

Data Quality Report

Croydon London Borough Council

Audit 2007/08

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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 council's operational, performance management, and governance arrangements. Councils 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 comprising the following.

Table 1

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 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 An 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.

- 9 All three stages of the review have been completed.

Main conclusions

- 10 The Council's management arrangements for data quality meet the minimum requirements under the Audit Commission's assessment framework. The Council has a published data quality strategy. Training was provided during the year however we found that in some departments training had not been provided to all key officers who prepared the PIs in 2006/07. A Director is required to check and sign the data before submission to the auditors but we found during testing that this did not always result in the calculation of an accurate PI.
- 11 Testing the sample of PIs at stage 3 revealed that the corporate data quality procedures set out in the Council's Data Quality Strategy are not always applied consistently.
- 12 Six Performance Indicators were tested at stage 3. A reservation was placed on one BVPI *Percentage of pedestrian crossings with facilities for disabled people (BV165)* because the Council could not provide an accurate figure by the agreed deadline. Three other PIs were amended following our audit.

- 13** Following the number of errors found during the stage 3 audit (four out of six PIs were amended or reserved) the judgements made at stage 1 were updated to reflect the data quality weaknesses found. A detailed action plan has been drawn up (see Appendix 1) to address the issues arising from this review.

Management arrangements (stage 1)

- 14 We concluded that the corporate arrangements for data quality demonstrate an adequate performance under the Audit Commission's assessment framework.

Governance and leadership

- 15 Responsibility for data quality is clearly defined and the Council is demonstrating high level commitment to performance management through the Council's Management Team.
- 16 Last year we recommended that a Data Quality Strategy should be created. The Council has responded to this recommendation and in June 2007 issued a Data Quality Strategy 2007-2010 that is published both on the Council's intranet and internet.

Policies

- 17 The Council's Data Quality Strategy 2007-2010 defines its expectations and requirements to ensure the integrity of data collection and reporting. The Council has also stated that its policy on data quality is implicit in the processes and practices being applied by departments. A data quality policy should be supported by a comprehensive and current set of operational procedures and guidance notes that meet user needs and are fit for purpose in each department. It should also include any relevant national standards and requirements, as well as defining local practices and monitoring arrangements.
- 18 The Council's performance management framework 'Croydon counts' has been communicated to all staff with responsibility for collecting data and producing reports. As a result processes are in place to ensure compliance with the production of accurate and timely performance information. In particular, the Council's Internal Auditor's work programme includes review of arrangements in the departments both with regard to underlying systems and the arrangements for compiling performance information to identify any issues or opportunities to spread best practice.

Recommendation

R1 Continue to review the processes and practices in place within departments and identify best practice.

Systems and processes

- 19 There are systems in place to ensure the accuracy of the data used to produce the corporate performance information but these systems vary between departments. Some systems do require an element of manipulation to produce the information required.
- 20 The Council has appropriate controls in place across directorates to ensure the accuracy of its data. All data is checked by team managers prior to upward reporting to directorate management teams. All IT systems used to produce management reports have in-built controls. However performance information system controls need to be reviewed consistently across all departments to check that they are working effectively. The implementation of a new IT system to capture data will assist in the consistency of the quality of data captured by the corporate centre.
- 21 The Council has some data sharing protocols in place for sharing information externally. The Council does not however validate all data received from external sources for example data received from housing associations. Spot checks at stage 3 found that some of the external data (ie the private landlords) used for the production of *Percentage of total private sector homes vacant for more than six months (HIP HSSA)* was not validated and the Council did not always specify or monitor the standard for the quality of data it used.

Recommendations	
<i>R2</i>	<i>Create new processes and protocols surrounding the use of the IT system to ensure there is consistency of use across the Council.</i>
<i>R3</i>	<i>Validate data from third parties. Specify and monitor standards for the quality of data relied upon for the production of performance indicators.</i>

People and skills

- 22 This is an area where there has been progress since the last review. A *new* performance development and competency scheme has been in place since April 2007. It allows the manager and the member of staff to identify targets and monitor progress against the targets. There is a regular review of staff's performance against agreed targets to ensure that training needs are identified and whether the objectives are being achieved.
- 23 In addition job descriptions are being reviewed as part of the overall review of job descriptions across the council as part of the single status programme. Where it is appropriate references to data quality are being included.
- 24 As a result of the review last year some training has been carried out with a focus on improving the quality of data. However interviews during the spot check audit at stage 3 found that several key officers preparing the PIs had not received data quality training.

Recommendation

R4 Ensure that data quality training is rolled out to the key officers compiling and reviewing the PIs.

Data use and reporting

- 25** A new computer system, currently used to support the Council's Croydon Counts performance reporting, is being extended as part of a planned phased development, to allow departments to update their own indicators. The software will be able to present the data based on the Red Amber Green basis to allow senior officers to make decisions based on the information.
- 26** All data is subject to senior approval prior to external reporting however we found during our spot checks at stage 3 that these checks are not always helping to secure the accuracy of the indicator. All PIs audited during the spot check had been signed by senior management however four out of six were subsequently amended.

Recommendation

R5 Ensure that senior management who authorise the submission of the PIs carry out adequate checks on data accuracy.

Analytical review (stage 2)

- 27 An analytical review of the selected BVPIs and non-BVPIs was carried out. All PIs reviewed were found to be complete and within values that are considered by the Audit Commission to be plausible.

Data quality spot checks (stage 3)

- 28 The Audit Commission issued a list of specified PI to auditors. Six performance indicators were selected from this list and reviewed using a series of detailed spot checks and audit tests designed by the Audit Commission. A summary of our findings is shown in the table below (which is followed by a detailed report).

Table 2

Performance indicator	Final audit assessment	Comment	Amendment made to the PI during the audit
Culture			
Cost per library visit (IPF)	Fairly stated	There were some minor system weaknesses in recording the number of visitors. The PI had to be amended to reflect the correct definition of cost.	From £2.96 to £3.39 (15%)
Environment			
Household waste management: recycling performance (BV82a)	Fairly stated	There were no amendments made to the PI.	-
Household waste management: composting performance (BV82b)	Fairly stated	There were no amendments made to the PI.	-

Performance indicator	Final audit assessment	Comment	Amendment made to the PI during the audit
Percentage of pedestrian crossings with facilities for disabled people (BV165)	Unfairly stated. Reserved.	A reservation was placed on the PI because of system inadequacies which meant that a fairly stated PI could not be calculated before the submission deadline.	Reserved.
Housing			
Average time to relet council housing (BV212)	Fairly stated	Amended - Incorrect definition used to calculate the PI	35 days to 39 days (11%)
Percentage of total private sector homes vacant for more than 6 months (HIP HSSA)	Fairly stated	Amended- Incorrect parameters used to sort the data used in the PI	2.05% to 1.68% (18%)

Detailed report

Culture

Cost per library visit (IPF)

- 29** The PI was amended from £2.96 to £3.39 because the total cost used in the calculation was not in accordance with the definition of cost for the PI. The Council used the total cost extracted from the financial ledger without amending the figures to meet CIPFA's Best Value Accounting Code of Practice (BVACOP) definition. The total cost should also be completed on an FRS 17 basis (financial reporting standard regarding retirement benefits). Further guidance for councils on the classification of expenditure is available in BVACOP.
- 30** The following points were also noted.
- The officer compiling the CIPFA libraries return (used as a basis for the PI) was unaware of the BVPI definition of total cost. Also, the officer responsible for data quality of the PI (with a non financial background) was not aware of the financial definition of cost when checking and submitting the final BVPI outturn.
 - Incorrect cells on the CIPFA return were used in the original calculation of the PI submitted to audit on the self assessment form.
 - The complete record of visitor numbers is not kept for the audit at year end. A sample of library visitor numbers was selected for testing during the audit. Ashburton library was unable to provide the original log as this is destroyed after being recorded manually on a spreadsheet every month. Original records of visitor numbers should be maintained for all libraries until the audit has been completed to provide support for the figures.

Recommendations

R6 *Ensure that the officers responsible for calculating and reviewing the PI are aware of the definitions when there is financial information being analysed in non financial indicators.*

R7 *Ensure that complete records are maintained for visitor numbers at each library until the audit is completed.*

Environment

Percentage of pedestrian crossings with facilities for disabled people (BV165)

- 31 A reservation was placed on this BVPI because testing of the numerator found the underlying records to be incorrect in that:
- the heights of the kerbs and the features of existing disabled facilities at the crossings had been recorded incorrectly; and
 - there was no information regarding the Transport for London (TfL) crossing facilities included in the calculation. The Council should obtain the TfL data and undertake a reasonable check of the data before including it as part of the indicator.
- 32 We also noted the following points.
- There was no system in place to keep the records up to date for example there was no record of any deterioration in the crossings that were historically listed as being compliant.
 - Incorrect scoring methodology had been used to calculate the PI submitted to auditors. The Council had awarded partially compliant crossings with half a point. This scoring system did not comply with the PI definition which states that a crossing must be fully compliant or not compliant at all. The half point system distorted the final outturn of the PI.
- 33 The guidance used to prepare the PI was not up to date. Audit Commission guidance issued in 2002/03 was used to prepare the PI which recommended excluding the TfL data with regards to signals. The current PI definition talks about crossings in a council's area - not on a council's own roads.

Recommendations
R8 Undertake a full review of the pedestrian crossings to obtain an accurate picture and to report a PI that reflects the definition.
R9 Ensure that the Council puts a system in place to keep a record of any changes that may be occurring to the crossings over the years (ie; linking to highway maintenance programme/annual inspections of signalling equipment).
R10 Undertake regular inspections of the crossings to ensure that the PI is accurate.
R11 Include the TfL data in the PI calculation.

Household waste management: recycling and composting performance (BV82a)

- 34 There were no amendments made to the performance indicator outturns. We noted the following points with regards to the system.
- Last year a recommendation was made to review and improve the waste management computer system (SWIS) for recording the data. The implementation date was 2008 and as a result this recommendation has been repeated in this report.
 - The invoices received that are used for recording the data in the PI were not always cross checked against the data held by the Council. Testing of the data found that there were small differences between the PI and the SWIS report (for example the invoice supporting the weights of fridges collected on one day did not match the SWIS print out for the day).

Recommendations

R12 Review the waste management computer system (SWIS) to determine whether improvements can be made, allowing reports to be run quicker and with a greater choice of data reported.

R13 Introduce controls over the data used in the PI to ensure that the data is cross checked against the Council's own weighbridge records and external weighbridge record.

Housing

Average time to relet council housing (BV212)

- 35 The PI was amended from 35 days to 39 days because an incorrect definition had been used to compile data. The Council used the HIP PI definition which was based on keys in, keys out. BV212 links to the rent account, the clock stops when the new tenant becomes liable to pay rent. The authority submitted the PI based upon the HIP definition.
- 36 Properties can be excluded from the PI if they have major works taking place. We found that some of the supporting documentation was not available for audit to provide evidence for the major housing works within the paper housing files. The evidence should be kept on file to show that the major works were needed for the property and hence that it has been correctly excluded from the data.

Recommendations
<i>R14 Ensure that the correct definition and the correct parameters are used to compile the PI.</i>
<i>R15 Maintain documentation available for audit within the paper housing files to provide reasons as to why the property is classified as needing major works.</i>

Percentage of total private sector homes vacant for more than six months (HIP HSSA)

- 37 The PI was amended from 2.05 per cent to 1.68 per cent because incorrect parameters had been used to sort the data on the housing system.
- 38 The definition requires the data to show the number of properties (at the 1 April) empty for more than six months. However the report run by the Council to produce this figure was based upon the date that the property had received a change in discount rather than the date when it had originally become vacant. The data had to be manually corrected during the audit to reflect the correct definition of the PI. Each case was subsequently manually reviewed to clarify the actual date when the property had become vacant.

Recommendation
<i>R16 Ensure that the Council reviews the system and sets up the correct parameters to provide an accurate snap shot at year end.</i>

Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Stage 1 recommendations						
7	R1 Continue to review the policies in place within departments and identify best practice.	3	DCEX	Yes	The Council will continue to include appropriate reviews of arrangements within departments in the Council's Internal Audit Programme.	1 June 2008
8	R2 Create new processes and protocols surrounding the use of the IT system to ensure there is consistency of use across the Council.	3	DCEX	Yes	The PIMS (Performance Information Monitoring System) system has successfully supported the Council's Croydon Counts reporting framework and, building on this, as we extend PIMS to other aspects of performance reporting, appropriate guidance and training will be provided for all relevant staff.	1 June 2008
8	R3 Validate data from third parties. Specify and monitor standards for the quality of data relied upon for the production of performance indicators.	2	DCEX	Yes	The next iteration of the Data Quality Strategy will re-inforce the need to ensure that externally sourced data has been subject to appropriate validation checks before it can be relied upon.	1 June 2008
9	R4 Ensure that data quality training is rolled out to the key officers compiling and reviewing the PIs.	3	DCEX	Yes	Our training programme to accompany the roll-out of the 2008-2011 strategy and the production of annual performance indicators will encompass all relevant staff.	1 June 2008
9	R5 Ensure that senior management who authorise the submission of the PIs carry out adequate checks on data accuracy.	3	DCEX	Yes	The next re-iteration of the Data Quality Strategy will re-inforce the scope of the checks that senior managers are expected to undertake in order to satisfy themselves that indicators are accurate.	1 June 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Stage 3 recommendations						
13	R7 Ensure that the officers responsible for calculating and reviewing the PI are aware of the definitions when there is financial information being analysed in non financial indicators.	3	A/DECPP	Yes	Regarding the remaining recommendations, the Council will put appropriate arrangements in place to ensure that these are implemented.	1 June 2008
13	R7 Ensure that complete records are maintained for visitor numbers at each library until the audit is completed.	2	A/DECPP	Yes		1 June 2008
14	R8 Undertake a full review of the pedestrian crossings to obtain an accurate picture and to report a PI that reflects the definition.	3	DPT	Yes		1 June 2008
14	R9 Ensure that the Council puts a system in place to keep a record of any changes that may be occurring to the crossings over the years (i.e.; linking to highway maintenance programme/annual inspections of signalling equipment).	2	DPT	Yes		1 June 2008
14	R10 Undertake regular inspections of the crossings to ensure that the PI is accurate.	2	DPT	Yes		1 June 2008
14	R11 Include the TfL data in the PI calculation.		DPT	Yes		1 June 2008
15	R12 Review the waste management computer system (SWIS) to determine whether improvements can be made, allowing reports to be run quicker and with a greater choice of data reported.	2	A/DECPP	Yes		1 June 2008

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
15	R13 Introduce controls over the data used in the PI to ensure that the data is cross checked against the Council's own weighbridge records and external weighbridge record.	2	A/DECPP	Yes		1 June 2008
16	R14 Ensure that the correct definition and the correct parameters are used to compile the PI.	2	DH	Yes		1 June 2008
16	R15 Maintain documentation available for audit within the paper housing files to provide reasons as to why the property is classified as needing major works.	2	DH	Yes		1 June 2008
16	R16 Ensure that the Council reviews the system and sets up the correct parameters to provide an accurate snap shot at year end.	2	DH	Yes		1 June 2008