

DATA ASSURANCE SUMMARY REPORTS

Department of Energy & Climate Change

Background and scope

1 In 2012, the government published updated departmental business plans. These focused on coalition priorities and are monitored by a set of input and impact indicators. Departments are expected to publish performance against these indicators quarterly. In addition, the Civil Service Reform Plan, published in June 2012, set out additional requirements for departments in sharing management information on back-office functions such as estates, HR or finance.

2 The National Audit Office has undertaken to review, over three years, the input and impact indicators systems of all central government departments and a sample of back-office and operational information. Our first review was carried out in 2011-12, and a summary report was published on each department.¹ This report covers our second review on the Department of Energy & Climate Change (DECC). In this second review we examined one operational indicator and five business plan indicators.

3 The following indicators have been reviewed this year, in accordance with the three year plan agreed last year:

- The number of households in fuel poverty in England.
- Leverage of UK international climate change finance.
- The impact of other countries' pledges to decrease their greenhouse gas emissions on predicted global emissions.
- Percentage of energy consumed in the UK that has been generated from renewable sources.
- The proportion of all UK energy supply from low carbon sources.
- Electricity generation from renewable sources.

¹ Available on the National Audit Office website at: www.nao.org.uk/search/pi_area/data-assurance-summary-reports/type/report

4 This report provides an overview of the results of our assessment. It does not provide a conclusion on the accuracy of the outturn figures included in the Department's performance statements. This is because the existence of sound data systems reduces but does not eliminate the possibility of error in the reported data. We have assigned each indicator a numerical score, 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.

Our findings on completeness of information

5 The Department's business plan is intended to help the public scrutinise costs and judge whether the Department's policies and structural reforms are having the desired effect in achieving the government's priorities for the Department of:

- saving energy with the Green Deal and other policies and support vulnerable consumers;
- delivering secure energy on the way to a low carbon future;
- driving ambitious action on climate change at home and abroad; and
- managing our energy legacy responsibly and cost-effectively.

6 We found that the business plan indicators broadly reflect the Department's main policy responsibilities and structural reform priorities. However, in trying to monitor and report on the Department's business in just 12 input and impact indicators, there are some areas that are not covered.

7 We have identified gaps between the priorities and the indicators that report on them. There is no input indicator for the Department's first structural reform priority, which is to 'save energy with the Green Deal and other policies and support vulnerable consumers'. There are also areas where the Department has no dataset specifically designed to deliver information on an indicator and has used proxy measures as a substitute in the measurement of the Department's performance, and areas where no targets have been set to monitor indicators against.

8 At governance level, there have been a number of changes to board membership and indeed the board only met three times during the course of 2012. The Department has enhanced aspects of its executive management in order to compensate for the lower level of board activity in this period. Nevertheless, there is a risk that governance structures have been insufficiently robust, and that the board has been unable to clarify the level and content of information on performance that it receives.

Our findings on information strategy

9 As part of our review we considered whether the Department has a coherent overall strategy for managing its information. In December 2011, the Cabinet Office published *Information Principles for the UK Public Sector* which acts as guidance on the key principles to "enable organisations across the public sector to become increasingly aligned in their use and management of information (both structured and unstructured), drawing on their own local strategy and practices from a common set of principles and best practices". The principles build up a hierarchy from the value placed on information as its baseline through the management and storage of information, and on to the publication of information and its accessibility to the public. The following paragraph outlines the key steps that DECC has taken to meet the principles, though at present not all principles have been addressed. For example, the Department does not yet have a digital continuity policy and there is limited standardisation of information.

10 DECC have produced a document called *The Knowledge and Information Management Strategy*, with the aim of promulgating best practice standards in information management. This covers the information life cycle, from creation to disposal, to ensure that the Department have appropriate tools in place, and to embed a knowledge-sharing culture. They also have a number of additional policies and procedures supporting this (record retention, data sharing, use of the MATRIX information portal). DECC also have details of what data sets are available to the public (there are 37 of these published each year to a published timetable), an open data policy which identifies further data streams that are being worked on (e.g. smart meters), which will be published in the future, and has established a register of information of asset owners.

11 This is evidence of an evolving strategic view, although all of these various aspects have not yet been consolidated into a single space and as a result the strategic view is incomplete. The Department's information strategy and its implementation are still in progress, with an action plan to complete this work in the next two years.

Our assessment of data systems

12 We examined six data systems in our latest review. Five of these were included in the Department's business plan, and the sixth is a significant operational data set which is likely to be included in future iterations. This additional operational indicator is concerned with the proportion of the country's electricity generation which is derived from renewable sources.

13 For most of the indicators we examined, the Department uses data supplied by departments, non-ministerial departments, non-departmental public bodies or other third parties. The Department does not have formal protocols to guide teams on how they should validate third party data, and we found that little formal assurance is sought or received over external data supplied by its delivery bodies.

14 A number of the systems we examined are accredited as National Statistics. The United Kingdom Statistics Authority (UKSA) periodically review National Statistics to confirm that they are produced in accordance with the Code of Practice for Statistics. Reviews may not cover the quality of the underlying data, and how National Statistics are used. In their reviews, the UKSA has made some recommendations to DECC for further improvement, particularly in making it easier for readers and data users to locate the supporting data and information.²

15 For some of the indicators, it is difficult to establish a clear causality between what the Department does, and any measurable output. In particular, the extent to which the impact of other countries' pledges to decrease their greenhouse gas emissions is attributable to action taken by the Department is likely to be speculative and inherently difficult to measure.

16 In other cases, the Department is reporting performance using relatively immature data sets. 'The leverage of UK international climate change finance', for example, uses one subset of data on planned funding as a proxy for actual spend and actual funding. As a result, we have concluded that this indicator has weaknesses which the department must address.

17 The table in **Figure 1** overleaf summarises our assessment of these data systems.

² UK Statistics Authority – *Assessment of Compliance with the Code of Practice for Official Statistics – Fuel Poverty (2010)*

Figure 1

A summary of the results of our data assurance exercise

Score	Meaning	Indicators we reviewed
4	The indicator's data system is fit for purpose	The number of households in fuel poverty in England
3	The indicator's data system is fit for purpose but some improvements could be made	Percentage of energy consumed in the UK that has been generated from renewable sources The proportion of all UK energy supply from low carbon sources Electricity generation from renewable sources
2	The indicator's data system has some weaknesses which the Department is addressing	
1	The indicator's data system has weaknesses which the Department must address	The impact of other countries' pledges to decrease their greenhouse gas emissions on predicted global emissions
0	No system has been established to measure performance against the indicator	The leverage of UK international climate change finance

Source: National Audit Office

Recommendations

18 Recommendations that we consider the Department should give particular priority to are as follows:

19 Although the indicators in the Department's business plan broadly reflect its main policy responsibilities and structural reform priorities, not all policies and priorities have both input and impact indicators associated with them. To increase transparency, the Department should disclose to stakeholders the overall rationale for what it has chosen to include in the business plan input and impact indicators, any significant omissions and highlight the weakness inherent in those indicators that it has chosen.

20 For some indicators, assessing the Department's performance will be challenging for stakeholders without further explanation of the results. The Department should, where necessary, provide clearer links to the underlying information to help stakeholders interpret the data.

21 The controls that the Department applies to data supplied by its third party data suppliers is not specifically documented and verified. The Department should work with its third party data suppliers to document and verify that adequate controls are in place to manage the risk of significant inaccuracies in the data.