



National Audit Office

Measuring Up

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

PSA 30: 'Reduce the impact of conflict through enhanced UK and international efforts'

A review of the data systems underpinning the Public Service Agreement led by the Foreign and Commonwealth Office under the Comprehensive Spending Review 2007

REPORT BY THE NATIONAL AUDIT OFFICE

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For further information please contact:

Mike Suffield
Director , Green 1.3
National Audit Office
157-197 Buckingham Palace Road,
Victoria, London, SW1W 9SP
020 7798 7126
Email: mike.suffield@nao.gsi.gov.uk

Validation of the data systems for PSA 30 “Reduce the impact of conflict through enhanced UK and international efforts”, Spending Review Period 2008/09 – 2010/11

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May 2009

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 30.

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 tri-departmental PSA is led by the Foreign and Commonwealth Office supported by the Ministry of Defence (MOD) and Department for International Development (DfID). 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.

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 September 2008 to March 2009, 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 have 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 (Not fit for purpose)	The data system is not fit for the purpose of measuring and reporting 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 reduction in the impact of conflict through enhanced UK and international efforts (PSA 30) is largely a subjective issue and therefore

challenging to develop objective measures for. It is also very difficult to demonstrate the extent to which any progress is attributable to the efforts of the Department. This PSA is supported by four indicators. The Department has made good progress in identifying robust systems for these indicators. We found that while the data systems supporting two of the indicators were appropriate and relied on established data systems these had limitations relating to the timing of the availability of data which in some instances can be two years after the period to be measured. In the case of the third indicator while the system is broadly appropriate for measuring the indicator it should be strengthened by the addition of a process for validation. The remaining data system was still under development at the time and while the identified system is appropriate we were not able to review its operation at the time we carried out our review.

9. The Foreign Secretary is the lead minister for this PSA. The Permanent Under-Secretary of the FCO acts as Senior Responsible Officer for delivery of this PSA. He chairs a Delivery Board comprising senior officials from the FCO, MOD and DFID, together with representatives of other key contributing departments and agencies.

10. Figure 2 summarises our assessment of the data systems.

Figure 2: Summary of assessments for indicator data systems

No	Indicator	Rating
1	A downward trend in the number of conflicts globally, in particular in sub-Saharan Africa, Europe, Central and South Asia, and the Middle East and North Africa	GREEN (disclosure)
2	Reduced impact of conflict in Afghanistan, Iraq, Balkans, Middle East, Sierra Leone, DRC and the Great Lakes, Horn of Africa, Nigeria and Sudan	AMBER (Disclosure)
3	More effective international institutions, better able to tackle conflict – UN, NATO, EU and AU	AMBER (Systems)
4	More effective UK capability to prevent, manage and resolve conflict and build peace	AMBER (Systems)

11. Our main conclusions on the PSA are:

- Data systems supporting Indicators 1 and 2 are appropriate and rely on established data systems, but had limitations relating to the timing of the availability of data. While the delays relating to Indicator 1 are apparent in the Autumn Performance Report, the impact of the delays is not adequately disclosed to the reader for either Indicator;
- the data systems supporting Indicator 3, while broadly appropriate, would benefit from strengthening to ensure that the subjective input from of Posts is subject to robust challenge to provide confidence in the Department's performance against this indicator; and
- the data systems supporting Indicator 4, subject to a review of their operation, while broadly appropriate would benefit from more measures of progress towards the achievement of the outcomes from a stated baseline.

12. We recommend that the Department:

- In relation to Indicator 1, explain the impact of the ongoing delays (in some instances of two years) before confirmed data is available;
- in relation to Indicator 2, explain the impact of the delayed data, i.e. that the performance of the Department against these indicators will not be confirmed until more than a year after the end of the period being measured;
- should develop for Indicator 3 a process for challenging the subjective assessments of Posts to provide confidence in the reliability of the Department's reported performance; and,
- should develop for Indicator 4 more measures of progress towards the achievement of the outcomes set out in the delivery plan from stated baselines.

Assessment of indicator set

13. In undertaking the validation we read the documentation associated with the PSA, including the Delivery Agreement and considered whether the indicators selected to measure progress are consistent with the scope of this PSA.

14. We conclude that the indicators selected afford a reasonable view of performance against this PSA.

FINDINGS AND CONCLUSIONS FOR INDIVIDUAL DATA SYSTEMS

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

Indicator 1: "A downward trend in the number of conflicts globally, in particular in sub-Saharan Africa, Europe, Central and South Asia, and the Middle East and North Africa"

Conclusion: GREEN (Disclosure)

15. The data system is appropriate for the indicator and the Department have explained the implications of the delays which cannot be cost-effectively controlled in the Autumn Performance Report. While the delays are apparent in the Autumn Performance Report, there is still some scope for better disclosure of the impact of these ongoing delays (in some cases of some two years before confirmed data becomes available).

Characteristics of the data system

16. By March 2011 the UK Government aims for its activities to have delivered a downward trend in the number of conflicts globally and in particular in Sub-Saharan Africa, Europe, Central and South Asia, and the Middle East and North Africa. Although specific attribution to UK activities is impossible, the efforts set out in the other indicators for PSA 30 (geographical and institutional, UK and international, and others) are intended to contribute to this broad objective. It is stated in the Delivery Agreement for PSA 30 that the use of this Indicator should not be interpreted as an intention by the UK Government to focus its efforts on those conflicts that can be quickly resolved.

17. The data on the number of conflicts which is used to measure performance against this indicator is provided by the Uppsala Conflict Data Programme (UCDP) - based within the Department of Peace and Conflict Research in Uppsala University who work closely with the Peace Research Institute, Oslo (PRIO) - and analysed and published by the Human Security Report Project (HRSP), which is based within the School for International Studies, Simon Fraser University, Vancouver - and part-funded by DfID.

Findings

18. Performance against this Indicator is measured using robust independent external data that closely matches the indicator; however there is significant delay in the availability of this data of approximately two years after the year being measured. For example the HSRP 2006 figure (of 54 conflicts) was chosen as the baseline figure as of 1 April 2008. However, while the delays are apparent in the Autumn Performance Report the impact of these ongoing delays (in some cases of some two years before confirmed data is available) is not adequately disclosed to the reader.
19. To provide some idea of the number for conflicts for 2007 – the figures for which will not be published/finalised until early 2009 - HRSP provided FCO with the data sets on which they have based their provisional total for 2007 (52 conflicts) which is quoted in the 2008 Autumn Performance Report, but HSRP asked that FCO should make it clear that the data was provisional, which they have done in the 2008 Autumn Performance Report.
20. In order to give up to date figures on the number of conflicts as at the end of 2008, in the absence of any HSRP data for 2008, FCO have looked instead to proxy data in the shape of the CrisisWatch bulletins produced monthly by International Crisis Group (www.crisisgroup.org). FCO concluded from their analysis of the 2008 bulletins that the Russia/Georgia conflict needed to be added to the provisional HSRP 2007 figure to give an “indicative” figure of 53 which is quoted in the 2008 Autumn Performance Report as being a failure against indicator 1. It should be noted, however, that HSRP's definition of "conflict" is different to that used by International Crisis Group. It will not be until early 2010 that it is known whether the final HSRP figures for 2008 conflicts confirms the figure of 53 conflicts, and whether there has indeed been an increase in the number of conflicts or not.

Indicator 2: “Reduced impact of conflict in Afghanistan, Iraq, Balkans, Middle East, Sierra Leone, DRC and the Great Lakes, Horn of Africa, Nigeria and Sudan”

Conclusion: AMBER - disclosure

21. Broadly appropriate, but includes limitations that cannot be cost-effectively controlled; the Department should explain where alternative data sets have been used and also the long time lag in receiving data together with the

implications of these, ie the long time lag of two years between the year being measured and the date that final data is received.

Characteristics of the data system

22. Progress under this indicator is assessed against a basket of indicators:

- state effectiveness – source of data World Bank Governance Matters – indicators for Government Effectiveness and Rule of Law (baseline used 2006 figures);
- numbers of refugees/Internally Displaced Persons (IDPs) – source of data UNHCR Statistical Yearbook and UNWRA Statistics (baseline used end 2006 figures);
- numbers of battle deaths – source of data UCDP/Human Security Report and UN Office for Co-ordination of Humanitarian Affairs (baseline used 2006 figures), or for Iraq consolidated data from Iraqi Ministries of Health, Interior and Defence published by Reuters (baseline used 2007 figures) or International Institute for Strategic Studies for Democratic Republic of Congo/Great Lakes region;
- trends in child and infant mortality – source of data UNICEF Statistics (baseline used end 2006 figures); and
- GDP per capita growth – source of data Worldbank “Devdata” and UN Statistics Division (baseline used end 2006 figures).

23. In addition, Posts provide qualitative assessments which include: levels of security and stability, confidence of the local population, political processes, capacity, effectiveness and governance of institutions, socio-economic conditions, wider regional impact and sustained international presence in the areas concerned.

24. The quantitative data is presented together with the qualitative assessments from Posts. The qualitative assessments from Posts thus provide validation from a local perspective of the quantitative data being used and highlight any difficulties with the data. In general, however, the Department relies on the fact that it uses quantitative data from sources which they hold in high regard for accuracy.

25. The Department use a Red, Red/Amber, Amber/Green and Green (“RAG”) scoring system for the purposes of the six monthly reporting on progress, whereby each of the five indicators detailed above is scored on a six monthly basis for each conflict. Where there is more than one Post reporting on a conflict, the Posts’ reports are aggregated so that each conflict has an equal weighting within the Indicator. For the 2008 Autumn Performance Report, FCO used a formula to arrive at a cumulative numerical score. It has recently replaced this with a qualitative assessment of progress against tri-departmentally agreed performance measures based on the data available.

Findings

26. A significant element of performance against this Indicator is measured using independent external data of varying robustness which appropriately matches the indicator. For example, conflict deaths in Iraq are difficult to gauge accurately or reliably. Estimates drawn up from a variety of organisations differ considerably, and vary according to the method of collection. HMG’s view is that records of civilian deaths are best monitored by the Iraqi Government.

27. There are significant time lags between the progress being reported and the time when most of the data sets are up-dated by the providers (in some cases of some two years before confirmed data is available). Because of these time lags, and also to provide internal validation of the accuracy of the independent data, FCO ask Posts for their best provisional assessments of the situations currently pertaining in their countries against the five quantitative measures. This informs the twice-yearly progress up-dates to the PSA Delivery Board, using proxy data where available or otherwise using anecdotal evidence. There is no reference to the impact of these ongoing delays or to the fact that an alternative source of data has been used in some cases in the Department’s 2008 Autumn Performance Report.

Indicator 3: “More effective international institutions, better able to tackle conflict – UN, NATO, EU and AU”

Conclusion: AMBER - Systems

28. Broadly appropriate, but needs strengthening to ensure that remaining risks concerning the accuracy of the subjective views provided by Posts are adequately controlled.

Characteristics of the data system

29. Progress against this indicator is measured by the relevant Posts (i.e. UKMis New York, Addis Ababa, UKRep Brussels and UKDel Brussels for the UN, AU, EU and NATO respectively) assessing each of the four organisations against the two most important categories for them (i.e. the categories will not necessarily be the same for each organisation) from the following list:

- Early response in order to prevent conflict;
- Effective peace support operations;
- Sustainable peacebuilding;
- Use of a comprehensive approach;
- Leadership capability; and
- Effective use of resources and management.

30. Posts have been provided with a definition of what behaviours would be seen in each category if it was being met fully. This is a qualitative description with no scoring mechanism for different degrees of behaviour. Post assessments are moderated by the respective Desk Officers from FCO, DFID and MOD.

31. As for Indicator 2, the Department use a Red, Red/Amber, Amber/Green and Green (“RAG”) scoring system for the purposes of six monthly reporting on progress. For the 2008 Autumn Performance Report, FCO used a formula to arrive at a cumulative numerical score. It has recently replaced this with a qualitative assessment of progress against tri-departmentally agreed performance measures based on the data available.

Findings

32. The sub-indicators for each organisation have been selected on the basis of (a) their importance, (b) their longevity (i.e. that they will go on through the

entire PSA period) and (c) where FCO are able to find an "independent" organisation/body against whose reports their own assessments and those of the institutions themselves might be measured.

33. Where FCO are unable to identify an "independent" organisation/body against whose reports their own assessments might be measured, reports to the Delivery Board will carry a "health warning" to flag up the limitations of the assessment, explaining that the measures are not completely robust and objective, for the sake of clarity and transparency. Posts will use their first assessments, as at 30 September 2008 as the "baseline" against which to make their future assessments.
34. There are some concerns relating to the quality of the first assessments in that some Posts completed the returns to a very tight timetable and there wasn't always evidence that the Head of Mission had approved the response. For the future it is important that sufficient time is built into the timetable for Posts to make their assessments and for the Heads of Missions to validate their submission.
35. Given the subjective nature of the Posts' assessments and the lack of independent validation, FCO should consider some form of validation of the submissions. A possible approach might be to use an "expert panel" to challenge Posts' assessments where they felt these did not reflect their own experience. Experts might include former Heads of Mission at the Posts submitting returns (or other former senior officers from the Post) and experts from DfID or MOD as appropriate.
36. Following FCO discussions with NAO, FCO is now putting into place arrangements for such a challenge panel. Posts' assessments will be reviewed by the panel against assessments from the institutions themselves as to their progress and reports from independent parties, such as think-tanks and NGOs.

Indicator 4: "More effective UK capability to prevent, manage and resolve conflict and build peace"

Conclusion: AMBER - Systems

37. The data system as set out is broadly appropriate for the purpose of measuring and reporting performance against the indicator, subject to

confirmation of its proper operation, but would benefit from more measures of progress towards the achievement of the outcomes from stated baselines.

Characteristics of the data system

38. The development of this data system had recently been completed at the time of our review and seeks to capture progress for the UK Government as a whole against the following objectives:

- **Strategic Approach:** develop new tri-departmental strategic approach to conflict, including prioritisation of resources;
- **UK Capability:** strengthen the UK ability to deploy civilian experts to prevent, stabilise and resolve conflicts;
- **Early Warning:** HMG to enhance its early warning/horizon scanning analysis to ensure early decision making, integrated planning and a comprehensive approach to potential conflicts;
- **Non-Governmental Involvement:** greater and more genuine involvement of non-governmental actors to improve quality of policy and to improve implementation on the ground;
- **Development Programmes:** DFID to design and implement conflict sensitive programmes. Where appropriate, programmes will address the underlying causes of conflict and security issues will be treated as priority for programming in 'fragile' states.

39. Specifically for the MOD:

- success on operations assessed against the Military Strategic Objective for each of those operations or military tasks.
- to continue to provide forces at readiness capable of achieving the objectives set by Ministers for operations and military tasks.

Findings

40. FCO reported in their 2008 Autumn Performance Report that the detailed tri-departmental Delivery Plan for this indicator had only recently been agreed and that a more detailed measure of progress against this indicator will be made in April 2009.

41. The Delivery Plan identifies outcomes and deliverables/milestones for each of the objectives listed above and together these provide a good match to this indicator.
42. The measure for success stated in the Delivery Plan is "By the end of the PSA period, 80% of agreed milestones will have been met and no less than 80% of milestones for each Objective in the Delivery Plan." While some of the objectives have specific "achieved by" dates others have an ongoing delivery target. The Department will use a Red, Red/Amber, Amber/Green and Green ("RAG") scoring system to report on progress to the PSA Board. In the case of milestones with "ongoing" delivery targets, they will be reported as Green where they are already being delivered on an on-going basis.
43. The nature of the objectives for this indicator need preliminary actions to be undertaken to enable, for example, the development and implementation of new strategies and policies to take place. As a result, some of the milestones relate to these actions rather than the eventual desired outcome. Notwithstanding this the system would benefit from more measures of progress towards the achievement of the outcomes from stated baselines, and to this end it would help if more of the milestones related to the results of actions rather than to the action itself having taken place.