Government Internal Audit Agency

Mark Ledbury
Deputy Director,
Transport Appraisal and Strategic Modelling,
Department for Transport

23 February 2017

Dear Mr Ledbury,

In accordance with our terms of reference, summarised below, the Government Internal Audit Agency (GIAA), which is an Executive Agency of Her Majesty's Treasury and is therefore independent of the Department for Transport (DfT) has reviewed the inputs of housing data, collected from the publically available sources produced by local authorities which feed into the National Trip End Model (NTEM). We have matched these data sources to your summary of dwelling inputs for the NTEM and drawn any identified discrepancies to your attention. We then reviewed the corrected input schedule, looking only at discrepancies we had identified for correction and on a sample basis. The decision to act on, to any extent, these identified discrepancies and the responsibility for the data and the treatment of this data within the NTEM model remains with the DfT.

In performing this review, GIAA has used appropriately qualified professional staff and has designed procedures independently of the DfT to allow us to express an assurance opinion. We have designed our procedures in line with the principles of ISAE 3000 and express a reasonable assurance opinion in line with the definitions of this standard.

Opinion

Subject to the limitation of scope below, in our opinion the inputs to the NTEM have been generated by the DfT in a materially correct way.

No identified errors have been left unchanged.

Limitation of Scope

GIAA have assumed that where a document (such as a local development plan) has been provided by the DfT it is the latest version available. In some cases, where such documents are dated more than 3 years ago as at the time the data was first collected (i.e. before March 2013) we have performed a cursory search to identify more recent information in the public domain and have drawn this to the attention of the DfT, who have themselves then reviewed and made updates to the inputs as appropriate. Our work has only been directed at the dwelling inputs to the NTEM model, and not to the model itself.

Yours Sincerely

David Locke
Senior Internal Audit Manager
Government Internal Audit Agency
23 February 2017

Annex 1 – Summary of Terms of Reference

The purpose of this review (which does not form part of the 2016/17 Audit Plan) is to provide assurance to the DfT on the integrity of dwellings data used as an input into National Trip End Model (NTEM). NTEM is DfT's primary model used to forecast total number of trips nationally, using planning data as one of primary inputs.

The objective of this review is to provide independent and objective assurance, specifically to the Analysis Team Officer on the integrity of the dwellings input data, before NTEM forecasts are revised and re-published.

Audit Approach

This review is focussed on the DfT (core) only.

The audit will follow the process below:

- The auditor will meet with identified senior officials and obtain key contacts for the review fieldwork. (achieved, 7/11/16)
- The auditor will supply, as a result of these discussion, a list of documents/processes that they wish to test and will identify the processes to be tested. (data sent 7/11/16)
- The auditor will trace each dwelling input from the final revised data sheet to the documents supplied by the DfT for each local authority
- Where the numbers match for each year of data input and appear logical, this will be recorded as a 'match'
- Where the number differs, this will be recorded as a 'mis-match' and a comment made on the overall spreadsheet as to why a 'mis-match' has been recorded. Where there is a mis-match the auditor will review the local authority document to attempt to identify a likely match and will highlight this to the DfT in a note
- Where a number matches, but appears illogical, a 'query' will be raised on the excel sheet with a description – this might be, for example, where a number is the same but appears to relate to a small area of a local authority, not the authority as a whole, or used only one of the relevant tables instead a total of all.
- Where a local authority document is more than 3 years old, the auditor will make a brief search to see if there is a more up to date version and, if so, collect that document and pass it to the DfT.

Reporting – emerging findings will be discussed with management during the course of the audit. An interim output of the audit will be an annotated dwellings input spreadsheet, with auditor's comments and, where relevant, the newly found documents. These will be passed to the DfT for comment, explanation and where necessary a correction. The finalised corrected spreadsheet will be passed back to the auditor for final verification that the corrections have been implemented as intended. At the end of the fieldwork, an exit meeting will be held to bring the main findings of the review to management's attention and to agree an action plan for implementing of findings, as applicable

Outputs – an output from this audit will be a report with a set of recommendations for DfT's internal purposes, if applicable, and a letter of assurance, which will be published with the revised outputs of the NTEM model.