



National Audit Office

DATA ASSURANCE SUMMARY REPORTS

Department for Work & Pensions

Background and scope

1 In May 2012, the government published updated departmental business plans, which are monitored by a set of input, impact and other key data 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, impact and other key data indicator 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 for Work & Pensions (the Department). In this second review we examined two operational (other key data) indicators and three business plan (impact) indicators.

3 We selected the indicators for our review on the basis of potential interest to the Committee of Public Accounts and the National Audit Office in planned or potential reviews. For example, the Work Programme indicator, “proportion of customers for whom providers have achieved a Job Outcome payment at 12 months on the programme” relates to an active area of Committee interest.

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 presents our assessment of the data systems which underpin the business plan indicators. 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 has continued to develop and enhance its monthly performance reports to the board and Leadership Team. We found evidence of strong engagement by both the board and Leadership Team on the need to provide quality and relevant information for decision-making. For example, as a result of a request by the Leadership Team, the Department has started to compare its performance (in its monthly reports) with what would have been achieved if it had not intervened (counterfactual). Although comprehensive in scope, performance reports could in some areas be enhanced by a clear statement on the reliability and completeness of the data provided.

6 The Department's indicators are relevant to its business. The business plan indicators map clearly on to business areas including benefits, employment support, disabilities and pensions. In future, indicators will increasingly need to reflect reform programmes that are under way.

7 The Department has reduced the number of indicators in its business plan on costs of its services and now provides a single indicator on productivity. Previously, the Department provided data on average costs of administering specific benefits in its Quarterly Data Summary. In January 2013, the government published details of the costs per transaction for some of the biggest services it provides to citizens. Cost-per-transaction data for 44 of the biggest public services were released, including, for example, the average cost per 'sign-on' for Jobseeker's Allowance, and average cost of maintaining a State Pension claim. 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. The Department has also acknowledged the need to improve its information to facilitate assessments on value for money.

8 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 2012 Business Plan asserted that the Department has adopted measures to help the public assess the effects of its policies and reforms on the costs and impact of public services. But the business plan indicators do not always allow the reader to assess the Department's specific contribution to a change. For example, 'the gap between the employment rates for disabled people and the overall population' depends on a range of economic factors. While it is often difficult to establish specific causality between the performance of the Department and the results reported by the indicators, there is scope to improve clarity on the Department's influence upon the adopted measures.

Our findings on information strategy

9 The Department has clearly set out its strategy for the management and use of information, including its policies and standards to protect data and customer privacy, as well as how it reuses information more effectively. The Department published its Information Strategy in April 2012 which sets out a number of broad principles for the management of information, including a requirement that information should be of sufficient quality for the intended use. The strategy provides examples of data quality improvement initiatives such as working with business areas to understand issues affecting data quality.

10 The Department has a data quality policy but needs to improve clarity over roles and responsibilities. The Department published an Open Data Strategy in June 2012 which commits to providing good quality data that can be used for comparison. The Department has a Data Quality Policy but it has lacked sufficient authority and clarity around roles and responsibilities to provide assurances on the quality of data within the Department's systems. The Department is planning to publish a revised Data Quality Policy to ensure that the quality of the data it holds on its customers is accurate.

Our assessment of data systems

11 We examined five data systems in our latest review, covering employment and the labour market, and disabilities:

- Proportion of the lowest earners that experience wage progression (**impact indicator**).
- Rate of disability poverty (**impact indicator**).
- Gap between employment rates for disabled people and the overall population (**impact indicator**).
- Number of Incapacity Benefit recipients reassessed and those moving from Incapacity Benefit to Employment and Support Allowance nationally (**other key data**).
- Proportion of customers for whom providers have achieved a job outcome payment at 12 months on the programme (**other key data**).

We also followed up on two data systems that were reviewed in 2011-12:

- DWP Productivity.
- Proportion of new claims for Jobseeker's Allowance that were submitted online.

12 The Department has improved its documentation of its risk management processes but we found further scope to actively manage key risks to data quality at indicator level.

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

14 Across the set of indicators reviewed we found three broader findings:

- We found examples again this year where there was a mismatch between the title of the indicator and the data stream, for example, ‘the proportion of the lowest earners that experience wage progression’. The Department has since responded positively to our finding and has now amended the title of the indicator.
- The Department established data leads for the indicators we reviewed but, in some cases, we found limited visibility over the end-to-end process for developing the indicator and inadequate arrangements for considering data quality risks.
- The Department does not always carry out sufficient checks on the data it receives from external providers.

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 gap between employment rates for disabled people and the overall population Rate of disability poverty
3	The indicator’s data system is fit for purpose but some improvements could be made	Proportion of customers for whom providers have achieved a job outcome payment at 12 months on the programme
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	Number of Incapacity Benefit recipients reassessed and those moving from Incapacity Benefit to Employment and Support Allowance nationally Proportion of the lowest earners that experience wage progression

Source: National Audit Office

Recommendations

15 The Department should improve its oversight by appointing a named individual with responsibility for understanding the end-to-end process for each indicator. This would help to improve risk management, particularly for data transfer arrangements.

16 The Department should improve information available to the public on the cost-effectiveness of its major programmes. Although the Department has recently released cost per transaction data into the public domain, it will be important to ensure that it reports changes over time so that judgements can be made on progress in improving the cost-effectiveness of the Department's key programmes and activities.

17 The Department is considering new indicators on the implementation of its major reform programmes, such as the Welfare Reform Act. Wherever possible, the Department should select measures which provide clearer information on the performance of the Department. While selecting indicators that closely reflect the Department's performance is often difficult, there is scope to improve clarity on how the selected indicators can help the public to assess the effects of its policies and reforms on the cost and impact of public services.