



MEASURING UP

HOW GOOD ARE THE GOVERNMENT'S
DATA SYSTEMS FOR MONITORING PERFORMANCE
AGAINST PUBLIC SERVICE AGREEMENTS?

JUNE 2010

Comprehensive Spending Review 2007 covering the period 2008-2011

Review of the data systems for Public Service Agreement 15 led by the Government Equalities Office:

'Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief.'

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Summary

Introduction

1. This report summarises the results of our follow-up examination of the data systems used by the Government Equalities Office (the Department) to monitor and report on progress against its 2008-2011 Public Service Agreement.

Public Service Agreements

2. Public Service Agreements (PSAs) are at the centre of Government's performance measurement system. They are usually three year agreements, set during the spending review process and negotiated between Departments and the Treasury. They set the objectives for the priority areas of Government's work.
3. PSA 15 is led by the Government Equalities Office, with data provided by, amongst others, the Office of National Statistics (ONS). Each PSA has a Senior Responsible Officer who is responsible for maintaining a sound system of control across Departmental boundaries that supports the achievement of the PSA. The underlying data systems are an important element in this framework of control.
4. The most recent public statement provided by the Department of progress against PSA 15 was in the 2009 Autumn Performance Report.

The purpose and scope of the 2008-09 review

5. The Government invited the Comptroller and Auditor General to validate the data systems used by the Department to monitor and report its performance. During 2008-09, the National Audit Office (NAO) carried out an examination of the data systems for the Department's PSA . This involved, for each individual data system, a detailed review of the processes and controls governing:
 - The match between the indicators selected to measure performance and the PSA. The indicators should address all key elements of performance referred to in the PSA;
 - The match between indicators and their data systems. The data system should produce data that allows the Department to accurately measure the relevant element of performance;
 - The selection, collection, processing and analysis of data. Control procedures should mitigate all known significant risks to data reliability. In addition, system processes and controls should be adequately documented to support consistent application over time; and
 - The reporting of results. Outturn data should be presented fairly for all key aspects of performance referred to in the target. Any significant limitations should be disclosed and the implications for interpreting progress explained.

6. Following the findings from the 2008-09 validation process each of the data systems underpinning a PSA indicator were graded, as follows: (see figure 1).

Figure 1: Key to traffic light ratings

Rating	Meaning ...
GREEN (Fit for purpose)	The data system is fit for the purpose of measuring and reporting performance against the indicator.
GREEN (Disclosure)	The data system is appropriate for the indicator and the Department has explained fully the implications of limitations that cannot be cost-effectively controlled.
AMBER (Systems)	Broadly appropriate, but needs strengthening to ensure that remaining risks are adequately controlled.
AMBER (Disclosure)	Broadly appropriate, but includes limitations that cannot be cost-effectively controlled; the Department should explain the implications of these.
RED (Systems)	The data system does not permit reliable measurement and reporting of performance against the indicator.
RED (Not established)	The Department has not yet put in place a system to measure performance against the indicator.

7. The ratings were based on the extent to which the Department had:
- (i) put in place and operated internal controls over the data systems that are effective and proportionate to the risks involved; and
 - (ii) explained clearly any limitations in the quality of its data systems to Parliament and the public.
8. The findings from the 2008-09 validation exercise were reported to the Department in February 2009 and cleared with the Department in March 2009.

The purpose and scope of 2009-10 validation review

9. Our follow-up review, which was undertaken in October and November 2009, focused on:
- Reviewing and assessing the implications of any significant changes to the data system underpinning a PSA indicator; and
 - Following up the findings from our 2008-09 validation exercise to assess what actions the Department had taken to address our recommendations.

10. Our findings from the above were then used to re-evaluate the traffic light rating given in 2009 and conclude if these are still a valid assessment of the data system.
11. Section 1 of our report looks at the overall control environment which the Department has put in place to support the measurement and reporting of performance against its PSA indicators. Section 2 summarises the results of our follow-up review on an indicator by indicator basis. Section 3 includes a brief description of the findings and conclusions for those data systems which have undergone significant change. Our assessment does not provide a conclusion on the accuracy of the outturn figures included in the Department's public performance statements. This is because the existence of sound data systems reduces, but does not eliminate, the possibility of error in reported data.

Summary of results

12. Figure 2 summarises our assessment of the Department's PSA data systems.

Figure 2: Summary of assessments for PSA data systems

	PSA 15	
Number of data systems Rating	Full review (2008-09)	Follow-up review (2009-10)
GREEN (Fit for purpose)	2	4
GREEN (Disclosure)	2	0
AMBER (Systems)	-	-
AMBER (Disclosure)	-	-
RED (Systems)	1	1
RED (Not established)	-	-

Section 1 – Wider control environment

13. We noted in our 2008-09 review that due to its relative infancy, the Department was still developing formal arrangements at a corporate level for the identification and management of risk. We noted this, and made the following recommendations as a result of our work in 2008-09:

- the Department should develop a formal policy in respect of data quality, which sets out its commitment to high quality data and clarifies how it will ensure that data used within the Department to measure performance is robust and reliable;

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- the Department should allocate responsibility for the implementation and embedding of this policy to an executive Board Member; and
 - where indicators do not already have quantitative targets attached to them, the Department should determine appropriate targets that are specific, measurable, achievable, relevant and timebound.

14. As part of our follow up work, we reviewed the progress the Department had made in implementing our recommendations and noted the following:

- A Chief Economist has been appointed to sit on the GEO Board, with responsibility for data quality; and
- The Department still does not have a formal policy in respect of data quality, and believes this is mitigated implicitly through contracts in respect of the research it commissions and by contracting only with reputable and professional research bodies. While we note this response, we still believe that the Department should develop a data quality strategy. This will ensure that data analysts are aware of the processes and quality control checks data must go through to ensure that it is robust and reliable and also users of the data are aware of how data has been validated before it is published.

Section 2 – Results of the follow-up review

PSA 15

No	Indicator	Rating at full review	Rating at follow-up review	Reasons for change and additional comments
1	Gap in hourly wage rates between men and women.	GREEN Fit for purpose	GREEN Fit for purpose	<p>The data system supporting the calculation of this indicator has not changed.</p> <p>We made one recommendation in 2009, which remains outstanding. This relates to the Department formally signing off the calculation of the indicator by a data analyst to ensure accountability.</p> <p>The Department did not provide a reason as to why this recommendation had not been addressed.</p> <p>We believe that this recommendation remains valid and, if implemented, would help to strengthen the controls over the data system. However, other robust controls are in place and as a result we have concluded that the rating given to this indicator in 2009 is still appropriate.</p>
2	Disabled people's perceived level of choice	GREEN	GREEN	The data system supporting the calculation of this indicator has

No	Indicator	Rating at full review	Rating at follow-up review	Reasons for change and additional comments
	and control in their daily lives.	Fit for purpose	Fit for purpose	<p>not changed.</p> <p>No recommendations were made in 2009 in respect of this indicator.</p> <p>We have therefore concluded that the rating given to this indicator in 2009 is still appropriate.</p>
3	Participation in public life by disadvantaged groups.	<p>GREEN</p> <p>Disclosure</p>	<p>GREEN</p> <p>Fit for purpose</p>	<p>The data system supporting the calculation of this indicator has not changed.</p> <p>We made two recommendations in 2009, one of which remains outstanding. This relates to the Department formally signing off the calculation of the indicator by a data analyst to ensure accountability.</p> <p>The Department did not provide a reason as to why this recommendation had not been addressed.</p> <p>We believe that this recommendation remains valid and, if implemented, would help to strengthen the controls over the data system.</p> <p>Our 2009 rating was based on the fact that the available data on sexual orientation as a potentially disadvantaged group was insufficiently robust, but that the Department had disclosed this fact. In June 2009 the Delivery Agreement for PSA15, including the measurement annex for this indicator, was revised to</p>

No	Indicator	Rating at full review	Rating at follow-up review	Reasons for change and additional comments
				<p>remove sexual orientation as a potentially disadvantaged group in relation to participation in public life. The removal does not impact on the overall adequacy of the indicator or the PSA.</p> <p>We have therefore concluded that the rating for this indicator should now be revised to "GREEN – Fit for Purpose".</p>
4	Perceived discrimination in employment by disadvantaged groups.	<p>GREEN</p> <p>Disclosure</p>	<p>GREEN</p> <p>Fit for purpose</p>	<p>The data system supporting the calculation of this indicator has not changed.</p> <p>We made two recommendations in 2009, one of which remains outstanding. This relates to the Department formally signing off the calculation of the indicator by a data analyst to ensure accountability.</p> <p>The Department did not provide a reason as to why this recommendation had not been addressed.</p> <p>We believe that this recommendation remains valid and, if implemented, would help to strengthen the controls over the data system.</p> <p>Our 2009 rating was based on the fact that the available data on sexual orientation as a potentially disadvantaged group was insufficiently robust, but that the Department had disclosed this fact. In June 2009 the Delivery Agreement for PSA15, including the measurement annex for this indicator, was revised to remove sexual orientation as a potentially disadvantaged group in relation to participation in public life. The removal does not</p>

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5	Perceived unfair treatment by public services.	<p>RED</p> <p>Systems</p>	<p>RED</p> <p>Systems</p>	<p>In 2009 the Department explained that it had intended to assess performance against this indicator using data from the Citizenship Survey. However, it had determined that the data may not have been sufficiently robust, so was considering other potential sources of data in order to identify an alternative means of assessing performance.</p> <p>We note that the Department is still using the existing data system and is in the process of developing an alternative data system which would allow performance against this indicator to be measured and reported more robustly.</p> <p>We have therefore concluded that the rating given to this indicator in 2009 is still appropriate.</p>

Section 3 – Findings and conclusions for individual data systems

The results of the NAO's examination of those data systems used to measure performance against the Department's PSA showed that none of them have undergone significant change since the time of our full review in 2008-09.