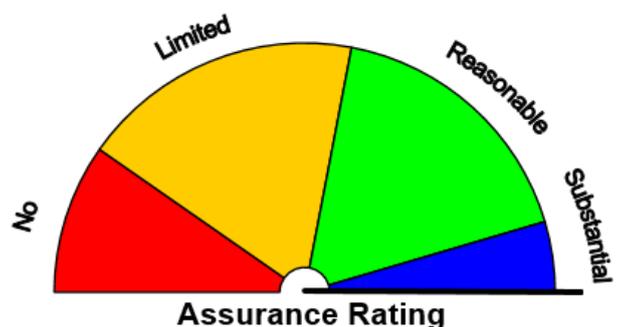




# South Derbyshire DC – Data Quality & Performance Management Final Audit Report



## Our Vision

To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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# 1 Executive Summary

## 1.1 Scope of Audit

- 1.1.1 This audit focused on providing assurance that suitable governance arrangements for managing and monitoring data quality were in place, and that robust processes were in place to ensure the overall accuracy and validity of reported performance data.

## 1.2 Summary of Audit Findings

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
There are suitable governance arrangements in place for the successful management and monitoring of data quality throughout the authority.	7	7	0	0
There are robust processes for managing individual performance indicators and ensuring the accuracy of the reported performance figures.	6	6	0	0
There are adequate quality checks in place for ensuring the validity of the performance data and the resulting data trail.	6	6	0	0
<b>TOTALS</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>0</b>

This report contains no recommendations, as no key control weaknesses were identified by the audit review.

## 1.3 Summary of Control Assurance Provided

- 1.3.1 **Substantial** - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited

Management and the Audit Committee should note that there are no adverse implications for the organisation's Annual Governance Statement arising from this work.

## 1.4 Distribution & Communication

- 1.4.1 The draft version of this report was issued to Fiona Pittam, Head of Organisational Development and Performance for comment.

This final version will be issued to Kevin Stackhouse, Strategic Director (Corporate Resources) with copies to:

- Fiona Pittam, Head of Organisational Development and Performance.
- Jenny Doughty, Corporate Performance and Policy Officer.
- Clare Booth, Corporate Performance and Policy Officer.

This report was produced by Lynne Parkin, Principal Auditor and Adrian Manifold, Audit Manager. Any enquiry concerning the content of this report or associated issues may be made to Lynne Parkin, Principal Auditor on 01332 643258.

## 2 Positive Assurance

2.1.1 We attempted to establish whether the Council's system of controls for the following areas contained all the key controls expected of a sound and robust process. Through a combination of control evaluation and testing we confirmed that the following adequate controls were in operation:

### 2.2 Data Quality Governance Arrangements

- The Council had established a Performance Management Framework to provide guidance on the Council's approach to managing performance. Its content had been designed and developed to provide consistent direction in the way the Council "*managed, monitored, reviewed and reported*" performance such that this would serve to assist the Council in delivering its priorities identified in its Corporate Plan 2020-2024. The framework document had been reviewed and refreshed in December 2020 and set out how the performance management framework consisted of three levels, along with comprehensive details regarding key roles and responsibilities, from elected Members to employees. It also provided explanations on how performance would be monitored as well as a detailed description of the review process and the different levels at which reviews would be undertaken prior to performance reports being submitted to the Council's policy Committees. Within the Performance Management Framework, a section specific to Data Quality had been included. This formally recognised the requirement for reliable, accurate data as part of the framework on which performance was monitored and decisions were made.
- We found that the Finance and Management Committee was responsible for overseeing the Council's Performance Management Framework. This was in accordance with Part 3, Section 20 of the Council's Constitution regarding "*Responsibilities for Functions – Committees*". We confirmed that Performance Reports were provided to the committee on a quarterly basis and reported the progress that had been made against the targets set out in the Corporate Plan 2020 – 2024. Whilst the Finance and Management Committee had overall responsibility for overseeing the Performance Management Framework, we confirmed that quarterly update reports were also provided to both the Council's Environmental and Development Services Committee and the Housing and Community Services Committee as part of their responsibility for overseeing the performance measures in their service areas.
- We found that the two Corporate Performance and Policy Officers, based within the Council's Organisational Development and Performance service area were the designated officers responsible for "*co-ordinating and managing the quarterly performance process and reporting*". The full extent of the officer's roles and responsibilities had been formally recorded within the Performance Management Framework.
- The development of the Corporate Plan 2020–2024 began with workshops being held with employees suggesting ideas for Council priorities. This was followed by consultation with Heads of Service and Members to identify and agree the Council's key corporate priorities. Once the corporate priorities had been agreed, the Corporate Performance and Policy Officers met with each individual service area to determine and establish the individual performance measures and targets, based on consideration of and asking the question "*what does good look like?*".
- We reviewed the performance indicators listed in the Council's performance dashboard to confirm that targets had been set that allowed a specific assessment of performance to be made. Whilst we identified that some indicators were based on projects, these had decreased in number considerably since the last audit review in 2019-20 and now only accounted for a small number of the Council's corporate performance indicators. Furthermore, where indicators were based on projects, targets had been set against the delivery of action plans to provide a meaningful measure of success.
- We confirmed that the Council had included a risk regarding the quality of performance data within its Strategic Risk Register. Mitigating actions were recorded and included reference to implementation of recommendations from an Internal Audit review undertaken in September 2019 along with annual quality audits, completed either by officers at the Council or Internal Audit. The Strategic Risk Register was reviewed by the Finance and Management Committee on a quarterly basis.

## 2.3 Management of Individual Performance Indicators

- In accordance with the Performance Management Framework, Heads of Service were the designated officers who were “*accountable for the delivery of performance indicators in the Corporate and Service Plans*”. A review of the indicators listed in the performance dashboard confirmed that the name of a Head of Service had been allocated to each performance indicator.
- We reviewed the Performance Dashboard to ensure separate officers assigned the roles of Data Collector and Head of Service (as the Accountable Officer), had been identified for each performance indicator. Whilst overall, we could confirm that Data Collectors and Heads of Service had been assigned to each performance indicator, we observed three indicators whereby the same officer had been identified as taking on all three roles of Data Collector, Data Reviewer and the Head of Service. The Performance Management Framework set out the different roles and responsibilities of these specific roles and stipulated that whilst a “*Data reviewer should be either a Head of Service, Manager or Team Leader*” the “*Data Reviewer should be separate to the Data Collector*”. We queried this issue with the Corporate Performance and Policy Officer who provided a satisfactory explanation regarding the circumstances and arrangements in place in respect of these three specific indicators. We also noted two performance indicators whereby no specific named officer had been assigned as the Data Collector with “*To be arranged*” having been recorded within the performance dashboard. This was also queried with the aforementioned officer who explained that the designated Data Collector post was currently vacant and yet to be recruited to. The information on the performance dashboard was updated following communication with the relevant Head of Service in respect of this issue.
- To ensure consistency in defining and calculating corporate performance measures, we found that methodology statements were created for each performance indicator and recorded a “*Definition of the measure, Summary of measurement and Collection interval*”. These headings included details regarding where to obtain the data from, instructions on the calculation and the intervals for reporting, as a means of monitoring performance.
- We contacted a sample of 4 Heads of Service who were the designated Accountable Officers for a random sample of 8 corporate performance indicators (2 each). All confirmed that evidence was retained to support the calculated performance figures. Three Heads of Service either supplied information in support of the performance indicator or advised where the evidence was stored.
- Of the 8 corporate performance indicators sampled, we were advised that 4 relied on information supplied by a source external to the Council. However, where performance data was being supplied by an external organisation these bodies were generally, either the source of data generation or the national body responsible for the particular area. There was therefore no further requirement for data validation.

## 2.4 Quality Checks

- We found that the Corporate Performance and Policy Officers had delivered several group training sessions to officers involved in the performance reporting process. The sessions were targeted at those officers who had been designated as a Data Collector or a Data Reviewer. The aim was to provide a clear channel of communication in respect of the requirements and to generally promote and raise awareness of the *Corporate Plan Data Submission Process*. The sessions focussed primarily on roles and responsibilities, completion of the key documents and the process around reviewing and verifying the data. We were also informed that should there be a change in an officer designated as a Data Collector or Data Reviewer, the Corporate Performance and Policy Officers would arrange to meet with the new officers to go through the same process with them on an individual basis.
- Responses provided by the four Heads of Service advised that security around the collection of performance data was controlled with information being password protected and access limited to team members with a genuine business need to view information. Routine checks were also in place to identify any anomalies or unexpected inconsistencies in the performance data which would then prompt further investigation, should any be highlighted.
- The responses received from the four Heads of Service all confirmed that rudimentary checks were undertaken on the performance data prior to it being submitted and formally reported. These usually took the form of comparisons with data from previous periods to compare

against the current target and identify opportunities for improvements. The checks also served to identify any issues which may come to light as information affecting corporate performance data may evolve over time e.g., the evolving types of fuel poverty interventions that were available to the Council and the need to amend the calculation methodology to reflect any changes that develop.

- We found that progress against the implementation of recommendations from the previous Data Quality audit, carried out in September 2019, had been undertaken by the Council's Audit Sub-Committee. The committee had received a report at its meeting on 9<sup>th</sup> December 2020, informing them of the recommendations made by the audit, the responses to the recommendations and the progress made in implementing them.

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The central midlands audit partnership was formed to provide shared internal audit services to local authorities in the region. CMAP currently provides audit services to three District Councils, a Unitary Council, a Housing ALMO and a Fire Authority and welcomes further public sector partners or clients from within the region.

