findings support our conclusion on your arrangements to secure value for money in relation to the specific criterion on data quality. This requires the Council to have *'a track record of using high quality information on costs to actively manage performance, improve value for money and target resources'*. This conclusion will be issued with the 2007/08 audit opinion on your accounts.

Stage One

The work on management arrangements focuses on corporate data quality arrangements for your performance information. Our work will help drive improvement in the quality of performance information, leading to greater confidence in the supporting data on which performance assessments are based. The review is structured around five themes:

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

These themes break down into thirteen Key Lines of Enquiry (KLOEs). We have assessed your arrangements against each KLOE and have scored you against each theme as defined below:

Level	Description
Inadequate	Below minimum requirements - inadequate performance
Adequate	Only at minimum requirements - adequate performance
Performing well	Consistently above minimum requirements - performing well
Performing strongly	Well above minimum requirements - performing strongly

We have assessed your overall performance as performing well. You have performed well in respect of your arrangements over all five themes.

We have provided our key findings in Section One and have raised 7 recommendations, summarised in Appendix 1. We report on the implementation of prior year recommendations in Appendix 2

Executive Summary

Stage Two

During Stage Two of the process we followed up issues arising from the analytical review of 2007/08 BVPI and non-BVPI data, used in the Comprehensive Performance Assessment carried out by the Audit Commission. This analytical review informed our selection of a sample for testing at Stage Three.

Stage Three

When deciding how many and which PIs to review at Stage Three, in addition to those identified for review by the Audit Commission, we used the results from Stage One and our cumulative audit knowledge and experience to determine the total number of PIs for review. As a result of this, we have identified 1 BVPI to review (BV199 of which there are three components). In addition, it is mandatory to review two housing benefits PIs (BV78a and BV78b) at Stage Three. The following were therefore reviewed:

- BV199a- Litter and detritus
- BV199b- Graffiti
- BV199c- Fly posting
- BV78a- Speed of processing new claim to Housing Benefit/ Council Tax Benefit
- BV78b- Speed of processing change of circumstances to Housing Benefit/ Council Tax Benefit

We have also followed up the work from last year on HIP HSSA (Percentage of total private sector homes vacant for more than six months). In 2006/07 the Audit Commission identified a number of weaknesses in the system for compiling the PI.

The results of these spot check reviews indicate that the data quality underpinning your PIs is adequate. No indicators required an amendment to be made to the outturn. The results of our data quality spot checks are summarised in Section Two.

Best Value Performance Plan Report

In prior years we audited your Best Value Performance Plan in accordance with the Local Government Act 1999 and the Audit Commission's Code of Audit Practice. From this year there is no requirement for this to be audited.

Section one

Management Arrangements

We have assessed your **overall level of performance** as **performing well**. You have performed well in respect of your arrangements across all KLOEs.

The table sets out key drivers behind each theme, and details areas where you are currently meeting requirements and areas where further development is required.

Theme	Performance	Key issues
Governance & Leadership	Consistently above minimum requirements	<ul style="list-style-type: none"> ✓ Responsibility for data quality has been clearly allocated throughout the organisation and is informally understood. ✓ The Council has documented its overall corporate data quality objectives within the data quality policy. ✓ The Council has effective arrangements in place for monitoring and review of data quality. <ul style="list-style-type: none"> • The roles and responsibilities for all individuals involved in the data quality process should be formally and more fully defined. • All relevant individuals should have formally defined personal data quality objectives and targets. These should be assessed as part of the corporate appraisal process.
Policies & Procedures	Consistently above minimum requirements	<ul style="list-style-type: none"> ✓ A corporate data quality policy is in place. This is supported by a full suite of up-to-date operational procedure notes and guidance. ✓ Up-to-date policies and procedures are available to staff via the performance intranet. They are followed consistently by staff across the organisation. ✓ The Council is proactive in informing staff of any policy or procedure updates. <ul style="list-style-type: none"> • The Council should update its data quality policy to include clear procedures for the collection, recording, analysis and reporting of partnership data.
Systems & Processes	Consistently above minimum requirements	<ul style="list-style-type: none"> ✓ The Escendency System is in place for the collection, recording, analysis and reporting of the data used to monitor performance. ✓ The Council has controls in place to ensure that information systems produce the quality of data needed to report on performance. ✓ Clear and documented standards should be specified for shared data or data supplied by third parties. <ul style="list-style-type: none"> • The Council should put systematic arrangements in place to ensure that data supplied by third parties is fit for purpose, for example, via direct input into the Escendency System or through data quality assessments carried out by Internal Audit.
People & Skills	Consistently above minimum requirements	<ul style="list-style-type: none"> ✓ The Council communicates the responsibilities of staff for achieving data quality via the annual data quality and performance indicator workshop. ✓ Arrangements are in place to ensure that staff have the necessary skills to undertake their roles effectively. <ul style="list-style-type: none"> • The authority should undertake a needs analysis in order to understand the current and future data quality training needs across the council. Partners should also be considered as part of this process.
Data Use	Consistently above minimum requirements	<ul style="list-style-type: none"> ✓ The Council uses reported data to performance manage and improve the delivery of services. ✓ Data used to report on performance is subject to internal controls and validation. <ul style="list-style-type: none"> • The Council should ensure that all PIs including non-BVPIs have a full and robust audit trail in place. This should include evidence of senior level approval and review prior to external reporting.

Section two

Data Quality Spot Checks

Our Stage Two and Three analytical review work identified that the PI values reviewed largely fell within expected ranges. Some PI data fell outside of the Audit Commission defined plausible ranges. However, all these PIs when reviewed were substantiated by evidence. We carried out spot checks on three components of one of your PIs (including the two housing benefit PIs). As a result of our audit work no PIs required amendment. No reservations were issued on any PIs, as summarised in the table below.

Our follow up work from last year on HIP HSSA (Percentage of total private sector homes vacant for more than six months) found that this recommendation had been implemented in part. Please see Appendix 2 for further detail.








PI	Description	Value stated	Conclusion
BV199a	Local Street and Environmental Cleanliness– Litter and detritus	9.8%	Fairly stated
BV199b	Local Street and Environmental Cleanliness- Graffiti	2%	Fairly stated
BV199c	Local Street and Environmental Cleanliness – Fly posting	0%	Fairly stated
BV78a	Speed of processing new claim to Housing Benefit/ Council Tax Benefit	32 days	Fairly stated
BV78b	Speed of processing change of circumstances to Housing Benefit/ Council Tax Benefit	6.8 days	Fairly stated

Recommendations

This appendix summarises the recommendations we have identified relating to your data quality management arrangements. We have given each a risk rating (as explained below) and agreed with management what action you will need to take.

We will follow up these recommendations as part of our 2008-09 audit.

Priority rating for recommendations		
<p>Priority one: Addressing these issues is essential to assist in moving you towards an improved rating.</p> 	<p>Priority two: Addressing these issues is desirable to assist in moving you towards an improved rating.</p> 	<p>Priority three: Addressing these issues will assist in moving you towards an improved rating.</p> 

No.	Priority	Recommendation	Management response	Officer and due date
1	 (two)	Governance and leadership The Council should formally document the responsibilities of PI Responsible Officers and PI Validators to ensure that the roles are applied consistently across the organisation.	Responsible officers and validators will be listed in Escendency and published on the performance management section of the intranet.	Alex Scrivens February 2009
2	 (three)	Governance and leadership The Authority should ensure that all relevant individuals have formally defined personal objectives and targets in relation to data quality, and are assessed against these as part of the corporate appraisal process.	Responsible officers and validators (using the list from action 1 above) will have personal objectives and targets linked to data quality incorporated into the 2009/10 personal development appraisals.	Allan Oldfield June 2009
3	 (two)	Policies and procedures The Councils data quality policy should clearly outline procedures for the collection, recording, analysis and reporting of partnership data.	Procedures will be included after consultation with partners.	Allan Oldfield May 2009
4	 (two)	Systems and processes The Authority should ensure that formal data sharing protocols are in place for all key third parties, detailing the responsibilities of partners to provide data which is 'fit for purpose'.	The protocol will be reviewed with the LSP and applied to all third party data sharing.	Allan Oldfield June 2009
5	 (two)	Systems and processes The Council should put systematic arrangements in place to validate partnership data, for example, via the Escendency System or through data quality assessments carried out by Internal Audit.	Third parties will be asked to provide evidence that the data they submit has been subject to appropriate validation as part of the protocol in action 4 above and this will be checked by the Audit Team	Savile Sykes July 2009
6	 (three)	People and skills The Authority should undertake a needs analysis in order to understand the current and future data quality training needs across the council. Partners should also be considered as part of this process.	The council will carry out an internal needs analysis to identify training needs. Advice and support will be offered to partners along with attendance at any training events but bespoke training for partners could not be delivered within existing resources.	Allan Oldfield August 2009
7	 (one)	Data Use The Council should ensure that all PIs including non-BVPIs have a full and robust audit trail in place. This should include evidence of senior level approval and review prior to external reporting.	Escendency provides the audit trail for data submission and validation / approval. A procedure will be developed to ensure that data is reviewed prior to external publication / reporting.	Alex Scrivens January 2009 Allan Oldfield March 2009

Appendix 2

Prior Year Recommendations

This appendix summarises the progress made to implement the recommendations that were identified in previous Data Quality reports. Each of the observations have an associated a risk rating (as explained in Appendix 1). In summary:

Year	Number of recommendations that were:		
	Included in original report	Fully implemented in year	Outstanding or superseded
2006-07	7	5	2
Total	7	5	2

No.	Risk	Issue and recommendation	Management response	Officer and due date	Status at November 2008
1	● (two)	Governance and Leadership Reflect the Councils commitment to data quality in key strategic documents and plans.	Subject to list of the documents being confirmed. Confirmed as essential for the corporate plan and performance management framework	PW/AO March 2008	Recommendation fully implemented The data quality commitment is clearly stated within the data quality policy itself and as part of the Corporate Plan 2008.
2	● (two)	Governance and Leadership Ensure that the annual Internal Audit review of PIs includes non-BVPI data.	This will be built into the audit work plan by Savile Sykes.	AO/SS January 2008 work plans	Recommendation fully implemented Non BVPI data was reviewed as part of the 2007/08 Internal Audit work plan. For example, customer service local PI's were tested as part of this remit.
3	● (two)	Governance and Leadership Ensure that recommendations from all reviews of data quality are fully addressed.	Any actions will be built into Escendency - already action planning in Escendency.	AO/AS Completed	Recommendation fully implemented All action plans arising from Internal Audit reviews are now uploaded and tracked 'live' on the Escendency system. PI managers are required to agree and document progress against all action points. Internal Audit sign off and approve all completed action plans. This is an example of best practice in this area

Prior Year Recommendations continued

No.	Risk	Issue and recommendation	Management response	Officer and due date	Status at November 2008
4	● (two)	<p>Policies and Procedures</p> <p>Ensure that the data quality strategy is further developed to include:</p> <ul style="list-style-type: none"> • detail on specific data quality objectives and targets; and • a detailed delivery plan setting out milestones and targets to support improvement. 	Data Quality Policy is under review and will be completed in January 2008 with an action plan, targets and data quality standards.	AO/AS January 2008 Cabinet	<p>Recommendation fully implemented</p> <p>The Councils data quality strategy was updated in January 2008. This revised policy now includes a full suite of data quality objectives, standards and targets as well as a full data quality delivery plan.</p>
5	● (two)	<p>Systems and Processes</p> <p>Ensure an effective framework for data sharing is in place and develop formal data sharing protocols with partners.</p>	Data sharing protocols will be set and form processes in place for example, how do we transfer data, how do we hold data, what do we share.	AO/LSP March 2008	<p>Recommendation not implemented</p> <p>The Council has yet to develop formal data quality sharing protocols with its key partners. The authority should prioritise this in light of new CAA arrangements.</p> <p>This has been rolled forward into the 2007/8 Action Plan. See Recommendation 4.</p>
6	● (two)	<p>People and Skills</p> <p>Assess data quality training need and provision, including identify developments that may impact on staff skills.</p>	Data quality workshops in place for February 2008 and every year to prepare for new PI's and data quality progress.	AO/AS February 2008	<p>Recommendation fully implemented</p> <p>Annual data quality workshops are now being delivered across the council to ensure all relevant staff have the necessary skills to undertake data quality roles effectively.</p>
7	● (one)	<p>Data use</p> <p>Ensure that the systems for the preparation of data for the PI for private sector homes vacant for more than six months provide a full audit trail to ensure the accurate calculation of the indicator.</p>	Arrangements have been set up to ensure full audit in Escendency and for accurate comprehensive and reliable paper based records on the Housing team.	AO/AS Completed	<p>Recommendation partially implemented</p> <p>A high level review of the audit trail supporting this PI was conducted as part of our stage three spot check work. It was noted that backing documentation was in place to support the overall calculation, however, working papers could have been better organised and more robust. Evidence of senior level approval should also be clearly noted on file.</p> <p>This has been rolled forward into the 2007/8 Action Plan. See Recommendation 7.</p>