The purpose and scope of this review

1 During the period January 2012 to March 2012, the National Audit Office (NAO) carried out an examination of a sample of the Department for Culture, Media and Sport’s indicators and operational data systems. This involved a detailed review of:

- the match between the indicators the department publishes, the operational data they use to run themselves and the priorities and key business areas of the Department;
- the process and controls governing the selection, collection, processing and analysis of data; and
- the reporting of results.

2 Our conclusions are summarised as numerical scores. The ratings are based on the extent to which departments have put in place and operated internal controls over the data systems that are effective and proportionate to the risks involved.

3 This report provides an overview of the results of our assessment. It does not provide a conclusion on the accuracy of the out-turn 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.
Overview

4 We examined ten data systems in our latest review, of which three were Business Plan indicators and the remainder were operational data sets. They covered the following business areas:

- delivery of the 2012 Olympics and Paralympics;
- creating a sporting legacy from the Olympic and Paralympic Games; and
- departmental compliance with the Cabinet Office’s Quarterly Data Summary guidance.

5 Figure 1 summarises our assessment of the Department’s indicator data systems.

6 We found that the Department’s Business Plan indicators do not appear to cover all of its priorities or activities.

7 The Department’s Business Plan sets out the Coalition’s priorities and the actions which it intends to take to address those priorities. Our review of these priorities and actions against the indicators found that there are a number of planned actions where there are no indicators or other external datasets in place, or where the link between the Business Plan and published data is not clear. While there is no strict requirement to have formal input or impact indicators for each area of the Business Plan, to have no measure of performance beyond an action having been implemented prevents an independent evaluation of how effective that action has been.

8 An example of this is Implementing the Future Libraries Programme. In the Business Plan, plans are outlined to increase community involvement in libraries. However, no data is made available on the actual increase in involvement.

9 We also note that, in terms of the Business Plan priorities in place, there are some areas of significant DCMS spending which are not well covered, such as museums and galleries. Museums and galleries constitute a significant proportion of departmental spend through grant-in-aid, but none of the five Business Plan priorities focus on these institutions. Monitoring of the performance of museums and galleries is considered by the Department through other mechanisms, for example assessing performance against strategies and agreements made between the museums and galleries and the Department.

10 We also found that the Department’s management takes a risk-based approach when determining what data to review. As such, Business Plan indicators may not be reviewed on a regular basis, but instead information is reviewed in relation to the risks associated with specific projects being undertaken at the time.
Figure 1
A summary of the results of our validation exercise

<table>
<thead>
<tr>
<th>Score</th>
<th>Meaning</th>
<th>Indicators we reviewed that received this score</th>
</tr>
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</table>
| 4     | The data system is fit for purpose and cost-effectively run | Two Business Plan indicators  
Proportion of children participating in competitive sport  
Progress towards delivery of the Olympic venues and infrastructure on time and to budget |
| 3     | The data system is adequate but some improvements could be made | No indicators |
| 2     | The data system has some weaknesses which the Department is addressing | One Business Plan indicator  
Public funding per school participating in the School Games |
| 1     | The data system has some weaknesses which the Department must address | Seven workforce and estates indicators  
FTE staff numbers¹  
Average staff costs¹  
Contingent labour¹  
Total cost of the office estate¹  
Total size of the office estate (m²)¹  
Estate cost per full-time equivalent¹  
Estate cost per square metre¹ |
| 0     | No system has been established to measure performance against the indicator | No indicators |

NOTE
1 The Department’s operational indicators, as reported, have established data systems that are fit for purpose. The scoring reflects the fact that the data systems are not currently in compliance with standard definitions due to ongoing negotiations with the Cabinet Office.

Source: National Audit Office analysis
11 In undertaking a detailed review of the indicators, we noted the following:

- **The operational indicators we looked at do not follow guidance.** The Department has not included information relating to its large number of arm’s-length bodies in its operation indicators and reports solely on the Department itself. This is not in line with the common areas of spend definitions in the Cabinet Office’s Quarterly Data Summary guidance. We note that the Department is currently in discussions with the Cabinet Office to agree a core data list of the exact information requirements so it can establish systems to efficiently capture data from the arm’s-length bodies. However, not complying with the extant standard definitions means that information reported by the Department is incomparable with other government departments participating in the exercise, despite the operational indicators as reported having well established underlying systems and, aside from the omissions, being fit for purpose.

- **Underlying data systems for Business Plan indicators are well specified.** All three Business Plan indicators that we looked at have well defined systems in place to collect the correct information to report against the indicator. Data collection risk is low, particularly for the two more mature indicators.

**Recommendations**

12 The following recommendations cover the Department’s performance reporting approach, based on our findings from the first tranche of indicators:

- **There are gaps in the match between the indicators and other reported data streams and the Department’s business plan priorities.** While keeping costs in proportion, the Department should, as part of the current Business Planning update exercise, consider whether or not there is a need to improve the coverage of the business by devising new indicators or making more use of other externally reported datasets.

- **Reporting for operational data incorporates only data on the Department itself and does not include arm’s-length bodies in line with the common areas of spend definitions in the Cabinet Office’s Quarterly Data Summary guidance.** The Department should seek an early agreement with the Cabinet Office concerning the treatment of data from arm’s-length bodies in order to ensure the compliance and comparability of the data reported.