

# Independent Safeguarding Authority Report and Accounts April 1<sup>st</sup> 2012 – November 30<sup>th</sup> 2012



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# **Independent Safeguarding Authority Report and Accounts April 1<sup>st</sup> 2012 – November 30<sup>th</sup> 2012**

Presented to Parliament pursuant to paragraph 12 (4) (b) of Schedule 1 of the Safeguarding Vulnerable Groups Act 2006.

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## Foreword

### **Sir Roger Singleton, ISA Chair CBE and Adrian McAllister, ISA Chief Executive**

The Protection of Freedoms Act 2012, which received Royal Assent in May 2012, contained a provision for the Independent Safeguarding Authority (ISA), to merge with the Criminal Records Bureau into the Disclosure Barring Service (DBS).

Therefore this is the final report and accounts of the ISA. While the work of the ISA and the majority of the staff who delivered that work transferred into the DBS on its operational start date on December 1<sup>st</sup> 2012, our comments and this report and accounts record the final months of achievement of the ISA.

The ISA's statutory role was to decide who it was appropriate to bar from working or volunteering with vulnerable groups including children. People barred by the ISA had either committed a serious offence and we barred them automatically or were considered for barring following a referral because they had harmed or put at risk of harm a vulnerable person and had been removed from working with them as a consequence.

From April 1<sup>st</sup> – November 30<sup>th</sup> 2012 a total of 2,937 people were automatically placed on the ISA's Barred Lists because they had been convicted or cautioned for an automatic barring offence. A further 313 were placed on the lists following a referral. It is a testament to all those who worked for the ISA, that despite imminent organisational change and significant legislative change, their dedication to safeguarding and delivering excellent performance never wavered throughout this period.

As well as the creation of the DBS, the Protection of Freedoms Act also introduced a range of legislative changes – some of which were brought into force on September 10<sup>th</sup> 2012. A key change was the requirement for the ISA to bar someone only where it is believed the person is, has been or might be in the future, engaged in regulated activity. This does not include where we barred someone who had been convicted or cautioned for an Automatic Barring Offence without the right to make representations. This was an additional consideration for decision-makers and not without its complexity.

Changes were also introduced to give the ISA greater powers to review a bar and share information with the Police and professional regulators - such as the General Medical Council. In addition, when considering automatic barring with representations, the ISA was required to request representations *before*, rather than after placing a bar. These changes were introduced seamlessly by the ISA and continue to be implemented by the DBS.

Whilst planning and delivering these changes was not insignificant they were also delivered during a period when ISA staff were also preparing to introduce new HR and finance systems, to support the Home Office and CRB colleagues in identifying a new IT and business process supplier, closing down the ISA and supporting the creation of the DBS.

In addition the ISA was also subject to several requests for permission to appeal an ISA bar. The overwhelming majority of these were not successful, and you can read more about them in our Appeals section on page 19.

On a similar note, the ISA was itself successful in appealing a decision in the Court of Appeal. This meant that a previous decision by the Upper Tribunal (Administrative Appeals Chamber) which instructed the ISA to remove a person we had placed on the Children's Barred List was overturned. In summing up the case, Lord Justice Maurice Kay, Vice President of the Court of Appeal, Civil Decision, commended the ISA for being "particularly equipped to make safeguarding decisions" and underlined the importance of taking into account public confidence in making our decisions.

It goes without saying that we would like to express our appreciation to the ISA Board; and pay tribute to their dedication to safeguarding and in delivering on our commitment to share our learning with employers to encourage better recruitment and management practices. The Board also continued to strive for improvement and in particular, in ensuring we fine tune our decision-making process to respond effectively to the types and prevalence of harm that we assess on a daily basis.

On a very sad note, one of our founder Board Members, Peter Withers, died unexpectedly in August. His contribution to the ISA was immeasurable; and he is missed by all of those who worked with him at the ISA.

Our Executive Management Team (EMT) also provided excellent leadership during this period and indeed throughout the time we worked together. They have helped to steer the organisation and its staff through some challenging periods; particularly in balancing our safeguarding responsibilities with the requirement to deliver a range of additional projects and activities.

In June 2012, the Home Office announced that Bill Griffiths was to be appointed the DBS Chair and Adrienne Kelbie as the DBS CEO. We wish them and the new organisation well. The DBS is starting from a position of strength - in having a well-trained, highly experienced and committed workforce that has a record of excellence and success. Finally, we would like to thank all the staff in the ISA for their hard work and commitment during the period of this report, and for the entire time we have had the pleasure of working with them.



Sir Roger Singleton, ISA Chair



Adrian McAllister, ISA Chief Executive

## Key Facts

From April 1<sup>st</sup> 2012 until November 30<sup>th</sup> 2012, the Independent Safeguarding Authority;

- Received and processed 4,269 referrals
- Average number of referrals per month is 534
- Closed 6,361 Automatic barring Cases
- Placed 2,937 Automatic bars
- Closed 3,526 discretionary cases
- Placed 313 discretionary bars
- Removed 987 people from a barred list
- Responded to 20 Freedom of Information requests
- Responded to 81 Subject Access Requests
- Between 1<sup>st</sup> April 2012 and 30<sup>th</sup> November 2012, there were 36 new requests for permission to appeal an ISA bar. 34 cases were concluded which includes appeals that may have commenced prior to the 1 April 2012. Of these, 13 were refused permission to appeal, 2 were struck out, 2 appellants withdrew their appeal, and 3 appeals were dismissed. In all of these cases the appellants remained on the barred list(s).
- The ISA had an appeal to remove a person it had placed on the Children's Barred List successfully overturned at the Court of Appeal.
- 86 evidence packs were provided to the police where a person was believed to have been working whilst barred

## Protection of Freedoms Act (2012)

In 2010 the Coalition Government announced its review of the Vetting and Barring Scheme and an independent review of the Criminal Records Regime. Many of the recommendations from these reviews were included within the Protection of Freedoms Act (2012) which reached Royal Assent in May 2012.

A key change within the Act was the merger of the ISA and the Criminal Records Bureau (CRB) into a new Non-Departmental Public Body, called the Disclosure and Barring Service (DBS). The DBS became operational on December 1<sup>st</sup> 2012. The creation of the DBS also necessitated the closedown of the ISA and the CRB. The DBS now delivers both the disclosure and barring work previously delivered by the ISA and the CRB.

Throughout the year, the ISA continued in its primary responsibility to deliver its safeguarding responsibilities by making fair and appropriate barring decisions, whilst also delivering a professional and efficient closedown of the organisation to facilitate the merger with the CRB into the DBS.

As well as the creation of the DBS, the Protection of Freedoms Act (2012) also introduced a range of other legislative changes such as:

- The removal of the requirement to register with and to be monitored by the Vetting and Barring Scheme
- The removal of Controlled Activity

However, other legislative changes were also introduced on September 10<sup>th</sup> 2012 which directly affected the way we worked:

- The definition of 'regulated activity' was amended in order to reduce the number of roles from which people are barred
- In automatic barring cases where representations are permitted, the representations process now take place before the barring decision, rather than after, as was the case
- The ISA was required to provide additional barring information to the police and to the Prison/Probation Services where there is a safeguarding requirement to do so
- A bar from working in regulated activity can only be placed upon a person if the ISA believed that the person is, has been or might in the future, engage in regulated activity. The only exception to this is where a person is convicted or cautioned of a relevant (automatic barring) offence and is not eligible to submit representations against their inclusion in a barred list.
- A person's inclusion in a barred list may be reviewed by the ISA using one of three powers. These are as follows:
  1. Where a person does not meet the test for regulated activity;
  2. Where certain statutory conditions are met; or
  3. Where a person requests a review after a minimum barring period.

All of these changes now relate to the DBS.

ISA staff continued to support our colleagues in the Home Office, Department for Education and the Department of Health in ensuring that stakeholders received clear and effective information on the range, timing and impact of the changes introduced by the Act. To that end, we supported a series of Disclosure and Barring Roadshows throughout June and July which explained the changes to regulated activity in particular, and allowed stakeholders to ask questions and seek additional clarification.

## ISA Vision

The following describes how the ISA translated its statutory responsibilities into a vision for safeguarding and into objectives that were at the core of our organisational plans. Our vision clearly expressed what we sought to achieve during our period of operation.

### **Our vision is that we will be a major contributor to protecting vulnerable people in society**

We accomplished this by recognising and responding positively to our changing operational and organisational environment. However – and most importantly – by delivering on our core purpose, which is to help reduce the risk of harm posed to children and vulnerable adults by those who might access them through their work, paid or unpaid. Our key tasks are:

- to maintain a list of those who are barred from engaging in regulated activity with children (the “Children’s Barred List”)
- to maintain a list of those barred from engaging in regulated activity with vulnerable adults (the “Adults’ Barred List”)
- to reach decisions about whether a person should be included in one or both barred lists
- to reach decisions as to whether to remove a person from a barred list

We adopted seven strategic objectives to help ensure we delivered our responsibilities to a high standard and in a cost effective manner. Our objectives were reassessed during 2011/12 following the passage of the Protection of Freedoms Act (2012) and the subsequent legislative changes, including the ISA’s merger with the CRB into the Disclosure and Barring Service. It is in that context that we responded to our changing operational and organisational environment.

## ISA Benefits

The vast majority of people who work or volunteer with children and vulnerable adults do so with the best motives and intentions. However, there are a small number of people who will attempt to access vulnerable groups with the intention of trying to abuse them or whose past behaviour and actions indicate that it is not appropriate that they work with vulnerable groups.

It was the role of the ISA to decide, following an employer's disciplinary process or a relevant conviction, whether it was appropriate to bar a person from working with a vulnerable group or groups.

Our processes delivered the following benefits to this difficult but necessary work:

- we were an independent decision-making body
- our barring decisions were undertaken using a fair and consistent method across all employment sectors
- barring decisions were made by our uniquely trained, accredited decision-makers
- our barring decision-making process was transparent. Where we proposed to bar a person from working with children and/or vulnerable adults through our discretionary powers, we shared all the information we relied upon to reach this position with the person under consideration
- the legal duty on employers and other bodies to refer safeguarding information to us ensured that we had the relevant information we needed to make barring decisions
- we shared safeguarding information with regulators such as the General Medical Council and inspectorates such as Ofsted and the Care Quality Commission
- as we and our processes further developed we were able to share our knowledge and experience of the people who were referred to us and the people on whom we placed a bar to better inform safer recruitment practices. This was the driver for our first piece of research.
- we were able to support the criminal justice process by providing evidence packs to the police on people who were suspected of trying to work or volunteer whilst barred, with children and/or vulnerable people.

All these benefits transferred with us, into the DBS.

## Our Achievements

### Key statistics

Number of people placed on the ISA's Children's List* since October 2009	48,678
Number of people placed on the ISA's Adults' List* since October 2009	45,116
The total number of people barred across both lists	50,778

\* Some of these people would have been subsequently removed from the list or lists. This occurred when the automatic barring with representations process dictated that we placed the person on a barred list before asking for their representations. In September 2012, this process was reversed. Additionally people were removed from a list/s following notification that the person has died; or where late representations have been submitted and considered.

### April 1<sup>st</sup> 2012 – November 30<sup>th</sup> 2012 statistics

Numbers of referrals received and processed	4,269
Number of Automatic Bars placed	2,937
Number of Discretionary Bars placed	313

### Achievements against our strategic objectives

In 2011, the ISA developed a three year Corporate Plan which set out our priorities for delivering our strategic objectives. In 2012 we reassessed our Corporate Plan and its subsequent service plans and revised them to reflect not only the closing nature of the ISA, but also to take account of the additional significant work to plan for, project manage and deliver the legislative changes introduced in September 2012.

Therefore many ISA staff, as well as delivering and helping to support our essential safeguarding responsibilities, were also tasked with a range of project activities. The foremost of which was assessing, planning and delivering the work required to meet the legislative changes introduced by the Protection of Freedoms Act (2012). This was a significant collaborative work across the entire organisation. In addition to this, ISA Staff were also involved with several other complex projects, such as:

- Preparation and delivery of the effective closedown of the ISA.
- Preparation and delivery of activities to support the creation of the DBS
- Planning to introduce Adelphi (a self-service HR, finance and procurement system) to ISA staff.

The following reflects the wider achievements against the ISA's strategic objectives.

Strategic Objective 1 - To help reduce the opportunities for those who may harm children or vulnerable adults from doing so through their employment, paid or unpaid

Our Corporate Plan priorities were to: (1) Play our part in implementing policy changes and manage change effectively ensuring there was no reduction in service or performance (2) Those who have a duty to refer are aware and respond to their responsibilities (3) Case decisions will be made promptly and accurately (4) Communicate our decisions promptly and clearly to those entitled to know.

We have worked closely with our cross-departmental government partners and the CRB to assess, contribute and deliver the introduced changes within the Protection of Freedoms Act (2012). We did this by:

(1) Playing our part in implementing policy changes and managing change effectively ensuring there was no reduction in service or performance

- Incorporated into our operations the legislative changes on regulated activity; information sharing, the Automatic Barring representations process and reviews
- Contributed to the Department for Education's consultation on supervision guidance
- Effectively and efficiently closed down the ISA on November 30<sup>th</sup> to facilitate the merger with the CRB into the DBS, on December 1<sup>st</sup>
- Worked with the Home Office and the CRB to support the creation of the DBS on December 1<sup>st</sup>.

(2) Those who have a duty to refer are aware and respond to their responsibilities

- We delivered a programme of events on the referral duty targeted towards sectors where there were gaps in awareness. 100% of the ISA's stakeholders said they were clear about the ISA's role and 99.9% of stakeholders said that they were clear about when and how to refer.
- New referral guidance form was developed and published on the ISA website.
- A referral Toolkit was produced and published on the ISA Website
- To support stakeholder understanding of the changes to processes introduced by the Protection of Freedoms Act (2012) we worked with Government partners and the Criminal Records Bureau on a Disclosure and Barring Roadshow.
- Created and published additional information on our operations and processes on the ISA website.

(3) Case decisions made promptly and accurately

- Where we had the discretion whether to bar or not, we aim to close 80% of cases within 110 working days. In 2012 we achieved this by closing 83% of cases within 110 working days.
- Where the nature of the offence or conduct is such that a person is

automatically barred, we aimed to close 95% of cases within 25 days. In 2012 we achieved this by 98.3%.

(4) Decisions communicated promptly and clearly to those entitled to know

- We aimed to acknowledge 90% of referrals within 3 working days. We achieved this at 96.2% within 3 working days
- We provided 86 evidence packs to the police on people who are suspected of trying to work or volunteer, whilst barred, with children and/or vulnerable people.

Strategic Objective 2 - To ensure case decisions are made independently, by those with relevant experience and skills

Our Corporate Plan priorities were to: (1) Further enhance our expertise by learning from the experience of our peers and others (2) train our staff to deal with changes in legislation and guidance.

(1) Further enhance our expertise by learning from the experience of our peers and others

To ensure the high quality of barring decision-making, we further strengthened our processes for checking the consistency and quality of decisions. We did this by:

- Implementing a feedback mechanism from case committees
- Implementing a quality assurance framework for our casework.

(2) We trained our staff to deal with changes in legislation and guidance

Achieving such high standards required considerable investment in, and the commitment of caseworkers and support staff. During 2012:

- The ISA delivered 1,456 hours of training to support all staff to understand and deliver the legislative changes introduced by the Protection of Freedoms Act.

Strategic objective 3 - To be a transparent, respected and accountable organisation that has the confidence of our partners and the public

Our Corporate Plan priorities were to: (1) be open and transparent (2) provide a professional, courteous, fair and helpful service to the public and our partners

(1) We will be open and transparent

We held a great deal of very sensitive information about people. However, we aimed to be as open and accountable as the laws of privacy and data protection allowed. In 2012 we:

- Created and published our Model Publication Scheme on the ISA Website
  - Published 100% of the ISA's spending of £25K and over on the Home Office's website
  - We aimed to resolve 85% of Stage 1 Complaints within 15 working days; we achieved this at 90%
- (2) To provide a professional, courteous, fair and helpful service to the public and our partners
- We continued to monitor complaints, comments and compliments to improve our performance

Strategic Objective 4 - To influence policy and decision-making within government and the community in order to better protect children and vulnerable adults.

Our Corporate Plan priorities were to: (1) Ensure our expertise and experience in the protection of vulnerable groups including children influences the implementation of related policies. In 2012 we:

- Published the ISA's first major external research on safeguarding practice in relation to the protection of children and vulnerable adults in the workplace and presented a paper at the British Association for the Study and Prevention of Child Abuse and Neglect (BASCPAN) conference
- Delivered a media plan which supported the wider dissemination of the research, which was covered in the BASCPAN newsletter, Community Care and *PS*, the magazine of the Law Society's Private Client Section amongst others
- Worked with cross government partners to develop and implement new policies and guidance following the Protection of Freedoms Act.

Strategic Objective 5 - To protect the information we hold and to share it securely and effectively with those entitled to receive it

Our Corporate plan priorities were to: (1) Integrate our safeguarding partnership and information sharing arrangements effectively and efficiently with our partners (2) Hold our information securely, including that sent to us by partners (3) Be open and accessible in our responses for information within the limitations of its confidential nature

- (1) Our safeguarding partnership and information sharing arrangements will be integrated effectively and efficiently with our partners

- We reviewed and agreed a new Memorandum of Understanding s(MoU) to reflect the legislative changes introduced on September 10<sup>th</sup>, the closing nature of the ISA and its merger with the CRB into the DBS.
- (2) We held our information securely, including that sent to us by partners
- During 2012 the ISA experienced no loss of confidential information or unauthorised access to it. We tested our security arrangements by comparing them against a Government model approach and continued to achieve compliance against the Level 3 benchmark.
  - We reviewed our Information Asset Owner's information and training needs
  - Delivered Level 1 Information Asset refresher training.
- (3) We will be open and accessible in our responses for information within the limitations of its confidential nature
- Responded to 100% FOI requests within 20 working days
  - Responded to 100% Subject Access requests (SARs) within 40 working days.

Strategic Objective 6. To be an efficient and effective public body that works constructively with its partners and strives to achieve the highest quality of service and the best value

Our Corporate Plan priorities were to: (1) Continuously improve performance through effective performance management (2) The regional and local economies benefited by the ISA being located here (3) Information requirements will be improved by contributing to initiatives for more efficient and effective ICT based systems.

(1) We will continuously improve performance through effective performance management

- We use independent external assessors to report on the quality of our systems and controls. In the period of the report, the Home Office's Audit and Assurance Unit undertook 10 reviews, which resulted in interim or final assurances. They gave eight of these the highest available rating; one received a moderate rating and one a low rating
- We worked with the Home Office and CRB to effectively manage shared risk during this period of legislative and organisational change.

(2) The regional and local economies will benefit by the ISA being located here

- 50% of all successful supplier bids for tenders during the reporting period were from local businesses – our target was 15%
- We aimed to pay 80% of invoices with no query on them within five working days but we exceeded this by paying 99.9% within this time limit.

(3) Information requirements will be improved by contributing to initiatives for more efficient and effective ICT based systems

- Worked with Home Office and CRB partners to identify a new IT and BPO supplier for the DBS, to replace the existing contracts of both the ISA's and the CRB's contracts with Logica and Capita, respectively, when they end in 2013. In October it was announced that Tata Consultancy Services had been awarded the contract
- We worked with the Home Office and CRB to implement and deliver staff training for Adelphi (a Home Office-wide shared service for HR, Procurement and Finance system)
- We implemented changes to the way in which we access police information resulting in cost efficiencies and improvements in service.

Strategic Objective 7 - To be a fair and respected employer that values its people and actively fosters a culture of professionalism, team work and continuous improvement

Our Corporate Plan priorities are to: (1) Focus staff training on the delivery of business objectives (2) Our organisational capacity and capability will be fit for purpose (3) Support our staff to live a healthy lifestyle.

(1) Focus staff training on the delivery of business objectives

- We delivered training to staff to raise understanding and practical application of the legislative changes being introduced on September 10<sup>th</sup>.

(2) Our organisational capacity and capability will be fit for purpose

- We reviewed our workforce planning model
- 100% of external recruitment was completed within target
- 100% of internal recruitment was completed within target
- Publish Staff Transfer Scheme.

(3) Support our staff to live a healthy lifestyle:

- We offered individual wellbeing meetings on a voluntary basis
- We offered health screenings for individuals on a voluntary basis
- We promoted key health initiatives including the local NHS trusts Pass It On campaign and Be Clear on Cancer campaign.

## Our Contribution to Wider Coalition Government Objectives

The following provides information as to how the ISA contributed towards wider Coalition Government Objectives:



**Home Office Objective 5:**  
**To protect people's freedoms and civil liberties**  
*Ensure appropriate solutions to safeguarding and public protection*



**Department for Education**

Where there is a role for government to play, we are committed to using every means at our disposal to ensure that all children are protected from harm and neglect

(Source: Department for Education Business Plan)



**Department of Health**

*Reform Social Care*  
*- Enable people needing care to be treated with dignity and respect.*

(Source Department of Health Business Plan)

In fulfilling our safeguarding role, we also made a positive contribution towards the achievement of the strategic objectives of:

- the Northern Ireland Assembly;
- the Welsh Assembly Government; and
- the Ministry of Justice.

## Our Barring Decision-Making Processes

The ISA was committed to ensuring that we made consistent, fair and appropriate barring decisions on the people who were referred to us. The ISA Board played an active role in making barring decisions - particularly on the most complex cases and was ultimately responsible for all the decisions made by the organisation. The thoroughness of our processes helped to support the often difficult and finely balanced decisions that had to be made.

The two key channels through which cases came to us were:

- **referrals** from employers and other providers of regulated activity, personnel suppliers, local authorities and professional regulatory bodies. There is a duty, in certain circumstances, on those organisations to make a referral to us when they have removed or moved an employee from working in regulated activity, following harm to a child or vulnerable adult or where there is a risk of harm
- **automatic barring** cases are where a person has been cautioned or convicted for a 'relevant' serious offence. In these cases the person is 'automatically' barred (by law) from working with children and/or vulnerable adults. For some 'automatic barring' offences a person had the right to make representations to us as to why they should be removed from the barred list(s) and we had the power to remove them. This was the case until September 10<sup>th</sup>, when legislative changes introduced by the Protection of Freedoms Act (2012) were brought in. In automatic barring cases where representations are permitted, the representations process now takes place before the barring decision, rather than after, as was the case.

Additionally, from 10<sup>th</sup> September 2012 the ISA could only place a bar on someone if it believed that the person is, has been or might in the future, engage in regulated activity. The only exception to this is where a person is convicted or cautioned of a relevant (automatic barring) offence and is not eligible to submit representations against their inclusion in a barred list.

### **Five Stage barring decision-making processes**

Our five stage barring decision-making processes for discretionary cases was developed to help ensure that all ISA barring decisions are fair, consistent and appropriate. The standard process had five decision-making stages. At each stage a decision was required for the case to be concluded or to progress to the next stage. If the criteria for the case to progress to the next stage was not met, the case was closed and no further action taken. However we retained the information, subject to our Data Retention Policy, in case further information on the person was received. This process will transfer into the DBS.

#### **Stage one: Initial case assessment**

Firstly we determined whether the case fell within our legal powers under the Safeguarding Vulnerable Groups Act 2006, i.e. did there appear to be evidence of relevant conduct or risk of harm to a child or vulnerable adult? If the initial case assessment criteria were met, the case proceeded to the next stage.

### **Stage two: Information gathering and assessment**

We then gathered and considered information about the case, including any relevant convictions or cautions. As we had no investigatory powers we relied upon the information provided by other organisations. Court findings, police cautions and the findings of specified competent bodies (such as the General Medical Council) were treated as ‘findings of fact’.

We also considered relevant information which may have been provided or requested from regulated activity providers, the police, personnel providers and regulatory bodies such as the General Teaching Council or the General Medical Council, as well as any relevant information already held in relation to the person from any previous referrals. This could have provided evidence of cumulative behaviour indicating a safeguarding risk.

The type of information we would expect to have seen in support of a referral from an employer includes:

- minutes of disciplinary hearings
- witness statements
- dismissal/suspension letter
- adult social care or children’s service’s records in relation to any safeguarding investigation
- details of any police involvement

When all relevant information was gathered and assessed, we determined whether relevant conduct is proven on the balance of probabilities or whether risk of harm had been established. Consideration was then given as to whether it was appropriate to bar the person, based on the findings. If so, the case progressed to stage three.

### **Stage three: Structured judgement process (risk analysis)**

A case assessment using our structured judgement process (SJP) was undertaken. The SJP was an internal risk assessment tool developed to determine whether, based on all relevant information, there was a future risk of harm to children or vulnerable adults.

If a risk of harm to children or vulnerable adults was identified and barring was an appropriate response to that risk, the ISA would then have been ‘minded to bar’ the person on either one or both lists, and the case progressed to stage four. Otherwise the case was closed - save in exceptional circumstances where it might have still been appropriate to consider a bar.

### **Stage four: Representations**

We then wrote to the person advising them that the ISA had reached a ‘minded to bar’ view and invited them to make representations as to why they should not be barred. The ISA outlined the legal powers used and reasons for taking the view. A copy of all of the information that we relied upon to reach the ‘minded to bar’ position was sent to the person.

The person had eight weeks in which to provide representations to the ISA – although the ISA did consider and grant extensions to this, if requested. The person

could have been assisted in their representations by, for example, a friend, relative, adviser, trade union or solicitor. Where the ISA considered that it was necessary to protect the person's Convention rights (under the European Convention on Human Rights) or in the interests of fairness and equality, arrangements could have been made to hear oral representations. This would have been either following a request, or of the ISA's own suggestion. Such circumstances included (but are not limited to) a person with a disability (whether or not falling within the definition of disability in the Equality Act 2010) which the ISA was satisfied from available information, prevented the person from making written representations with available assistance. All cases are considered on their particular circumstances.

### **Stage five: The barring decision**

If no representations were received by the end of the eight week representations period, the person would have been barred from working with children and/or vulnerable adults. Where representations were received the case was wholly reassessed and a final decision was made. The person was notified in writing of the final decision and, where the decision was to bar the person, they were notified of their right to seek an appeal. Once barred it was illegal for a person to work in regulated activity with children and/or vulnerable adults.

From September 2012 the ISA barring decision-making process also included the Test for Regulated Activity. This ensured that a bar was only placed on people the ISA believed was, had been or might in the future, engage in regulated activity. The only exception to this was where a person was convicted or cautioned of a relevant (automatic barring) offence and was not eligible to submit representations against their inclusion in a barred list.

### **Reviews**

Up until September 10<sup>th</sup> 2012, any barred person who had the opportunity to provide representations also had the right to request a review of our decision after a minimum barred period as follows:

- Aged under 18 when barred - 1 year
- Aged 18 to 24 when barred - 5 years
- Aged over 25 and over when barred - 10 years

Requests for review had to be made to us and we would only agree to a review if the person can demonstrate that their circumstances have changed significantly in such a way that it was no longer appropriate for them to be included on the barred lists. Passage of time by itself, is unlikely to lead to a removal from the List as compelling evidence needs to be provided to the ISA for a review to be considered.

However, on September 10<sup>th</sup>, The Protection of Freedoms Act (2012) amended the Safeguarding Vulnerable Groups Act 2006 and the Safeguarding Vulnerable Groups (Northern Ireland) Order 2007, so that a person's inclusion in the ISA barred lists may be reviewed by the ISA using one of three powers. These were as follows:

1. Where a person does not meet the test for regulated activity;
2. Where certain statutory conditions are met; or
3. Where a person requests a review after a minimum barring period.

**Appeals**

A barred person had the right to seek an appeal on the grounds of an 'error of fact' or an 'error in law'. Appeals were dealt with by the Administrative Appeals Chamber of the Upper Tribunal, or the Care Tribunal in Northern Ireland. Please see the following page for further information on appeals.

Our decision-making process transferred into the DBS.

## Appeals

A barred person has the right to seek an appeal on the grounds of an 'error in fact' or an 'error in law'. Appeals are dealt with by the Administrative Appeals Chamber of the Upper Tribunal, or the care tribunal in Northern Ireland. The Independent Safeguarding Authority (ISA) itself had the right to appeal a decision made by the Upper Tribunal through the Court of Appeal (Civil Decision).

Between 1<sup>st</sup> April 2012 and 30<sup>th</sup> November 2012, there were 36 new requests for permission to appeal an ISA bar.

During this period, 34 cases were concluded – some of which may have commenced prior to 1<sup>st</sup> April 2012. Of these, 13 were refused permission to appeal, two were struck out, two appellants withdrew their appeal, and three appeals were dismissed. In all of these cases the appellants remained on the barred list(s).

Also included in this figure, were two cases that were remitted back to the ISA for a fresh decision to be made following a full hearing and the ISA requested one case to be remitted back for it to make a fresh decision before permission was granted.

There were also nine cases where the ISA withdrew from proceedings. This figure includes eight cases where the 'test for regulated activity' had not been met and where the appellant was removed from the barred list(s). Additionally, there was one appeal upheld.

The ISA appealed one decision with the Court of Appeal which was upheld.

The decision overturned by the Upper Tribunal (Administrative Appeals Chamber) involved SB (the person subject to the proceedings) who had pleaded guilty and was convicted of possessing indecent photographs of children and of distributing an indecent photograph of a child.

SB had received a suspended sentence and was subjected to a Sexual Offences Prevention Order (SOPO). The nature of the offence meant the ISA was legally obliged to place him on its Children's Barred List; however SB was able to provide the ISA with 'his side of the story' and to challenge any facts in the case. Following receipt of this information, the ISA remained of the view that it was appropriate for him to remain barred and therefore unable to work or volunteer with children.

However, in October 2011, the Upper Tribunal granted SB leave to appeal the decision and judged that he should be removed from the barred list. This was based upon the Tribunal's belief that it was disproportionate for him to remain on a barred List. The ISA then began its own proceedings with the Court of Appeal, as it remained convinced that SB continued to pose a future risk of harm and that the weight of its decision-making had not been appropriately considered by the Tribunal. The ISA's successful appeal was announced in July 2012, and in his summing up, Lord Justice Maurice Kay, Vice President of the Court of Appeal, Civil Decision, commented:

"(the Upper Tribunal)... is statutorily disabled from revisiting the appropriateness of an individual being included in a barred list. The ISA is particularly equipped to make safeguarding decisions of this kind. For all those reasons I consider the complaint that the UT did not accord 'appropriate weight' to the decision of the ISA is justified"

The ISA also lodged two further appeals with the Court of Appeal and an appellant has lodged one appeal with the Court of Appeal.

As of 30<sup>th</sup> November 2012, there were a further 42 live cases at various stages of consideration.

## Our Research

In 2012 the Independent Safeguarding Authority published its first research document. 'Safeguarding in the Workplace' is a report which looked at identifying the warning signs of abuse in the workplace. The report was based upon the data gathered by the ISA since it became operational in 2008 and assumed responsibility for assessing future risk of harm posed by individuals in the workplace.

The research period was from January to December 2011 and was based on analysis of 5,001 discretionary cases which had been referred to the ISA as well as 13,555 cases which had come via the Automatic Barring offences route.

The headline statistics in relation to the discretionary referrals indicated the following:

- A 50/50 split in terms of gender involving discretionary cases and an 80/20 male/female split for Automatic barring offences.
- The most prevalent type of harm perpetrated against adults involved financial abuse.
- The most prevalent type of harm perpetrated against children involved sexual abuse.
- 69% of all discretionary cases were in relation to vulnerable adults.
- 31% of all discretionary cases were in relation to children.
- Of those placed on the barring lists, 72% were placed on the Adults' Barred List.
- 28% of those barred were placed on the Children's Barred List.
- 15% of those barred were placed on both Barred Lists.

The quality of the research that fed into the report is in large part due to the performance of the ISA as a Non Departmental Public Body (NDPB). The ISA's final report and accounts makes clear that the organisation continued to maintain a high level of achievement against its targets – and in particular the time taken in processing case work – despite a continued increase in the number of referrals received. During the year 2011/12, the ISA received 6,221 referrals (a 16% increase from 2010/11) from employers, each one requiring careful and considered assessment through the ISA's own Barring Decision Making Process.

## Management Commentary

### Performance

#### Key performance indicators from April 1<sup>st</sup> 2012 to November 30<sup>th</sup> 2012

Description	Figures 30 <sup>th</sup> Nov 2012
Numbers of referrals we received and processed	4,269
Average referral per month	534
Discretionary cases closed	3,526
Discretionary bars	313
Automatic Barring Cases closures	6,361
Automatic bars	2,937
% of ISA Staff trained in Information Assurance	89% (Target on track for March 13)
Complaints – Stage 1 % responded to within timescale (15 working days)	90%
Complaints – Stage 2 % responded to within timescale (30 working days)	100%

Performance Indicator	Target 12/13	Actual 30 <sup>th</sup> Nov 12	Comment
Autobar Cases barred within 25 working days	95%	98.3%	ACHIEVED
IDM Cases Closed within 110 working days	80%	83%	ACHIEVED
IDM Cases Closed within 55 working days	60%	55%	NOT ACHIEVED
Referrals acknowledged within 3 working days	90%	96.2%	ACHIEVED
Stage 1 Complaints resolved within 15 working days	85%	90%	ACHIEVED
Stage 2 responded to within timescale	85%	100%	ACHIEVED
Rolling year average turnover of staff	<10%	5.39	ACHIEVED

Rolling year average number of days lost to sickness absence per employee	< 8 working days	8.73	NOT ACHIEVED
Successful bids from local suppliers	15%	50%	ACHIEVED
Creditor invoices paid within 5 days	80%	99%	ACHIEVED
Stakeholders say they are clear about our role	90%	100%	ACHIEVED
Stakeholders clear about when and how to refer	90%	99.9%	ACHIEVED

### ISA casework

Our key responsibility was to help prevent unsuitable people from working or volunteering with vulnerable groups including children. This ensured that vulnerable members of society can be taught and cared for in an environment that is caring, supportive and as safe as possible.

The effect of a bar on a person's life and career is significant and therefore our barring decision-making was created to ensure a fair approach to all concerned. We were very much aware that in barring those whom we believed it was appropriate to bar, we helped reduce abuse, whether physical, sexual, emotional, financial or through neglect.

As of 30<sup>th</sup> November 2012, the number of people on each of the ISA's barred lists was:

List	Number As at November 2012	Number As at March 2012
Adults'	45,116	43,249
Children's	48,678	46,557

The total number of people barred across both lists (as of November 30<sup>th</sup> 2012) is 50,778. Please note that some people are on both lists.

### Referrals from employers and other organisations

- From April 1<sup>st</sup> 2012 until November 30<sup>th</sup> 2012 we received and processed 4,269 referrals for consideration, averaging 534 referrals per month
- The financial abuse of vulnerable adults is the most prevalent type of abuse referred to the ISA; in relation to children the highest volume of abuse cases concerned sexual harm, though these numbers were significantly lower than for financial harm.

### Sector-specific referral information

We received referrals from a wide range of employers, regulatory and other bodies and voluntary sector organisations. In 2010 we began to gather information to help us to identify from which sectors we received our referrals. The information below shows the breakdown of referrals by sector.

## Referrals by Sector

	April 12 – Nov 12	%
Education - Local Education Authority	261	6.1
Education – Independent sector	94	2.2
Care Homes / Domiciliary Care	1,664	39.0
National Health Service	146	3.4
Health and Social Care	661	15.5
Local Authority	573	13.4
Faith	23	0.5
Sport / Recreation	52	1.2
Personnel Supplier	21	0.5
Voluntary	92	2.2
Prison / Probation	8	0.2
Police	111	2.6
Professional Regulator	390	9.1
Other	173	4.1

### Removals from ISA Barred Lists

Over the period of this report there have been 987 removals from the barred lists. People could be removed from an ISA barred list through the Automatic Barring with representations process; following a review or appeal or if the person had died.

805 people were removed from ISA Adult and ISA Children's Barred Lists

163 people were removed from the ISA's Adult Barred List only

19 people were removed from the ISA's Children's Barred List only

Up until September 10<sup>th</sup> 2012, a person was removed from a barred list when they had been added on the List because they were convicted or cautioned for an offence that falls under the 'Automatic Barring with Representations' provisions. The Safeguarding Vulnerable Groups Act 2006 (SVGA) required that convictions or cautions for specified offences result in an Automatic bar from working with children and/or vulnerable adults. In all but the most serious offences the person had the right to make representations (provide information to us) as to why the bar should be removed.

Once the ISA had the opportunity to consider a person's representations and came to a decision that it was not appropriate for them to remain on the barred list, the person could be removed from the barred list.

However, on September 10<sup>th</sup> 2012 legislative changes were introduced so that in automatic barring cases where representations are permitted, the representations process took place before the barring decision, rather than after.

Additionally, people can be removed through a review, if they are deceased and through the determination process or as a consequence of an appeal.

### **Information governance**

SARs received	85
SARS responded	81
SAR's responded within timescale	100%
FOI's received	18
FOI responses*	20
FOI's responded within timescale	100%
Number of evidence packs produced	86

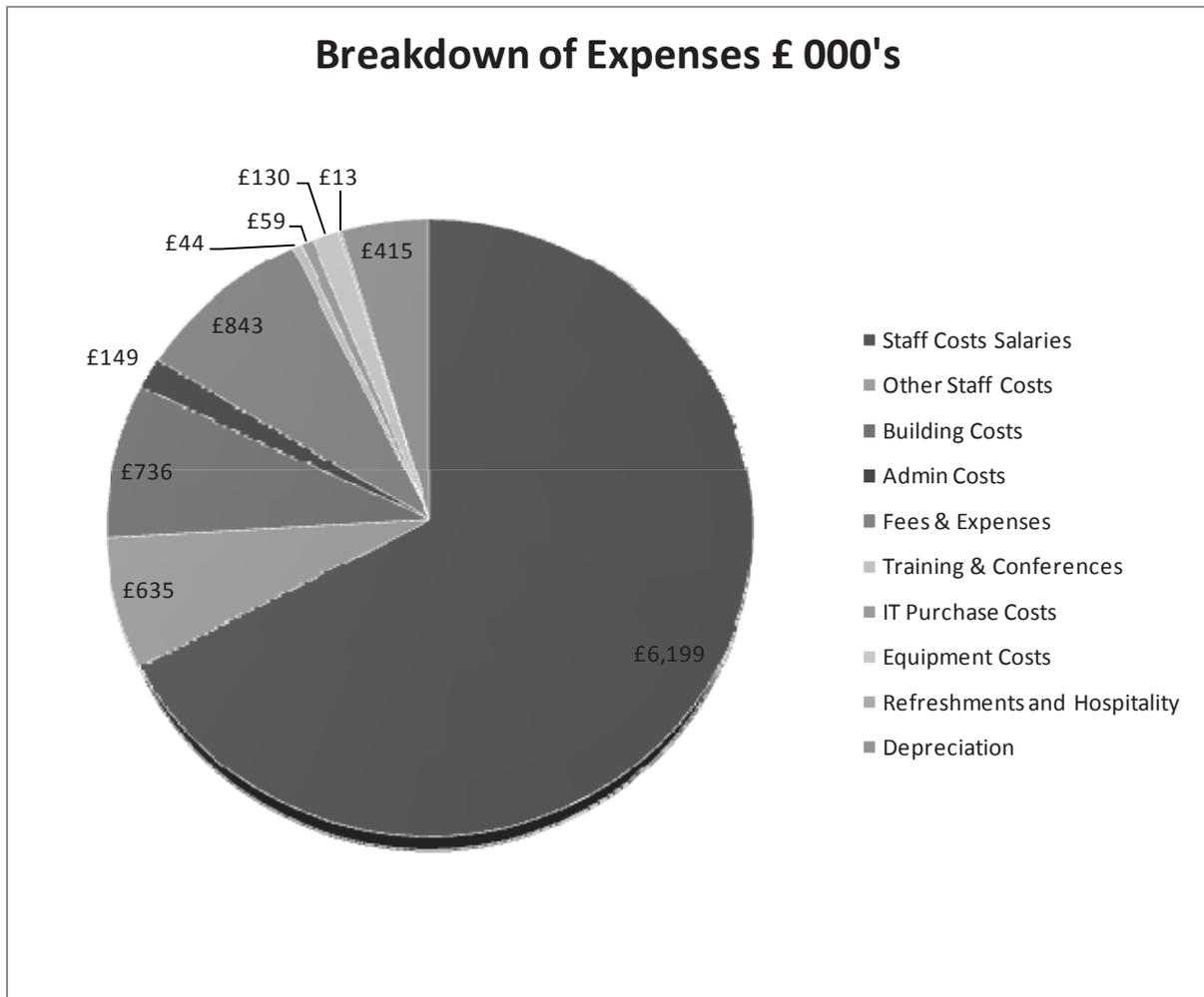
\*Some of these will have been received just prior to the reporting period and therefore responded to within the reporting period.

There have been no instances of personal information being lost in the reporting period.

## Financial results for the year

We are a non-departmental public body (NDPB) sponsored by the Home Office. We are funded by Grant in Aid and in 2012/13 we received a budget delegation of £8.5m from the Office. HO. Our net expenditure for the year after interest totalled £9.2m.

A breakdown of our expenditure by type is as follows:



## Our People

### **People and development policies**

The ISA had a range of policies and procedures that ensured we supported and developed our employees. New policies and procedures were subject to a rigorous consultation process, which included trade unions, employee representatives and management. All policies that were in place during this period transferred to the Disclosure and Barring Service.

### **Profile of our people**

Our employee profile at the 30<sup>th</sup> November 2012 was 259 people who equated to 248.42 full time equivalents (FTE's). This included permanent and fixed term employees. It did not include the Chair of the Board, Board members or any agency workers.

Our workforce was predominantly from the Tees Valley, County Durham, North Yorkshire and Tyne and Wear in the North East of England. The population profile for these areas was used as a reference point for our progress in employing a representative workforce.

The following provides more information about the people who worked for the ISA, with the percentage representation shown as a summary at the end.

- Of the ISA's 259 person workforce, 160 (61.8%) were women and 99 were men (38.2%).
- Our senior management was representative of the wider workforce with 13 of our most senior posts being held by women.
- 7 people working for the ISA were from a Black and Ethnic Minority background and 246 were White British. The remaining 6 people preferred not to provide details about their ethnicity.
- 8 members of staff told us that they have a disability, whilst 4 chose not to provide details in relation to their disability.

Age profile:

Age profile	Employees	%
>19	0	0.00%
20 – 24	7	2.70%
25 – 29	30	11.58%
30 – 34	39	15.06%
35 – 39	46	17.76%
40 – 44	40	15.44%
45 – 49	30	11.58%
50 – 54	42	16.22%
55 – 59	16	6.18%
60 – 64	9	3.47%
Total	259	

Our employee profile was as follows:

Ethnicity	Percentage
White and Black Caribbean	0.39%
Chinese/English	0.39%
Any other mixed background	0.39%
Other Ethnic Group	0.39%
Any other white background	1.16%
White British	94.98%
Prefer not to say	2.32%

The percentage of economically active persons in the North East and North Yorkshire who are from an Ethnic Minority is 2.5%

Religion or belief	Percentage
Muslim	0.39%
Buddhist	0.77%
Other	1.93%
No Religion	37.45%
Christian	52.90%
Prefer not to say	6.56%

Disability	Percentage
No disability declared	95.37%
Disability declared	3.09%
Prefer not to say	1.54%

Work pattern	No of employees
Full time	201
Part time	39
Compressed hours	17
Term time	2

### Sickness absence

The average number of days lost to sickness absence per employee during 1<sup>st</sup> April 2012 to 30<sup>th</sup> November 2012 was 6.21 days. The breakdown for this is:

Short term absence = 2.61 days (target = 5 days)

Long term absence = 3.51 days (target = 3 days)

Cumulative employee turnover from 1<sup>st</sup> April 2012 to 30<sup>th</sup> November 2012 was 3.06% (target >10.00%).

### Learning and Development

Learning and development was a primary focus for the ISA. The stated aim of our Learning and Development strategy (2010/2012) was:

**To build and retain an effective and committed body of employees across the ISA, which has the right skills and knowledge to deliver our objectives and outcomes, is committed to personal and professional development and is supported in all it does by effective, motivational leaders and managers.**

The ISA's Learning and Development Strategy Group met on a monthly basis to ensure that proposed learning and development opportunities were specific to the needs of each directorate, supported our strategic objectives and business priorities, and represented the ISA's value for money principles.

### Health and safety

We recognised our legal responsibilities in relation to the health, safety and welfare of our employees and all people attending our premises. The Chief Executive had overall responsibility for the formulation and development of our Health and Safety Policy and was committed to the principle that legal requirements define the minimum level of achievement.

Our Health and Safety Committee held meetings on a quarterly basis. They were attended by representatives from management, trade unions and employees. The committee was responsible for considering issues relating to the health, safety and welfare of our employees and visitors to our premises. The ISA's Health and Safety Committee reported to the Executive Management Team (EMT) and to the ISA Board.

## Risks and Uncertainties

During the period there were a number of key issues that impacted on the risk profile of the ISA.

1. ISA staff were responsible for delivering a number of projects including ISA close-down, DBS start-up activities and legislative change; as well as continuing to deliver ISA business as usual (BAU) activities. The scope of these projects often required the same staff to take part in projects – often drawing on a single specialist post. To mitigate the risk we implemented cross function working, to add resilience; and continued to monitor staff absenteeism and turnover levels to enable early identification of any problems/issues; ensured that business continuity plans were in place to minimise any staffing impacts; and continued to regularly inform and engage our staff regarding immediate and future transitional changes.
2. The level of change experienced by the ISA brought with it uncertainty and risk regarding business as usual activity. To mitigate this risk we continued to build on our strong relationship with the CRB and the Home Office. Through the ISA Disclosure and Barring Board we continued to monitor and control our contribution to the implementation of the overall Disclosure and Barring Programme including delivery of the new organisation and the managed ‘close down’ of the ISA.
3. Provisions contained within the Protection of Freedoms Act resulted in changes to the ISA core functions. The first changes arising out of the legislation came into force on the 10<sup>th</sup> September 2012. An internal ‘Legislative Changes Project’ was established to deliver these changes. During the late stages of this project the scope of the legislative changes due to be implemented on the 10<sup>th</sup> September increased. To mitigate this risk we continued our engagement and built on our strong relationship with the Home Office to ensure that expectations of ministers and stakeholders were managed in a realistic manner.

## Sustainability Reporting

The ISA operated from a leased building on a single site in Darlington. The building was modern and efficient and rated as 'excellent' under the BREEAM for offices standards, minimising the adverse effects of new buildings on the environment whilst promoting healthy indoor conditions for occupants.

Under the terms of the lease a service charge was paid to the landlord to cover:

- Energy – Gas and Electric
- Water
- Waste Management
- Repairs and Maintenance

Energy use in our building was for heating, lighting and electrical equipment. Water use was exclusively from washrooms and drinking water. Our office waste typically comprised: paper, cardboard, food and drink waste and its packaging. We also had significant volumes of confidential waste which was disposed of by a specialist contractor.

### Service charges

2010/11 £54,757 per quarter - £219,029 per year

2011/12 £55,922 per quarter - £223,689 per year

2012/13 £54,414 per quarter - £148,039 YTD – up to end Nov 12

Work on sustainability contributed toward the achievement of the ISA's strategic objectives. Our sustainability aim was to reduce the impact of our business on the environment. Improving sustainability in the ISA was closely linked to our work on value for money. Procurement work processes included sustainable and environmental assessments, and the ISA actively supported local suppliers to reduce the environmental impact through procurement.

During this period:

- We worked with our landlord to ensure better information on sustainability issues was provided;
- A new refuse supplier was contracted to the Landlord that recycles all waste products through a sorting centre.
- Further improvements were made to processes and we promoted recycling of all paper/card/and other similar recyclable materials.
- Cycle scheme – there were 15 regular cyclists

### Travel

The majority of travel and hotel bookings were made through a Home Office contracted service supplier and we followed the Home office guiding principles.

- Travel was undertaken at the lowest practicable cost
- Travel was undertaken only where absolutely necessary and other forms of business interaction, such as video/telephone conferencing were considered first

- All travel was booked within the class of travel and price limit rules
- All travel was made with preferred vendors where appropriate
- A reasonable balance was struck between convenience, cost and carbon emissions.

### Reporting

We worked with our landlord to improve the information we received on our energy and water use. We reported on sustainability to the ISA Board, the Executive Management Team and the Quarterly Management Board as part of the monthly reporting cycle. We reported sustainability on a regular basis to our sponsor team within the Home Office.

Service Type	Period	No of Units	Nett Cost
Electricity	01/04-30/09/12	494,944	£17,708.69
Gas	28/03-25/09/12	113777.56	£7,084.88
Water	01/04-31/07/12	658	£1939.42

### Greening Government Commitments (GGC)

The GGC commenced on 1 April 2011 and replaced the Sustainable Operations on the Government Estate targets. The GGC requires Departments to take action to significantly reduce their own impact on the environment by 2015 (compared to a 09/10 baseline).

We also worked to

- cut our paper use by 10% in 2012-13
- ensure that redundant ICT equipment was re-used (within government, the public sector or wider society) or responsibly recycled

Year	Paper Type	Number of Boxes	Average Cost per Box (Ex Vat)	Cost	Total Yearly Cost
2010/11	A4	660	£11.49	£7583.40	£7686.16
2010/11	A3	4	£25.69	£102.76	
2011/12	A4	665	£11.44	£7607.60	£7828.46
2011/12	A3	9	£24.54	£220.86	– (£5,218.97 8 months pro rata)
2012/13 -8 months	A4	540	£5.35	£2,889.00	£2,977.98
2012/13- 8 months	A3	3	£29.66	£88.98	

## **Our Governance and Standards**

Progress against our commitments was monitored by the ISA Board, Executive Management Board and the Home Office Sustainable Development Team. Data was also provided to the Home Office Sustainability Implementation Group (chaired by the Director of Shared Services). This Group meets at least quarterly to ensure that necessary action is taken to meet GGC and other commitments. It reports to the Estates and Sustainability Board chaired by Director General Financial and Corporate Services.

## **About our data**

The CO2 emissions for the service charge are based on the actual costs incurred in the year. The cost of the service charge in the final accounts includes the estimated disputed service charges that are yet to be resolved.

Due to the service charge arrangements and our reliance on third parties for the provision of our sustainability data there were limitations to the accuracy of our non-financial data. We continued to work closely with our landlord and other service providers to improve the quality of the data that we receive.

The ISA operated out of a single site. A significant proportion of the costs relating to sustainability were covered in the service charge payable to our landlord.

More detailed Home Office performance information, when it is available, will be linked from or provided at: <https://www.gov.uk/>

## **Emissions**

Under HM Treasury guidelines we were required to report on the following items in terms of emissions:

- **Scope 1** – direct green house gas emissions. These occur from sources owned or controlled by the organisation. The ISA had no emissions that fall within scope 1.
- **Scope 2** – energy indirect emissions. As a result of electricity that we consumed that is supplied by a third party.
- **Scope 3** – other indirect green house gas emissions. All other emissions which occurred as a consequence of ISA activity but which was not owned or controlled by the ISA. This includes, for example, business travel, water consumption, paper consumption, waste disposal.

## Carbon Dioxide Greenhouse Gas Emissions

Summary of CO<sub>2</sub> emissions and costs split by source

Area	CO <sub>2</sub> Emissions 2012/13	Units Cost 2011/12	Cost 2012/13 (8 months)	Performance Against 2011/12 – (8 Months)
Building Energy		Not available	Not available	Not available
Service charge including cost of utilities and waste	186 tonnes	£223,689 (£149,126 – 8 months pro rata)	£148,039	£1,087
Grey fleet	7 tonnes	£7,658 (23,937 Miles) (£5,105, 15,958 Miles – 8 months pro rata)	£6,632 (16,999 Miles)	-£1,527
Taxi	1.4 tonnes	£4,206 (£2,804 – 8 months pro rata)	£3,465	-£661
Rail	6 tonnes	£87,415 (£58,277 – 8 months pro rata)	£56,008	£2,219
Flight	2.3 tonnes	£3,561 (2,374 – 8 months pro rata)	£3632	-£1,258
Other Travel Related	X	£31,160 (£20,773 – 8 months pro rata)	£22,901.62	-£2,128.62
Total Business travel	X	£134,000 (£89,333 – 8 months pro rata)	£88,097	£1,236

The costs contained within the sustainability report reflect actual values paid in year and do not take into account any adjustments for accruals.

## Foreword to the Accounts

The statement of the Accounts reports the results of the ISA for the eight month period to 30<sup>th</sup> November 2012. The accounts were prepared in accordance with the requirements of the financial reporting manual (FReM) produced by HM Treasury. The accounts were prepared in a form that the Secretary of State, with the approval of HM Treasury, directed under schedule 1 of the Safeguarding Vulnerable Groups Act 2006.

The ISA was created under the Safeguarding Vulnerable Groups Act as a Non-Departmental Public Body on 2<sup>nd</sup> January 2008.

In February 2011, the review of the Vetting and Barring Scheme recommended that 'the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority (ISA) should be merged and a single Non-Departmental Public Body or Agency created to provide a barring and criminal records disclosure service'. It was subsequently announced that the new body would be a Non-Departmental Public Body, the Disclosure and Barring Service (DBS). Chapter 3 of Part 5 of the Protection of Freedoms Act (2012) set out details in relation to the establishment of the DBS and the dissolution of the ISA.

Statutory Instrument 2012/3006 article 108 requires the DBS to prepare the report and accounts in relation to the ISA final financial year in accordance with schedule 1 of the 2006 Act.

At the point of the merger, the ISA, in its legal form, was dissolved and the statutory functions continued into the DBS when it came into existence on the 1 December 2012. All functions of the ISA and the CRB were transferred into the DBS.

The sponsoring Department for the ISA was the Home Office, and in particular specific responsibility came under the Safeguarding and Public Protection Unit (SPPU).

The executive functions of the ISA were led by the Chief Executive, supported by an executive management team. The Chief Executive was accountable to the ISA Board and had been appointed as ISA Accounting Officer by the Home Office Departmental Accounting Officer.

The ISA's vision and strategic objectives are set out on pages 6-13 of this report.

### **ISA Board Members**

ISA board members were appointed under Schedule 1 of the Safeguarding Vulnerable Groups Act 2006, for a term not exceeding five years. They were appointed by the Secretary of State and were responsible for ensuring that the ISA fulfilled its purpose and objectives, and for promoting the efficient and effective use of employees and other resources.

The ISA Chair and ISA Board played an active role in making barring decisions – generally on the most complex cases. Additionally they were accountable for all the barring decisions made by the organisation, independently and free from Government involvement. They also brought their skills and experience in supporting the governance of the ISA, and in supporting its staff. This included the provision of advice and guidance to non-operational members of staff to support other aspects of the organisation, such as research work, stakeholder and communications activities, performance management and security.

The core functions of the Board were set out in the Safeguarding Vulnerable Groups Act 2006. The Board Members who served during the period to 30<sup>th</sup> November 2012 were as follows:

Sir Roger Singleton CBE (Chair)  
Richard G Black OBE  
Dr Valerie Brasse  
Tom Davies OBE  
Donald Findlater  
Professor Don Grubin  
Moirra Murray  
Mehmuda Mian

Peter Withers, who had been a founder member of the ISA Board, very sadly died on 31<sup>st</sup> August 2012. Up until his unexpected death, Peter had been an active Board Member – especially on case committees – and was a member of the ISA’s Audit and Risk and Remuneration Committees.

Details of Board Members’ remuneration can be found in the Remuneration Report.

### **Corporate governance and risk management**

The ISA Board was responsible for defining strategy, determining the allocation of resources to ensure the delivery of ISA objectives and participating in case committee decision-making.

The ISA corporate structure comprised - the ISA Board (including case committees), an Audit and Risk Committee, and the Remuneration Committee. All ISA committees had clear terms of reference.

A risk management framework was established for the ISA that provided a structured process for risk identification, escalation and management.

Risk was reported upon and considered at all meetings of the ISA Board; the Audit and Risk Committee (ARC); all formal Executive Management Team (EMT) Meetings; and at the quarterly meetings of the Management Board; all of which had a formal risk register. This approach ensured that risk management was cascaded throughout the ISA with managers taking responsibility for managing specific risks within their designated area of responsibility.

Updated risk logs were reported to the relevant meetings and their content considered. The ISA also escalated risks/issues externally via the SPPU risk

escalation procedure which included a feedback loop on individual risks and shared mitigating actions.

Risk Champions were appointed for each directorate. Their role was to help facilitate and improve risk management within their own specific directorate, and to discuss these issues at a quarterly ISA risk forum.

Adrian McAllister, Chief Executive, and the ISA legal advisor attended all Board meetings. Members of the Executive Management Team and other ISA employees also attended by invitation.

## **Committees of the Board**

### **ISA Board meetings including case committees**

The ISA Board met on a monthly basis to make barring decisions and to discuss both operational (casework) and organisational issues. Case committees were also held on a monthly basis, to coincide with Board meetings. The type of cases escalated to the ISA Board for their consideration were often when the expertise of specific Board Members may be required or where the barring decision was complex and finely balanced.

### **Audit and Risk Committee**

David Hall was appointed as specialist financial advisor to the audit and risk committee on an unpaid voluntary basis in January 2012, attending his first meeting in March 2012. Representatives from the National Audit Office (NAO), the internal auditors, the ISA sponsor unit, the ISA Chief Executive and members of the ISA management team all attended the ARC by invitation.

During the period to November 30<sup>th</sup> 2012 the audit and risk committee comprised four board members:

Tom Davies OBE (Chair)

Peter Withers (up until his death on 31<sup>st</sup> August 2012)

Richard G Black OBE

Dr Valerie Brasse

### **Remuneration Committee**

The Remuneration Committee reported to the ISA Board. Its role was to consider proposals in respect of the ISA pay and reward framework for all staff up to and including the Chief Executive.

The Remuneration Committee members for the period to November 30<sup>th</sup> 2012 were:

Sir Roger Singleton CBE (Chair)

Mehmuda Mian

Peter Withers (up until his death on 31<sup>st</sup> August 2012)

Adrian McAllister, ISA Chief Executive (or designated deputy)

Debby Bonnard, ISA Head of People and Development.

## Pension liabilities

The treatment of pension liabilities in the accounts is described in the Remuneration Report and in the Accounting Policies contained within the Notes to the Accounts.

## Board members' interests

The ISA maintained a register of interests for Board Members. This register was available to the public from the ISA secretariat, and is now held in the records of the DBS. Where decisions were taken which could reasonably be seen as giving rise to a conflict of interest, Board Members were required to declare the relevant interest and where appropriate, withdraw from participating in the decision-making process.

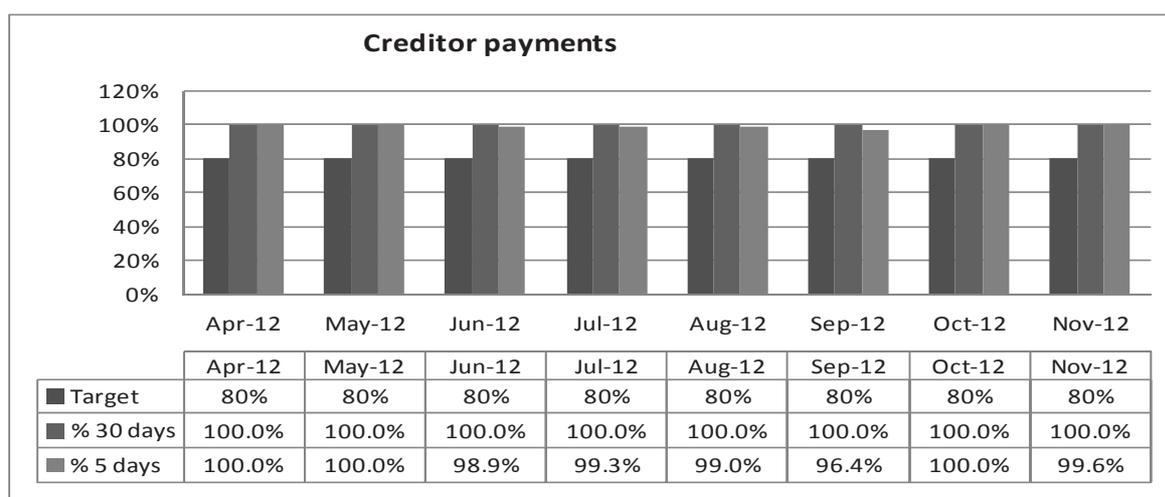
The Lucy Faithfull Foundation, of which ISA Board Member, Donald Findlater, is a director, provided services to the ISA to the value of £14k. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

Don Grubin sits on the management committee and is a core member of the Sexual Behaviour Unit. The Sexual Behaviour Unit provided services to the ISA to the value of £4k. Don Grubin formally declared an interest in this respect, and was not involved in the tender process to award this contract.

## Creditor payment policy and performance

The ISA was committed to paying all invoices in line with agreed contract terms. Where these are not stated undisputed invoices were paid within 30 days of receipt of goods, or receipt of a valid invoice, whichever was the later. The 2010 Budget included a policy announcement: Procurement Policy Note – Policy through Procurement Budget 2010 Announcements, Information Note 08/10. It required, from June 2010, Government departments to pay 80% of undisputed creditor invoices within 5 working days. This policy note was withdrawn during the financial year.

A monthly analysis of achievement against 30 day and 5 day payment target of creditor invoices during the period to November 30th 2012 is set out below:



No interest was paid in respect of the Late Payment of Commercial Debts (Interest) Act 1998 during the financial year.

## **Receipt of gifts**

Where Board Members and ISA employees received gifts as a result of their normal duties these were recorded in a register, a copy of which was available on the ISA website; which has now been archived.

## **Going Concern**

On 1<sup>st</sup> December 2012 the ISA was dissolved under Section 88 of the Protection of Freedoms Act 2012 and its functions transferred to a new body, the Disclosure and Barring Service (DBS). As the functions previously provided by the Independent Safeguarding Authority will continue to be provided by another public sector entity, it remains appropriate for the financial statements for the Independent Safeguarding Authority in respect of the period to 30<sup>th</sup> November 2012 to be prepared on a going concern basis in accordance with the Government Financial Reporting Manual issued by HM Treasury.

Guidance published by HM Treasury determines that this change would be accounted for under a transfer of assets and liabilities rather than full merger accounting. Accordingly, the statement of Financial Position will be reduced to zero following the 30<sup>th</sup> November 2012 to reflect the transfer of assets and liabilities to the new organisation. This is detailed in Note 17 – the disclosure of subsequent events.

## **Subsequent events**

As at the 1<sup>st</sup> of December, the assets and liabilities of the ISA transferred to the DBS. Accordingly, the Statement of Financial Position contained within the Accounts under note 17, will be reduced to zero as at the 1<sup>st</sup> December 2012 to reflect the transfer of the assets from the ISA to the new organisation.

Under the transfer order, responsibility to complete the ISA Annual Report and Accounts for the period to 30<sup>th</sup> November passed to the DBS. Adrienne Kelbie became Chief Executive and Accounting Officer for the DBS on 1<sup>st</sup> December 2012.

A confirmation letter received from the permanent secretary, Mark Sedwill confirmed Adrienne Kelbie has been granted the responsibilities of the Accounting Officer for the final accounts of the Independent Safeguarding Authority.

These accounts were authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

## **Auditors**

Arrangements for the external audit of the ISA accounts were provided under paragraph 12 of schedule 1 of the SGVA 2006, which requires the Comptroller and Auditor General to examine, certify and report on the annual accounts, and send a copy of the accounts and his report to the Secretary of State, who must lay them before each House of Parliament. During the period that ended on the November 30<sup>th</sup> 2012 the fees for these services were £34,500 (£35,000 in 2011/12). The auditors have received no remuneration for non-audit work.

Internal audit services during the period were provided under contract by the Home Office Audit and Assurance Unit that was first appointed on 1<sup>st</sup> April 2008.

As at the 30<sup>th</sup> November the ISA Accounting Officer, and following this date the Disclosure and Barring Services (DBS) Accounting Officer, confirmed that:

a) as far as each accounting officer is aware, there was no relevant audit information of which the Authority's auditors were unaware, and;

b) that each took steps that they ought to have taken as accounting officers in order to make themselves aware of any relevant audit information and to establish that the Authority's auditors are aware of that information.

Signed: 

Name: Adrienne Kelbie  
Accounting Officer

Date of signing: 27 June 2013

## Remuneration Report

Remuneration packages were set using a benchmarking process to define comparable packages for the ISA's geographical area of operation and to recognise any specialist skills required for each position. The remuneration packages offered by the ISA were comparable, and designed to attract, retain and motivate senior managers and employees.

The Remuneration Committee reported to the ISA Board. Details of its membership are set out on page 37 of this report. Its role was to consider proposals in respect of the ISA pay and reward framework for all employees up to and including the Chief Executive. In setting remuneration the ISA worked within HM Treasury guidelines for public sector pay. The following sections of the remuneration report provide details of the remuneration policy, service contracts, salary and pension entitlements of the ISA Board Members and the Chief Executive.

The contents of the remuneration tables are subject to Audit.

### **Remuneration policy**

The ISA Chair and Board Members were appointed by the Secretary of State in accordance with the code of practice for public appointments issued by the commissioner for public appointments. Remuneration and allowances for the Chair and each of the Board Members were determined by the Secretary of State.

The Chief Executive was appointed by the ISA. Any increase in the Chief Executive's salary was considered by the Remuneration Committee, followed by an initial proposal submitted for approval to the ISA sponsor team in the Safeguarding and Public Protection Unit (SPPU) of the Home Office. Proposals were in line with the senior salary review body guidance. At meetings of the Remuneration Committee where the Chief Executive's pay was considered, the CEO was required to declare a pecuniary interest and withdraw from the meeting.

Subject to approval by the Home Office of the ISA's overall remuneration strategy, the Board had delegated to the Remuneration Committee the determination of the remuneration packages and other employment benefits of all other ISA employees.

The ISA had a grading structure with salary scales for each grade. All new positions were graded using job evaluation to ensure that different roles were positioned fairly within the grading structure. An employee's base pay was determined with reference to the relevant salary scale for their job and their individual performance in the preceding review period.

### **Service contracts**

Appointments were made in accordance with the Civil Service Commissioners' recruitment code, which requires appointments to be made on merit on the basis of open and fair competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report held appointments which were open-ended. Early termination, other than for misconduct, would result in

the person being eligible for consideration of receipt of an amount of compensation as set out in the Civil Service Compensation Scheme.

Sir Roger Singleton, the ISA's Chair, was appointed in 2007 for a period of four years. By mutual agreement, in February 2011 his appointment was renewed for a further period of two years until 2013.

Board Members were appointed in 2008 for a period of three years. In February 2011 the appointments of Board Members were renewed until February 2013. Board Member appointments are subject to a maximum period of five years.

Under the terms of appointment for the ISA Chair and Board Members, dissolution of the ISA during their appointment period would result in cessation of their appointments. This would take effect from the date of dissolution or such other date as is specified in any relevant legislation. The Statutory Instrument 2012/3006 dissolved the ISA, resulting in the cessation of these appointments.

The Chief Executive's contract had no fixed period and therefore was terminated on 30<sup>th</sup> November 2012 on the grounds of redundancy. Part of the payment made to the Chief Executive was classed as an early release from the Civil Service Compensation scheme.

### **Bonuses**

The Chair and Board Members did not receive a bonus. Under the terms of his contract, the Chief Executive was eligible for a non-consolidated performance bonus of up to 20% of annual salary each year. Bonus payments followed the same approvals process as for basic pay and were in line with the Senior Salaries Review Board guidance. The Chief Executive of the ISA received a performance bonus payment of £6k relating to 2011/12.

The payment made to the former Chief Executive of the ISA was made up of £72k, along with a payment £53k relating to early release from the Civil Service Pension Scheme. This figure of £125k is included in the table below.

## Salaries, emoluments and pension entitlements of the Board

The following sections provide details of the remuneration of the Board and the Chief Executive of the ISA.

Name and Job Title	Start Date	8 months to 30/11/12 (Full year figure)			2011/12		
		Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)
Sir Roger Singleton CBE (Chair)	14/05/07	50-55 (80-85)	-	9,800	80-85	-	10,500
Adrian McAllister (Chief Executive)	08/10/07	205-210 (245-250)	5-10		120-125	-	-
Richard G Black OBE	14/04/08	10-15 (20-25)	-	3,000	20-25	-	4,000
Debbie Ariyo OBE	25/02/08 (Resigned 31/01/12)	-	-	-	10-15	-	1,000
Dr John Belcher CBE	25/02/08 (Resigned 24/05/11)	-	-	-	nil	-	-
Dr Valerie Brasse	25/02/08	10-15 (20-25)	-	1,500	20-25	-	2,300
Tom Davies OBE	25/02/08	10-15 (20-25)	-	3,400	20-25	-	4,800
Donald Findlater	04/03/08	10-15 (20-25)	-	1,400	20-25	-	2,600
Professor Don Grubin	25/02/08	10-15 (20-25)	-	300	20-25	-	500
Moira Murray	25/02/08	10-15 (20-25)	-	1,100	20-25	-	2,100
Mehmuda Mian	25/02/08	10-15 (20-25)	-	1,200	20-25	-	1,700
Peter Withers	25/02/08 (Deceased 31/8/12)	5-10 (20-25)	-	1,600	20-25	-	2,500
Band of Highest Paid Director's Total Remuneration (£'000) (including compensation payments and bonus)		255-260			120-125		
Median Total Remuneration		25-30			25-30		
Ratio		10.1			4.72		

Board Members' total expenses for the period to November 30th 2012 amounted to £26k. Expenses (benefits in kind) were paid in accordance with Home Office Policy and related principally to travelling and accommodation costs incurred on board business in Darlington.

## **Salary**

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the ISA and thus recorded in these accounts. It also includes the payment made to the former Chief Executive for loss of office, as outlined previously.

John Belcher resigned his post with the ISA following a leave of absence during which he was not subject to remuneration.

## **Benefits in kind**

The monetary value of benefits in kind covered any benefits provided by the ISA and treated by HM Revenue and Customs as a taxable emolument. Benefits reported were calculated as the taxable value. Any benefits in kind attributed to ISA Board Members were in relation to travel, accommodation and subsistence costs for board meetings, case committees and other meetings pertinent to ISA operations, at Stephenson House in Darlington.

Stephenson House was deemed to be the normal place of work for ISA Board Members. Any travel and accommodation costs associated with attendance at Stephenson House for meetings, case committees and other duties in their role as Board Members were taxable as a benefit in kind. The benefits in kind for Board Member expenses amounted to £23k for the period to November 30th 2012; and £32K for 2011/12.

## **Payments to third parties**

During the period of the accounts no payments were made to third parties for the services of Board Members or the Chief Executive.

## **Pay multiples**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid ISA director for the period to November 30<sup>th</sup> 2012 was £255-260k (2011/12, £120k-125k). This was 10.1 times (2011/12, 4.72) the median remuneration of the workforce, which was £25k-30k (2011/12, £25k-30k), when including compensation payments to the highest paid director and 5 times when excluding such payments.

No employees received remuneration in excess of the highest-paid director. Remuneration ranged from £10,000-15,000 to £240,000-245,000. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind and compensation payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Pension benefits

Name and job title	Accrued pension at pension age as at 30/11/12 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 30/11/12 £'000	CETV at 31/3/12 £'000	Real increase in CETV £'000
Adrian McAllister (Chief Executive)	15-20	1-1.5	184	157	9

Adrian McAllister was a member of the nuvos defined benefit scheme. Sir Roger Singleton, ISA Chair, was employed on a part-time, non-pensionable basis. All other Board Members were employed on a part-time, non-pensionable basis.

## Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set on a sliding scale dependent upon earnings, For **classic** this ranges from 1.5% to 3.9% and for **premium**, **classic plus** and **nuvos** this ranges from 3.5% to 5.9%. Increases to employee contributions will apply from 1 April 2012. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website: <http://www.civilservice.gov.uk/pensions>

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed: 

Name: Adrienne Kelbie  
Accounting Officer

Date of signing: 27 June 2013

## Statement of Accounting Officer's Responsibilities

Under the SVGA 2006, the Secretary of State has directed the ISA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. For the final year of the ISA this responsibility transferred to the DBS under article 108 of Statutory Instrument 2012/3006. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the ISA and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the ISA will continue in operation.

The Secretary of State had previously appointed the ISA Chief Executive, Adrian McAllister, as Accounting Officer of the ISA. Following the appointment of Adrienne Kelbie as Chief Executive of the DBS, the Home Office's Accounting Officer appointed Ms Kelbie as the Accounting Officer for the ISA. Adrienne Kelbie is responsible for signing off the ISA Accounts for the period to November 30<sup>th</sup> 2012. The responsibilities of an Accounting Officer, including ensuring the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the ISA's assets. These are set out in Managing Public Money published by the HM Treasury.

## Governance Statement

As the current Accounting Officer for the Independent Safeguarding Authority (ISA), I have responsibility for maintaining a sound system of internal control that supports the achievement of the Departments policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

This report and financial statements relate to the final period of the former Independent Safeguarding Authority (ISA) which was overseen by the former ISA Accounting Officer. In approving this report and accounts I obtained sufficient assurances from my predecessor and relevant parties as to the adequacy of the internal controls in place throughout the period.

The following statement is from the former ISA Accounting Officer setting his assurance for the period to 30 November 2012.

### **Statement from the ISA Accounting Officer**

As Chief Executive of the ISA, I had personal responsibility for maintaining a sound system of governance, internal control and risk management within my area to support the achievement of the Home Office's policies, aims and objectives, whilst safeguarding public funds and departmental assets.

The system of governance, internal control and risk management is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide high and not absolute assurance of effectiveness.

### **Context**

In February 2011 the outcome of the Vetting and Barring Scheme Review and the recommendations of the Criminal Records Review were announced. Many of these recommendations were included in the Protection of Freedoms Act. A key recommendation contained within the Act is for the ISA and the Criminal Records Bureau (CRB) to be merged into a new Non-Departmental Public Body, the Disclosure and Barring Service (DBS). The DBS will become operational on the 1<sup>st</sup> December 2012.

It is in this context that this Statement has been produced.

### **Governance, Internal Controls and Risk Management**

I confirm that I reviewed the governance, internal control and risk management arrangements in operation within the ISA for the period to 30th November 2012.

The controls within the ISA corporate governance and risk management frameworks operated consistently across the review period.

The ISA were committed to ensuring a high standard of corporate governance and to ensuring consistent, fair and proportionate decisions to bar or not bar the people who were referred to the ISA.

The ISA corporate structure included - the ISA Board including case committees, an Audit and Risk Committee (ARC), and the Remuneration Committee. The Executive Management Team, Quarterly Management Board, and the Health & Safety Committee were also accountable to the Board. All ISA committees operated under clear terms of reference that were reviewed regularly and any changes approved through the appropriate governance arrangements. The ISA Board was responsible for defining strategy and determining the allocation of resources to ensure the delivery of our objectives.

The ISA Board met on a monthly basis (excluding August) with records being kept of Board meeting activity and reviewed by the Board on a cyclic basis. This assisted the Board in ensuring it focused its attentions appropriately to discharge its responsibilities and allowed the Board to reflect on its own effectiveness. During the period to 30<sup>th</sup> November 2012 ISA Board time was spent on:

- Delivering accountability;
- Supervising/overseeing delivery;
- Strategic direction/outcome setting;
- Agreeing options/priorities;
- Case decision-making.

As an NDPB, the ISA was not bound by the terms of the Corporate Governance Code for Departments. However, governance arrangements in place within the ISA aimed to reflect the principles of good practice set out in the Code. There were no significant areas of non-compliance for the financial year.

The ARC met on a quarterly basis and reported to the Board on its activity. The Remuneration Committee met as required to deal with all issues relating to pay and reward of ISA employees.

## Board Members' attendance at meetings

Board Members' attendance at Board and committee meetings for the period 1<sup>st</sup> April 2012 to 1<sup>st</sup> December 2012 is shown below:

	<b>Board</b>	<b>Audit &amp; Risk Committee</b>	<b>Remuneration Committee</b>
<b>No of meetings</b>	<b>8</b> <sup>(1)</sup>	<b>3</b>	<b>1</b> <sup>(4)</sup>
Sir Roger Singleton CBE (Chair)	8		1
Richard G Black OBE	7	2 <sup>(6)</sup>	
Dr Valerie Brasse	7	2 <sup>(3)</sup>	
Tom Davies OBE	7	3	
Donald Findlater	7		1
Professor Don Grubin	8		
Mehmuda Mian	7		1
Moira Murray	5 <sup>(2)</sup>		
Peter Withers <sup>(5)</sup>	5	1	

*Notes:*

- (1) *Extraordinary Board meeting held in August 2012.*
- (2) *Leave of absence granted by the Chair to take up role on London Organising Committee of the Olympic and Paralympic Games (LOCOG)*
- (3) *Apologies given to Chair for June Board business / activity.*
- (4) *Meetings scheduled as and when required. The Remuneration Committee consists of as a minimum two non-executive Board Members.*
- (5) *Peter Withers sadly died on the 31st August 2012.*
- (6) *Apologies given to chair for Sept Board business/activity.*

My review of the effectiveness of the system of internal control was informed by the work of the internal auditors and the executive managers within the ISA who had responsibility for the development and maintenance of the internal control framework, and comments from the external auditors in their management letter and other reports.

The internal audit plan for the period to 30th November 2012 focused heavily on the organisational change and the activities being delivered to ensure the effective closedown of the ISA and transition to the DBS.

During the period, internal audits were carried out covering the areas of:

- Financial Closure (Stage 1) – green rating
- Financial Closure (Stage 2) – green rating
- Organisational closure (Stage 1) – green rating
- Organisational closure (Stage 2) – green rating
- Corporate Management Information – green rating
- People Transition – green rating
- Case Specific Transition – green rating
- Information Assurance – amber/green rating
- Workforce Planning/Knowledge Management – amber/red rating
- Risk Mitigation – green rating

Internal Audit made 4 recommendations from 1st April 2012 to 30th November 2012 compared to 14 during all of 2011/12.

For the period to 30<sup>th</sup> November 2012 the ISA were provided with a high level of assurance as part of the Head of Internal Audit opinion. This opinion stated that:

*‘Our work for the period 1<sup>st</sup> April – 30<sup>th</sup> November 2012 was heavily focused on the closure of the ISA. Based on completion of this work and in consideration of previous annual audit reports, it is my opinion that the ISA has had effective risk management and governance systems in place to support the achievements of the organisation’s objectives. The outcomes of our work, particularly that linked to the closure of the organisation also supports an opinion of stability in the organisation’s systems of internal control. Overall, despite specific opportunities being identified in the period of this report, an overall leaning toward ‘high’ in the majority of our assurance statements, means that the ‘high assurance’ provided for 2011/12 remains appropriate for the period to 30<sup>th</sup> November 2012. My assurance does not however cover ISA’s core operations, which we did not review in the period’*

The management team sought to achieve continuous improvement of the internal control system. This was achieved by responding to audit recommendations and reviewing, updating and implementing new policies, procedures and processes as required to respond to changes faced by the organisation.

The ISA Risk Management Framework (RMF) provided a structured process for risk identification, escalation and management.

Risk was reported upon and considered at all meetings of the ISA Board; the ARC; all formal EMT Meetings; and at the quarterly meetings of the Management Board; all of which had a formal risk register. This approach ensured that risk management was cascaded throughout the ISA with managers taking responsibility for managing

specific risks within their designated area of responsibility. Updated risk logs were reported to the relevant meetings and their content considered.

The context in which the ISA operated throughout the period impacted on the risk profile of the organisation due to the significant change process that organisational and legislative change brought. The ISA Risk Manager was a member of a monthly risk management forum with representatives from the CRB, Safeguarding and Public Protection Unit (SPPU), Disclosure and Barring Programme and the ISA Sponsor Team. This forum was used as a platform for the ISA to escalate risks/issues externally via the Home Office risk escalation procedure. This also included a feedback loop on individual risks and shared mitigating actions.

A new reporting tool was developed during the period to provide assurance to the Board that the ISA had a complete overview of all ISA associated risks/issues that were being managed both internally and externally via the risk escalation process. The overview document was used to compare and contrast appropriate risk ratings that the ISA had assessed with the risk ratings on external logs. This enabled further scrutiny and provided a platform for discussion on the overall assessment of risks/issues with the relevant parties to ensure that shared risks/issues were being accurately represented and to enable consideration of shared risks with the aim of reducing impacts during the transition period to the DBS.

An audit review of the adequacy of ISA's risk management arrangements during a period of transition, the development of effective mitigation strategies and consideration of the management and escalation of risks that crossed-over ISA, Programmes and the CRB was undertaken during the period. A 'general system improvement' recommendation was identified from this audit review around consistency in documenting a risk target, date and rationale for all recorded risks. A high level of assurance was provided for this audit review.

The ARC was responsible for reviewing the effectiveness of the risk management processes. The Committee utilised a process of dip-sampling of risks on the risk register, and reviewed evidence to substantiate the effective delivery of mitigating actions. This process allowed the ARC to provide the Board and the Accounting Officer with assurances that the risk and control framework was operating effectively.

All ISA Board, Management Board and ARC submission papers were reviewed by the Risk Manager before approval to ensure that risks were identified and considered in the context of barring decision-making.

Risk Champions were appointed for each Directorate. Their role was to help facilitate and improve risk management within their own specific directorate, and to discuss these issues at a quarterly ISA risk forum.

Risk owners were required to keep their own records of progress against mitigating actions and report into the monthly risk update process. This ensured clear accountabilities for ownership of risk and mitigating actions.

A member of staff from the Operations directorate worked with the ISA Risk Manager during the review period to assist and support the risk management function for the ISA. This contributed to ensuring that the ISA was in a strong position to identify and

manage all aspects of risk effectively, and that staff were fully supported in achieving this, particularly during what was a period of significant organisational change.

The ISA had a business continuity plan with individual plans for each directorate setting out essential systems and requirements for the ISA to function in the event of an incident. Plans to deal with disaster recovery and a business continuity site were impeded due to the continued use of the current operational ICT solution. This risk was signed off and carried by the Home Office.

### **Progress against issues identified in the 2011/12 Governance Statement**

In my 2011/12 Governance Statement the ISA accounting Officer was able to provide High Assurance of the adequacy and appropriateness of the systems of internal control and risk management within the ISA.

Two issues identified in my 2011/12 Governance Statement remain unresolved.

The first is that of a business continuity site, details of which are set out in the previous paragraphs.

The second is that from March 2011 the ISA experienced an increase in appeals resulting in the risk that the ring-fenced budget delegation to meet the litigation cost of appeals may not be sufficient, and the human resource and the legal provision the ISA has at its disposal may not be sufficient to deal with the potential increase in volumes. This risk was escalated to the ISA sponsor team in the Home Office and approval given for contingency arrangements to deal with any costs that arose in excess of delegation. Internal processes were implemented to identify and respond to lessons learnt from appeals cases. The Home Office continued to accept this risk during the period to 30<sup>th</sup> November 2012.

### **Key Issues**

During the period there were a number of key issues that impacted on the risk profile of the ISA.

ISA staff were responsible for delivering a number of projects including ISA close-down, DBS start-up activities and legislative change; as well as continuing to deliver ISA business as usual (BAU) activities. The scope of these projects often required the same staff to take part in projects – often drawing on a single specialist post. To mitigate the risk we implemented cross function working, to add resilience; and continued to monitor staff absenteeism and turnover levels to enable early identification of any problems/issues; ensured that business continuity plans were in place to minimise any staffing impacts; and continued to regularly inform and engage our staff regarding immediate and future transitional changes.

The level of change experienced by the ISA brought with it uncertainty and risk regarding business as usual activity. To mitigate this risk we continued to build on our strong relationship with the CRB and the Home Office. Through the ISA Disclosure and Barring Board we continued to monitor and control our contribution to the implementation of the overall Disclosure and Barring Programme including delivery of the new organisation and the managed 'close down' of the ISA.

Provisions contained within the Protection of Freedoms Act resulted in changes to the ISA core functions. The first changes arising out of the legislation came into force on the 10<sup>th</sup> September 2012. An internal 'Legislative Changes Project' was established to deliver these changes. During the late stages of this project the scope of the legislative changes due to be implemented on the 10<sup>th</sup> September increased. To mitigate this risk we continued our engagement and built on our strong relationship with the Home Office to ensure that expectations of ministers and stakeholders were managed in a realistic manner. At the time of writing there were still some outstanding risks which were under discussion between the ISA and the HO where a final decision had not been reached on where ownership those risks lay.

## **Performance Management**

The ISA's Performance Management Framework (PMF) aimed to ensure that reporting mechanisms were in place for monitoring progress against ISA strategic objectives and key performance indicators. The PMF provided links to the priorities and strategic objectives set out in the ISA Business Plan and Directorate service plans.

Key performance targets were reviewed and set for operational delivery including the decision-making process for Automatic barring and discretionary cases, customer service standards and organisational deliverables around staff and resources. These were monitored and reported on via ISA Performance Report and Balanced Scorecard on a monthly basis.

Work was undertaken to ensure reporting mechanisms were in place for changes to ISA case decision making processes due to the legislative changes that came into force on 10<sup>th</sup> September 2012.

The ISA Complaints, Comments and Compliments Policy and Procedure provided a framework to ensure a fair and consistent process for reporting and monitoring feed back to the ISA.

The ISA held a small number of low value contracts with external suppliers. ISA contracts followed standard form for Government, modified where necessary, particularly in relation to matters pertaining to security. Contracts included clear deliverables, service management requirements and key performance indicators and performance against contract was monitored by the relevant business area.

## **Financial Management**

The ISA had a suite of Financial Policies and Procedures that formed part of the ISA system of internal control. Procedures included arrangements for dealing with fraud. Procedures were subject to periodic review to ensure they remained fit for purpose.

The budget process included input from each of the Directorates. Staffing budgets were developed from detailed work-force planning models. This process helped to ensure the effective and efficient use of resources to achieve value for money. The budget was reviewed and agreed by the EMT and the ISA Board prior to submission to the Home Office. A mid-year review was undertaken to produce a revised forecast.

Meetings were held on a monthly basis with budget holders and a summary of each Directorate's report was included in the financial summary prepared for consideration at the monthly formal EMT and Quarterly Management Board. Monthly summary management accounts were reported to the ISA Board. A more detailed quarterly financial summary report was made to the ISA ARC to allow them to interrogate the financial activity of the ISA and provide assurance to the Board in respect of application of accounting treatment.

Monthly cash flow forecasts were produced to ensure funds were only drawn down in line with need. Within the EMT monthly finance report there was a section which covered Grant in Aid and cash management.

Procurement was undertaken in line with the ISA purchase to pay policy. To ensure regularity and propriety of expenditure, items were considered at point of procurement. In addition detailed reconciliation of actual spend against detailed budget took place each month. All expense claims were checked against travel/subsistence policy where appropriate.

The ISA carried out a second Organisational Capability Audit (OCA) as part of the Treasury 'Managing Risk of Financial Loss (MROFL)' initiative. The existing and additional actions identified as part of the process were included and monitored as part of the ISA Assurance Framework.

As part of the process for ISA closedown, internal audit reviewed financial closedown at stage 1 (planning) and stage 2 (delivery), and rated both as green (High level of assurance).

## **People Management**

A workforce planning model was developed for the ISA. Recruitment took place in line with the ISA's Resourcing and a Workforce Approvals Process, which complied with the relevant recruitment controls issued by both the Home Office and the Civil Service Commission's Recruitment Principles.

Decisions on consultant or interim resources were on a value for money basis and in accordance with Cabinet Office, Home Office and internal procurement processes. Rates for specialist contractors were determined in line with the Home Office rate card.

A clear process for starters and leavers was established within the People Operations team, which included a separate process for security and vetting responsibilities. Our security process involved a 100% quality check and authorisation process to ensure accuracy levels.

The ISA made one release under the Civil Service Compensation Scheme during the current financial year, details of which are contained within the remuneration report.

A clear Personal Development Record (PDR) process and training for both job holders and line managers was in place during the review period. Mid-year reviews were recommended as part of the process. The 2012 return rate for PDR's (on time) was 95%, which exceeded the ISA target of 80% for 2012.

Instances of poor performance were managed in accordance with the agreed ISA Capability Policy and Procedure or Probation Policy and Procedure, whichever was appropriate in the circumstances. Sickness absence was managed in accordance with the agreed ISA Attendance Management Policy and Procedure. A formal report was submitted to EMT on a monthly basis on management of performance/capability and long term sickness issues. Line managers received this information on a monthly basis and appropriate action was taken.

A monthly reconciliation of payroll was carried out by the Finance and People Operations team to identify any errors to salary. The payroll SLA and KPIs were reviewed and the revisions were agreed in March 2012. Performance of this service was reviewed on a monthly basis and reported to Quarterly Management Board.

An annual ghost employee check was carried out by the Finance and People Operations Teams.

Health and safety continued to be managed by the ISA Health and Safety Committee. The Committee met quarterly. Minutes of the Health and Safety Committee were reviewed by the Board and the ISA Management Board.

### **Information Management**

The ISA's Information Governance Framework (IGF) underpinned the ISA's approach to Information Governance. The IGF and its supporting documentation were reviewed to ensure that they remained fit for purpose and reflected best practice for the management of information risk, protective security and information management.

Information Asset Owners (IAO) were in place during the period. Information risk was considered by senior managers and the ISA's Audit and Risk Committee. Information Risks were also shared and discussed with the ISA Risk Manager to ensure that they were escalated as appropriate.

The ISA had an ongoing training programme for information management. New staff received training on induction and this training was refreshed on an annual basis via e-learning. Additional training was provided for key posts such as IAOs, Senior Information Responsible Officer SIRO, Accounting Officer and Board Members.

Information assets have been identified and reviewed and the information asset register tool for maintaining the information asset register updated to reflect any changes. Information risks have been identified for information assets and appropriate controls were in place and where necessary, risk treatment plans developed identifying appropriate counter-measures. An incident reporting policy was in place which identified routes for escalation and control. This policy was rolled out across the ISA.

Managed information systems were generally fit for purpose, however, some work required on one of the systems to fully conform to the Risk Management Accreditation Document Set (RMADS) remained incomplete. As such a risk treatment plan was designed, evaluated and prioritised. This risk was owned by the Home Office and the treatment plan was jointly managed.

Disaster Recovery (DR) plans were in place for Updated Case Relationship Management System (uCRM). To date the DR plans have not been fully tested, however, it should be noted that the plan would be to recover to the User Acceptance Testing (UAT) environment, which was done, successfully, on a two monthly basis during scheduled maintenance and as required following changes to the system. Logica undertook a feasibility study to set up a full mirror of the production environment in UAT. This piece of work will be carried over into the DBS and upon full completion will strengthen DR arrangements.

The ISA Information Systems Technology (IST) strategy was written specifically to align closely with the Home Office IST Strategy. Threats to the security of the IT systems were documented in line with CESG Information Standards.

The ISA, alongside the Home Office and the CRB, have concluded a lengthy procurement exercise to appoint an ICT and BPO provider when the current ICT contracts end. Tata Consultancy Services (TCS) has been confirmed as the new provider. The ISA were strongly represented on the service transition leadership team that has been established to manage the migration of services to TCS.

The ISA met the requirements for the Information Assurance Maturity Model (IAMM) Levels 1 and 2 with high levels of compliance achieved against all Level 3 areas.

The ISA was subject to the Freedom of Information Act 2000. The ISA had in place policies and procedures for the processing of Freedom of Information requests. Arrangements were also in place to ensure that best practice for Data Protection requirements were followed and assimilated into organisational policy and culture.

In the event that a data loss incident occurred or vulnerabilities identified, a structured procedure was in place to ensure that all appropriate parties both within the ISA and externally were notified in a timely fashion and updated as incidents proceeded and ultimately concluded. The ISA did not suffer any security breaches during the period covered by this statement.

## **Programme and Project Management**

The ISA Project Management Board managed overall internal and external ISA project activity. This board was accountable to the Executive Management Team.

The ISA Disclosure & Barring Service Board was responsible for monitoring and controlling the ISA's contribution to the implementation of the overall Disclosure and Barring Programme.

Programmes and projects were structured on a basis of using the Prince II methodology. Sound governance structures were established with Programme and Project Boards supported by Checkpoints, with appropriate attendees and chaired by a Senior Reporting Officer.

Benefits were clearly identified as part of business cases and were focused on delivering Value for Money (VFM). For central government legislative driven projects, any negative resource impacts identified through the planning process were formally discussed to resolution through HO Steering Groups.

Risks and Issues were managed effectively and project risks were aligned with corporate risks through regular meetings with the ISA Risk Manager.

Project Plans were developed and maintained and progress was reported via regular checkpoint meetings. There were also high level milestones in relation to both internal and external projects ensuring all dependencies were realised and fully understood.

All transitions had an overarching strategy and plan and included RTF (“Ready to Fly”) checklists covering all aspects of transition with RTF meetings to ensure all aspects of transition were represented. Lessons learned and post implementation reviews were also routinely undertaken as best practice.

### **Overall Assessment**

Having reviewed the ISA systems of governance, internal control and risk management internal. Adrian McAllister, as former Accounting Officer for the ISA provided me with HIGH ASSURANCE regarding the areas for which he was responsible.

Signed: 

Name: Adrienne Kelbie

Accounting Officer

Date of signing: 27 June 2013

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Independent Safeguarding Authority for the eight month period ending 30 November 2012 under the Safeguarding Vulnerable Groups Act 2006. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Safeguarding Vulnerable Groups Act 2006. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Independent Safeguarding Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Independent Safeguarding Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Safeguarding Authority's affairs as at 30 November 2012 and of the net expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Safeguarding Vulnerable Groups Act 2006 and Secretary of State directions issued thereunder.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Safeguarding Vulnerable Groups Act; and
- the information given in the Management Commentary, Foreword to the Accounts and Sustainability Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

Without qualifying my opinion, I draw attention to Note 1 and Note 17 of the financial statements. On 1 December 2012, the Independent Safeguarding Authority was dissolved under Section 88 of the Protection of Freedoms Act 2012. As the functions previously provided by the Independent Safeguarding Authority will continue to be provided by another public sector entity, it remains appropriate for the financial statements for the Independent Safeguarding Authority in respect of the period to 30 November 2012 to be prepared on a going concern basis in accordance with the Government Financial Reporting Manual issued by HM Treasury.

Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP  
2 July 2013

## FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure for the period ended 30<sup>th</sup> November 2012

	Notes	30th Nov 2012 £'000	2011-12 £'000
<b>Expenditure</b>			
Staff costs	5	(6,637)	(9,099)
Depreciation and Amortisation	6	(415)	(558)
Other Expenditures	6	(2,171)	(3,492)
		<u>(9,223)</u>	<u>(13,149)</u>
<b>Income</b>			
Other Income	7	12	9
		<u>12</u>	<u>9</u>
<b>Net expenditure</b>		<u>(9,211)</u>	<u>(13,140)</u>
Interest (payable)/receivable	7	-	-
<b>Comprehensive Net Expenditure</b>		<u>(9,211)</u>	<u>(13,140)</u>
<b>Other Comprehensive Expenditure</b>			
<b>Items that will not be classified as net operating costs</b>			
Net gain/(loss) on revaluation of Property Plant and Equipment	8	64	20
Net gain/(loss) on revaluation of Intangibles	9	13	(9)
<b>Total Comprehensive Expenditure</b>		<u>(9,134)</u>	<u>(13,129)</u>

The ISA ceased to exist after 1st December 2012.

Note 1.3 explains the accounting policy on going concern and the application of absorption accounting to the ISA.

Note 17 shows the impact of the transfer of assets and liabilities to the DBS on 1<sup>st</sup> December. The impact on the above statement would have been the transfer of the balance on the Income and Expenditure reserve to the DBS.

The notes on pages 66 to 87 form part of these Accounts.

## Statement of Financial Position for the period ended 30<sup>th</sup> November 2012

	Notes	30th Nov 2012 £'000	2011-12 £'000
<b>Non-current Assets</b>			
Property, plant and equipment	8	1,183	1,365
Intangible assets	9	146	209
<b>Total non-current assets</b>		<b>1,329</b>	<b>1,574</b>
<b>Current assets:</b>			
Trade and other receivables	10	324	235
Cash and cash equivalents	11	286	325
<b>Total current assets</b>		<b>610</b>	<b>560</b>
<b>Total assets</b>		<b>1,939</b>	<b>2,134</b>
<b>Current liabilities</b>			
Trade and other payables due in less than one year	12	(848)	(542)
<b>Total current liabilities</b>		<b>(848)</b>	<b>(542)</b>
<b>Non-current assets plus current assets less current liabilities</b>		<b>1,091</b>	<b>1,592</b>
<b>Non-current liabilities</b>			
Provisions	13	(512)	(419)
<b>Total non-current liabilities</b>		<b>(512)</b>	<b>(419)</b>
<b>Assets less liabilities</b>		<b>579</b>	<b>1,173</b>
<b>Reserves</b>			
Revaluation Reserve		125	48
I&E Reserve		454	1,125
		<b>579</b>	<b>1,173</b>

The ISA ceased to exist after 1st December 2012. Assets and liabilities were transferred to the DBS on 1st December. The Statement of Financial Position above shows the position as at 30th November. The Statement of Financial Position included at note 17 shows the transfer of items resulting in a zero position for the ISA.

Note 1.3 explains the accounting policy on going concern, and the application of absorption accounting to the ISA.

**Approved by Adrienne Kelbie as Accounting Officer for the ISA**

Signed:

Date: 27 June 2013



## Statement of Cash Flows for the period ended 30th November 2012

	Notes	30 <sup>th</sup> Nov 2012 £'000	2011-12 £'000
<b>Cash flows from operating activities</b>			
Net Surplus/(Deficit) after interest		(9,211)	(13,140)
Adjustment for non cash transactions			
Depreciation and amortisation	6	415	558
Police Disclosure costs funded by notional grant	6	284	483
Decrease/(Increase) in trade and other receivables	10	(89)	(40)
Increase/(Decrease) in trade payables and other payables (excluding deferred income)	12	306	174
Movement in provisions (through CNE)	6	-	9
<b>Net Cash outflow from operating activities</b>		<b><u>(8,295)</u></b>	<b><u>(11,956)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	-
Purchase of Intangible assets		-	-
<b>Net cash outflow from investing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Cash flows from financing activities</b>			
Grants from parent department	4	<u>8,256</u>	<u>11,828</u>
<b>Net cash flow in from financing activities</b>		<b><u>8,256</u></b>	<b><u>11,828</u></b>
<b>Net decrease in cash and cash equivalents in the period</b>	11	<b>(39)</b>	<b>(128)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>325</b>	<b>453</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>286</b>	<b>325</b>

Note 17 shows the impact of the transfer of assets and liabilities to the DBS on 1<sup>st</sup> December. The impact on the above statement would have been the transfer of cash balances to the DBS, resulting in a zero balance.

## Statement of Changes in Tax Payers' Equity for the period ended 30th November 2012

	Notes	Revaluation Reserve £'000	I&E Reserve £'000	Total Reserve £'000
<b>Balance as at 31 March 2011</b>		37	1,954	1,991
<b>Changes in Taxpayers' Equity 2011-12</b>				
Grants from Parent	4	-	12,311	12,311
Comprehensive Expenditure for the year		-	(13,140)	(13,140)
Net gain/(loss) on revaluation	8,9	11	-	11
Movements in reserves		11	(829)	(818)
<b>Balance as at 31 March 2012</b>		48	1,125	1,173
<b>Changes in Taxpayers' Equity 2012-13</b>				
Grants from Parent	4	-	8,540	8,540
Comprehensive Expenditure for the year		-	(9,211)	(9,211)
Net gain/(loss) on revaluation	8,9	77	-	77
Movements in reserves		77	(671)	(594)
<b>Balance as at 30 November 2012</b>		125	454	579

Note 17 shows the impact of the transfer of assets and liabilities to the DBS on 1<sup>st</sup> December. The impact on the above statement would have been the transfer of the Total Reserve to the DBS, resulting in a zero balance.

The notes on pages 66 to 87 form part of these Accounts.

## Notes to the Accounts

### **1. Statement of Accounting Policies**

The financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the ISA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the ISA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### **1.1 Accounting Conventions**

The financial statements have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of certain non-current assets.

#### **1.2 Restatement of Accounts**

Note 2 categorises the expenditure and income of the ISA according to whether it is Administration or Programme. Previously, all expenditure of the ISA was deemed to be Programme. The 2011/12 figures have therefore been restated to reflect this change.

#### **1.3 Going Concern Policy**

On 1st December 2012 the Independent Safeguarding Authority was dissolved under section 88 of the Protection of Freedoms Act 2012 and its functions transferred to a new body, the Disclosure and Barring Service (DBS).

As the functions previously provided by the Independent Safeguarding Authority will continue to be provided by another public sector entity, it remains appropriate for the financial statements of the Independent Safeguarding Authority in respect of the period to 30th November 2012 to be prepared on a going concern basis in accordance with the Government Financial Reporting Manual issued by HM Treasury.

Guidance published by HM Treasury determines that this change will be accounted for under a transfer of assets and liabilities rather than full merger accounting. Accordingly, the Statement of Financial Position will be reduced to zero following the 30th November 2012 to reflect the transfer of assets and liabilities to the new organisation. This is detailed in Note 17 - the disclosure of subsequent events.

## **1.4 Grant in Aid**

Grant in aid was used to support the statutory objectives of the ISA. Grant in aid received for revenue expenditure is regarded as funding and credited direct to the I&E Reserve in accordance with the FReM.

Any Grant in Aid for the purchase of fixed assets in general is credited to the I&E Reserve.

## **1.5 Income & Income Recognition Policy**

Other income relates to a proposed tax rebate from HMRC and to fees charged for subject access requests under the data protection act.

The ISA has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

No grant income was received in the year. Grant income in previous years relates directly to income received from the University of Teesside, who secured funding from the Higher Education Funding Council as a contribution towards the cost of the University Certificate in Advanced Professional Development, Professional Decision Making in Independent Safeguarding Authority Case Work. The course is delivered jointly by the University of Teesside and the ISA Learning and Development department. The course was delivered in two modules and income was received and recognised when the employee commences module 2, under the conditions of the grant agreement.

## **1.6 Value Added Tax**

The ISA paid VAT on all expenditure with no reclamation.

## **1.7 Non-Current Assets Policy**

Capital assets, both tangible and intangible, are individual assets or groups of assets normally costing or valued at or above a capitalisation threshold set by the Accounting Officer (currently £5,000) and with an expected working life of more than one year.

Under arrangements to establish the ISA, the Home Office was responsible for the procurement of assets which were then granted to ISA.

In line with guidance on recognition of non current assets contained in the FReM assets are carried at fair value. Depreciated historical cost is used as a proxy for fair value where assets are deemed to be immaterial or have a short useful life. The fair value of assets has been reviewed on an annual basis. For assets where revaluation is deemed to be appropriate the ISA's policy will be to revalue annually by applying indices compiled by the Office of National Statistics. Upward revaluations were taken to the Revaluation Reserve, unless there has been a previous downward revaluation. In this case an amount equal to the downward revaluation was taken to the Statement of Comprehensive Net Expenditure, the balance being taken to the Revaluation Reserve.

## 1.8 Depreciation & Amortisation

Non-Current assets are depreciated on a straight-line basis over their estimated useful lives. The useful economic lives of non-current assets are assessed upon initial recognition and reviewed on an annual basis. Assets in the course of construction are not depreciated until the asset is brought into use.

The following asset lives are applied:

Furniture and fittings – 7 years

Fit-out of Stephenson House for floors Ground, 1st & 2nd - 9.25 years to correspond with end of lease

Fit-out of Stephenson House for 3rd floor - 7.42 years to correspond with end of lease

Equipment - 5 years

Computer equipment and hardware (uCRM) transferred from Home Office - from the date of recognition to the 31st December 2013

Software (uCRM) transferred from Home Office - from the date of recognition to the 31st December 2013

As at the 1<sup>st</sup> of December, the assets and liabilities of the ISA transferred to the DBS

## 1.9 Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the ISA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For the period up to end November 2012-13, employers contributions of £807.5k were payable to the PCSPS (2011-12 £1,213k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contributions are set to meet the costs of benefits accruing during 2012-13 to be paid when the member retires and not the benefits paid during this period of existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £12.5k (2011-12 £18k) were paid to one or more of the panel of the three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition employer contributions of £1k (2011-12 £1k), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Further information relating to pensions is contained within the Remuneration Report.

## **1.10 Provisions**

For property provisions the ISA recognises a dilapidation provision for the leased premises currently occupied where it has an obligation to bring the property into a good state of repair at the end of lease. In line with IAS37 'Provisions, contingent liabilities and assets', the costs of reinstatement have also been recognised as a tangible fixed asset, under the fit-out costs for Stephenson House, and will be depreciated over the period to the second break clause of the lease, the first break point now being passed.

A provision for the Ground, First and Second floors of Stephenson House was created for £237k which was depreciated over 4.25 years to the first break clause in the lease to 1st July 2012.

A provision for the Third floor of Stephenson House was created for £110k which was depreciated over 2.33 years to the first break clause in the lease on 1st July 2012.

The value of the provision was revalued at 31st March 2012 as the break clause on the 1st July 2012 was not taken and the life has been extended until the next break clause on 1st July 2014.

A provision for the Ground, First, Second and Third floors of Stephenson House was created for combined £410k which will be depreciated over an extra 2 years to the second break clause in the lease to 1st July 2014.

On annual basis, the discount factor used to calculate the provision is reviewed. This ensures that the provision and asset reflect the future cost of the works required. The rate used up to 2010/11 was 3.5%. This was reviewed and amended to 2.2% in 2011/12. Under guidance issued by HM Treasury, the proposed discount rate for 2012/13 is a negative 1.58%. This has the impact of increasing the value of the asset by £102k, with a subsequent increase in the value of the provision to cover this increase.

When the costs crystallise a grant to fund the whole of the provision would have been drawn down from the Home Office.

As at the 1<sup>st</sup> of December, the assets and liabilities of the ISA transferred to the DBS.

## **1.11 Operating Leases**

Payments are charged to the Income and Expenditure account on a straight line basis over the life of the lease.

## **1.12 Cash and cash equivalents**

Cash in the Statement of Financial Position comprises cash at bank and in hand. For the purposes of the cash flow statement, cash and cash equivalents consist of cash, less any outstanding overdrafts.

### **1.13 Administration and Programme Expenditure**

The Statement of Comprehensive Net Expenditure is analysed between administration costs and programme costs. The classification of administration or programme costs follows the definition set out by HM Treasury and interpreted by the Home Office. Previously, all of the ISA's expenditure was classified as programme expenditure in 2011-12. As per 1.2, 2011/12 has been restated in note for comparative purposes.

### **1.14 Standards in issue but not yet effective**

IAS8, accounting policies, changes in accounting estimates and errors, require disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. These will not apply to the accounting of the ISA, as it ceased to exist on 1st December.

## 2. Analysis of Net Expenditure by Programme and Administration Budgets

	30th Nov 2012			Restated 2011-12		
	£'000	£'000	£'000	£'000	£'000	£'000
	Programme	Administration	Total	Programme	Administration	Total
<b>Expenditure</b>						
Staff costs	4,564	1,670	6,234	6,629	2,470	9,099
Depreciation	339	-	339	-	443	443
Amortisation	76	-	76	-	115	115
Other expenditure	1,974	600	2,574	2,564	928	3,492
	<b>6,953</b>	<b>2,270</b>	<b>9,223</b>	<b>9,193</b>	<b>3,956</b>	<b>13,149</b>
<b>Income</b>						
Other income	-	(12)	(12)	-	(9)	(9)
	-	(12)	(12)	-	(9)	(9)
<b>Net expenditure</b>	<b>6,953</b>	<b>2,258</b>	<b>9,211</b>	<b>9,193</b>	<b>3,947</b>	<b>13,140</b>

Programme Expenditure relates to the delivery of front line services and programmes. Administration expenditure relates to policy and support activities.

Classification of expenditure does not correlate exactly with note 3 or note 6, as these figures are lifted directly from the Home Office NDPB return which classify some expenditures slightly differently.

### 3. Analysis of Net Expenditure by Segment

	Operations £'000	Finance & Corporate Resources £'000	People & Development £'000	Performance, Partnerships & Corporate Change £'000	Chief Executive Officer & Board £'000	Project Costs £'000	Total Costs £'000
Staff Costs							
Salaries	4,071	490	337	628	451	222	6,199
Other Staff Costs	25	315	122	129	27	17	635
Building Costs	-	736	-	-	-	-	736
Admin Costs	31	107	5	6	-	-	149
Fees and Expenses	558	267	18	-	-	-	843
Training and Conferences	-	-	43	1	-	-	44
IT Purchase Costs	-	56	-	-	-	3	59
Equipment Costs	-	130	-	-	-	-	130
Refreshments and Hospitality	-	13	-	-	-	-	13
<b>Total Costs</b>	<b>4,685</b>	<b>2,114</b>	<b>525</b>	<b>764</b>	<b>478</b>	<b>242</b>	<b>8,808</b>
<b>Non cash items</b>							
Depreciation and Amortisation	-	415	-	-	-	-	415
Unwinding of Re-instatement Provision	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>4,685</b>	<b>2,529</b>	<b>525</b>	<b>764</b>	<b>478</b>	<b>242</b>	<b>9,223</b>

A consolidated report is prepared for the ISA's Executive Management Team in order to facilitate collective decisions regarding the overall funding and resource requirements for the ISA. A summarised version of this report is prepared for the ISA Board to review.

Classification of expenditure into categories does not correlate exactly with the analysis provided at note 6. For example, Security expenditure is included in building costs above but as administration rather than accommodation costs in note 6.

Non-Current assets are reported on collectively as such the segmental reporting excludes depreciation.

#### 4. Grant in Aid

The ISA is funded by Grant in Aid (GIA) received from the Home Office.

	<b>30<sup>th</sup> Nov 2012 £'000</b>	<b>2011-12 £'000</b>
GIA received for revenue expenditure	8,256	11,828
Grant received for revenue expenditure (notional)	284	483
Total Grant in Aid in the period	<u>8,540</u>	<u>12,311</u>

Grant in Aid received for the year has been for revenue expenditure. Notional grant received in the period was to cover Police Disclosure costs (£284k).

## 5. Staff Numbers and Related Costs

Staff costs comprise:	Permanently Employed Staff £' 000	Others £' 000	30 <sup>th</sup> Nov 2012 Total £' 000	2011-12 Total £' 000
Wages & Salaries	4,963	34	4,997	7,109
Social Security Costs	378	2	380	524
Other Pension Costs	819	3	822	1,213
<b>Sub Total</b>	<b>6,160</b>	<b>39</b>	<b>6,199</b>	<b>8,846</b>
Temporary Staff				
Agency workers	-	438	438	211
Inward secondments	-	-	-	42
<b>Total net costs</b>	<b>6,160</b>	<b>477</b>	<b>6,637</b>	<b>9,099</b>

Other staff costs include staff on fixed-term contract of less than 12 months duration, inward secondments and the cost of temporary workers employed via agencies.

The pension arrangements for the Authority are covered by the Superannuation Act 1972 and reflect benefits for members of the Principal Civil Service Pension Scheme. The Act provides for defined pension benefits to be met from the Consolidated Fund and no liability rests with the Independent Safeguarding Authority.

Other pension costs for the period to November 2012 include £822k for pension payments (2011-12 £1,213k), there was no movement in pension accruals for the period (2012-13 £43k), making the total for the period £822k (2011-12 £1,213k).

Details of Board Members remuneration are included in the remuneration report.

### Average Number of persons employed

The average number of whole time equivalent persons employed during the period was as follows:

	Permanently Employed Staff	Others	30 <sup>th</sup> Nov 2012 Total	2011-12 Total
Directly Employed	257	3	260	265
Other	-	8	8	7
	<b>257</b>	<b>11</b>	<b>268</b>	<b>272</b>

## 5.1 Exit Packages and Costs

Exit Package cost band	Period to 30th November 2012			2011-12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£100,000 - £150,000	1	-	1	-	-	-
Total number of exit packages by type	1	-	1	-	-	-
Total resource cost (£000)	125	-	125	-	-	-

One exit package was agreed in period to 30th November 2012. Further details are provided in the remuneration report.

## 6. Other Expenditure

	30 <sup>th</sup> Nov 2012 £'000	2011- 12 £'000
<b>6.1 Accommodation Costs</b>		
<b>Accommodation costs include the following:</b>		
Rent	375	561
Service Charges	181	253
Rates	101	144
Insurance	8	9
Maintenance Buildings	18	32
<b>Total Accommodation Costs</b>	<b>683</b>	<b>999</b>
<b>6.2 Administration Costs</b>		
<b>Administrative costs include the following:</b>		
Police Disclosure Costs	284	483
Equipment Rental & Maintenance	164	447
NPIA (Data Sharing Agreement)	221	296
Travel & Subsistence	105	146
Legal Fees	194	238
Training Costs	43	121
Stationery & Printing	38	70
IT Support Costs	46	65
Professional fees	39	153
Recruitment Costs	37	8
Other Staff Costs	52	85
Postage & Telephone Costs	32	53
Security	32	55
ACPO Criminal Records Office	35	87
Equipment Purchase < 5K	13	6
Cleaning	21	31
Subscriptions	12	14
Refreshments, Hospitality & Conferences	14	25
Internal Audit Fees	37	24
Hire of Vehicle	2	-
General Expenses	1	4
External Audit Fees	35	35
Offsite Storage	31	37
Advertising	-	1
<b>Total Admin Costs</b>	<b>1,488</b>	<b>2,484</b>

**6.3 Non cash items**

Depreciation and Amortisation	415	558
Unwinding of Re-instatement Provision	-	9
Total Non Cash Items	<u>415</u>	<u>567</u>
<b>Total costs</b>	<b><u>2,586</u></b>	<b><u>4,050</u></b>
<b>Total other costs excluding depreciation</b>	<b><u>2,171</u></b>	<b><u>3,492</u></b>

Police Disclosure Costs was paid by the Home Office on behalf of the ISA. The costs are reflected in the ISA Accounts and the funding is shown in note 4 as Notional Grant in Aid.

## 7. Income & Interest Receivable

<b>7.1 Income</b>	<b>30<sup>th</sup> Nov 2012 £'000</b>	<b>2011-12 £'000</b>
Grant Income	-	8
Other Income	12	1
<b>Total Other Income</b>	<b><u>12</u></b>	<b><u>9</u></b>

Grant income relates directly to income received from the University of Teesside, who secured funding from the Higher Education Funding Council as a contribution towards the cost of the University Certificate in Advanced Professional Development, Professional Decision Making in Independent Safeguarding Authority Case Work. The course was delivered jointly by the University of Teesside and the ISA Learning and Development department. The course was delivered in two modules and income was received and recognised when the employee commenced module 2, under the conditions of the grant agreement.

Other income relates to a proposed tax rebate from HMRC relating to payments on account made in previous years (£11k) as well as fees charged for Subject Access Requests (£1k)

### 7.2 Interest Receivable

The ISA did not receive any interest in 2011/12 or the 8 months to 30<sup>th</sup> November 2012.

The ISA's bank accounts are not interest generating.

## 8. Tangible Non-Current Assets

	Furniture & Fittings £'000	Fit-out £'000	Equipment £'000	Information Technology - Hardware £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 2012	515	1,572	370	957	3,414
Additions	-	93	-	-	93
Revaluation	30	71	38	112	251
<b>At 30 November 2012</b>	<b>545</b>	<b>1,736</b>	<b>408</b>	<b>1,069</b>	<b>3,758</b>
<b>Depreciation</b>					
At 1 April 2012	(259)	(722)	(296)	(772)	(2,049)
Charge in year	(49)	(164)	(48)	(78)	(339)
Revaluation	(18)	(30)	(35)	(104)	(187)
<b>At 30 November 2012</b>	<b>(326)</b>	<b>(916)</b>	<b>(379)</b>	<b>(954)</b>	<b>(2,575)</b>
<b>Net book value at 30 November 2012</b>	<b>219</b>	<b>820</b>	<b>29</b>	<b>115</b>	<b>1,183</b>
<b>Net book Value at 31 March 2012</b>	<b>256</b>	<b>850</b>	<b>74</b>	<b>185</b>	<b>1,365</b>
<b>Asset financing:</b>					
Owned	219	804	29	-	1,052
Leased	-	16	-	115	131
<b>Net book value at 30 November 2012</b>	<b>219</b>	<b>820</b>	<b>29</b>	<b>115</b>	<b>1,183</b>

### (1) Leased assets

Leased assets are those assets supplied under a contract held by the Home Office and are in respect of uCRM. The contract is a design, build and operate arrangement. Payments for assets are made at agreed 'milestones' with the full cost of developed assets being met upon sign off of each delivery milestone. Upon termination of the contract the Home Office may purchase any hardware for which the milestone payment has been made for a nominal fee of £1.

### (2) Movements during the year

The only movements for the period related to an addition of £93k relating to the creation of an additional asset associated with reinstatement work at Stephenson House, funded by a provision.

### (3) Revaluations

As part of the transfer of assets and liabilities from the ISA to the DBS, a fair value review was carried out. Relevant Index values as at 31st October 2012 were applied to assets to determine their fair value, resulting in a revaluation.

Under guidance issued by HM Treasury, the proposed discount rate as at October 2012 is a negative 1.58%. This has the impact of increasing the value of the fit-out additions by £92k, with a subsequent increase in the value of the provision. Revaluation gains in furniture relate to items not previously included in the asset register.

### 8. Tangible Non-Current Assets (continued)

	Furniture & Fittings £'000	Fit-out £'000	Equipment £'000	Information Technology - Hardware £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 2011	504	1,504	370	962	3,340
Additions	-	48	-	-	48
Disposals	-	-	-	-	-
Revaluation	11	20	-	(5)	26
<b>At 31 March 2012</b>	<b>515</b>	<b>1,572</b>	<b>370</b>	<b>957</b>	<b>3,414</b>
<b>Depreciation</b>					
At 1 April 2011	(181)	(542)	(222)	(653)	(1,598)
Disposals	-	-	-	-	-
Charge in year	(74)	(180)	(74)	(117)	(445)
Revaluation	(4)	-	-	(2)	(6)
<b>At 31 March 2012</b>	<b>(259)</b>	<b>(722)</b>	<b>(296)</b>	<b>(772)</b>	<b>(2,049)</b>
<b>Net book value at 31 March 2011</b>	<b>323</b>	<b>962</b>	<b>148</b>	<b>309</b>	<b>1,742</b>
<b>Net book Value at 31 March 2012</b>	<b>256</b>	<b>850</b>	<b>74</b>	<b>185</b>	<b>1,365</b>
<b>Asset financing:</b>					
Owned	256	832	74	-	1,162
Leased	-	18	-	185	203
<b>Net book Value at 31 March 2012</b>	<b>256</b>	<b>850</b>	<b>74</b>	<b>185</b>	<b>1,365</b>

## 9. Intangible Assets

	Information Technology £'000	Software Licences £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2012	723	430	1,153
Revaluation	92	55	147
<b>At 30 November 2012</b>	<b>815</b>	<b>485</b>	<b>1,300</b>
<b>Amortisation</b>			
At 1 April 2012	(587)	(357)	(944)
Charged in year	(50)	(26)	(76)
Revaluation	(83)	(51)	(134)
<b>At 30 November 2012</b>	<b>(720)</b>	<b>(434)</b>	<b>(1,154)</b>
<b>Net book value at 30 November 2012</b>	<b>95</b>	<b>51</b>	<b>146</b>
<b>Cost or valuation</b>			
At 1 April 2011	728	433	1,161
Revaluation	(5)	(3)	(8)
<b>At 31 March 2012</b>	<b>723</b>	<b>430</b>	<b>1,153</b>
<b>Amortisation</b>			
At 1 April 2011	(512)	(317)	(829)
Charged in year	(75)	(39)	(114)
Revaluation	-	(1)	(1)
<b>At 31 March 2012</b>	<b>(587)</b>	<b>(357)</b>	<b>(944)</b>
<b>Net book value at 31 March 2012</b>	<b>136</b>	<b>73</b>	<b>209</b>
<b>Net book value at 30 November 2012</b>	<b>95</b>	<b>51</b>	<b>146</b>

### (1) Movements During the Year

There were no additions during the period to 30th November 2012.

### (2) Valuation of uCRM

At 31st March 2011, as a result of extending the useful economic life of computer equipment and software (uCRM), a decision was taken that these assets should be revalued. All other assets continue to be carried at depreciated historical cost. The opening net book value for 2010-11 has been used as the baseline for the calculation of depreciation from April 2010 to 31 December 2013.

In line with this approach, the uCRM has been revalued in line with indices relating to computer equipment. The useful economic life of the asset has been reviewed in year on the basis of the introduction of a new computer system. The useful economic life has been assessed up to December 2013.

As part of the transfer of assets and liabilities from the ISA to the DBS, a fair value review was carried out. Relevant Index values as at 31st October 2012 were applied to assets to determine their fair value, resulting in a revaluation.

## 10. Trade Receivables and Other Current Assets

	30 <sup>th</sup> Nov 2012 £'000	2011-12 £'000
<b>Amounts falling due within one year:</b>		
Other receivables	11	-
Prepayments and accrued Income	313	235
<b>Total receivables</b>	<b><u>324</u></b>	<b><u>235</u></b>
<b>Intra Government Balances</b>		
Balances with central government bodies	11	42
Balances with police and local authorities	51	-
<b>Total intra government</b>	<b><u>62</u></b>	<b><u>42</u></b>
Balances with bodies external to external to government	262	193
<b>Total</b>	<b><u>324</u></b>	<b><u>235</u></b>

As at 30th November 2012 and 31st March 2012 there were no amounts falling due after more than one year.

## 11. Cash and cash equivalents

	30 <sup>th</sup> Nov 2012 £'000	2011-12 £'000
Balance at 1 April	325	453
Net change in cash balances	(39)	(128)
	<u>286</u>	<u>325</u>

The following balances were held at:

Commercial banks	-	324
Government banking service	286	1
<b>Total</b>	<u>286</u>	<u>325</u>

The ISA no longer used any commercial bank accounts, transferring all cash balances to the Government Banking Services (GBS) as at 23/11/2012.

## 12. Trade Payables and Other Current Liabilities

	30 <sup>th</sup> Nov 2012 £'000	2011-12 £'000
Trade payables	(32)	(48)
Accruals and deferred income:-		
Accrued charges	(816)	(494)
<b>Total payables</b>	<u>(848)</u>	<u>(542)</u>
<b>Intra Government Balances</b>		
Balances with central government bodies	(378)	(245)
Balances with police and local authorities	-	(3)
<b>Total intra government</b>	<u>(378)</u>	<u>(248)</u>
Balances with bodies external to government	(470)	(294)
<b>Total</b>	<u>(848)</u>	<u>(542)</u>

At 30th November 2012 and 31st March 2012 there were no amounts falling due after more than one year.

### 13. Provisions for Liabilities and Charges

#### Reinstatement Provision

	£'000
Provision at 1st April 2012	419
Provided in year: creation of tangible asset	93
<b>Balance at 30th November 2012</b>	<u>512</u>
Analysis of expected timing of discounted flows:- Between 1 and 5 years	<u>512</u>
<b>Provision as at 1st April 2012</b>	<u>419</u>

For property provisions the ISA recognised a dilapidation provision for the leased premises occupied where it has an obligation to bring the property into a good state of repair at the end of lease. The provision was based on the contractual agreement between the ISA and the landlord. In line with IAS37 'Provisions, contingent liabilities and assets', the costs of reinstatement have also been recognised as a tangible non-current asset, part of fit -out, and are depreciated over the period to the second break clause of the lease which is 7 years. The discount factor used in the calculation of the provision is a negative 1.58%.

#### 14. Capital Commitments

The ISA had no capital commitments as at 30th November 2012 (31st March 2012 £nil).

## 15. Commitments under leases

### Operating leases

Total future minimum lease payments under operating leases are given in the table below, analysed according to the period in which the lease expires.

	30 <sup>th</sup> Nov 2012 £'000	2011-12 £'000
<b>Obligations under operating leases for buildings</b>		
Not later than one year	561	561
Later than one year and not later than five years	325	701
Later than five years	-	-
<b>Total</b>	<u><u>886</u></u>	<u><u>1,262</u></u>

The operating lease for the rent on Stephenson House is 10 years from July 2007 to July 2017 with a break clause at 5, 7 and 10 years. In March 2010 a further operating lease was taken out for the 3rd Floor of Stephenson House with the break clause aligned with the existing leases. In order to exercise a break clause, the ISA must give written notice 6 months prior to the break date. A break fee of 3 months rent plus VAT is payable to exercise the first break clause. A decision has been taken not to exercise the 2012 break clause; figures for 2010-11 have therefore been restated accordingly. The figures above do not include any provision for the rent reviews which are due after 5 years.

Stephenson House is a newly built property of a general office type construction. This together with the relative short term of the lease when compared to the economic life of the building indicate that this obligation does not constitute a finance lease. No allocation of the operating lease between land and buildings is deemed necessary.

## 16. Contingent liabilities disclosed under IAS 37

The ISA had no contingent liabilities as at 30th November 2012.

## 17. Subsequent Events

### Statement of Financial Position - showing transfer of Assets / Liabilities as at 1<sup>st</sup> December 2012

	Notes	1 <sup>st</sup> Dec 2012 £'000	2011-12 £'000
<b>Non-current Assets</b>			
Property, plant and equipment	8	1,183	1,365
Intangible assets	9	146	209
		<u>1,329</u>	<u>1,574</u>
Transfer of non-current assets to DBS		(1,329)	-
<b>Total non-current assets</b>		<u>-</u>	<u>1,574</u>
<b>Current assets:</b>			
Trade and other receivables	10	324	235
Cash and cash equivalents	11	286	325
		<u>610</u>	<u>560</u>
Transfer of current assets to DBS		(610)	-
<b>Total current assets</b>		<u>-</u>	<u>560</u>
<b>Total assets</b>		<u>-</u>	<u>2,134</u>
<b>Current liabilities</b>			
Trade and other payables due in less than one year	12	(848)	(542)
		<u>(848)</u>	<u>(542)</u>
Transfer of current liabilities to DBS		848	-
<b>Total current liabilities</b>		<u>-</u>	<u>(542)</u>
<b>Non-current assets plus current assets less current liabilities</b>		<u>-</u>	<u>1,592</u>
<b>Non-current liabilities</b>			
Provisions	13	(512)	(419)
		<u>(512)</u>	<u>(419)</u>
Transfer of non-current liabilities to DBS		512	-
<b>Total non-current liabilities</b>		<u>-</u>	<u>(419)</u>
<b>Assets less liabilities</b>		<u>-</u>	<u>1,173</u>
<b>Reserves</b>			
Revaluation Reserve		125	48
I&E Reserve		454	1,125
		<u>579</u>	<u>1,173</u>
Transfer of Reserves to DBS		(579)	-
		<u>-</u>	<u>1,173</u>

## **18. Financial Instruments**

As the cash requirements of the ISA were met through Grant-In-Aid provided by the Home Office, financial instruments played a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the ISA's expected purchase and usage requirements and the ISA was therefore exposed to little credit, liquidity or market risk.

## **19. Related Party Transactions**

The Home Office was the sponsor department of the ISA and is regarded as a related party. During the period to 30th November 2012 the ISA had a number of material transactions with the Home Office, and with other entities for which the Home Office is regarded as the parent Department, these entities are listed below:

National Police Improvement Agency (NPIA)  
Criminal Records Bureau (CRB)

In addition, the Authority had a small number of material transactions with other government departments and other central government bodies. Most of these transactions were with the Treasury Solicitors.

The Independent Safeguarding Authority maintained a register of interests for Board Members. This register is available to the public from the DBS Secretariat. Where decisions were taken which could reasonably be seen as giving rise to a conflict of interest individuals were required to declare the relevant interest and where appropriate, withdraw from participating in the taking of the decision.

During the period up to 30th November 2012 the Lucy Faithful Foundation of which Donald Findlater, ISA Board Member is a director, provided services to the ISA to the value of £14k. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

Don Grubin sits on the management committee and is a core member of the Sexual Behaviour Unit. During 2011/12 the ISA entered into contract with the Sexual Behaviour Unit for the provision of specialist risk assessment services. Don Grubin formally declared an interest in this respect and was not involved in the tender process to award this contract. £4k of services were provided under this contract in the period up to 30<sup>th</sup> November 2012.

## Glossary

Casework decision-making authority	CDMA
Chartered Institute of Personnel and Development	CIPD
Criminal Records Bureau	CRB
Disclosure and Barring Service	DBS
Equality & diversity action group	EDAG
Freedom of Information Act	FOI
Full time equivalents	FTEs
Independent Safeguarding Authority	ISA
Information assurance maturity model	IAMM
Information systems technology	IST
Joint negotiation and consultative committee	JNCC
Vetting and Barring Scheme	VBS
Local authority designated officer	LADO
Non-departmental public body	NDPB
Protection of Children Act	POCA
Protection of Freedoms Act	POFA
Protection of Vulnerable Adults	POVA
Protection of Vulnerable Groups Scheme	PVGS
Safeguarding Vulnerable Groups Act (2006)	SVGA
Structured Judgement Process	SJP
University Certificate in Advanced Professional Development	UCAPD

## Further Information

You can find further information on the past work of the ISA at:

[http://webarchive.nationalarchives.gov.uk/\\*/http://www.isa-gov.org.uk/](http://webarchive.nationalarchives.gov.uk/*/http://www.isa-gov.org.uk/)

You can find information on the Government's disclosure and barring services at:  
[www.gov.uk/dbs](http://www.gov.uk/dbs)

As well as general information on the current work of the Disclosure and Barring Service you can also find the DBS Referral Guidance and Referral Form and a series of helpful fact sheets.

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