South Ribble Council & Chorley Council

Final Internal Audit Report

**Review of Data Quality** 2023/2024

Audit Assurance: Adequate

Auditor: Linsey Roberts/David Holgate

Date Issued: 14th August 2023



Cert No: 20128 ISO 9001





### **Reason for the Audit & Scope**

The Council is committed to delivering high quality and value for money services for its residents. The achievement of this is measured and reported through its performance management framework. It is essential that reported performance information is accurately presented. Performance information is used to aid decision making and is published.

A sample of indicators (corporate, key and local) from the most recent reporting cycle will be reviewed to ensure that accurate information relative to those indictors is compiled, recorded, retained and reported.

The review is included in the 2023/24 Annual Audit Plan approved by the Governance Committee on the 7<sup>th</sup> March (SRBC) and 15th March (CBC) 2023.

### **Audit Objectives**

- The overall objective of the audit is to obtain assurance that the Corporate Performance Framework, incorporating a Data Quality Guide is applied by Directorates to deliver robust and accurate indicator outturn figures.
- The audit also assessed the effectiveness of the various other sources of assurances using the three lines of defence methodology.

#### **Audit Assurance**

Whilst this is the first shared review of data quality, the previous assurance ratings for the individual councils are shown below:

Year	Chorley Council	South Ribble Council
2021/22	Adequate	Adequate
2019/20	N/A	Limited

- The Head of Internal Audit is required to provide the Governance Committee with an annual audit opinion on the effectiveness of the overall control environment operating within the Council and to facilitate this each individual audit is awarded a controls assurance rating. This is based upon the work undertaken during the review and considers the reliance we can place on the other sources of assurance.
- 6 Our evaluation of the reliance we can place on the three lines of defence is shown in Appendix A.
- 7 Directorates should ensure that robust data collection systems are in place to deliver reliable, timely and accurate data to decision makers.

A significant amount of resource has been employed by the Policy and Performance Team to oversee, offer training/support to Directorates and further improvements have recently been introduced to further embed the Performance Management/Data Quality Framework, including:

- Development of service level dashboard and Performance and Policy Officer monthly meetings with heads of service;
- Data quality training is now mandatory for all Collection/Responsible/Authorising Officers.

Disappointingly, despite the support provided and the ongoing quarterly data quality spot checking undertaken by the Performance & Policy Team, the review of Q4 (22/23) performance measures identified a significant number of issues. This can be seen in the table below and in the detailed tables in Appendix B and C.

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

	Corporate	Indicator	Key Organisati Indicator	onal	Local Indicator		
	CBC	SRBC	CBC	SRBC	CBC	SRBC	
Measures incorrectly reported, not calculated in accordance with procedures or error found	2	1	1	2	2		
Data Quality checks are not robust	2	2		2	2		
Definitions/procedures need to be strengthened	3	2	1	4	3		

8 Given the issues identified, set out in appendix B & C, it is for these reasons an overall **adequate** assurance rating has been awarded for this review.

### **Control Rating Key**

Full - the Authority can place complete reliance on the controls. No control weaknesses exist.

Substantial - the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.

**Adequate** - the Authority can place only partial reliance on the controls. Some control issues need to be resolved.

Limited - the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

# **AUDIT ASSURANCE**

## **Three Lines of Defence**

Audit Area	1 <sup>st</sup> Line	2 <sup>nd</sup> Line	3 <sup>rd</sup> Line	Internal Audit opinion
Data Quality	Directorate Responsible Officers & Authorising Officers	Perf. & Policy Team	Internal Audit	Our sample testing identified that data collection is operating effectively within some service areas however this first line of defence cannot consistently be relied upon council wide.
				The second line of defence is identifying issues and is operating as intended.

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

Measure Type	Measure Refn	Measure Name	Clear Written Data Definition and Written Procedures (Y/N)	Roles clearly Assigned (Y/N)	Calc Accurate (Y/N)	Collection Officer Captured Data	Perf Figures Checked by Responsible Officer	Perf Figures Final Check and Approval by Authorising Officer	Action Plan created if Indicator is Off-Target Y/N	Action Plan sufficiently detailed	Sufficient Audit Trail (Y/N)	Sufficient Data Quality Checks (Y/N)	Performance Measure Accurately Reported (Y/N)	Additional Comments	Review Summary - Robust Data Collection System in Place
Local Measure	CH CA26	Commercial and assets  % rent collected in rented Housing	N	Y	N	Y	Y	Y	N/A	N/A	Y	N	N	Incorrectly reported the performance data, but this minimally affects the outturn result. There is a high risk of human error due the collation of a large volume of data via spreadsheets. Procuring a tenant management system would have efficiency and accuracy benefits. Minor amendment to indicator description to clarify what is reported. Based on the current arrangements additional Responsible Officer checks are therefore required.	Adequate
Local Measure	CH CA27	% voids in rented housing	N	Y	N	Y	Y	Y	N/A	N/A	Y	N	Y	Written Procedure does not document fully how the indicator is calculated and the indicator description lacks clarity, it does not fully describe the performance measure. Incorrect indicator calculation however, correctly reported the performance data. Human error due to use of spreadsheets rather than a tenant management system, this means that further Responsible Officer checks are necessary.	Adequate
Key Organisational Performance Measure	CH CA06	Town Centre Vacancy Rate	N	Y	N	Y	Y	N	Y	Y	Y	Y	N	Amendment required to improve Written Procedure Error in the spreadsheet formula has led to incorrectly reporting the Q4 figure, but this minimally affects the outturn result. Improved data quality checks required.	Adequate
Corporate Priority Housing where residents can live well	CH CS LW01 (CSH04)	Planning and Enforcement  Number of long term empty properties in the borough	Y	Y	Y	Y	Y	N	N/A	N/A	Y	Y	Y	Indicator has not been approved by an Authorising Officer due to Director vacancy. Temporary arrangements have been put in place.	Substantial
Local Measure	CH PL03	Percentage of planning appeals allowed	N	N	Y	Y	Y	N	Y	N	Y	Y	Y	Minor amendment should be made to the Written Procedure. Whilst there was no separation of duties between the Collection and Responsible Officer role this was resolved for Q1. Indicator has not been approved by an Authorising Officer due to Director vacancy. Temporary arrangements have been put in place.	Substantial
Corporate Priority A Green and Sustainable Borough		Streetscene and Waste  % of household waste sent for reuse, recycling or composting	N	Y	Y	Y	Y	Y	N/A	N/A	Y	Y	Y	Written Procedure held in service drive should be deleted or updated to mirror the version held in the Performance Management System. Anomalies tha have arisen over previous periods should be captured in a guidance document to ensure this is incorporated into future calculations/checking process.	t Substantial
Corporate Priority	CILCC HCOA	Customer Services % of service requests received												Minary and the state of the Width	
Ambitious Council	CH CS HC04 (AC02)	online	N	Y	Y	Y	Y	Υ	N/A	N/A	Y	Y	Y	Minor amendment should be made to the Written Procedure.  Responsible Officer and Authorising Officer roles to	Substantial
Corporate Priority Strong Local Economy	CH CS EE05 (SLE04)	Growth in business rate base	Y	N	Υ	Y	N	N	Y	Y	N	Υ	Y	responsible office and adultivishing unlies frotes to be clarified and set up in the Perfmomance Management System. Updated written Procedure to be checked and approved. Improvement to the audit trail, by retaining evidence of dual Collection Officer checks.	Adequate
Corporate Priority Clean Safe and Healthy Homes and Communities	CH CS GSB03 (CSH05)	Spatial Planning  Number of improvements to parks, open spaces and playing pitches linked to strategy delivery	N	Υ	Y	Y	Y	N	N	N/A	Y	N	Partial	Performance figure was incorrectly reported to Members. This was identified at the start of this review and the Policy and Performance Team have been made aware of the error. The corrected total has been included in the Council's Annual Report. Improving the monitoring document should ensure this doesn't arise again. Minor amendment required to be made to the written procedure.	Adequate
		Comms and Visitor Economy						1						Incorrectly reported the performance data this	
Corporate Priority Strong Local Economy	CH CS HC06 (SLE07)	% increase in visitor numbers	Y	N	N	N	N	Y	N/A	N/A	Y	N	N	Incorrectly reported the performance data, this may be due to a lack of Responsible Officer checks. The Collection Officer role is carried out by someone different than is set up in the Performance Management System; this should be charged to ensure that the system is up to date and training can be offered.	Limited

Measure Type	Measure Refr	Measure Name	Clear Written Data Definition and Written Procedures (Y/N)	Roles clearly Assigned (Y/N)	Calc Accurate (Y/N)	Collection Officer Captured Data	Perf Figures Checked by Responsible	and	Action Plan created if Indicator is	sufficiently	Quality Checks	Performance Measure Accurately Reported (Y/N)	Review Summary - Robust Data Collection System in Place	
		Customer Services											1	i

## **MANAGEMENT ACTION PLAN**

NO.	FINDING	AGREED ACTION	OFFICER & DATE
1.	Directorates should ensure that robust data collection systems are in place to deliver reliable, timely and accurate data to decision makers.  Whilst it is evident that Policy and Partnership Team have continued to provide training and ongoing support to directorates key issues were still found in the written procedures and calculations that need to be addressed. The issues found demonstrated that there is a need for greater oversight of the data collection system by the responsible officers, in conjunction with the authorising officers.	The Policy and Partnership Team will liaise with the teams identified to ensure that the specific concerns highlighted have been addressed prior to the quarter 2 reporting deadline.  Additionally, the performance team going forward will be undertaking more regular health checks in accordance with their risk assessment.	Michael Johnson and Polly Patel October 2023
	Appendix B and C above outline the specific Directorate level issues arising from this review. Internal Audit will provide details of these key areas (separate from this report) to each responsible officer to ensure that they have knowledge of the specific control weaknesses identified and can undertake remedial action.	The focus will be on corporate priority indicators which have been given an adequate/limited assurance rating.  The report findings will be taken to the next SLT.	