MOPAC | **MAYOR OF LONDON**
OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

Performance Management Analytical Review

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EXECUTIVE SUMMARY

1.   Background

1.1   This review has been carried out as part of the Greater London Authority (GLA) 2014/15 audit plan. Following our review of the Performance Management Framework which was completed in December 2013 it was decided to carry out a review of the systems in place for the generation of performance management information.

1.2   The GLA Business Plan 2013/14 - 2015/16, sets out how each of its directorates will deliver the Mayor's vision and priorities. The plan contains key milestones and 20 key performance indicators (KPIs) which are monitored quarterly. A quarterly Finance & Performance Monitoring Report is produced for the Investment and Performance Board (IPB) and the Budget Monitoring Sub-Committee which includes performance against the KPIs.

1.3   The GLA's approach to data collection and collation is covered by a Data Quality Framework which was first approved in March 2012. The GLA Use of Statistics Code of Practice was published in March 2014 and sets out the key principles which need to be adhered to by GLA staff when producing and using statistics and in particular when they are being published.

1.4   At the outset of the review, the potential risks identified to achieving the production of accurate data were:

- Incomplete/inaccurate performance data captured/collated;
- Information used from a non-reliable source;
- Lack of knowledge/skills to analyse performance data;
- Ineffective analysis of performance;
- Ineffective decision making based upon poor quality data;
- Ineffective reporting and review of performance;
- Loss of public confidence.

1.5   We are looking to provide assurance that the key risks are being effectively managed.

2.   Audit Assurance

> Adequate
> Key risks are being managed effectively; however, a number of controls need to be improved to ensure business objectives are met.

3.   Areas of Effective Control

3.1   Comprehensive policies and procedures are in place for the collection, recording, analysis and reporting of performance data. The GLA Data Quality Framework and Use of Statistics Code of Practice provide staff with clear guidance on the need to produce accurate performance data.

3.2   Roles and responsibilities for the production of performance data are clearly established. Each KPI has nominated performance and data owners who are responsible for the production and approval of their KPI.

3.3   Processes in place for the analysis, verification and approval of performance data prior to reporting are operating effectively. For each KPI reviewed clear processes were used for the collation and verification of data produced prior to being reported.

3.4   Full details of each KPI are properly recorded and provide a detailed definition of each KPI and how it is calculated. A standard template provides details of data for the period, a rating and commentary on performance and data quality with a checklist to ensure that all data has been recorded.

3.5   For each KPI well maintained spreadsheets are held for the collation of performance data. For all of the KPIs reviewed it was possible to follow the data from the KPI spreadsheet to the quarterly Finance & Performance Monitoring Report.

4.   Key Risk Issues for Management Action

4.1   Performance data is not always being received from all functional bodies despite formal requests and reminders having been made. There is a risk that the data used for monitoring performance is not complete leading to an ineffective analysis of performance.

4.2   Assurance that all relevant sources of performance data have been identified is not always provided. A lack of complete performance data could undermine the ability to accurately demonstrate the achievement of the Mayor's vision and priorities

4.3   External parties who are required to provide performance data are not always made aware of the requirements of the Data Quality Framework. There is a risk that external partners are not able to provide data that is complete and accurate.

4.4   It is important that there is clarity when estimated and/or projected data are used to produce performance outturns and more could be done to ensure this when KPI data is being reported.

5. Review Objectives

5.1 Our overall objective was to review the accuracy and integrity of data gathered to support performance management and review. In particular, we sought to give an assurance that:

- A comprehensive set of procedures are in place in relation to data collection, recording, analysis and reporting;
- All staff responsible for the production of data have the relevant skills/competences;
- Processes are in place for the collection, recording, analysis and reporting of data, which are focused on securing data which is accurate, valid, reliable, timely, relevant and complete.

6. Scope

6.1 We reviewed the accuracy and integrity of GLA performance data and we examined four KPIs to ascertain the procedures in place for maintaining the quality of data produced.

6.2 The following four KPIs were reviewed:

- Jobs created and supported through GLA Group investment;
- The number of affordable homes delivered;
- Tonnes of CO_2 saved as a direct result of Mayoral energy supply programmes;
- Number of volunteering opportunities taken up through Team London.

7. Policies and Procedures

7.1 We found that there are comprehensive policies and procedures in place for the collection, recording, analysis and reporting of performance data. The GLA Data Quality Framework clearly sets out the requirements which need to be followed by GLA staff to ensure that performance monitoring information is based upon quality data and that best practice is followed in the way data is collected, collated, recorded and managed. The Framework was approved by the Corporate Governance Steering Group on the 30 March 2012 and is reviewed on a regular basis with the last revision having taken place in April 2014 following the launch of the GLA Use of Statistics Code of Practice.

7.2   The GLA Use of Statistics Code of Practice was formally launched by the GLA Intelligence Unit in March 2014 and outlines the following 5 key principles which need to be adopted when using statistics; Accuracy, Transparency, Openness and Confidentiality, Good Practice in Public Statements and Appropriate Use of Resources. The Intelligence Unit also held a presentation to GLA staff when the Code of Practice was launched.

7.3   The GLA, Transport for London, London Fire and Emergency Planning Authority, the London Legacy Development Corporation and the Mayor's Office for Policing and Crime/Metropolitan Police Service have all signed up to the implementation of the GLA Use of Statistics Code of Practice.

8.   Staff Roles and Responsibilities

8.1   Roles and responsibilities for the production of performance data have been clearly established. Each KPI has an allocated data owner who has the responsibility for the collation, production, checking and reporting of data associated with their performance indicator. Each KPI also has a performance owner who is responsible for approving the data prior to reporting and for the performance of the KPI. The Executive Director of Resources is the GLA data quality champion and the Governance and Resilience Unit provides support to the data quality champion.

8.2   Staff responsibilities regarding performance data are recorded in staff job descriptions. Responsibilities are also part of the GLA competency framework which contains a competency relating to research and analysis which covers the need for GLA staff to check the accuracy of data and information before using it.

8.3   Although there is no formal training process in place for the production of performance data all of the GLA staff interviewed during the course of the audit had a clear understanding of their roles and responsibilities and were aware of the requirements of the Data Quality Framework and the GLA Use of Statistics Code of Practice. All the officers were also able to clearly demonstrate the processes by which their performance data is created. Each team interviewed had a member of staff who had attended the launch of the Use of Statistics Code of Practice in March 2014.

8.4   We found that all relevant documentation and guidance referring to the Data Quality Framework are maintained on the Data Quality webpage on the GLA intranet site. All of the documentation and guidance is kept up to date with the most recent update having taken place on the 15th April 2014. The Use of Statistics Code of Practice is held on the London Datastore section of the GLA internet site.

9. The Collection, Recording, Analysis and Reporting of Data

9.1 Formal requests have been made to all functional bodies for the provision of data to support each KPI. However, for some of the KPIs we reviewed data is not always being received despite the fact that the non-provision of data has been reported to the IPB and reminders have been sent by the relevant data owners. In particular it has not yet been possible to obtain data from MOPAC/MPS to support the achievement of the jobs created and supported through GLA Group investment KPI. Although some progress has been made in improving the completeness of data there is a risk that the GLA is not able to provide a complete picture of the meeting of KPIs which in turn undermines the ability to demonstrate performance.

> **Recommendation**
> All functional bodies are reminded of the requirement to provide timely data to the responsible data owner and any non-compliance is noted in the Finance and Performance Monitoring Report.

9.2 For some KPIs it is not clear whether all relevant sources of data to support performance have been identified and reported upon. For the number of volunteering opportunities taken up through Team London KPI data was not being obtained from MOPAC/MPS for the number of Volunteer Police Cadets and Met Police Volunteers in place. In addition it is possible that over time additional sources of data could become available which would further assist in monitoring performance. Ensuring that all potential sources of data have been obtained will strengthen the GLAs ability to accurately demonstrate its achievements in meeting its KPIs.

> **Recommendation**
> Data sources for all KPIs are reviewed to ensure that all relevant sources of data are being used.

9.3 We found that the processes in place for the analysis and verification of performance data are operating effectively. For each KPI we reviewed a clear process was in place for the collation and verification of data produced prior to being sent for publication with in all cases the final approval being provided by the relevant Performance Owner. For each KPI a standard template is completed which provides details of data for the period, a rating and commentary on performance and data quality with a checklist to ensure that all data has been recorded. If targets are not being met the reasons and details of any remedial measures taken are recorded. The template is then sent to the Governance and Resilience Unit which is responsible for collating KPI data and reporting on GLA performance as part of the quarterly Finance & Performance Monitoring Report.

9.4   All of the KPIs reviewed had a KPI Information sheet which outlined the following information:

- The rationale for the KPI;
- The Directorate who owns the KPI;
- A detailed definition of the KPI;
- How the KPI is calculated;
- Sources of information;
- System/process for producing the PI;
- Method for assuring and checking data;
- Risks to and limitations in the quality of the data.

9.5   Each of the KPI Information Sheets reviewed provided clear definitions for the KPI and also highlighted any issues surrounding possible factors which could impact on the accuracy of the KPI data. For example the KPI Information Sheet for the number of volunteering opportunities taken up through Team London states that part of the data is based upon a conversion rate of website applicants and not the actual conversion of applicants who then go on to volunteer. It is explained that obtaining actual data would be expensive and would risk discouraging organisations from posting applications if reporting was mandatory.

9.6   For each KPI reviewed there was a spreadsheet in place where performance data is collated prior to analysis and reporting. Details outlining any assumptions made when compiling performance data are recorded within each spreadsheet. We reviewed the formulas used within each KPI spreadsheet and all were found to be accurate. For all of the KPIs reviewed it was possible to follow the data from the KPI database to the KPI template and finally to the KPI report.

9.7   External partners who provide data to support the KPIs are not always being made aware of the requirements of the Data Quality Framework and the Use of Statistics Code of Practice. There is a risk that partners are not aware of the need for quality data and it is not possible to provide an assurance that all data received is complete and accurate.

> **Recommendation**
> All external partners who provide the GLA with performance data are provided with a summary of the requirements of the Data Quality Framework and the Use of Statistics Code of Practice.

9.8   Some performance data is based upon estimated and projected rather than actual figures. Although the use of estimates and projections is made clear within KPI background details and the Finance & Performance Monitoring Report makes a general point that some KPIs rely on estimates with the commentary for most KPIs noting when data is provisional, more should be done to ensure there is a clear public record of the basis on which the KPIs are calculated. The Finance & Performance Monitoring Report should also be clear when data that would normally be expected to be final/confirmed is provisional.

9.9   Efforts are being made particularly within the tonnes of CO_2 saved as a direct result of Mayoral energy supply programmes KPI to improve the accuracy of the performance data produced. We found for some KPIs such as the number of affordable homes delivered provisional data is used due to the confirmation of data by third parties not matching the deadlines for the provision of KPI monitoring information (this was, however, highlighted in the report). For other KPIs such as the number of volunteering opportunities taken up through Team London assumptions are used in calculating some of the data due the resource requirements needed for the production of actual performance data. There is a risk that by not making it publicly clear the means by which KPI data is generated could undermine confidence in the validity of the performance data which is being produced and reported.

> **Recommendation**
> The detailed definition behind each KPI is published so it is clear on what basis each KPI is calculated. The Finance & Performance Monitoring Report and the Mayor of London's Annual Report should make it clear when provisional or estimated data is used in the place of what would normally be confirmed data.

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively; however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
9.1	Performance data is not always being received from all functional bodies which could undermine the ability to accurately demonstrate performance.	2	All functional bodies are reminded of the requirement to provide timely data to the responsible data owner and any non-compliance is noted in the Finance and Performance Monitoring Report.	Yes	Ongoing efforts are already being made to secure complete data for KPIs. A reminder will be sent to all data and performance owners asking them to a) remind functional bodies of the need to provide timely and complete data, where relevant; and b) to ensure that where this does not happen the Governance & Resilience Unit is informed and issues are flagged in the Monitoring report. Responsibility: Head of Governance and Resilience	October 2014
9.2	It is not clear as to whether all sources of data have been identified.	3	Data sources for all KPIs are reviewed to ensure that all relevant sources of data are being used.	Yes	Work has already taken place to identify data sources, and contacts, to feed into the volunteering KPI. This recommendation is closely linked to that above. The Governance & Resilience unit will therefore at the same time provide a reminder to all data and performance owners of the need to ensure all relevant data sources are being used. Responsibility: Head of Governance and Resilience	October 2014

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
9.7	External partners are not always made aware of the GLA's data quality requirements leading to the risk that it is not possible to provide an assurance that all data received is complete and accurate.	3	All external partners who provide the GLA with performance data are provided with a summary of the requirements of the Data Quality Framework and the Use of Statistics Code of Practice.	Yes	The Data Quality Framework is clear on the need to ensure partners follow good data quality principles. However, performance and data owners will be reminded of this requirement and asked to in turn ensure partners are compliant with the key aspects of both the framework and the Use of Statistics Code of Practice. Responsibility: Head of Governance and Resilience	October 2014
9.9	By not making it publicly clear the means by which KPI data is generated could undermine confidence in the validity of the performance data which is being produced and reported.	2	The detailed definition behind each KPI is published so it is clear on what basis each KPI is calculated. The Finance & Performance Monitoring Report and the Mayor of London's Annual Report should make it clear when provisional or estimated data is used in the place of what would normally be confirmed data.	Yes	KPI Information Sheets will be published. Responsibility: Head of Governance and Resilience	December 2014