



National Audit Office

Measuring Up

How good are the Government's data systems for monitoring performance against Public Service Agreements?

PSA 15: 'Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief'

A review of the data systems underpinning the Public Service Agreements led by the Government Equalities Office under the Comprehensive Spending Review 2007

REPORT BY THE NATIONAL AUDIT OFFICE

Validation of the data systems for the PSA 15, Spending Review Period 2008-11

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For further information please contact:

Neil Sayers
Director, Zone Fountain 1
National Audit Office
151 Buckingham Palace Road,
Victoria, London, SW1W 9SS

Tel: 020 7798 7536

Email: neil.sayers@nao.gsi.gov.uk

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Executive Summary

Introduction

1. This report summarises the results of our examination of the data systems used by the Government in 2008 to monitor and report on progress against PSA 15.

The PSA and the Departments

2. 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. This PSA is led by the Government Equalities Office with data provided by the Office of National Statistics (ONS), the Department for Communities and Local Government (CLG) and the Department for Work and Pensions (DWP). 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 on progress against this PSA was in the 2008 Autumn Performance Report. We note that while this report sets out the nature of the indicators in respect of which performance is to be monitored, it does not contain any assessment of performance against them because, in most cases, a baseline had yet to be set.

The purpose and scope of this review

5. The Government invited the Comptroller and Auditor General to validate the data systems used by Government to monitor and report its performance. During the period August to November 2008, the National Audit Office (NAO) carried out an examination of the data systems for all the indicators used to report performance against this PSA. This involved 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.
 - For each indicator, 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. Our conclusions are summarised in the form of traffic lights (see figure 1). The ratings are based on the extent to which Departments have:
- (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.
7. The remaining sections of this report provide an overview of the results of our assessment, followed by a brief description of the findings and conclusions for each individual data system. 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.

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)	The data system is broadly appropriate, but needs strengthening to ensure that remaining risks are adequately controlled.
AMBER (Disclosure)	The data system is 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.

Overview

8. The Government Equalities Office was established as a Department in its own right in October 2007. The financial year 2008/09 is the Department's first full year of operation.
9. This PSA is supported by five indicators. There is a named officer within the Department responsible for these indicators, separate from the Data Quality Officer named in the measurement annex for the PSA. This officer is supported by a lead analyst. Performance against the indicators is monitored monthly within the Department as part of its internal PSA performance reporting.
10. For this PSA, we have concluded that the indicators selected to measure progress are consistent with the scope of the PSA and afford a reasonable view of progress.
11. Figure 2 summarises our assessment of the data systems.

Figure 2: Summary of assessments for indicator data systems

No	Indicator	Rating
1	Differential gap in hourly wage rates between men and women.	GREEN Fit for purpose
2	Differential gap in self-reported choice and control in terms of assistance, equipment, flexible working and caring arrangements that enable independent living.	GREEN Fit for purpose
3	Differential gaps in participation in civic society – the composite change in the gap between involvement rates of disadvantaged groups by comparison with non-disadvantaged groups.	GREEN Disclosure
4	Differential gaps in perceptions of employment based discrimination – the composite change in the gap between perception rates of disadvantaged groups by comparison with non-disadvantaged groups.	GREEN Disclosure
5	Differential gaps in perceptions of dignity and respect when accessing services – the composite change in the gap between perception rates of disadvantaged groups by comparison with non-disadvantaged groups.	RED Systems

12. The Department has worked to integrate the indicators within its PSA into its operational and performance management activities. As a result of this work, the Department identified scope to refine some of the indicators and to make them

more relevant to its work. The Department has now agreed these revisions with Ministers and with HM Treasury.

13. As the Department is in its infancy, there is as yet no senior officer with responsibility for data quality and no formal policy or strategy in respect of data quality. There is, therefore, a risk that the use of inferior data could result in misleading performance reporting or poor decision making. We regard the sponsorship of data quality by an executive Board Member as good practice for all PSAs, regardless of the size of the lead department. In effect this could be achieved at GEO through a formal sign off process by the lead analyst and Deputy Director to the Board Member responsible, in order to confirm data quality.
14. The Department is developing formal arrangements at a corporate level for the identification and management of risk. Risks to the PSA indicators are assessed monthly and are considered at the PSA Delivery Board. GEO also makes assessments of the risks associated with its main work programmes and these risks are reviewed monthly by the Senior Management Team. The Audit Committee met for the first time in January 2009. The risk management process needs refinement and GEO should consider PSA data risks as part of that process.
15. From our review of the Department's performance indicators we note that, while some of these have quantitative targets attached, a significant proportion have no specific targets other than a general requirement for improvement against a baseline figure, as set out in the relevant Delivery Agreements and accompanying Measurement Annexes. Without clear targets in respect of individual indicators, and therefore a robust understanding of what and how much needs to be done in each area of activity, we consider it will be difficult for the Department to prioritise its activities and allocate its resources effectively. The Department does, however, have a range of success measures that correspond to its delivery plans, some of which are in the public domain. The Department's view is that it would be difficult to set meaningful targets for the PSA indicators when a number of contributory factors are outside of its direct control, for example migration flows, the economic downturn, changing political priorities and Ministerial imperatives. GEO is also dependent on a number of other government departments to achieve progress against some of its indicators.
16. Where these issues have a specific impact on individual indicators, we explore them further in the next section of this report.
17. We recommend that:
 - the Department develops 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;
 - the Department allocates 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.

Assessment of indicator set

18. In undertaking the validation we reviewed the documentation associated with the PSA and considered whether the indicators selected to measure progress are consistent with the scope of this PSA.
19. We conclude that the indicators selected afford a reasonable view of progress other than the issue raised below in respect of disadvantaged groups.
20. As can be seen from the indicators that make up the PSA, a number of the Department's activities relate to groups that it considers may potentially be disadvantaged. One of the classifications used by the Department to identify such groups is sexual orientation. The principal mechanism used by the Department to gauge the views and experiences of such groups is the Citizenship Survey.
21. However, questions in respect of sexual orientation were included in the survey for the first time in 2008, and the Department has determined that the sample sizes in respect of these questions are as yet too small to support effective disaggregation of responses. The survey is, therefore, not yet able to provide robust data for these particular groups.
22. The Department foresaw this weakness in the data system and is working to ensure the availability of robust data in the future.

Findings and conclusions for individual data systems

23. The following sections summarise the results of the NAO's examination of each data system.

Indicator 1

Differential gap in hourly wage rates between men and women

Conclusion: GREEN (Fit for purpose)

24. We have concluded that the data system underlying this indicator is fit for the purpose of measuring and reporting performance against the indicator.
25. Performance against this indicator is determined by way of a simple calculation using data from a reliable source, with minimal analysis or processing.

Characteristics of the data system

26. The data for this indicator is extracted from the Annual Survey of Hours and Earnings, which is carried out by the Office for National Statistics. This data is then subject to a minimal amount of processing within the Department, allowing performance against the indicator to be determined robustly and in a consistent manner.
27. In developing the data system for this indicator, the Department has given consideration to the various aspects of its specific definition, such as whether to use median or mean hourly wage rates and whether or not to include overtime payments, in order to ensure that these are reflected appropriately in the data system and in the reported data.

Findings

28. The Annual Survey of Hours and Earnings is undertaken by the Office for National Statistics, which then makes the data available to the Department. The analyst responsible for this indicator uses this data to calculate performance against the indicator, by way of a simple calculation to compare hourly wage rates for men and women.
29. This is the first year in which the Department has calculated this indicator. We note that the Department does not currently have a mechanism in place for this indicator and the underlying data to be formally 'signed off'. Such a mechanism would allow the Department to confirm that it is satisfied with the accuracy, quality and integrity of this indicator. This would, in turn, help to promote accountability at a senior level for performance data. This finding applies equally to indicators three, four and five.

Indicator 2

Differential gap in self-reported choice and control in terms of assistance, equipment, flexible working and caring arrangements that enable independent living

Conclusion: GREEN (Fit for purpose)

30. We have concluded that the data system underlying this indicator is fit for the purpose of measuring and reporting performance against the indicator.
31. Performance against this indicator is determined by way of a calculation undertaken by the Department for Work and Pensions (DWP) using data from a robust and reliable source.

Characteristics of the data system

32. The indicator measures the level of choice and control experienced by individuals in gaining the support that they require to live independently. In particular, it focuses on the potential gap in the level of choice and control experienced by people of different ages and genders and by people with and without a disability.
33. The data for this indicator is extracted from the Omnibus Survey, a large scale social research survey which is carried out by the Office for National Statistics. This survey contains specific questions in respect of level of choice and control experienced by individuals in gaining the support that they require to live independently and captures data from all of the groups included in this indicator.
34. This data is used by DWP to calculate performance against the indicator. Performance information is then provided to the Department by DWP.

Findings

35. The Omnibus Survey is undertaken by the Office for National Statistics, which then makes the data available to DWP. DWP uses this data to calculate performance against the indicator, which it provides to the Department.
36. The Department does not perform any additional checks on the performance information received from DWP. It has reviewed the data system operated by DWP, including how the data is collected and how the calculation is performed and is satisfied with DWP's arrangements for processing the data. It does not consider it necessary to undertake further validation. This approach is reasonable given the nature and relative simplicity of the data system.

Indicator 3

Differential gaps in participation in civic society

Conclusion: GREEN (Disclosure)

37. We have concluded that the data system is appropriate for the indicator and the Department has explained fully the implications of limitations that cannot be cost-effectively controlled.
38. Performance against this indicator is determined by way of a verifiable calculation using data from an accredited source.

Characteristics of the data system

39. The indicator measures the level of participation in civic society, as defined by a range of specific activities, such as serving as a local councillor, volunteering as a school governor or signing a petition. In particular, it focuses on the potential gap in the level of civic participation among people of different ages, genders, faiths and ethnicities and among people with and without a disability.
40. The data for this indicator is extracted from the Citizenship Survey, which is carried out by the National Centre for Social Research (NatCen) on behalf of the Department for Communities and Local Government (CLG). The Citizenship Survey has been accredited by the UK Statistics Authority as a national statistic.

Findings

41. Performance against this indicator is calculated by NatCen using data from the Citizenship Survey. NatCen then provides this calculation, together with the underlying data, to the Department. The analyst responsible for this indicator within the Department uses this data to reperform the calculation of the indicator.
42. The Department uses the information provided by NatCen to assess its performance against this indicator. It also provides this information to CLG for use in the latter's own performance measurement and reporting arrangements.
43. The Department had intended to include sexual orientation as one of the groups falling within the scope of this indicator. The principal mechanism used by the Department to gauge the views and experiences of such groups is the Citizenship Survey.
44. However, questions in respect of sexual orientation were included in the survey for the first time in 2008, and the Department has determined that the sample sizes in respect of these questions are as yet too small to support effective disaggregation of responses. The survey is, therefore, not yet able to provide robust data for these particular groups.

45. The Department foresaw this weakness in the data system and is working to ensure the availability of robust data in the future. While the Department has disclosed in its Autumn Performance Report that the data system underlying this indicator has limitations, it will need to discuss the effect of these limitations in more detail when reporting performance against this indicator in future.
46. This is the first year in which the Department has calculated this indicator. We note that the Department does not currently have a mechanism in place for this indicator and the underlying data to be formally 'signed off'. Such a mechanism would allow the Department to confirm that it is satisfied with the accuracy, quality and integrity of this indicator. This would, in turn, help to promote accountability at a senior level for performance data.

Indicator 4

Differential gaps in perception of employment based discrimination

Conclusion: GREEN (Disclosure)

47. We have concluded that the data system is appropriate for the indicator and the Department has explained fully the implications of limitations that cannot be cost-effectively controlled.
48. Performance against this indicator is determined by way of a verifiable calculation using data from an accredited source.

Characteristics of the data system

49. The data for this indicator is extracted from the Citizenship Survey, which is carried out by the National Centre for Social Research (NatCen) on behalf of the Department for Communities and Local Government (CLG). The Citizenship Survey has been accredited by the UK Statistics Authority as a national statistic.

Findings

50. Performance against this indicator is calculated by NatCen using data from the Citizenship Survey. NatCen then provides this calculation, together with the underlying data, to the Department. The analyst responsible for this indicator within the Department uses this data to reperform the calculation of the indicator.
51. The Department uses the information provided by NatCen to assess its performance against this indicator. It also provides this information to CLG for use in the latter's own performance measurement and reporting arrangements.
52. The Department had intended to include sexual orientation as one of the groups falling within the scope of this indicator. The principal mechanism used by the

Department to gauge the views and experiences of such groups is the Citizenship Survey.

53. However, questions in respect of sexual orientation were included in the survey for the first time in 2008, and the Department has determined that the sample sizes in respect of these questions are as yet too small to support effective disaggregation of responses. The survey is, therefore, not yet able to provide robust data for these particular groups.
54. The Department foresaw this weakness in the data system and is working to ensure the availability of robust data in the future. While the Department has disclosed in its Autumn Performance Report that the data system underlying this indicator has limitations, it will need to discuss the effect of these limitations in more detail when reporting performance against this indicator in future.
55. This indicator is a composite measure that draws on the survey results for a number of groups, namely those classified by age, gender, ethnicity, faith and disability. The measurement annex for this indicator specifies that the Citizenship Survey will be used to determine baseline performance against this indicator as at April 2008. However, the results of the Citizenship Survey for 2007/08 do not break down the information in respect of disability. Consequently, the Department plans to use the results of the 2008/09 survey to determine baseline performance, as this does permit the breakdown of results in the required manner. This limitation to the data will be made clear by the Department when performance against the indicator is published.
56. This is the first year in which the Department has calculated this indicator. We note that the Department does not currently have a mechanism in place for this indicator and the underlying data to be formally 'signed off'. Such a mechanism would allow the Department to confirm that it is satisfied with the accuracy, quality and integrity of this indicator. This would, in turn, help to promote accountability at a senior level for performance data.

Indicator 5

Differential gaps in perception of dignity and respect when accessing services

Conclusion: RED (Systems)

57. We have concluded that the data system underlying this indicator does not permit reliable measurement and reporting of performance against this indicator.
58. The Department had intended to assess performance against this indicator using data from the Citizenship Survey. However, the Department has determined that

this data may not be sufficiently robust, so is considering other potential sources of data in order to identify an alternative means of assessing performance.

Characteristics of the data system

59. The data for this indicator was to be extracted from the Citizenship Survey, which is carried out by the National Centre for Social Research (NatCen) on behalf of the Department for Communities and Local Government (CLG). The Citizenship Survey has been accredited by the UK Statistics Authority as a national statistic.
60. The Department is currently developing an alternative data system for this indicator, as it does not consider the current system to be fit for purpose.

Findings

61. The Department has determined that the results of the Citizenship Survey show little difference in the perception rates of disadvantaged groups by comparison with non-disadvantaged groups. This is not consistent with the Department's understanding of such perceptions. Therefore, until it can be certain that these data are robust, the Department is working to identify an alternative methodology and source of data for the assessment of performance against this indicator.
62. We note also that the Department does not currently have a mechanism in place for this indicator and the underlying data to be formally 'signed off'. Such a mechanism would allow the Department to confirm that it is satisfied with the accuracy, quality and integrity of this indicator. This would, in turn, help to promote accountability at a senior level for performance data.