



Accountants &  
business advisers

# **Eastbourne Borough Council**

## **Data Quality**

December 2007

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## 1 Executive summary

- 1.1 Local authorities need reliable, accurate and timely information with which to manage services, inform users and account for performance. Good quality data is the essential ingredient for reliable performance and financial information. The data used to report on performance must, therefore, be fit for purpose, representing an organisation's activity in an accurate and timely manner.
- 1.2 The Audit Commission requires external auditors to review the arrangements established by local authorities for ensuring data quality and to report the outcome as part of their annual conclusion on organisations' arrangements for securing economy, efficiency and effectiveness in their use of resources (known as the 'value for money' or 'VFM' conclusion').
- 1.3 We have reviewed the management arrangements established by Eastbourne Borough Council ('the Council') for ensuring data quality in accordance with the Audit Commission's methodologies. We also looked at the detailed evidence to support the performance reported for four performance indicators specified by the Audit Commission for the annual Comprehensive Performance Assessment (CPA) of the Council. Our key findings are summarised below:

	Conclusion
Stage 1	<b>Arrangements for securing the quality of data are inadequate</b> and the external auditor's 2006/07 <b>VFM conclusion was qualified</b> .
Stage 2	There were no significant variances beyond plausible or permissible values.
Stage 3	<b>Three of the four sampled indicators were "reserved"</b> (qualified) because the Council was either unable to provide the detailed information needed to evidence the published performance or evidence that the guidance published by government department had been fully followed.

### Focus for improvement

- 1.4 Key findings are summarised in Section 2. Areas that the Council needs to focus on include:
- Management commitment and corporate ownership
  - Further development of policies and establishment of guidance and procedures
  - Raising awareness and introduction of training programmes
  - Improving support for officers and formalising responsibilities
  - Establishing a risk-based programme for testing the systems and detailed evidence underpinning reported performance. The key issues arising from this work should be reported to management and Members.

### Action plan

- 1.5 An action plan to secure improvements to data quality management arrangements (Stage 1), addressing the key focus areas set out above, and to the compilation of sampled indicators (Stage 3) is set out in the Appendix.

### Acknowledgement

- 1.6 We would like to thank the Council for the co-operation and assistance provided in advance of and during the course of the review.

## 2 Introduction and summary of key findings

2.1 External auditors are required to prepare a conclusion on Councils arrangements for securing economy, efficiency and effectiveness in the use of resources (VFM conclusion). The VFM conclusion is based on 12 criteria, one of which applies to the “arrangements for monitoring and reviewing performance, including arrangements to ensure data quality”. To support our VFM conclusion, and to undertake work mandated by the Audit Commission, we have completed a review of data quality, involving a three stage process:

- Stage 1: Management arrangements review.
- Stage 2: Analytical review
- Stage 3: Data quality spot check

2.2 Our audit work was undertaken between July and September 2007 for the year ended 31 March 2007. We considered the issues raised by external auditors in their 2006 report and discussed with officers the progress made with the Council’s improvement plans over the past 12 months. Where necessary, we obtained additional evidence to support our conclusions on the enhanced ‘key lines of enquiry’ contained in the Commission’s methodologies. Based on the outcome of our work, we have prepared an action plan and agreed this with management (see appendix A). We have also informed officers about the more significant issues arising from our work as it progressed.

### Summary of key findings

2.3 Our overall conclusion is that Eastbourne’s arrangements for securing the quality of its data are inadequate and the external auditor’s VFM conclusion on the 2006/07 accounts was qualified accordingly.

2.4 The Council has made only limited progress in addressing the issues raised by external auditors last year. Our work shows that there is little management commitment to ensuring data quality and only limited evidence of a corporate approach to this important agenda. The Council does not have the necessary policies or procedures in place to secure the quality of data recorded and reported.

2.5 The recently published data quality policy needs to be developed further. It is not sufficiently comprehensive, lacking the detail needed about the key aspects of data quality. While an improvement plan is in place, it is not clear how it will be implemented in practice. The policy is not supported by up to date operational procedures and guidance notes.

2.6 We found that the systems and processes in place for securing the quality of data at the Council are poor, with no evidence of any programme of internal review. The Council has not put in place arrangements to ensure that staff have the necessary knowledge, competencies or capacity for their roles in relation to data quality. Day to day responsibility for ensuring data quality appears to have been taken by Assistant Directors working across the Council’s services, though the approach is not formalised. The Council has not developed an approach to ensuring that the necessary data quality training and supervision is provided for officers.

2.7 While Eastbourne actively uses the information produced by service departments to manage and improve its performance, the accuracy of the data considered by the Council cannot be assured. Eastbourne’s approach is seriously undermined by the lack of detailed audit trails and other evidence needed to demonstrate that the published performance is accurate and that government definitions for the collection of performance information have been followed (for CPA indicators for instance).

- 2.8 We completed detailed audit work on four of the indicators specified by the Audit Commission for the purposes of the annual CPA of the Council. Our work shows that for three of these indicators, Eastbourne was unable to provide the detailed information needed to evidence the published performance or evidence that the guidance published by the government department had been fully followed. As a consequence, we have placed a reservation on the following indicators:
- BV 184a - Proportion of non-decent homes
  - BV 199 a), b) and c) - Local street and environmental cleanliness
  - BV 214 - Homelessness prevention.
- 2.9 The Council needs to raise awareness of the importance of data quality across the organisation and prepare a suite of policies and guidance that are fit for purpose. The new Comprehensive Area Assessment regime, which is due to replace the existing CPA approach, is expected to be underpinned by a new dataset of performance information involving about 200 indicators. While not all of these indicators will need to be produced by Eastbourne, the Council will need to have robust arrangements in place to deal with the transition to the new regime.
- 2.10 The issues summarised above have been notified to the Council's Chief Executive and we have been assured that the issues raised in our detailed report will be addressed as a matter of urgency. We would urge the Council, through an appropriate Member forum, to review the progress being made with its plans for improving the approach to data quality.
- 2.11 An action plan is included in the Appendix to assist officers in improving the approach to data quality.

### 3 Management arrangements (Stage 1)

- 3.1 The objective of this work is to determine whether corporate management arrangements for data quality are in place, and whether there is evidence to demonstrate that these are being applied in practice. Our detailed work at stage 3, examining departmental systems for producing specific performance indicators, has confirmed some of the issues highlighted and we have made reference to that work as appropriate.
- 3.2 In coming to our conclusion on the corporate management arrangements for data quality, we have used evidence obtained from the following sources:
- the results of the previous year's review of data quality;
  - our current knowledge of the Council and its arrangements;
  - document review
  - interviews and discussions with officers, including the Policy and Performance Officer and a number of Assistant Directors.
- 3.3 Our overall conclusion is that the Council's arrangements for securing the quality of its data are inadequate in that they do not meet the minimum requirements as specified by the Audit Commission. This is the same conclusion reached by the external auditor in 2005/06 and our work shows that the Council has made only limited progress in addressing the issues raised by auditors last year. This means that the external auditor's VFM conclusion was again qualified in terms of the Council's 2006/07 accounts. The main issues arising from our work are shown below.

#### Governance and leadership

- 3.4 We reviewed the extent to which the Council has put in place a corporate framework for the management of and accountability for data quality. We also considered Eastbourne's commitment to establishing a culture of data quality throughout the organisation. We concluded that the Council's arrangements in this area are inadequate and that the corporate approach is weak.
- 3.5 Data quality issues are not considered regularly by senior management or members. While the day to day management responsibility for data quality is assigned to a named officer (a Policy and Performance Officer), it does not provide a coherent approach that can be understood across the Council. The arrangement does not provide the leadership and accountability needed to promote a consistent approach across the Council. Our work shows that individual Assistant Directors have developed independently, informal arrangements for reviewing data quality within their service departments.
- 3.6 The development of a data quality policy means that the Council now has stated objectives (for data quality) and an action plan has been published to support achievement of these objectives. The policy itself is however incomplete and does not represent a 'strategic approach' to data quality. The objectives set are limited in scope and detail and we found no evidence to indicate that the objectives are understood across the organisation. The absence of clear responsibilities, timescales and evidence of impact also suggest that the Council has some way to go to ensure implementation of its objectives for improving data quality.
- 3.7 While some officers have reviewed data quality in their departments, others have not. There is no systematic approach for testing the effectiveness of controls in place over data and only ad-hoc arrangements are in place for testing data for accuracy. Where data quality has been tested, the Council has not circulated the outcome of this work nor considered any corporate implications. The data quality policy action plan itself has not been reviewed or progress monitored since publication.

## Policies and procedures

- 3.8 The Council has not established the necessary policies or drawn up the procedures and guidance needed to ensure the quality of data recorded and reported. The data quality policy agreed following the adverse comments made by the external auditor last year lacks detail and does not signpost the key features of an effective data quality approach (such as collection, recording, reporting and analysis). There is no indication of how such basic features have been or will be implemented in practice.
- 3.9 No evidence was provided to us about the operational procedures and guidance notes available to staff. Given that the Council operates a number of different performance and data systems, there is a need to ensure that adequate guidance is in place and that this guidance is disseminated effectively.

## Systems and process

- 3.10 We found that the systems and processes in place for securing the quality of data at the Council are inadequate.
- 3.11 The Council has a number of systems in place for the collection, recording, analysis, and reporting of the data used to monitor performance. The number of different systems increases the likelihood of error and there is a need to ensure that these systems are regularly reviewed for effectiveness and that action is taken to improve identified weaknesses as necessary.
- 3.12 Officers provided no evidence of any pre-planned or Council-wide programme of internal review of data collection systems and controls testing. While some service departments had conducted reviews of aspects of their own systems, such work appears to have been in response to specific data errors identified by officers. The outcome of such work is not coordinated to allow a corporate view of data quality arrangements to be developed and our detailed work on four PIs shows basic errors and weaknesses in the operation of the Council's systems. Officers operating the systems we looked at often lacked basic knowledge about the systems used to produce the PIs or the definitions that the government expects local authorities to comply with.

## People and skills

- 3.13 The Council has not put in place arrangements to ensure that staff have the appropriate knowledge, competencies and capacity for their roles in relation to data quality.
- 3.14 As highlighted earlier in this report, operational responsibility for data quality appears to be taken by certain officers (at Assistant Director of service level) on an informal basis. This means that the approach to identifying and delivering on staff training needs is ad-hoc and that only informal arrangements are established for supervision and data checking. Officers have told us that some officers approach their responsibilities with greater effectiveness and enthusiasm than others, which is understandable given the lack of a corporate approach.
- 3.15 The Council refers to the importance of data quality as part of the induction training provided to new staff and in presentations to staff about performance management. But the arrangements are not comprehensive and do not take account of the specific responsibilities that individual staff may have for data in their day to day work. Given the lack of a corporate approach it is unsurprising that officers feel that responsibility for data quality is not clearly articulated and that they remain uncertain about the skills they need to ensure data quality.

## Data use and reporting

- 3.16 We reviewed the extent to which the Council has put in place arrangements to ensure that data supporting performance information is also used to manage and improve the delivery of services.
- 3.17 We found that the Council has put in place adequate arrangements to ensure that data supporting performance information is also used to manage and improve the delivery of services. There are examples where reported information is made available to the operational staff that generate it, to reinforce understanding of the way it is used. In addition, performance information is regularly used to identify deviations from planned performance. Service plans and performance plans include PIs and targets and these are monitored for achievement. However, there remains considerable scope for raising the profile of the importance of data quality across all service departments.
- 3.18 While the Council has some processes in place designed to ensure the accuracy of data used in reported performance indicators, these are generally ineffective. Officers feel that the Council's arrangements for reporting performance periodically to management provides validation of the accuracy of data. But we found no evidence of this operating in practice and, as performance reporting is undertaken on an exception basis, there is no indication that this would necessarily identify anything other than isolated data quality issues and only where reported performance is significantly out of line with expectations.

## 4 Data quality spot checks (Stages 2 and 3)

4.1 After conducting our review of the Council's management arrangements we carried out an analytical review of PI values in order to inform the risk assessment for the selection of PIs for more detailed work at the spot check stage. There were no significant variances beyond plausible or permissible values arising and this analysis did not impact further on our selection of PIs for more detailed testing.

4.2 Using the results our review of corporate management arrangements we assessed the Council as 'high risk'. Consequently, we selected four indicators for detailed review which involved checking that the:

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

4.3 We completed our audit work on four of the indicators specified by the Audit Commission for the purposes of the annual Comprehensive Performance Assessment. Our work shows that for three of these indicators, the Council could not provide the detailed information needed to support the performance as reported in the 2007/08 Best Value Performance Plan (BVPP). In addition, officers could not demonstrate that the guidance published by government departments had been fully followed. As a consequence, we have placed reservations on the following indicators:

- BV 184a - Proportion of non-decent homes
- BV 199 a), b) and c) - Local street and environmental cleanliness
- BV 214 - Homelessness prevention.

### **BV184a - Proportion of non-decent homes**

4.4 This indicator is not fairly stated. No information was provided to us to support the published performance of 77%. Officers told us that the situation arose because a member of staff, who had responsibility for preparing the indicator, had left the Council and that no handover arrangements were established.

### **BV199 a), b) and c) - Local street and environmental cleanliness**

4.5 This indicator is not fairly stated. The Council has not followed the definitions for preparing this indicator as published by the government department. Specifically, the sample used to calculate the indicator is not representative of the borough's wards given their deprivation factors. It was noted during the audit that the member of staff responsible for conducting the data collection was unaware of the published guidance for this indicator or where such guidance could be found.

### **BV 214 - Homelessness prevention**

4.6 This indicator is not fairly stated. Initially it was found that the reported performance of 6% was incorrectly reported due to a simple miscalculation. The correct figure should have been 3%. However, officers subsequently concluded that an adequate audit trail could not be produced from the underlying system to support the published performance. Discussions with officers show that the situation arose because they are not fully familiar the IT system (the Orchard system) used to collect the data.

### **BV 212 - Average time to relet council houses**

4.7 This indicator is fairly stated. However, a significant amount of effort was needed from our audit staff to establish where the documentation was held to support the published performance.

## Appendix: Action Plan

Recommendations	Priority	Management response	Responsibility	Timing
<b>Governance and Leadership</b>				
<p>R1. The commitment to data quality should be communicated clearly across the Council, ensuring that all responsible officers at all levels are fully aware of their specific and general responsibility for data quality.</p>	High	<p>To be included in Data Quality Strategy (DQS) Action Plan - Commitment to Data Quality discussed with and promoted to all staff led by CMT. Policy statement leaflets distributed, frequently asked questions and on intranet page. Assistant Directors (ADs) to report, see R8. See R3</p>	<p>AD Strategy and Democracy lead ADs to deliver Report to Scrutiny Committee</p>	February 2008
<p>R2. The Council should ensure it develops a more detailed strategy for achieving data quality, which links to the Council's business objectives and is supported by a clear action plan outlining how it will be achieved. Action plans should reflect responsibilities, timescales and an indication of how actions will be achieved.</p>	High	<p>Detailed Data Quality Strategy (DQS) and Action Plan showing responsibilities, timescales and milestones</p>	<p>AD Strategy and Democracy lead Corporate Management Team (CMT) Report to Scrutiny Committee</p>	<p>Draft to CMT December 2007 SC February 2008</p>
<p>R3. The Council needs to put in place lines of accountability for data quality. This should be reflected in job descriptions and in the appraisal process. A senior officer should have specific and active responsibility for ensuring that the data quality agenda is pursued.</p>	High	<p>DQS to include a generic diagram of hierarchy of accountability and reporting structures for data quality. See also R8  Annual appraisals to include data quality with job descriptions updated accordingly.  Assistant Director for Strategy and Democracy is named officer responsible for data quality as per DQS and reports to CMT and ATG  Developed with DQS se R3.</p>	<p>As R2  Assistant Directors  Chief Executive</p>	<p>December 07  Spring 2008  In place 2007</p>
<p>R4. The Council should develop a formal process for reviewing and reporting, to those charged with governance, issues in relation to the ongoing achievement of data quality.</p>	High	<p>DQS progress reports to CMT and ATG. See R8</p>	<p>AD Strategy and Democracy</p>	<p>Dates through 2008 - 09</p>

Recommendations	Priority	Management response	Responsibility	Timing
<b>Policies</b>				
R5. The Council should further develop its policy on data quality to act as a driver of data quality improvement. The policy should reflect the detail of data quality including issues such as collection, recording, monitoring, reporting and analysis. The policy should be cascaded through the service plans and be actively disseminated to staff with compliance assessed on an ongoing basis.	High	See R1, R2, R3, R4	AD Strategy and Democracy lead Corporate Management Team (CMT) Report to Scrutiny Committee	Draft to CMT December 2007 SC February 2008
R6. The data quality policy should be supported by comprehensive guidance and procedures, reflecting the Council's systems.	Med	To be developed by ADs per DQS see R2 and R8	AD Strategy and Democracy lead All ADs	Per R2 and R8
<b>Systems and Processes</b>				
R7. The Council should put in place a programme of review the systems in place for the collection of performance data and ensure that they are appropriate and ensure that the data is "right first time". This should form part of a brief annual review of each indicator.	High	Risk based Performance Data Systems Review ADs reports per R8 All indicators reviewed once during collection and for annual submission High risk reviews by Internal Audit and Strategic Development	AD Strategy and Democracy. Principal Auditor	To be scheduled per DQS Action Plan
R8. Senior officers should report on the effectiveness of the processes they have put in place to ensure the validity and accuracy of the data they are responsible for. This should include reference to the relevant staff, their training, guidance and validation checks.	High	To be developed by ADs per DQS. Reports to be scheduled according to risk, includes lines of accountability.	ADs reports to CMT and Scrutiny Committee, rolling reviews 2008 onwards	To be scheduled per DQS Action Plan and Risk Scheduled
R9. All systems for data collection should be reviewed, periodically on the basis of a risk assessment, to ensure that there are controls in place to ensure the overall accuracy and timeliness of the data being collected.	High	See R6, R7, R8	AD Strategy and Democracy lead All ADs	To be scheduled per DQS Action Plan and Risk Scheduled

Recommendations	Priority	Management response	Responsibility	Timing
R10. Where data is shared externally with, or from, other bodies, the Council should ensure there are protocols and processes in place to support the sharing of information and verify data.	Medium	To be included in R6, R8	AD Strategy and Democracy lead All ADs	To be scheduled per DQS Action Plan and Risk Scheduled
<b>People and Skills</b>				
R11. The Council should perform an assessment of the current skills in place in respect of data quality, to identify gaps and training needs and plan for how these can be addressed.	High	To be included in DQS Action Plan see R2, R3, R8	AD Strategy and Democracy lead Corporate Management Team (CMT) Report to Scrutiny Committee	Draft to CMT December 2007 SC February 2008
R12. The Council should introduce a detailed record of the responsible officer for each indicator and system and of the officer responsible for collecting and inputting the data. Records of responsibility should reflect the actual officers that compile or report the data, if responsibility has been delegated.	High	See R3, R8 – for National Indicators. Records to be included in NI reports to CMT and Scrutiny Committee	AD Strategy and Democracy lead Corporate Management Team (CMT) Report to Scrutiny Committee	Draft to CMT December 2007 SC February 2008
R13. To ensure awareness of data quality responsibilities, the Council should ensure the roles and responsibilities as defined are actually applied across the organisation.	High	See R1, R2, R3, R8, R12	AD Strategy and Democracy lead Corporate Management Team (CMT) Report to Scrutiny Committee	Draft to CMT December 2007 SC February 2008
<b>Data Use</b>				
R14. The Council should raise the profile of the BVPs through a review of how effectively indicators and other management information are actually used in the day to day management.	Medium	Review of use of new NI to be schedule in DQS AP at R2, see also R8	ADs reports to CMT and Scrutiny Committee, rolling reviews 2008 onwards	To be scheduled per DQS Action Plan and Risk Scheduled
R15. When compiling data for use within either internal performance monitoring or external reporting, the Council should ensure that it is supported by a clear and robust audit trail.	Medium	See R8	ADs reports to CMT and Scrutiny Committee, rolling reviews 2008 onwards	To be scheduled per DQS Action Plan and Risk Scheduled

Recommendations	Priority	Management response	Responsibility	Timing
<b>BVPI Spot Check</b>				
R16. The Council should review the current systems for BV184a to ensure that an identified individual is responsible for the production of the data and that clear working papers are retained to constitute an audit trail.	High	AD Housing Health and Community Services to include in action for R8  Priority review of BV184a to tackle specific weaknesses to ensure officers responsible are identified and systems in place to record required evidence	AD Housing Health and Community Services	December 2008
R17. The Council should review the current systems for BV199 to ensure that the responsible officer and the staff responsible for carrying out the surveys are fully trained and are aware of the current guidance and methodology.	High	AD Amenities and Contract Management to include in action for R8  Priority review of BV199a,b,c to tackle specific weaknesses to ensure current guidance is applied	AD Amenities and Contract Management	December 2008
R18. The Council should review the current systems for BV214 to ensure that relevant officers are fully familiar with and trained in the Orchard system used to produce the PI.	High	AD Housing Health and Community Services to include in action for R8  Priority review of BV214 to tackle specific weaknesses to ensure evidence is collected throughout the year and that officers and trained to use systems and produce PI	AD Housing Health and Community Services	December 2008