

## DATA ASSURANCE SUMMARY REPORTS

# Department for Environment, Food & Rural Affairs

### 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 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.<sup>1</sup> This report covers our second review of the Department for Environment, Food & Rural Affairs (the Department). In this second review we examined seven business plan indicators and one Quarterly Data Summary operational business indicator.

**3** We selected the indicators for our review in discussion with the Department, on the basis of relevance to the Department's priorities as set out in its business plan and/or alignment with current or possible future National Audit Office reviews. Our work involved a detailed review of the links between the priorities and key business areas of the Department, the indicators the Department publishes, and the operational data it uses to measure its performance. We also reviewed the processes and controls governing the collection, processing and analysis of data and the reporting of results.

<sup>1</sup> Available on the National Audit Office website at: [www.nao.org.uk/search/pi\\_area/data-assurance-summary-reports/type/report](http://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 the Department has put in place and operated appropriate 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 indicators are all individually relevant to its business and coalition priorities. The business plan indicators map clearly to coalition priorities:

- Support and develop British farming and encourage sustainable food production;
- Enhance the environment and biodiversity to improve quality of life;
- Support a strong and sustainable green economy, including thriving rural communities, resilient to climate change.

Each coalition priority has one set of input and impact indicators to facilitate an assessment of value for money. In each case the input indicator is based on expenditure and the impact indicator is a measurable output or outcome.

**6** The indicators do not collectively cover the full range of the Department's business. There are 16 indicators in the Business Plan 2012 of which 14 are specifically related to coalition priorities but there are no measures for fisheries or the marine environment, climate change or forestry. The Department, when preparing the next iteration of the business plan, should consider whether there are appropriate indicators for these areas of responsibility as a further contribution to transparency and improving accountability.

**7** The Department has continued to develop and enhance its monthly performance reporting to its supervisory board. We found evidence that the board regularly receives and considers comprehensive performance information relating to both the core Department and its network. This includes data on finance, progress in implementing structural reforms and workforce planning. There is scope to further enhance these reports by including the latest data available on the business plan indicators and a statement on the reliability, completeness and quality assurance processes associated with the data provided.

**8** The Department's Accounting Officer and senior management team were actively engaged in the indicator selection process for the 2012 Business Plan. We found evidence of extensive consultation between the Accounting Officer and senior officials on the selection of indicators for the 2012 Business Plan and a commitment by senior management to improve transparency by adopting measures by which the Department's performance could be assessed.

**9** The Department's business plan indicators do not always make clear how the performance reported should be used to hold the Department to account. The business plan indicators do not always allow the reader to assess the Department's contribution to a change. For example, the outturn results of the indicator, 'Household recycling rates' is not directly under the control or influence of the Department.

**10** Our value-for-money reports continue to find scope to improve the use of information by the Department to manage its business. For example, our report on *Streamlining farm oversight* found that the Department needs better information on activity, cost, compliance and risk to identify opportunities for streamlining and stronger oversight and coordination of its arm's-length bodies and delivery partners to drive change.

**11** The Department has made a positive contribution to the government's transparency agenda. The government released details of the cost per transaction for some of the biggest services it provides to citizens in January 2013. Making this data public is an important step for transparency and ensuring government is accountable for the cost and efficiency of the services it provides. This data can be used as a baseline for assessing performance and to enable the public to evaluate the Department's cost-effectiveness. The government released cost per transaction data for 44 of the biggest public services. The Department's 'Cost per Single Payment Scheme Claim (England)' is one of the indicators in this first release.

## Our findings on information strategy

**12** The Department is planning to develop a comprehensive knowledge, data and information strategy later in the year. This will include a set of broad principles for management of data and information both within the core Department and its arm's-length bodies.

**13** The Department published its Open Data Strategy in 2012 which sets out its approach to ensuring data quality.<sup>2</sup> The Department has adopted the principle of proportionality when defining data quality standards i.e. the trade-off between achieving high data quality and the cost of doing so. The Department plans to set quality standards for the collection and validation of its data.

**14** The Department's arm's-length bodies have made significant progress in implementing data quality policies and developing standards. The Environment Agency has developed an Integrated Data Mapping, Modelling and Information Action Plan which covers data quality. Natural England<sup>3</sup> is developing a set of Knowledge, Information and Data strategic principles which support a drive to improve the quality of published data. The Food and Environment Research Agency has a set of policies and procedures for data validation. The Department will need to ensure it achieves similar levels of assurance and data quality standards for its key performance indicators.

**15** The Department has sought to clarify accountability for data quality but there is scope for further improvement. The Department established data leads for the indicators we reviewed but, in some cases, we found insufficient evidence for consideration of data quality risks.

<sup>2</sup> Defra Open Data Strategy, June 2012 to March 2014.

<sup>3</sup> Natural England's Knowledge Information and Data Strategy 2012–2016.

## Our assessment of data systems

**16** We examined eight data systems in our latest review, of which five were business plan indicators and three were operational indicators. They covered:

- Cost per Single Payment Scheme Claim (England).
- Total cost to government of bovine TB control in animals in England.
- Total government capital investment in flood and coastal erosion risk management (England).
- Number of households where the risk of damage from flooding and coastal erosion has been markedly reduced (England).
- Number of households and businesses in hard-to-reach rural areas which will be able to receive access to superfast broadband as a result of Rural Community Broadband fund investment (England).
- Net cost to business of the Department's regulations (where monetised).
- Benefit to cost ratio of the Department's regulations (where available).
- Desktop cost per full-time equivalent.

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

**18** The Department's rural broadband indicator is an example of good practice in data assurance. We found the systems and controls in place for the indicator, 'number of households and businesses in hard-to-reach rural areas which will be able to receive access to superfast broadband', to be well designed. The Department has established a system which provides clear visibility of the end-to-end process, good and proportionate use of risk assessment, and an appropriate system of checks and controls.

**19** There is scope for the Department to improve its oversight arrangements to better understand risks to data quality. While we found some areas of good practice in the identification and management of risks in individual indicators, the Department can improve its overall oversight arrangements by ensuring it has a clear understanding of risks, for example, those relating to data transmission. We were unable to obtain sufficient evidence of adequate and effective controls to manage data quality risks, for example, over some of its data collection procedures.

**20** The Department has yet to provide evidence of the implementation of our agreed recommendations from 2011-12. The Department is seeking to improve the assurance it obtains from external data providers in response to our 2011-12 recommendations, but at the time of our audit the Department has not provided evidence of implementation.

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**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	Number of households and businesses in hard-to-reach rural areas which will be able to receive access to superfast broadband as a result of Rural Community Broadband fund investment (England)
3	The indicator's data system is fit for purpose but some improvements could be made	Total government capital investment in flood and coastal erosion risk management (England)
2	The indicator's data system has some weaknesses which the Department is addressing	Net cost to business of Defra's regulations (where monetised) Benefit to cost ratio of Defra's regulations (where available) Number of households where the risk of damage from flooding and coastal erosion has been markedly reduced (England) Total cost to government of bovine TB control in animals in England
1	The indicator's data system has weaknesses which the Department must address	Cost per Single Payment Scheme claim Desktop cost per full-time equivalent
0	No system has been established to measure performance against the indicator	

Source: National Audit Office

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## Recommendations

We set out below our high-level recommendations:

**21** The Department should improve its oversight of each indicator by appointing a named individual with specific responsibilities for understanding the end-to-end process. This would facilitate a better understanding of risks to data quality from source data to publication.

**22** The Department should produce its Information Strategy and Data Quality Policy as soon as possible. The Department relies on data from arm's-length bodies and external data providers so it is important that it sets out clear policies for quality assurance processes across its business. In doing so, it should draw upon the useful knowledge and information management strategies already in place across its network.

**23** The Department should address the findings from our 2011-12 report. The Department's focus should be on improving its oversight of quality assurance arrangements of its data collectors and better management of risk in relation to the business plan performance indicators.