Audit and Corporate Governance Committee Report
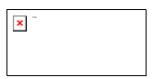
Report of Head of Business and Information Systems

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To: Audit and Corporate Governance Committee

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Data quality

Purpose of Report

1. The purpose of this report is to provide the Audit and Corporate Governance Committee with an opportunity to note the Council's response to the Audit Commission's audit of data quality, and to comment on a proposed approach to integrate data quality within performance management arrangements.

Background to this report

2. In November 2006, the Audit Commission carried out an audit of data quality on a number of councils including this one. The principal focus of the audit was on performance data, but the scope of the audit also covered other data, such as that relating to planning applications, benefits, housing applications etc.
3. The final audit report was reassuring about our current arrangements, stating that:

> *"We have concluded that the Council's overall arrangements to secure data quality over all aspects of data used to judge its performance are 'performing adequately'."*

4. The report contained a number of recommendations and required the Council to provide a response to the recommendations and proposed actions. We have already submitted our response, and this appears in annex 1. Some of the actions are expanded below.

Data quality policy

5. Recommendation R1 from the audit was that the Council should consider the development of a:

> *"formal strategy for data quality policy that incorporates objectives that are supported by a delivery plan with clearly defined actions".*

6. The Council believed that its response to this should be proportionate. Every year, the Audit Commission carries out an audit of the Council's Best Value Performance Indicators (BVPIs). The Commission has never found a significant error with the accuracy, completeness, validity or timeliness of our data. As mentioned in paragraph 3, the data quality audit report recognised that our arrangements are 'performing adequately'.

7. However in the spirit of continuous improvement, officers have created a data quality policy. This appears in annex 2.

8. Officers recognised that data quality applies to all data, not just performance management data. However, we believed that there would be little merit in producing a data quality policy or strategy which applies to all data, as this could easily create a lot of work with no tangible benefit. This would be true especially where the Council depends on external sources for its data, such as contractors, partners, the police etc. In these cases, the Council could not commit to undertaking data quality audits within other organisations, and they would regard this intrusion as unwelcome.

9. Officers believed that the most effective way to implement the data quality policy would be to integrate it with existing performance management arrangements. We therefore intend to include the data quality policy in a proposed performance management handbook. This is proposed in the Council's response to recommendation R3.

Performance management handbook

10. In the report of the 2005 pilot CPA assessment, the Audit Commission recommended that the Council should improve the consistency of performance management between services.

11. The Council is already responding to this recommendation by producing a performance management handbook for employees. Its purpose is to:

- set out the Council's approach to performance management

- explain how performance management is core to achieving the Council's aims and ambitions
- provide a consistent approach to performance management across services
- ensure all staff are clear on the Council's performance management expectations
- detail the roles and responsibilities of those involved in performance management
- provide practical guidance on using the performance management system
- set out the Council's data quality policy
- show how performance management relates to other core processes such as risk management and project management.

12. The handbook is currently in draft form. It explains the relationship between the Council's strategic community and corporate planning processes and the following operational processes:

- Budget planning

- Service planning and reporting
- Risk management
- Project management
- Performance management (including BVPI and local performance target reporting)
- Individual performance review (appraisal).

13. As a first stage in creating the handbook, officers have drafted a corporate performance timetable which sets out the detailed tasks relating to each of the above processes and the month of the annual cycle in which they occur. This appears as annex 3. We intend to make this visible to employees by displaying it on noticeboards and as an interactive toolkit on the intranet.

Conclusion

14. This report responds to areas for improvement identified in the Audit Commission's audit of data quality, at the same time addressing an area for improvement noted in the CPA 2005 pilot.
15. The Audit and Corporate Governance Committee is invited to:

- note the Council's response to the Audit Commission's data quality audit (annex 1)

- review the proposed data quality policy (annex 2)

- comment on the corporate performance timetable (annex 3) and concept of a performance management handbook.

Annexes in this report

1. Data quality action plan – Council response
2. Data quality policy
3. Corporate performance timetable

Annex 1 – Data quality action plan – Council response

As sent to Audit Commission December 2006.

Audit Commission initial recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Council com
R1 Develop a formal strategy for data quality that incorporates objectives that are supported by a delivery plan with clearly defined actions, responsibilities and timescales. This should extend beyond PI's to cover all data on which the Council's performance may be judged.	2 = Med	Geoff Bushell (2006/07 service plan action SP 1008)	Partial	We are not o quality strate difference to like a lot of v are already management approach, ar of staff invol straightforwa within this.

The manage security will new perform introduced, a system is co financial sys |

					opportunity t
R2	Introduce a system for monitoring data quality, and reporting findings to those charged with governance. This could be via an annual risk-based review of performance data.	2 = Med	Internal audit	Partial	The perform makes spot the council a in mind that BVPI audits error in perfo quality as lov an annual au would be exc a review of c audits and re risk based a
R3	Consolidate the Council's procedures and guidance into a formal policy that clearly defines the Council's expectations and requirements in respect of the collection, recording, analysis and reporting of all performance data.	3 = High	Geoff Bushell (2006/07 service plan action SP 1008)	Yes	We propose performance under constr corporate de
R4	Develop a framework for data sharing that includes a set of quality requirements, to give assurance on the quality of data provided between the Council and external agencies/partners.	1 = Low	-	No	We're not su corporate ap external bod would have. of data, e.g. police. Ever data, we mu realistically r within anoth not proposin recommenda
R5	Set standards and targets for data quality and incorporate them into the personal appraisal process for staff charged with data quality responsibilities.	2 = Med	Internal audit	Partial	We agree th lies with a nu We already 100% accura emphasised collection. S require a pro don't have th believe woul quality which However, we undertakes

Annex 2 – Data quality policy

Introduction

The purpose of this policy is to outline the Council's expectations and requirements in respect of the collection, recording, analysis and reporting of performance data. Data quality is a crucial part of performance management. It is important to ensure the accuracy of data used by various stakeholders for the purposes of decision making, use of resources and performance monitoring. This policy sets out the Council's guidelines for performance data quality.

Stakeholders

The Council needs reliable, accurate and timely information to manage services and account for performance. The Council needs good information to make judgements about the efficiency, effectiveness and responsiveness of its services, and to make decisions about priorities and use of resources.

The Council has a number of key stakeholders who have different information needs and depend on good performance data quality.

Stakeholder	Information uses
Service users and the public	Exercising choice, understanding the service standards to expect and holding public bodies to account.
Council employees	Delivering services at the front line on a day-to-day basis; the starting point for data collection and use.
Managers	Monitoring and managing service delivery and benchmarking performance against others.
Councillors	Decision making; monitoring strategic objectives, targets and use of resources; ensuring accountability.
Partners	Monitoring the achievement of partnership targets and the use of resources; ensuring accountability.
Central government	Developing policy; monitoring progress of new initiatives, and the achievement of national targets; publishing local performance information at national level; identifying poorly performing organisations and rewarding good performance with autonomy and resources.
Regulators (e.g. Audit Commission)	Monitoring performance and the use of resources of local bodies; value for money; comprehensive performance assessment; publishing comparative performance information and national studies; planning work programmes proportionate to risk.

Data quality policy

The Council's approach to data quality focuses on the nine key characteristics of good quality data.

Accuracy	1. Ensure data is sufficiently accurate for its intended purposes,

	representing clearly and in sufficient detail the interaction provided at the point of activity. 2. Capture data once only, even though it may have multiple uses. 3. Capture data as close to the point of activity as possible to secure maximum accuracy. 4. Report information that is based on accurate data to provide a fair picture of performance and enable informed decision making at all levels. 5. Balance the need for accuracy with the importance of the uses for the data, and the costs and effort of collection. For example, it may be appropriate to accept some degree of inaccuracy where timeliness is important. Where compromises have to be made on accuracy, the resulting limitations of the data should be clear to its users.
Validity	6. Record and use data in compliance with relevant requirements, including the correct application of any rules or definitions. This will ensure consistency between periods and with similar organisations. 7. Where proxy data is used to compensate for an absence of actual data, consider how well this data is able to satisfy the intended purpose.
Reliability	8. Ensure data collection processes across collection points are stable and consistent and over time, whether using manual or computer-based systems, or a combination. 9. Managers and stakeholders should be confident that progress toward performance targets reflects real changes rather than variations in data collection approaches or methods.
Timeliness	10. Capture data as quickly as possible after the event or activity and make it available for the intended use within a reasonable time period. 11. Make data available quickly and frequently enough to support information needs and to influence the appropriate level of service or management decisions. 12. Ensure data is up to date.
Relevance	13. Capture data that is relevant to the purposes for which it is used. This should entail periodic review of requirements to reflect changing needs. 14. It may be necessary to capture data at the point of activity which is relevant only for other purposes, rather than for the current need. Put in place quality assurance and feedback processes to ensure the quality of such data.
Completeness	15. Specify data requirements based on the information needs of the organisation and data collection processes matched to these requirements. 16. Monitor missing, incomplete, or invalid records to provide an indication of data quality and identify problems in the recording of certain data items.
Integrity	17. Create and maintain a single updatable source for each piece of data, so that there is no unnecessary duplication of records which could lead to

	use of the wrong or out of date data.
	18. Back up data in such a way that it can be retrieved in the event of a business disruption, or when disaster recovery or business continuity arrangements are implemented.
Accessibility	19. Record data in an electronic document and records management system so that it is easy to find and simplifies the storage, indexing, retrieval and backup of data. 20. Make relevant data accessible to customers and other stakeholder though the Council's website, or if appropriate, so that it can be accessed in the event of an enquiry under the Freedom of Information Act 2000.
Security	21. Store data securely to prevent the malicious use of data 22. Protect personal information as required by the Data Protection Act 1998.

Note: This table is based on "Improving the quality of data and performance information", published by the Audit Commission in March 2007.

Systems and processes

The definitive source of performance management data is the performance management system. All staff should take care when using data in historical reports (e.g. Cabinet and Scrutiny reports) that the data is valid and up to date.

The Council's policy is that its approach to data quality is integrated with its approach to performance management, which are described in detail in the performance management handbook.

Responsibilities for the quality of data

Data quality is the responsibility of every member of staff. The data entered into the system has to be accurate and consistent to ensure the reports produced by the system are of a high standard.

- o The following roles have particular responsibilities in ensuring the quality data throughout the Council.

Chief executive

- o Overall corporate level responsibility for data quality, and for signing off annual BVPI returns.

Strategic directors and assistant chief executive

- o Responsible for overseeing the quality data in their portfolios.

Heads of service and service managers

- o Overall responsibility for the accuracy and quality of the data entered by themselves and team members. Data is owned by services and not by the performance management team.
- o Training new staff on their responsibilities for data quality, and how to use the performance management system.

Target and service plan action owners

- o Providing quarterly returns on the progress of targets and/or service plan actions, forecasting the end of year position, and proposing actions for targets and actions which are below target or not yet known.
- o Providing year end BVPI outturns, calculated in accordance with the Audit Commission's latest guidance, including correct statistical denominators, number of significant figures, supporting evidence etc.
- o Accuracy and quality of data entered into the performance management system.

Performance management team

- o Helping the management team to design and implement the Council's approach to performance management.
- o Maintaining a performance management system which meets the needs of all its stakeholders.
- o Collation of year end BVPI outturns and supporting evidence.
- o Promoting the importance of data quality throughout the organisation.

Annex 3 – Corporate performance timetable

Key to annual processes

- o Community strategy - managed by the South Oxfordshire Partnership (SOP) consisting of a board of community leaders
- o Corporate plan – reviewed annually and includes the government's plans, new legislation, Council performance,

- residents' views and the community strategy drive the corporate plan.
  - o Service plan - sets out the service's annual projects and actions
  - o Risk management - process of identification, analysis, prioritisation, control and monitoring of risks
  - o Performance management – how the Council measures and manages individual, team and overall progress towards targets
  - o Budget planning – financial planning to keep Council expenditure within inflation
  - o Project management - application of a set of tools and techniques in order to ensure that a project meets its objectives and provides benefits
  - o Performance review – the process used to manage individual performance and learning and development

Month	Community strategy	Corporate plan	Service plan	Risk management	Perform manage & report
Apr	New community strategy in effect (every five years)	Cabinet approve full corporate plan (with all text)	Service plans in effect Add service plan to performance management system Heads of service provide Q4 and yearly performance update to cabinet member & strategic director		All action owners u PM syst with Q4 Business improven manage reports (performa scrutiny committe
May		Corporate plan published			Business improven manage reports Council's yearly performa MT
Jun	Corporate projects officer	Policy and community engagement manager		Business improvement	Business improven

	produces annual report on SOP progress to scrutiny	follows up qualitative work on residents priorities Policy and community engagement manager coordinates workshops with management team, cabinet members and heads of service to consider results and other relevant information, and to develop corporate plan priorities		manager provides half year report to ACGC	manager reports Council's yearly performa Cabinet
Jul	Corporate projects officer produces annual performance report on progress to SOP	Continuation of actions as June	Heads of service provide Q1 performance update to cabinet member & strategic director		All action owners u PM syste with Q1 Business improver manage reports y performa scrutiny committe
Aug		Heads of service/cabinet members/strategic directors define and agree detailed measures and actions, for inclusion in the corporate plan			Business improver manage reports C performa manage team
Sep					Business improver manage reports C performa Cabinet Business improver manage reports C performa scrutiny

					committe
Oct		Policy & community engagement manager prepares draft corporate plan	Heads of service provide Q2 performance update to cabinet member & strategic director		All action owners u PM syste with Q2
Nov	Corporate projects officer produces bi annual performance review to SOP, SOP reviews rural transport actions				Business improver manage reports C performa MT
Dec		Policy & community engagement manager completes draft corporate plan		Business improvement manager provides half year report to ACGC	Business improver manage reports C performa Cabinet Business improver manage reports C performa scrutiny committe
Jan		Management team consider changes to corporate plan	Away day for strategic director and service team to discuss team priorities Head of service provides Q3 performance update to cabinet member & strategic		All action owners u PM syste with Q3

			director Heads of service draft service plan		
Feb	SOP reviews targets and action plan for next year	Cabinet briefing consider key aims and measures	Informal discussion between head of service, director and cabinet member/s about draft service plan	Risk champion to update risk register to reflect service plans and projects	Business improve managed reports C performa manage team
Mar	SOP publishes community strategy (every five years)	Cabinet approve key aims and measures Management team consider full corporate plan (with all text) Cabinet briefing consider full corporate plan (with all text) Policy and community engagement manager coordinates annual residents survey	Heads of service to complete service plans to reflect approved budget and corporate plan measures Strategic director approve portfolio service plans management team approve and sign off final service plans	Risk champion to create risk mitigation action plans for risks above tolerance line, include in service plan if necessary, include all actions for risks above tolerance line in service plans if necessary	Business improve managed reports C performa Cabinet