Grant Thornton

Huntingdonshire District Council
Data Quality Audit Report 2006/07

March 2008

Corporate Governance Panel
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
Cambridgeshire PE29 3TN

11 March 2008

Dear Sirs

HUNTINGDONSHIRE DISTRICT COUNCIL - DATA QUALITY AUDIT REPORT 2006/07

This Data Quality Audit Report 2006/07 has been prepared in order to record the key matters arising from our audit. We have discussed our findings with the Council's Data Quality Lead, Howard Thackray, although the views expressed are those of Grant Thornton. The scope and objectives of this report are further detailed in Section 2.

We would like to take this opportunity to thank the Data Quality Team and other staff and directors for the co-operation and assistance afforded to us during the course of our audit.

Yours faithfully

Grant Thornton UK LLP

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1   Background

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.

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.

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.

Introducing the comprehensive area assessment (CAA) framework from 2009 will make reliable performance information even 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.

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.

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.

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.

2 Scope and Objectives

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

Stage 1	**Management arrangements** 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).
Stage 2	**Analytical review** An analytical review of 2006/07 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 2006/07 PIs, all of 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.

All three stages of the review have been carried out at Huntingdonshire District Council ('the Council').

3   Conclusions

Stage 1 – Management arrangements

The council's overall management arrangements for ensuring data quality demonstrated adequate performance in respect of the financial year 2006/7. The Council has a long-term focus on improving data quality and have introduced a number of significant improvements, the full benefit of which will be realised in future years.

Key areas of improvement in the year:

- Governance & Leadership - The Council has consolidated its performance to an adequate standard and we will expect this to improve significantly in 2007/08 with the implementation of the Data Quality strategy. We noted that lines of accountability for data quality were starting to embed.

- Policies & Procedures - Some improvements have accrued from a change to the Audit Commission criteria regarding access to procedure notes and updates.

- Systems & Processes - The basic level of systems security surrounding the CORVU system established in 2005/06 now meets the minimum standards set by the Audit Commission. There was some evidence that the Council is improving its ability to compile data on a 'right first time' basis.

- People & Skills - The Council now meets the minimum standard for communicating data quality responsibilities to staff, and recent work on job descriptions provides a foundation for further improvement.

- Data Use - A high standard of data use in a strategic context was maintained. Improvements were noted in the standard of audit trail and the effectiveness of checking by management of national data returns.

Key areas for development:

- Governance & Leadership - Greater clarification of strategic leadership roles and systems of governance and review for data quality would strengthen performance in this area.

- Policies & Procedures - Recent developments in the Council's data systems will need to be backed by up to date systems documentation in order to maintain the level of performance in 2007/08.

- Systems & Processes - There was some evidence that work has been done to strengthen controls over data shared with partner organisations, but this has yet to be fully embedded.

- People & Skills - A formal training programme to support the new data quality strategy will strengthen the level of performance in this area.

- Data Use - Improved high level governance and review, e.g. a formal signing off process for all returns, would improve the process.

An action plan has been agreed with the council (see Appendix) to address the issues arising from this review.

Stage 2 – Analytical review

Our analytical review work at stage 2 identified that all of the PI values reviewed fell within expected ranges.

Stage 3 – Data quality spot checks

Our review and spot check of BVPIs 199a-c and BVPI 214 found that these indicators were fairly stated.

4   Management Arrangements (Stage 1)

Overall, the council's corporate arrangements for data quality are demonstrating adequate performance.

Within the overall score, the Council achieved adequate performance in all five key lines of enquiry (KLOE) set by the Audit Commission. These are:

- Governance & Leadership (KLOE 1)
- Policies (KLOE 2)
- Systems & Processes (KLOE 3)
- People & Skills (KLOE 4)
- Data Use & Reporting (KLOE 5)

For 2007/08 the Council should look to embed recent developments and improve the arrangements in place at the Council to secure good data quality (see recommendations).

Governance and Leadership

The Council has made progress in the following areas:

KLOE 1.1 - Responsibility for data quality is clearly defined.

- It is clear from the 2007/08 data quality strategy and action plan that accountability arrangements are developing; and

- Through the Corporate plan and the publication of the draft data quality strategy, the Council has demonstrated a clear corporate commitment to data quality.

KLOE 1.2 - The council has clear data quality objectives and these are formally documented.

- The Council has drafted a Data Quality Strategy for 2007-08. This provides evidence of a strategic approach, sets objectives and outlines a clear plan for improving data quality in the organisation.

KLOE 1.3 - The council has effective arrangements for monitoring and review of data quality.

- Monitoring and review of data quality in the Council is not formally defined. We noted that Heads of Service are in the process of developing a programme of review and monitoring, starting with key data from their quarterly reports, due for implementation in Autumn 2007; and

- The corporate planning process provides evidence that data quality checks are the responsibility of a named officer providing some linkage to the Council's corporate objectives.

However, the Council needs to focus on the following areas for improvement:

- Corporate leadership arrangements for Data Quality are not explicitly addressed in the 2007/08 DQ Strategy. Formal leadership responsibilities for data quality should be allocated to a member of the senior management team;

- The Council has been able to provide limited evidence of data quality issues being routinely reported to and considered by those charged with governance. The Council should consider the extent to which this takes place and how this can be evidenced.

- Data Quality responsibilities are starting to be incorporated into job descriptions, but this is not fully embedded throughout the organisation;

- Data quality is considered as part of corporate risk management process but is not fully developed and managed as a key risk. The risk and potential impact of data error for individual data performance indicators and returns has not been fully assessed; and

- The ongoing development of arrangements for the monitoring and review of data quality within the Council should be closely monitored to ensure that this is delivered within a reasonable timescale.

Policies

The Council has made progress in the following areas:

KLOE 2.1 - Organisational policy for data quality has been defined and is supported by a current set of operational procedures and guidance.

- The council has maintained adequate level of performance through having approved data quality policies in place at operational level, with some guidance documents in place. We note that the draft Data Quality Strategy for 2007-08 includes corporate data quality policies.

KLOE 2.2 - Policies and procedures are followed by staff and applied consistently throughout the organisation.

- The Council has a good level of back office support for staff in regard to data quality.

However, the Council needs to focus on the following areas for improvement:

- Documentation and guidance for data quality systems are not comprehensive and will need to be fully developed and embedded to support the new Data Quality strategy in 2007/08.

Systems and Processes

The Council has made progress in the following areas:

KLOE 3.1 - There are appropriate systems in place for the collection, recording, analysis and reporting of the data used to monitor performance.

- Progress has been made on resolving control weaknesses in the CORVU performance systems which were identified by internal audit. The Council recognises the need to be "right first time", and work continues to achieve this; and

- Data handling arrangements are not yet fully integrated into business planning and day-to-day management although management have stated that this will follow implementation of the revised corporate plan for 2007/08.

KLOE 3.2 - The council has controls 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.

- Formalised control testing was not undertaken in 2006/07, however management have stated that departmental checks of data, prior to reporting to senior management, would be implemented as part of the new data quality policy; and

- There was no evidence of an annual review of data quality controls for 2006/07, however management stated that this was to be addressed as part of the revised corporate plan, using the corporate scorecards.

KLOE 3.3 - Security arrangements for performance information systems are robust, and a business continuity plan is in place.

- The Council has an adequate level of security over the Corvu system. There are also basic arrangements in place for recovery of performance data.

KLOE 3.4 - Standards are specified for shared data or data supplied by third parties.

- Instances of internal and external data sharing have been identified as part of the partnership framework exercise.

- Validation processes were not evident for 2006/07, however it is clear that this is being addressed for 2007/08.

However, the Council needs to focus on the following areas for improvement::

- The new data quality policy for 2007/08 should be used to strengthen data quality systems, in order to achieve 'right first time' data. This should address the following specific areas:

  – Strengthened departmental data quality system controls.
  – Formalised annual review data quality control effectiveness.

- The Council does not currently have a formal system for checking the effectiveness of security on core data systems.

- The council has yet to establish adequate data sharing protocols or data validation arrangements for data received from external partners. This should be developed following the partnership review process.

People and Skills

The Council has made progress in the following areas:

KLOE 4.1 - The council has communicated clearly the responsibilities of staff, where applicable, for achieving data quality.

- A significant amount of work has been done in regard to communicating to staff their responsibility for data quality. New measures are yet to be fully embedded, but should be in place for 2007/08. The need to embed data quality targets in appraisal documents and job descriptions has been communicated to service managers and is being rolled out.

KLOE 4.2 - The council has arrangements in place to ensure that staff with data quality responsibility have the necessary skills.

- General staff training was delivered as part of the implementation of the new corporate balanced scorecard, with some reference to data quality requirements. A review of specific data quality training provision is scheduled to take place in 2007/08 as part of this process. Corvu had also been updated with improved guidance.

However, the Council needs to focus on the following areas for improvement:

- There was no quick reference guidance available to staff in 2006/07. This should be developed on the back of the new data quality strategy and policy; and

- For 2006/07 there was no formal programme of data quality training for staff. The delivery of specific data quality training in 2007/08, including regular updates on issues and system changes, should be closely monitored.

Data Use and Reporting

The Council has made progress in the following areas:

KLOE 5.1 - 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.

- The Council maintained a 'good' level of performance in regard to the use of information. Information from the Corvu system is used for both high level reporting and operational use. Targets are included for all performance indicators and identify predictive outturns based on the information to date. The Council reports performance information to Overview and Scrutiny committee on a quarterly basis.

KLOE 5.2 - The council has effective validation procedures in place to ensure the accuracy of data used in reported performance indicators.

- Data returns were supported by a clear audit trail. No issues have been identified with respect to audit trail in the data quality stage 3 testing for 2005/06 or 2006/07; and

- Robust verification and senior approval mechanisms were in place. There were no BVPI reservations coming out of our data quality stage 3 audit work for 2005/06 or 2006/07.

However, the Council needs to focus on the following areas for improvement:

- We established that not all national data returns were fully signed off by senior management. The Council should ensure that sign off by senior management is standardised for all external data submissions; and

- For 2006/07, we were unable to evidence a direct link between the use of performance information by senior management and tangible service improvement. A direct link between data management and service improvement over a period of several years is a characteristic of 'excellent' data use.

5 Analytical Review (Stage 2)

An analytical review of the Audit Commission's specified BVPIs and non-BVPIs was carried out. All PIs were within the plausible and permissible values defined by the Audit Commission; therefore no concerns were noted at Stage 2 with regard to whether or not these specified indicators were fairly stated.

6   Data Quality Spot Checks (Stage 3)

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

Performance indicator	Assessment
Environment	
BVPI 199a-c	Fairly stated
Housing	
BVPI 214	Fairly stated

We are pleased to note that the audit of these two indicators demonstrated that the systems in place to generate the data to calculate these indicators are sound, and that Council officers have accurately calculated the outturn of these indicators.

Appendix A   Action Plan

This action plan includes recommendations intended to assist the Council in achieving sufficient improvements to demonstrate compliance with the requirements of the next level within the Data Quality Overall Management Arrangements framework. Also the plan includes recommendations around those criteria considered as achieving excellent performance within the framework. Where recommendations have been made relating to achieving excellent performance the Council should consider the costs and benefits of implementing procedures. Our priority system grades the most significant recommendations as 'High'.

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 1.1 Responsibility for data quality is clearly defined					
1	Corporate leadership arrangements for Data Quality are not explicitly addressed in the 2007/08 Data Quality Strategy. Formal leadership responsibilities for data quality should be allocated to a member of the senior management team.	Medium	Allocate responsibility for Data Quality to a Director.	Director of Central Services	April 08

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
2	The Council has not demonstrated that significant data quality issues are routinely reported and considered by those charged with governance. Where significant issues arise, the Council should report this to the management team or the member group charged with governance and report on progress against actions taken.	Medium	Agreed – no significant data quality issues have yet arisen, when and if they occur they will be reported to appropriate Director and if necessary the Corporate Governance Panel	Policy and Strategic Services	On-going
3	Data Quality responsibilities should be fully incorporated into job descriptions of staff with responsibility for data quality.	Medium	This is will be considered by Heads of Service/Activity managers and covered in the DQ strategy action plan:- . "*Ensure that operational roles and responsibilities for data quality (where this is a significant part of an officers job) are consistently reflected in the relevant job descriptions and performance appraisal documents*"	Heads of Service	May 2008

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 1.3 Arrangements for monitoring and securing data quality					
4	Data quality is considered as part of corporate risk management process but is not fully developed and managed as a key risk. The risk and potential impact of data error for individual data performance indicators and returns should be fully assessed and incorporated into corporate risk management arrangements.	High	The risk register includes the following risk, which is owned by the COMT. "The Council does not deliver against its Corporate Objectives or the National Performance Indicators resulting in adverse external audit and inspection reports and government intervention or restrictions of freedoms". One of the controls that manages this risk is the regular review of data quality. This risk and control has been reported to Members. We are satisfied with the way that we are treating data quality issues and do not consider it requires to be a separate risk entry on the register.	Financial Services	On-going
5	The ongoing development of arrangements for the monitoring and review of data quality within the Council should be closely monitored to ensure that this is delivered within a reasonable timescale.	High	An action in the DQ strategy:- *"To ensure documented measure procedures are kept up to date. (this will enable data to be collected in an accurate and consistent manner)"* This is expected to be updated whenever a measure or system changes not at a fixed point in time.	Heads of Service and Activity managers	On-going

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 2.1: Policy for data quality					
6	Documentation and guidance for data quality systems are not comprehensive and will need to be fully developed and embedded to support the new data quality strategy in 2007/08.	High	PI measure procedures have been completed, guidance for use of Corvu has produced for data in-putters and further support is provided as requested.	Policy and Strategic Services	On-going
KLOE 3.2: Performance system controls					
7	The new data quality policy for 2007/08 should be used to strengthen data quality systems, in order to achieve 'right first time' data. This should address the following specific areas: • Strengthened departmental data quality system controls. • Formalised annual review of data quality control effectiveness.	Medium	The data quality strategy and documented measure procedure will strengthen data quality controls The documented measure procedure is reviewed as and when measure/systems change	Heads of Service and Activity managers Heads of Service and Activity managers	On-going On-going

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 3.3: Data Security					
8	The Council should develop a formal system for checking the effectiveness of security on core data systems.	Medium	The Information Manager will, on an annual basis, and additionally in response to a specific threat or perceived enhanced level of risk (e.g. the recent data protection act scares), lead a review of all aspects of information security and provide a report to the Head of Information Management and to COMT	Information Manager	On-going
KLOE 3.4: Data sharing					
9	The council should establish adequate data sharing protocols or data validation arrangements for data received from external partners. This should be developed following the partnership review process.	High	This is Included in the Partnership framework guidance/health check and will be implemented for performance management of LAA	Policy and Strategic Services Policy and Strategic Services	Feb 08 June 08

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 4.1: Communication of data quality responsibilities					
10	There was no data quality quick reference guidance available to staff for 2006/07. This should be developed on the back of the new data quality strategy and policy.	Medium	At an operational level people responsible for the collection of data have the documented measure template to refer too. The DQ strategy has been circulated to Heads of Service and Activity managers.	Policy and Strategic services	On-going
KLOE 4.2: Data Quality training					
11	A formal programme of specific data quality training should be developed for 2007/08, including regular updates on issues and system changes. This training should be reviewed and updated accordingly.	High	Staff responsible for entering data into Corvu are given the necessary training and support, guidance has been supplied and is updated as and when necessary	Policy and Strategic services	On-going

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 5.1: Reported performance information is actively used in the decision making process					
12	The Council should establish a processes which will enable it to demonstrate a direct link between data management and service improvement.	Medium	Quarterly divisional reports to COMT/ O & S/Cabinet. Poor performance is identified and acted upon	Policy and Strategic services	On-going
KLOE 5.2: Reported performance information is validated					
13	The Council should ensure that sign off by senior management is standardised for all data submissions.	High	A judgement is taken (by Head of Service) as to the level of seniority required to sign of data submission. For local/BVPI's the measure procedure template requires data to be verified by the appropriate officer prior to entry into the councils performance management software "Corvu"	Heads of Service	On-going