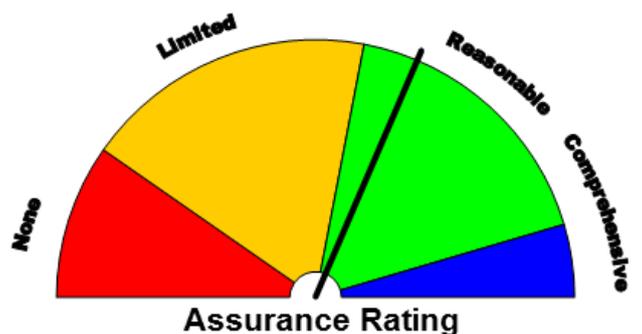




# South Derbyshire DC - Data Quality & Performance Management 2016-17 Final Audit Report



## Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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# 1 Executive Summary

## 1.1 Scope of Audit

- 1.1.1 An audit of Data Quality and Performance Management was included in the 2016-17 Audit Plan for South Derbyshire District Council. This audit was intended to provide assurance to the Council that the system is operating effectively and providing an acceptable level of control in order to satisfy the requirements of the Audit Committee and External Audit.
- 1.1.2 This audit focused on undertaking a self-assessment of the performance indicators to evaluate the systems in place for the monitoring and review of data quality and to identify higher risk indicators for subsequent review.
- 1.1.3 The following 3 control objectives were identified as the fundamental requirements of the internal control system, designed by management to mitigate the key risks presented by this subject matter and form the basis of the Self-Assessments and the Performance Indicator Audits:
- The reported performance figures have been accurately calculated.
  - The correct definition and/or guidance has been applied.
  - The systems used for collecting and recording the performance data are adequate and robust.
- 1.1.4 The audit considered 4 of the higher risk indicators for review to ensure that there were suitable systems in place for performance management and data quality throughout the Council. These indicators spanned the four Corporate Plan values of People (PE), Place (PL), Progress (PR) and Outcomes (O) and were:
- PE2.1 Total Number of Tenancy Audits Carried Out.
  - PL3.1 Downward Trend in Fly Tipping Incidents.
  - O3.1 Annual Improvements in the Energy Consumption of Public Buildings.
  - PR5.2 Maximise the Number of Registered Food Businesses Active in the District.
- 1.1.5 The audit focused on the activities within the 2016-17 financial year.

## 1.2 Summary of Audit Findings

- 1.2.1 The following issues were considered to be the key control weaknesses:

Risk Rating	Summary of Weakness	Agreed Action Date
Low Risk	The Quarter 3 reported figures could not be verified back to the Tenancy Visits Tracker spreadsheet.	31/07/2017
Low Risk	Performance figures for PE2.1 were not subjected to scrutiny or authorisation from departmental managers before their submission.	19/07/2017
Low Risk	The measurement period applied for PE2.1 was not in line with the guidance available or calendar start and end dates.	31/07/2017
Low Risk	The audit trail of data maintained to support the reported performance figures for PE2.1 was not adequate.	19/07/2017
Low Risk	There were no accuracy and completeness checks over the performance data for PE2.1.	19/07/2017
Low Risk	Access to the Tenant Visit spreadsheet was not adequately restricted.	01/06/2017
Low Risk	There was not any scrutiny or authorisation from a secondary officer for the performance figures calculated for PL3.1. A minor difference was found which impacted on the accuracy of the Quarter 2 reported figure for 2016-17.	19/07/2017
Low Risk	The Environmental Services performance spreadsheet was held on the local drive of the Environmental Services Manager, therefore making it inaccessible to the wider team.	01/07/2017
Low Risk	There was insufficient documentation to support the reported performance figures for O3.1 during 2016-17.	N/A

Low Risk	Inaccuracies in the floor space figures stated in the O3.1 FY17 spreadsheet meant that calculation of the performance figures for O3.1 was flawed.	N/A
Low Risk	There was insufficient checking and authorisation of the calculated performance figures for O3.1.	N/A
Low Risk	A complete and comprehensive methodology statement for the collection and recording of performance data, and calculation of the performance figure for O3.1 was not in place.	N/A
Low Risk	Access to the O3.1 spreadsheet was not appropriately restricted.	N/A
Low Risk	There was not any independent scrutiny and authorisation of the performance figures for PR5.2.	19/07/2017
Low Risk	The guidance on PR5.2 had not been used in the calculation of the reported performance figures from April 2016. This had resulted in inconsistencies in the calculation process and inaccuracies in the reported figures.	30/06/2017
Low Risk	There was an insufficient audit trail in place to support the figure reported under performance indicator PR5.2.	19/07/2017
Low Risk	There was a lack of supporting evidence for the figures reported for PR5.2 and so we were unable to verify the accuracy of the figures.	19/07/2017
Low Risk	The methodology for calculation of PR5.2 varied between the Performance Indicator Pro Forma and Methodology Statement document and the Performance Management Reporting Protocol Environmental Health 2015-16 document.	30/06/2017
Low Risk	There were not any independent checks over the accuracy or completeness of the performance figures for PR5.2.	19/07/2017

- 1.2.2 This report focuses on the weaknesses in the Council's systems of control that were highlighted by this audit and recommends what Audit considers to be appropriate control improvements. This report contains 19 recommendations, 19 are considered a low risk, 0 a moderate risk, 0 a significant risk, and 0 are considered to be critical risk.

All 19 of the issues raised within this report have been accepted, but no action will be taken in respect of 5 of the issues raised as management are discontinuing the measurement of O3.1 (Annual Improvements in the Energy Consumption of Public Buildings). Management have agreed to take actions to address the remaining 14 issues by 31<sup>st</sup> July 2017.

## 1.3 Summary of Control Assurance Provided

- 1.3.1 **Reasonable** - We are able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.

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

## 1.4 Distribution & Communication

- 1.4.1 The draft report was issued to Keith Bull, Head of Communication for comment.

The final version will be issued to Kevin Stackhouse, Director of Finance & Corporate Services with copies to:

- Keith Bull, Head of Communications.

This report was produced by Hannah McDonald, Principal Auditor, Mark Allsop, Principal Auditor and Jacinta Fru, Assistant Audit Manager. Any enquiry concerning the content of this report or associated issues may be made to Hannah McDonald, Principal Auditor on 01332 643284.

## 2 Findings & Recommendations

### 2.1 Self-Assessment 2016-17 Results

- 2.1.1 The Performance Indicator Self-Assessment questionnaire was developed to evaluate the way performance indicators were being measured throughout the Council by assessing the effectiveness of the controls in place for calculating each indicator. This was designed to:
- Identify whether key controls over individual indicators were in place.
  - Determine which indicators may require further scrutiny.
- 2.1.2 The questionnaire was designed to emulate the Performance Indicator Audit Programme which has been specifically developed over a number of years to focus on the fundamental requirements of the internal control systems for the measurement and recording of performance data. This programme assessed the 3 main control objectives by focusing on the key controls which were expected to support each objective. The programme had been mapped out to monitor accuracy, validity, reliability, timeliness, relevance and completeness.
- 2.1.3 Copies of the Self-Assessment form were issued to the Managers Responsible for the performance indicators. The Head of Communications collated the responses and forwarded them to Internal Audit for evaluation. 25 Self-Assessment forms were received back, representing the different systems used for calculating Performance Indicators.
- 2.1.4 Each questionnaire has then been logic checked by audit, based on our past experience and knowledge of the indicators and consideration has been given to the additional comments provided by the Data Reviewer and Data Collector. This ensures a consistent interpretation and score has been applied to each Self-Assessment. This cleansed data has subsequently been imported into the Performance Indicator Database to analyse and evaluate the results to identify where controls over the measurement of performance indicators were in operation or where they were potentially weak.
- 2.1.5 From the 25 Self-Assessments, 11 of the reporting systems were evaluated as low risk, 10 were evaluated as a medium risk and 4 were evaluated as high risk. Answers to the Self-Assessments questions for the low risk areas demonstrated that:
- Suitable controls were in place to ensure the completeness and accuracy of the collection of data.
  - The supporting documentation was complete.
  - The calculation of the performance figure was in line with the required definition and/or local agreements.
- 2.1.6 The following 4 high risk indicators were reviewed:
- PE2.1 Total Number of Tenancy Audits Carried Out
  - PL3.1 Downward Trend in Fly Tipping Incidents
  - O3.1 Annual Improvements in the Energy Consumption of Public Buildings
  - PR5.2 Maximise the Number of Registered Food Businesses Active in the District
- 2.1.7 Details of the questionnaire results can be made available, if required.

## 2.2 PE2.1 Total Number of Tenancy Audits Carried Out

2.2.1 The Self-Assessment process identified 'PE2.1 Total Number of Tenancy Audits Carried Out' as a higher risk indicator: this indicator was therefore subject to further review. The detailed findings follow:

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
The reported performance figures have been accurately calculated.	3	1	1	1
The correct definition and/or guidance has been applied	5	4	1	0
The systems used for collecting and recording the performance data are adequate and robust	6	2	3	1
<b>TOTALS</b>	<b>14</b>	<b>7</b>	<b>5</b>	<b>2</b>

2.2.2 We attempted to establish whether the Council's system of control 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:

- The calculation process for PE2.1 was a simple addition of figures and utilised the Tenant Visits Tracker spreadsheet data.
- The most recent guidance was used in the collection of the performance data and the calculation of the reported performance figures for PE2.1.
- The interpretation of the guidance was accurate and the calculations were consistent with the guidance available for PE2.1.
- Guidance required the return format to be reported as a whole number, and the reported figures for 2016-17 to date were consistent with this.
- There was a documented methodology in place for collecting and recording the performance data and calculating the performance figure for PE2.1.
- There was no manual manipulation of the performance data in order to arrive at the performance figures for PE2.1.

2.2.3 We expected that the performance figures held by the Policy & Communications Team would be consistent with the supporting documentation held by the Data Collector.

We were provided with the performance figures that had been reported to Performance and these showed:

- Quarter 1 – achieved 298 visits (against a target of 250) = green rated
- Quarter 2 – achieved 500 visits (against a target of 500) = green rated
- Quarter 3 – achieved 693 visits (against a target of 750) = red rated. An action plan had been documented regarding this under performance.

We noted that the 2016/17 target was 1000 visits.

When reviewing the Quarter 3 figures, we were unable to confirm the reported 693 visits to either version of the Tenant Visits Tracker spreadsheet that we obtained during the course of the audit. On the original version, it showed 694 visits, but on the latter version it showed 715 visits. We queried this with the Data Collector who was unable to explain this discrepancy; she stated that she assumed that visits had been added onto the spreadsheet retrospectively for visits done prior to the end of Quarter 3.

We noted that from April 2017 it was intended to utilise the Tenancy Visits Module on the Orchard Housing system to log visits and calculate the performance figures for this indicator. This would minimise the amount of manual input and was hoped to improve accuracy of the reported figures.

If the reported performance figures cannot be agreed back to supporting documentation, there is a risk that inaccurate figures have been reported, and so decision making could be based on unreliable information.

Recommendation 1	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The Quarter 3 reported figures could not be verified back to the Tenancy Visits Tracker spreadsheet.</p> <p><b>Suggested Actions:</b> We recommend that prior to reporting the performance figures, checks are undertaken to ensure that all of the required visit data has been accurately recorded.</p>	<p><b>Responsible Officer:</b> Chris Holloway</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Independent checks to be undertaken. New module on the Orchard housing system will further strengthen performance reporting mechanisms when introduced.</p> <p><b>Implementation Date:</b> 31/7/2017</p>

2.2.4 We expected that the performance figures would be subject to scrutiny from departmental managers and that the Data Reviewer would check and authorise the performance figures.

We found that performance figures for PE2.1 were not subjected to scrutiny or authorisation from departmental managers before their submission. This was confirmed through discussion with officers and review of documentation.

There is a risk that inaccurate performance figures may be reported. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 2	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Performance figures for PE2.1 were not subjected to scrutiny or authorisation from departmental managers before their submission.</p> <p><b>Suggested Actions:</b> We recommend that prior to their submission to the Performance team, the figures for PE2.1 are scrutinised and authorised by management within the Housing section.</p>	<p><b>Responsible Officer:</b> Yvonne Tucker &amp; Chris Holloway</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Figures to be scrutinised and authorised by the Team Leader, who is currently off work. Housing Operations Manager to undertake role in the interim.</p> <p><b>Implementation Date:</b> 19/7/2017</p>

2.2.5 We expected that the measurement period applied for PE2.1 would be consistent with the guidance available.

We found that the guidance for PE2.1 referred to data being collected and reported each quarter based on the number of tenancy visits carried out during the quarter. It also stated that tenancy visits were targeted per year.

Through discussion with the Data Collector, we found that the performance figure was measured within each quarter of the financial year.

However, we noted that the start and end dates used in the calculations were not consistent with calendar start and end dates. We expected Quarter 1 to run from 1 April to 30 June 2016, but it actually ran from 4 April 2016 to 3 July 2016. We expected Quarter 2 to run from 1 July to 30 September 2016, but it actually ran from 1 July to 2 October. We expected Quarter 3 to run from 1 October to 31 December 2016, but it actually ran from 3 October 2016 to 1 January 2017. We also expected Quarter 4 to run from 1 January to 31 March 2017 but it actually ran from 2 January to 2 April 2017. Any overlap of days was for weekends when visits were not undertaken. This had meant that any visits undertaken on Friday 1st April 2016 were not included within the Quarter 1 performance figure.

Discussion with the Data Collector identified that she had always used a Monday-Sunday timeframe when collating the data. So 1st (to 3rd) April 2016 was not included as that was a Friday (to

Sunday) and so was reported in the previous week (any visits undertaken on 1st April would have been reflected in the 2015-16 Quarter 4 performance figures).

There is a risk that visits undertaken are not reflected in the correct quarter or financial year: this could result in minor inaccuracies in the reported performance figures.

Recommendation 3	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The measurement period applied for PE2.1 was not in line with the guidance available or calendar start and end dates.</p> <p><b>Suggested Actions:</b> We recommend that the measurement period for PE2.1 is brought in line with the calendar start and end dates for each quarter to ensure that Tenancy Visits undertaken are reflected within the relevant performance reporting period.</p>	<p><b>Responsible Officer:</b> Chris Holloway</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Reminders to be issued to applicable staff to ensure visits are updated on the spreadsheet in a timely manner. New Orchard module will aid process.</p> <p><b>Implementation Date:</b> 31/7/2017</p>

- 2.2.6 We expected that performance data would be collected and recorded consistently throughout the period sampled and that there would be an adequate audit trail.

We found that the process for collecting and recording the performance data was consistent for the period sampled, and that once reported, the formulas within the performance data tab of the Tenancy Visits Tracker spreadsheet that were used to calculate the performance figure were removed and replaced with the numbers.

However, when trying to reconcile the Quarter 1 and Quarter 2 reported figures on the performance data tab with the details recorded on the Area tabs within the Tenancy Visit Tracker spreadsheet, we were unable to satisfactorily do this. It was possible that visit dates may have been added, removed or amended retrospectively after the Quarter 1 and Quarter 2 data had been calculated and reported, as the spreadsheet was a live document.

Through checking undertaken during the course of the audit, we also raised a number of issues with the Data Collector relating to the recorded dates such as discrepancies between the dates on the visit records and those on the spreadsheet. The Data Collector corrected most of the issues raised, but where corrections were not required this was explained.

There is a risk that if the reported figures were challenged, they could not be justified, explained or recreated based on inadequate supporting working papers.

Recommendation 4	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The audit trail of data maintained to support the reported performance figures for PE2.1 was not adequate.</p> <p><b>Suggested Actions:</b> We recommend that adequate evidence is retained to support the reported figures: this may mean taking a copy of the spreadsheet at the point in time the reported figures are reported, or retaining reports from the Orchard Housing System that demonstrate the visits undertaken and included in the reported figure for each quarter.</p>	<p><b>Responsible Officer:</b> Chris Holloway</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> As per recommendation.</p> <p><b>Implementation Date:</b> 19/7/2017</p>

- 2.2.7 We expected that accuracy and completeness checks would be undertaken over the input of performance data on the respective database or the system used for recording the performance data.

We were unable to identify any accuracy or completeness checks on the calculation of the performance figures via the Tenant Visit spreadsheet. We found that all Housing Officers had access to the spreadsheet to enter the details of the visits they undertake, and that management considered the visits and associated risk assessments, but this consideration did not extend to

checking the accuracy and completeness of the calculated and reported performance figures for PE2.1.

We noted that the Performance Officers had access to the spreadsheet and would access it to retrieve the performance figures for the period and would enter the figures onto the Performance Spreadsheet, but they did not undertake any verification exercises on the data and there were no secondary checks on the data they entered onto the Performance Spreadsheet.

Without verification of performance data, there is a risk that incomplete data is used in the calculation of performance figures, and reported figures may be inaccurate.

Recommendation 5	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There were no accuracy and completeness checks over the performance data for PE2.1.</p> <p><b>Suggested Actions:</b> We recommend that a process for checking the accuracy and completeness of performance figures for PE2.1 is introduced. This could include checks to ensure visits have been recorded, that calculations have been correctly undertaken, and that reported figures are in line with departmental records.</p>	<p><b>Responsible Officer:</b> Chris Holloway</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. The updates to the Orchard module will result in a clearer and simpler audit trail to sit alongside the paper tenancy files. Housing Operations Manager to carry out checks in the interim.</p> <p><b>Implementation Date:</b> 19/7/2017</p>

2.2.8 We expected that access to the system holding performance data would be restricted.

We found through review of documentation and discussion with officers that the Tenant Visits spreadsheet was not password protected and the performance data tab within it was not locked down: this means that it could be amended by anyone who opened the document. We were informed that in addition to the Housing team who carried out the visits, officers from the Performance team and the Housing Options team could access the folder where the spreadsheet was saved.

We noted that moving forward, it was planned to record all of the visits within the Orchard system (Tenancy Visits module) and the performance data would be derived from a report generated from the system. As the module had not been implemented at the time of audit, it was not possible to determine the level of access to data that would be used in the calculation of the performance figures and the reporting module; however, it was anticipated that access to the module would be in line with business requirements.

There is a risk that officers without a business need to have access to the Tenant Visit spreadsheet could access the record and make amendments which could call into question the validity and accuracy of the performance data.

Recommendation 6	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Access to the Tenant Visit spreadsheet was not adequately restricted.</p> <p><b>Suggested Actions:</b> We recommend that whilst the spreadsheet is still in use, it should be password protected to ensure that only officers with a business need can access it, and the Performance Data tab should be locked down to protect the formulas and data within it. We also suggest that in the first quarter that the Tenancy Visits module is live, the spreadsheet should also continue to be maintained as this would provide opportunity for a validity check on the report data generated from Oracle.</p>	<p><b>Responsible Officer:</b> Lyndsay Taylor</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> As per recommendation.</p> <p><b>Implementation Date:</b> 1/6/2017</p>

## 2.3 PL3.1 Downward Trend in Fly Tipping Incidents

2.3.1 The Self-Assessment process identified 'PL3.1 Downward Trend in Fly Tipping Incidents' as a higher risk indicator, this indicator was therefore subject to further review. The detailed findings follow:

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
The reported performance figures have been accurately calculated.	3	1	1	1
The correct definition and/or guidance has been applied	5	5	0	0
The systems used for collecting and recording the performance data are adequate and robust	6	4	1	1
<b>TOTALS</b>	<b>14</b>	<b>10</b>	<b>2</b>	<b>2</b>

2.3.2 We attempted to establish whether the Council's system of control 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:

- The performance figures held by the Policy & Communications Team were consistent with the supporting documentation held by the Data Collector for Quarters 1-3 2016-17 for PL3.1.
- The most recent guidance was used in the collection of the performance data and the calculation of the reported performance figures for PL3.1.
- The interpretation of guidance and process for calculation the performance figures for PL3.1, as described by the Environmental Health Manager, was consistent with the Performance Indicator Pro Forma and Methodology Statement document.
- The performance data was measured in calendar months and was cumulated throughout the year. This was consistent with the guidance available for PL3.1.
- The guidance for indicator PL3.1 required that the return format should be a number: this was found to have been consistently applied for the reported quarters to date during 2016-17.
- The performance figures to date for PL3.1 had been reported as whole numbers (zero decimal places) which was consistent with the guidance available for this indicator.
- Performance data was collected and recorded consistently throughout 2016-17 and an adequate audit trail was maintained for PL3.1.
- Adequate working papers were retained to show calculations for PL3.1.
- A documented methodology was in place for collecting and recording the performance data and calculating the performance figure for PL3.1.
- There was minimal manipulation of the performance data in order to arrive at the performance figure for PL3.1: the data within the Fly Capture Spreadsheet was sorted to identify instances dealt with by the Safer Neighbourhoods Wardens.

2.3.3 We expected that the performance figures would be subject to scrutiny from departmental managers and that the Data Reviewer would check and authorise the performance figures.

We found that there was not any scrutiny or authorisation from a secondary officer for the performance figures calculated and reported for PL3.1.

We found a small discrepancy between the calculated performance figure for July 2016 and one of the source documents. The Fly Capture Spreadsheet, which was maintained by the Safer Neighbourhood Wardens to show instances of fly tipping that they had identified, reported 2 instances, but the calculation (documented within the Environmental Services PI spreadsheet) used a figure of 3. This meant that the reported figure for Quarter 2 was overstated by 1 (348 instead of

the reported 349 instances). Whilst it did not impact on the RAG rating, a process for checking and review of data and reported figures should have helped to identify and correct these errors.

There is a risk that any errors in calculations would not be identified and therefore inaccurate performance figures could be reported.

Recommendation 7	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was not any scrutiny or authorisation from a secondary officer for the performance figures calculated for PL3.1. A minor difference was found which impacted on the accuracy of the Quarter 2 reported figure for 2016-17.</p> <p><b>Suggested Actions:</b> We recommend that an officer independent of the calculation of the performance figures for PL3.1 reviews the data to ensure accuracy in the calculations and authorises the performance figures before submission to the performance team. This review and authorisation should be formally recorded.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Methodology statement has been updated, with the Environmental Health Manager as the data collector and the Safer Neighbourhood Wardens as the data reviewer (to carry out independent checks).</p> <p><b>Implementation Date:</b> 19/7/2017</p>

2.3.4 We expected that access to the system holding performance data would be secure and that performance data would be accessible to appropriate officers.

We found that the Environmental Services performance indicators and the calculations to support the reported figures were held on a performance spreadsheet which was held on the U drive (local drive) of the Environmental Services Manager. This meant that it was not accessible to anyone else.

There is a risk that in times of absence of the Environmental Services Manager, this key spreadsheet would not be readily accessible to another officer to enable them to calculate and report on the Environmental Services performance indicators.

Recommendation 8	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The Environmental Services performance spreadsheet was held on the local drive of the Environmental Services Manager, therefore making it inaccessible to the wider team.</p> <p><b>Suggested Actions:</b> We recommend that the performance spreadsheet for Environmental Services is relocated to a central location, but that the document should be password protected and key calculation fields should be locked down to prevent unauthorised amendments. This would ensure that if the Environmental Services Manager was ever unavailable to calculate the performance figures, the spreadsheet would be available to another nominated officer to undertake this task in his absence.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> As per recommendation.</p> <p><b>Implementation Date:</b> 1/7/2017</p>

## 2.4 O3.1 Annual Improvements in the Energy Consumption of Public Buildings

2.4.1 The Self-Assessment process identified 'O3.1 Annual Improvements in the Energy Consumption of Public Buildings' as a higher risk indicator, this indicator was therefore subject to further review. The detailed findings follow:

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
The reported performance figures have been accurately calculated.	3	0	3	0
The correct definition and/or guidance has been applied	5	5	0	0
The systems used for collecting and recording the performance data are adequate and robust	5	0	3	2
<b>TOTALS</b>	<b>13</b>	<b>5</b>	<b>6</b>	<b>2</b>

2.4.2 We attempted to establish whether the Council's system of control 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:

- The most recent guidance had been used in the collection of the performance data and the calculation of the reported performance figures for O3.1.
- A definition of the indicator had been provided within the Performance Indicator Pro Forma and Methodology Statement O3.1 and discussion with officers involved in the calculation of the performance data for O3.1 confirmed that their interpretation of the performance indicator was consistent with the guidance.
- Through discussion with officers and review of data, we confirmed that performance measure O3.1 was being measured each quarter and compared with the previous year's performance at the same quarter. We also confirmed that a cumulative year to date measure was being recorded.
- The return format for O3.1 was a percentage: this was specified within the guidance for this indicator, and had been consistently applied in practice for the reported figures for Quarter 1 and Quarter 2 of 2016-17.
- The performance figure for O3.1 had been reported to two decimal places for Quarter 1 and Quarter 2. This was consistent with the guidance available for this indicator.

2.4.3 We expected that the performance figures held by the Policy & Communications Team would be consistent with the supporting documentation held by the Data Collector.

We found that the performance figures held by the Policy & Communications Team differed to the supporting documentation held by the Data Collector for O3.1:

Period	Reported Performance Figures	Data Collector Figures
Quarter 1	5.89% reduction	8.48% reduction
Quarter 2	2.78% increase	4.27% increase
Quarter 3	4.27% increase	2.09% reduction

We noted that the spreadsheet used to calculate the performance figures (known as O3.1 FY17) was a live document which was updated throughout the year. Updates to the spreadsheet could be made following the receipt of gas bills for the Civic Offices and Depot, and late receipt of data from third parties. A copy of the spreadsheet was not taken to support the figures reported to the Policy & Communications Team each quarter. Therefore, the difference in figures highlighted above was indicative of changes made to the spreadsheet following the close of each quarter. The Data Collector confirmed that at year end, the changes made throughout the year would be reflected in the final performance figures.

We also noted that the Environmental Services Performance Spreadsheet, maintained by the Data Reviewer, showed a difference to the reported figures for Quarter 1 as it read 5.98%.

Without adequate supporting documentation, there is a risk that the reported performance figures could be challenged and disputed.

Recommendation 9	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was insufficient documentation to support the reported performance figures for O3.1 during 2016-17.</p> <p><b>Suggested Actions:</b> We recommend that a copy of the O3.1 FY17 spreadsheet used to calculate the performance figure is saved for each quarter to support the figures reported to the Policy &amp; Communications Team. This will ensure an adequate audit trail is in place to support the reported figures for O3.1.</p>	<p><b>Responsible Officer:</b> N/A</p> <p><b>Issue Superseded</b></p> <p><b>Agreed Actions:</b> No longer applicable. Indicator is no longer included as a strategic measure. Will continue to be reviewed during 2017/18 before a decision is made on whether to reintroduce in 2018/19.</p> <p><b>Implementation Date:</b> N/A</p>

2.4.4 We expected that the performance figures would be accurately calculated.

We found through discussion with the Data Collector that the same floor space figures were used in the calculation each quarter as they did not tend to change. However, when we checked the floor space figures on the O3.1 FY17 spreadsheet we found that they did not agree to those stated on the Geographical Information System (for map information). We found that floor space at Rosliston Forestry Centre was recorded as 2428m<sup>2</sup> on the spreadsheet, but we calculated an area of 2607m<sup>2</sup> using the information from the Geographical Information System. This difference would impact on the performance figure reported.

We also noted through discussion with the Data Collector that the toilet block at the Glade (Rosliston Forestry Centre) was not included in the calculation of floor space. Another issue raised, again relating to Rosliston, was that in the summer months a marquee was erected – the costs of the energy consumed here were included in the calculation of O3.1, but the increased floor space was not.

If inaccurate figures are used in the calculation of the performance figures, this will result in inaccurate performance figures being reported. There is therefore a risk that management may make decisions based on incorrect data.

Recommendation 10	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Inaccuracies in the floor space figures stated in the O3.1 FY17 spreadsheet meant that calculation of the performance figures for O3.1 was flawed.</p> <p><b>Suggested Actions:</b> We recommend that the figures used for floor space in the O3.1 FY17 are checked and revised. Management should also consider increasing the floor space figures for times in the year when temporary structures are used.</p>	<p><b>Responsible Officer:</b> N/A</p> <p><b>Issue Superseded</b></p> <p><b>Agreed Actions:</b> No longer applicable. Indicator is no longer included as a strategic measure. Will continue to be reviewed during 2017/18 before a decision is made on whether to reintroduce in 2018/19.</p> <p><b>Implementation Date:</b> N/A</p>

2.4.5 We expected that the performance figures would be subject to scrutiny from departmental managers and that the Data Reviewer would check and authorise the performance figures.

We found that there was limited scrutiny of the performance data for O3.1 and no documented authorisation. The Data Collector discussed the performance figures with the Data Reviewer, who was also his line manager, at his monthly one to one meetings, but this was a general discussion about if they were going to hit target or not, and did not extend to a review of the figures used in the calculation. The Data Reviewer also confirmed that this was the case.

We noted through conversation with the Data Collector that it was difficult to have sufficient time to undertake checks because of the tight timescales involved. Performance data was required around the 20<sup>th</sup> of the month, but he was reliant on obtaining information from third parties which was sometimes delayed.

We also found that there were not any checks on the figures reported on the performance spreadsheet back to supporting documentation, for example, to ensure figures had not been transposed.

Without adequate scrutiny and authorisation of performance figures, there is a risk that inaccuracies in the reported performance figures for O3.1 would not be identified. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 11	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was insufficient checking and authorisation of the calculated performance figures for O3.1.</p> <p><b>Suggested Actions:</b> We recommend that a system of checking performance figures is introduced. Where timescales are tight, this could be based on checks on a sample of data, to help to ensure accuracy. The calculation fields in the O3.1 spreadsheet used to record and calculate performance data should be locked down to prevent their alteration. Checks should also extend to figures logged on the performance spreadsheet back to supporting data. An audit trail to demonstrate these checks by the Data Reviewer, and their authorisation, should be maintained. For speed and ease, this could be done via email.</p>	<p><b>Responsible Officer:</b> N/A</p> <p><b>Issue Superseded</b></p> <p><b>Agreed Actions:</b> No longer applicable. Indicator is no longer included as a strategic measure. Will continue to be reviewed during 2017/18 before a decision is made on whether to reintroduce in 2018/19.</p> <p><b>Implementation Date:</b> N/A</p>

2.4.6 We expected that there would be a documented methodology in place for collecting and recording the performance data and calculating the performance figure.

We found that the Performance Indicator Pro Forma and Methodology Statement O3.1 – Annual Improvements in the Energy Consumption of Public Buildings document, included a methodology for the collection and recording of the performance data and calculation of the performance figure, however, through review of the process alongside the Compiling Officer it was found that the Methodology Statement did not cover the entirety of the process, including how the calculation itself should be performed. No other methodology documents were identified during the course of the audit.

If the methodology statement does not cover the entirety of the process, there is a risk that should the Compiling Officer ever not be available to undertake the calculation of the performance figures for O3.1, a consistent and comprehensive approach may not be undertaken to arrive at the figures. This could impact on the accuracy of the reported performance figures.

Recommendation 12	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> A complete and comprehensive methodology statement for the collection and recording of performance data, and calculation of the performance figure for O3.1 was not in place.</p> <p><b>Suggested Actions:</b> We recommend that the process outlined with the Performance Indicator Pro Forma and Methodology Statement O3.1 – Annual Improvements in the Energy Consumption of Public Buildings document is expanded upon to include the whole process for collating data, recording it, and undertaking calculations to arrive at the performance figures for O3.1</p>	<p><b>Responsible Officer:</b> N/A</p> <p><b>Issue Superseded</b></p> <p><b>Agreed Actions:</b> No longer applicable. Indicator is no longer included as a strategic measure. Will continue to be reviewed during 2017/18 before a decision is made on whether to reintroduce in 2018/19.</p> <p><b>Implementation Date:</b> N/A</p>

2.4.7 We expected that access to data on the system holding performance data would be secure.

We found through discussion with Data Collector for O3.1 that the key spreadsheet used to compile and calculate the performance figures for this indicator was not restricted in any way:

- the spreadsheet was not password protected
- the spreadsheet was held on the S drive which was accessible to most officers
- there were no protected fields within the spreadsheet which would have provided protection against unauthorised changes.

There is a risk that the integrity of data on the O3.1 spreadsheet could be compromised, which could impact on the accuracy and reliability of the reported figures.

Recommendation 13	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Access to the O3.1 spreadsheet was not appropriately restricted.</p> <p><b>Suggested Actions:</b> We recommend that controls are put in place to help to protect the integrity of the spreadsheet used to collate and calculate performance information for performance indicator O3.1. This could include:</p> <ul style="list-style-type: none"> <li>• Password protecting the document.</li> <li>• Locking cells that include data which should not be altered (e.g. containing formulas).</li> </ul>	<p><b>Responsible Officer:</b> N/A</p> <p><b>Issue Superseded</b></p> <p><b>Agreed Actions:</b> No longer applicable. Indicator is no longer included as a strategic measure. Will continue to be reviewed during 2017/18 before a decision is made on whether to reintroduce in 2018/19.</p> <p><b>Implementation Date:</b> N/A</p>

## 2.5 PR5.2 Maximise the Number of Registered Food Businesses Active in the District

2.5.1 The Self-Assessment process identified 'PR5.2 Maximise the Number of Registered Food Businesses Active in the District' as a higher risk indicator, this indicator was therefore subject to further review. The detailed findings follow:

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
The reported performance figures have been accurately calculated.	3	1	0	2
The correct definition and/or guidance has been applied	5	4	1	0
The systems used for collecting and recording the performance data are adequate and robust	6	1	3	2
<b>TOTALS</b>	<b>14</b>	<b>6</b>	<b>4</b>	<b>4</b>

2.5.2 We attempted to establish whether the Council's system of control 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:

- The performance figures held by the Policy & Communications Team were consistent with the supporting documentation held by the Data Collector for Quarter 1-3 of 2016-17 for PR5.2.
- Through discussion with the officer responsible for reporting on PR5.2 it was found that their understanding of the indicator was consistent with the definition set out within the performance Indicator Pro Forma and Methodology Statement document.
- The measurement period applied for PR5.2 was consistent with the guidance available.

- The available guidance for PR5.2 specified that the performance data should be reported as a number and this was found to be the case for the reported figures to date during 2016-17.
- The performance figures for PR5.2 for 2016-17 to date had been reported as whole numbers (zero decimal places) and this was consistent with the guidance for this performance indicator.
- There was not any manual manipulation of the data to arrive at the performance figures for PR5.2.

2.5.3 We expected that the performance figures would be subject to scrutiny from departmental managers and that the Data Reviewer would check and authorise the performance figures.

We found no evidence that the performance figures for PR5.2 had been subjected to scrutiny or authorised by an officer independent of the calculation process.

We noted that within the returned self-assessment for PR5.2, the same officer was listed as both the Data Collector and Data Reviewer which was an inadequate segregation of duties and meant that there was no opportunity for scrutiny and authorisation of the performance figures.

Without independent scrutiny and authorisation of the performance figures, there is a risk that inaccuracies in the figures would not be detected. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 14	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was not any independent scrutiny and authorisation of the performance figures for PR5.2.</p> <p><b>Suggested Actions:</b> We recommend that segregation of duties be introduced between the Data Collector and Data Reviewer roles for PR5.2. The Data Reviewer should then scrutinise and authorise the performance figures for PR5.2 prior to their submission to the Performance section.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Methodology statement will be reviewed and resubmitted, with segregated duties to be defined. Process to then be followed.</p> <p><b>Implementation Date:</b> 19/07/2017</p>

2.5.4 We expected that the most recent guidance would be used in the collection of the performance data and the calculation of the reported performance figures.

We found that the guidance entitled Performance Indicator Pro Forma and Methodology Statement PR5.2 – Maximise the Number of Registered Food Businesses Active in the District had not been used in the calculation of the reported performance figures. The guidance made clear that a calculation should be performed taking into account closed businesses. However, this had not happened and so the performance figures from April 2016 onwards had been incorrectly stated.

If a consistent process is not used to collate and calculate performance data, there is a risk that there may be inaccuracies in the reported figures. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 15	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The guidance on PR5.2 had not been used in the calculation of the reported performance figures from April 2016. This had resulted in inconsistencies in the calculation process and inaccuracies in the reported figures.</p> <p><b>Suggested Actions:</b> We recommend that the methodology set out within the guidance entitled Performance Indicator Pro Forma and Methodology Statement PR5.2 – Maximise the Number of Registered Food Businesses Active in the District is used when</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Methodology statement will be reviewed and resubmitted.</p> <p><b>Implementation Date:</b> 30/06/2017</p>

calculating the performance figures for PR5.2.

- 2.5.5 We expected that performance data would be collected and recorded consistently throughout the period sampled and that there would be an adequate audit trail.

We found that the performance figure for PR5.2 was taken directly from the Civica Database. The figure was logged within the Environmental Services Performance Spreadsheet and was reported at the end of each quarter to the Performance team. However, evidence of the figure that Civica had returned was not retained. The Civica Database was live, and was continuously being updated with business details; therefore, it was not possible to recreate the reported performance figure after the event.

Without an adequate audit trail in place to support the reported performance data, there is a risk that performance figures are unsubstantiated. This could lead to challenge over the accuracy and validity of the reported figures.

Recommendation 16	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was an insufficient audit trail in place to support the figure reported under performance indicator PR5.2.</p> <p><b>Suggested Actions:</b> We recommend that evidence is retained of the number of business in the Civica Database at the time the performance data for PR5.2 is reported. This could be via a screenshot of the relevant screen within the database. Evidence of calculations should also be retained.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Clear overview of process will be reflected in the methodology statement before being implemented.</p> <p><b>Implementation Date:</b> 19/07/2017</p>

- 2.5.6 We expected that out-turn information would be consistent with source documents and that adequate working papers would be retained to show all calculations.

We noted that a spreadsheet was maintained within Environmental Health for documenting and calculating their performance figures. However, for PR5.2 this only included a figure that had been directly input to the spreadsheet. There was not any system extracts from Civica, or other documentation such as screen shots or calculations, which supported the reported figures for PR5.2. The data within Civica was constantly changing, and so recreation of the reported figures was not an option. We were unable therefore to verify that out-turn information was consistent with source data as inadequate evidence had been retained.

If adequate working papers are not retained, there is a risk that inaccurate performance figures could be reported but that these inaccuracies would not be identified due to a lack of supporting documentation. This could impact on decision making.

Recommendation 17	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was a lack of supporting evidence for the figures reported for PR5.2 and so we were unable to verify the accuracy of the figures.</p> <p><b>Suggested Actions:</b> We recommend that evidence should be retained of the figures taken from Civica in the calculation of PR5.2, and that evidence of the calculation itself should also be retained. This would help to ensure the accuracy and validity of the reported figures and would ensure any challenges or enquiries into the figures could be answered.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Clear overview of process will be reflected in the methodology statement before being implemented.</p> <p><b>Implementation Date:</b> 19/07/2017</p>

- 2.5.7 We expected that there would be a documented methodology in place for collecting and recording the performance data and calculating the performance figure.

We found that there was a methodology for calculation within the Performance Indicator Pro Forma and Methodology Statement document for PR5.2, but that there was also a methodology within a local document entitled Performance Management Reporting Protocol Environmental Health 2015-16. The methodology within these two documents differed. Discussion with officers involved with calculating the performance figures for PR5.2 identified that the methodology set out within the Performance Indicator Pro Forma and Methodology Statement document was the correct one.

Where the methodology for the calculation of performance indicators vary, there is a risk that there will be inconsistencies and inaccuracies in the reporting of performance figures. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 18	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The methodology for calculation of PR5.2 varied between the Performance Indicator Pro Forma and Methodology Statement document and the Performance Management Reporting Protocol Environmental Health 2015-16 document.</p> <p><b>Suggested Actions:</b> We recommend that the Performance Management Reporting Protocol Environmental Health 2015-16 document be updated to ensure that it accurately reflects the correct process for calculating PR5.2.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted / Not Accepted</b></p> <p><b>Agreed Actions:</b> Recommendation accepted. Clear overview of process will be reflected in the methodology statement.</p> <p><b>Implementation Date:</b> 30/06/2017</p>

2.5.8 We expected that accuracy and completeness checks would be undertaken over the input of performance data on the respective database or the system used for recording the performance data.

We did not identify any accuracy or completeness checks over the input of performance information either onto the Environmental Services performance spreadsheet or onto the performance team's spreadsheet. The Performance Officers did not have access to any of the Environmental Services documents or systems so could not verify the accuracy of the reported data.

There is a risk that inaccurate or incomplete figures could be reported for PR5.2. This could impact on decision making and could result in reputational damage if the Council were found to be misreporting performance figures.

Recommendation 19	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There were not any independent checks over the accuracy or completeness of the performance figures for PR5.2.</p> <p><b>Suggested Actions:</b> We recommend that a process for checking the accuracy and completeness of the performance figures for PR5.2 be introduced and that these checks should be documented.</p>	<p><b>Responsible Officer:</b> Matthew Holford</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> As per recommendation.</p> <p><b>Implementation Date:</b> 19/07/2017</p>

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