
Disclosure and Barring Service

Annual Report and Accounts

For the period 1 December 2012 to 31 March 2013

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Contents

	Page
Chair's Foreword	4
Chief Executive's Statement	5
Management Commentary	7
Our Resources	10
Performance	12
Progress and Achievements	13
Looking Ahead	14
Other Public Interest Information	16
DBS Sustainability Report 2013	19
Remuneration Report	23
Statement of Accounting Officer's Responsibilities	29
Governance Statement	30
The Certificate and Report of the Comptroller and Auditor General To the Houses of Parliament	40
Disclosure and Barring Service Annual Accounts December 2013	
Statement of Comprehensive Net Expenditure	42
Statement of Financial Position	43
Statement of Cash Flows	44
Statement of Changes in Taxpayers' Equity	45
Notes to the NDPB's Accounts	46
Glossary	65

Chair's Foreword

Welcome to the first Disclosure and Barring Service (DBS) Annual Report and Accounts, the DBS was launched on 1 December 2012, transferring and merging the functions of Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA), with this document covering the period from launch to 31 March 2013.

I would like to praise all staff for their efforts during the first four months of the DBS; especially during this period of significant change and some uncertainty.

Adrienne Kelbie and her Senior Management Team (SMT) have done a fantastic job in ensuring effective business and financial performance as well as coping with the huge amount of work required to prepare for the launch of new services, and to oversee the change of partners for our future IT and business process requirements.

I would also like to acknowledge the wider team who have supported us; colleagues in Home Office, Department of Health (DoH) and Department for Education (DfE); police partners, Registered Bodies; and private partners Capita and Tata Consultancy Services (TCS).

I, together with my Board colleagues, look forward to ensuring the successful delivery of our Corporate Plan over the next year, whilst seeking continued assurances that the service provision continues at the high standard delivered by the organisation since its launch.

Bill Griffiths

Chair

CHIEF EXECUTIVE'S STATEMENT

As a newly formed organisation, we want to benefit from the opportunities created by merging two well respected legacy organisations. Our priority will always be to support the protection of children and vulnerable people by providing a high quality service to our users. In working to this priority, we have passionate and hard working staff who appreciate that their performance helps keep vulnerable people safe – and we wanted to continue to nurture this talent and commitment.

What we have been doing:

The past four months have been a time of great change for the organisation. The CRB and ISA successfully merged to become the DBS, continuing to provide a high level of service. We have also been working hard to deliver new services; the Update Service, the issue of a single certificate to applicants only, and the development of a filtering solution (to remove certain cautions and convictions from certificates).

The development of the Update Service has been a key activity during this reporting period. Introducing this service will allow greater portability of certificates by offering customers (for an annual fee) to have any updates on their DBS certificate(s) available online, and updated regularly. This will enable employers and other recruiters (who have been given permission and are legally eligible to check certificate information) to be confident that a certificate is up-to-date. If new information is recorded, the system will advise the employer or recruiter to apply for a new certificate.

Challenges we have faced:

We have experienced an unexpected challenge during this period. On 29 January 2013, the Court of Appeal held that Part V of the Police Act 1997 and the Exceptions Order to the Rehabilitation of Offenders Act 1974 were incompatible with Article 8 of the European Convention on Human Rights (ECHR). Provisions within these two pieces of legislation support the disclosure service.

Following the judgment, the Home Office, in conjunction with the Ministry of Justice, has developed a set of rules to determine if and when a caution or conviction should be filtered, allowing the DBS to develop a process to implement these rules. This posed a significant challenge for the DBS in developing major system changes in a short time period, and at a highly volatile time in terms of the interdependencies with the planned commercial transition from Capita to TCS, and the development of the Update Service. We were also a new organisation, having inherited a significant change programme, with a new SMT so this was our first major challenge. I am pleased to say that we rose to the challenge; working closely with Home Office, ensuring that the system changes were developed robustly and accurately, and ready for implementation in line with the parliamentary timetable for securing changes to the relevant legislation.

Working with our partners:

Our performance is heavily influenced by the work of the disclosure staff in police forces across the UK, and our commercial partners who are responsible for the supply of our business process outsourcing and ICT solution. We have, and must, continue to work closely together to a common plan and standards, to ensure timely decisions for our customers.

Following a full competitive procurement exercise, the contract for the provision of Business Process Outsourcing (BPO) services for the DBS has been awarded to TCS, with transfer of service delivery from 1 October 2013. We have dedicated significant time and resource over the past reporting period to the transitional arrangements required to hand over the current contract from Capita/Logica to TCS, and work with TCS on development of the system enhancements that will be introduced in 2014. The DBS looks forward to working with TCS over the next year to develop and implement these system enhancements and to working with TCS over the course of the new contract.

Our stakeholders have worked positively with us throughout the merger and supported us in the introduction of our new services.

Our staff:

We have undertaken our first steps to drive a significant change to our core business and systems, which is particularly challenging during a merger and re-structuring exercise. We recognise that our corporate leadership needs to be strong if we are to derive the maximum possible benefit from a new system in 2014-15. This will enable us to achieve and recognise transformational capabilities that will help us to shift our services into a digital era, be more responsive to demand, and keep costs low.

The commitment that the DBS staff demonstrated over this period has been pivotal to our success. As the DBS Chief Executive, I am fully appreciative of the hard work and dedication that they have given to ensure that our service continues to be delivered effectively and as efficiently as possible. We have continued with the work of the legacy organisations to endeavour to provide an increasingly customer-focused service.

Looking forward:

Our first Corporate Plan has been approved by Ministers. It sets a sound and ambitious challenge for the DBS over the next 12 months to maintain and improve our current business whilst, in conjunction with Home Office, identifying and developing new opportunities for the DBS. The Plan was published on 3 June 2013.

It is an exciting time for the DBS as we lay our foundations to achieve our mission to be an efficient and trusted supplier of information services to support safe recruitment decisions.

Adrienne Kelbie
Chief Executive

28 June 2013

MANAGEMENT COMMENTARY

Who we are:

The DBS was established under the Protection of Freedoms Act (PoFA) 2012, carrying out functions previously undertaken by the CRB and ISA. The DBS is a Non-Departmental Public Body (NDPB) of the Home Office.

The DBS provides information to help employers make informed recruitment decisions; especially for those posts involving work with vulnerable groups, including children. The DBS undertakes functions contained within Part V of the Police Act 1997, functions contained within the Safeguarding Vulnerable Groups Act 2006 and the Safeguarding Vulnerable Groups (Northern Ireland) Order 2007.

Delivering safeguarding policy developed by Home Office, DfE and DoH, the DBS issues criminal records certificates to those working in sensitive positions of trust and makes complex barring decisions as to who should be placed on or removed from either or both of the children's and adults' barred lists.

The statutory duties of the DBS are contained in the Safeguarding Vulnerable Groups Act 2006, Part V of the Police Act 1997 and PoFA 2012:

- To hold and maintain a register of organisations approved by the DBS to submit applications for criminal records certificates.
- To issue three levels of certificates of criminal records:
 - Basic certificate. The DBS will develop this new product that will contain details of convictions and conditional cautions that are considered to be unspent under the terms of the Rehabilitation of Offenders Act 1974. They will be applied for by an applicant directly and can be used for a wide variety of employment or other purposes such as insurance or certain licensing, such as street trading.
 - Standard certificate. This is available to those working in roles as specified in the Exceptions Order to the Rehabilitation of Offenders Act (ROA) 1974. Standard certificates show current and spent convictions, cautions, reprimands and warnings (statutory disposals given by a police officer to a young person who admits guilt) held on the Police National Computer (PNC). Any matter that is subject to statutory filtering rules will not be included.
 - Enhanced certificate. This is the highest level of check available to anyone involved in work with vulnerable groups, including children and other positions involving a high degree of trust, for example, certain office holders. Enhanced certificates contain the same information as the Standard certificate but with the addition of

relevant police information held by a police force and, in some cases, where permitted to request, details of whether the individual is included on the lists of those barred from working with vulnerable groups, including children.

- To reach considered decisions about whether an individual should be barred from engaging in regulated activity with children and/or adults and maintaining the children's and adults' Barred Lists.
- To bar any individual who has accepted a caution for or been convicted of an automatic barring offence (i.e. an offence that does not allow representations).
- To consider for barring any individual who has accepted a caution for or been convicted of an automatic inclusion offence (i.e. an offence that does allow representations) or has been referred to the DBS from, for example, an employer or regulatory body, subject to any representations submitted by the individual - provided the DBS also has reason to believe that the person is or has been, or might in the future be, engaged in regulated activity with vulnerable groups, including children.
- To make decisions as to whether it is appropriate to remove a person from a Barred List.

What we aim to achieve:

Our mission is to be an efficient and trusted supplier of information services to support safe recruitment decisions.

The DBS provides a service which enables organisations in the public, private and voluntary sectors to make better informed, safer recruitment decisions. It does this by providing them with information to enable them to determine whether candidates are unsuitable or unable to undertake certain work; particularly with occupations involving regular contact with vulnerable groups, including children. The information provided by the DBS should be used in conjunction with other recruitment tools to determine an individual's suitability for a certain position or post. We also determine whether an individual can work in a regulated activity post with children or adults by making decisions about inclusion in a Barred List.

Organisation:

This is the first period of operation for the DBS. In assuming our functions, our key priority has been to continue to deliver a high quality and timely service to our customers. Alongside this, we have been developing new services and we are changing business process partners to TCS later in 2013.

We have provided a coherent service for customers, whilst recognising their varied needs.

Disclosure:

The DBS provides employers with information to enable them to determine whether candidates are unsuitable for certain work; particularly with occupations involving regular contact with vulnerable groups, including children.

The process, from completion of the application form to the production of the final certificate, involves three main parties: the Registered Body; the DBS and, in the case of Enhanced DBS certificates, police forces.

- Registered Bodies:

Registered Bodies play a key role in the process prior to submission of the application. Registered Body responsibilities include the determination of whether a position is eligible for a criminal records check, the verification of the identity of the applicant and ensuring that the application form is completed correctly before sending to the DBS. In doing so, Registered Bodies must adhere to the Conditions of Registration set out in regulations made under the Police Act 1997, as supported by the statutory Code of Practice.

- DBS:

The DBS matches the applicant's information against corresponding data contained on the PNC. For Enhanced certificates, where relevant, the DBS transmits the application data to police forces for matching against their local systems and, if requested, will carry out a check of the two barred lists.

- Police forces:

Police forces are responsible for the determination of whether any information that they hold, primarily on local intelligence systems, is reasonably believed to be relevant to the application and whether it ought to be included on the certificate.

The DBS works closely with both individual chief officers within forces and the central lead provided by the Association of Chief Police Officers (ACPO). Our police relationships are now being taken forward by the DBS incorporating both disclosure and barring functions.

Barring:

The DBS is committed to ensuring that we make fair, consistent and thorough barring decisions that are a proportionate response to the harm that has occurred and to the risk of harm posed.

We are keenly aware of the impact barring or not barring a person can have both on the person referred and also those with whom they have, or could have, come into contact with. Often very difficult and finely balanced decisions have to be made.

There are two main ways cases come to us:

1. Automatic bars: there are two types of automatic barring cases where a person has been cautioned or convicted for a 'relevant offence'. Automatic

barring (without representations) offences will result in the person being placed in a barred list(s) by the DBS irrespective of whether they work in regulated activity. Automatic barring (with representations) offences may, subject to the consideration of representations and whether the person has a link to regulated activity, result in the person being placed in a barred list(s) by the DBS.

2. Referrals from employers and other providers of regulated activity, personnel suppliers, local authorities / health and social care trusts / education and library boards and professional regulatory bodies. Typically there is a duty, in certain circumstances, on those organisations to make a referral to the DBS when they have dismissed or moved an employee working in regulated activity, following harm to a child or vulnerable adult or where there is a risk of harm.

The DBS makes its decisions using barring decision-making processes specifically developed for its use. The DBS Board is ultimately responsible for all the decisions made by the DBS.

OUR RESOURCES

Funding:

The DBS is generally a self-funding NDPB and is dependent upon the volumes of checks received each year to generate the required level of income, based on the level of fee set by the government. There are different levels of fee for Standard and Enhanced criminal records checks and volunteer applications are processed free of charge. The fee income generated from DBS certificates also funds the Barring side of the business.

As an NDPB, income received by the DBS in relation to certificates is banked into the DBS bank account on a weekly basis. The income and associated receivable is recognised in the DBS accounts. On a monthly basis, the DBS pays over to the Home Office bank account the balance of amounts paid on its behalf to utilise the shared service provisions for finance and procurement. All DBS expenditure is paid from the Home Office bank account. At 31 March 2013, the DBS owed Home Office £14.9 million for reimbursement due for March 2013 and this is included within creditors in the accounts. The fee levels throughout the period of this report were £26 for Standard checks and £44 for Enhanced checks.

Grant in Aid Funding:

Grant in aid funding from the Home Office relates to the reimbursement of specific costs that should not fall to the fee payers.

2012-13 Year End Position:

The budget for the DBS was originally set to achieve a surplus of £2.0 million, however, as a result of the volumes of disclosure applications being lower than forecast, a deficit of £0.2 million was reported for the four month period to 31 March 2013.

2012-13 Expenditure:

The expenditure for the four month period of this report was split into four main categories as shown in the Accounts: in relation to our private sector partner (£17.7 million); in relation to police and other data source costs (£8.4 million); staff costs (£8.0 million) and other costs of administration (£6.3 million).

Cash balances:

From 1 December 2012, the DBS opened its own bank accounts with the Royal Bank of Scotland and Citibank, who provide services under the Government Banking Service. The cash balance at 31 March 2013 was £16.1 million. Of this amount £14.9 million was to be reimbursed to Home Office in April 2013 for invoices paid by Home Office on behalf of the DBS, as noted in 'Funding' above.

Capital expenditure:

During the four month period to 31 March 2013, £5.4 million was spent on capital expenditure. This relates mainly to expenditure required to ensure the existing IT system was compatible with the requirements of the new Update Service and amounts due to TCS for the development of a new IT system

Payment Performance:

Following the original Late Payment of Commercial Debts (Interest) Act 1998, amended legislation – The Late Payment of Commercial Debts Regulations 2002 – came into force on 7 August 2002. This legislation provides all businesses, irrespective of size, with the right to claim statutory interest for the late payment of commercial debts. No interest has been claimed by DBS creditors under this Act.

The Chancellor of the Exchequer announced in the 2010 Budget that government departments should aim to pay their suppliers within five days. The responsibility for paying DBS invoices belongs to the Home Office's Shared Service Centre.

Payment performance in the four months to 31 March 2013 against five day, 10 day and 30 day targets on a comparable full year basis was as follows:

Five day – 91.1%
10 day – 94.7%
30 day – 100.0%

Assets:

As at 31 March 2013, the DBS held non-current assets (net book value) of £26.9 million. Of this amount, £24.4 million related to intangible assets, mainly for development of a customer relationship management database through the Public Private Partnership (PPP) arrangement.

Staff:

During 2012-13, the DBS employed an average of 730 full time equivalent staff (including contractors); representing a total salary cost of £8.0 million. The DBS followed Home Office and Civil Service policies for the fair and open recruitment of staff.

PERFORMANCE

Disclosure:

During the four month period, the DBS issued 1.22 million certificates, of which 22.75% were issued free of charge to volunteers. We have consistently met all of our targets, including accuracy and timeliness of both Standard and Enhanced DBS certificates and responses to complaints.

The Published Service Standards (PSS) for the issue of Standard DBS certificates is 95% within 10 days and for Enhanced 90% within 28 days. The December - March performance for Standard DBS certificates was 99.7% being issued within 10 days and 96.9% of Enhanced being issued within 28 days. The average time taken to issue a Standard DBS certificate from start to finish was 4.1 days and for an Enhanced 9.4 days. This demonstrates a vast improvement from recent years and has been achieved due to the effective working relationships between the Registered Body community, the DBS and our police partners.

The DBS provided services to approximately 4,000 directly-registered organisations (Registered Bodies) and many thousands of others who use those organisations to access DBS certificates.

Legacy measures were maintained to cover the reporting period. These have been reviewed and updated from April 2013 and are detailed in the DBS Corporate Plan 2013-14. Operational performance against the DBS PSS and Key Performance Indicators (KPI) are detailed in the following table:

Published Service Standard (Disclosure)	Target	Performance - Dec 12 to Mar 13
Enhanced DBS certificates	90% to be issued in 28 days	96.90% (96.10 %)
Enhanced DBS certificates	99% to be issued in 60 days	99.70% (99.60%)
Standard DBS certificates	95% to be issued in 10 days	99.70% (99.80%)
Disputes of DBS certificates	90% resolved in 21 days	99.5 % (99.45%)
Certificate accuracy (our aim is 100% certificates free of error) ¹	To maintain (or reduce) the already low number of certificate errors each year	100% (99.988%)
Customer satisfaction	87% based on annual Ipsos MORI survey results (87%)	No surveys have taken place during this four month period
All complaints	95% resolved in 10 days	98.4% (99%)
Electronic applications	To issue 1.5 million e-application certificates	479,560 (1,467,044)

¹ Based on a sample measure of certificates

Barring:

At the end of March, there were 51,640 individuals on the Adult and Children's Barred Lists. We have also received 1,779 discretionary barring referrals and 9,404 automatic barring referrals from the PNC.

We have consistently improved our barring operational performance in terms of timeliness and quality in meeting our key performance targets. Our work in progress for discretionary referrals for barring consideration has ended the year nearly 20% better than our target. We also achieved and maintained our key target of 80% of cases closed within 110 working days. Strong performance from our decision-making teams considerably improved our performance in meeting our ambitious target to close 60% of cases within 55 working days. We fell just short of the target at year end despite closing record numbers of cases during the last few months, including some long-standing complex cases.

Published Service Standard (Barring)	Target	Performance December 2012 to March 2013
Barring - Decision accuracy	100%	100% (99.9%)
Barring - Discretionary referrals	80% closed within 110 working days	76% (80%)
Barring - Discretionary referrals	60% closed within 55 working days	54.3 % (53.1%)

PROGRESS & ACHIEVEMENTS

• Customer Service

We have provided a highly customer-focused service, reinforced by continued achievement of Customer Service Excellence standards, which were maintained for the third year.

The DBS built on this by strengthening the Customer Services function to include multi-skilled teams that provide a more customer-focused interface throughout the checking process. This is supported by a Corporate objective for 2013-14 to adopt a single customer service approach across the whole of the DBS by 2013-14.

Working towards achieving this principle, the DBS over the last four months has implemented a new complaints process incorporating a best practice approach to complaint resolution, aimed at earlier customer resolution and continuous learning.

The DBS aimed to address customer concerns as swiftly and comprehensively as possible. During the reporting period, we saw a 21% reduction in the number of complaints related to Disclosure and a 15% reduction in the number of disputes received against the previous year.

- **Working with our partners:**

The DBS continued to actively engage with its customers, through consultative panels, Registered Body management and other forums about the operation of the DBS service. We also completed a comprehensive programme of events focussing on the duty to refer and changes to Barring and Disclosure services. We consistently received highly positive feedback and comments on the value of the events.

We work collaboratively with our many information sharing partners including the police, prison and probation services, professional bodies and devolved administrations in Wales, Northern Ireland and Scotland.

In the reporting period, we have continued to see improvements in the timeliness of the police element of the Disclosure service. To put this into context, the DBS saw a reduction in the average turnaround time of the police force element of the process from 28 days in recent years to 4.5 days during the reporting period.

- **Digital progress:**

There are now 98 Registered Bodies who are accessing the e-Bulk service which has enabled the electronic processing of nearly half a million applications during the reporting period. The electronic service has improved the turnaround times for checks; with average processing times of 3.43 days for Standard checks and 7.96 days for Enhanced checks.

- **Courts**

We continue to vigorously and effectively defend our barring decisions on appeals to both the Upper Tribunal and Higher Courts and we have received some important decisions in our favour.

LOOKING AHEAD

The DBS Corporate Plan 2013-14 details a set of Principles setting the high level parameters of how the DBS will operate and what can be expected from users of our service. The Plan is underpinned on volume uncertainty which is a challenge we face. The Principles will support all that we do and how we develop the service. They are:

Service Excellence

- We will design and deliver our products to meet the needs of our users, and consistently deliver a timely, high quality and value-for-money service.

Digital by Default

- We will use digital channels for our work wherever possible.

Valuing Partnership

- We will take into account the feedback and needs of our stakeholders, as we develop and deliver our services.

Cost Effective

- We will deliver value-for-money services.

Trusted and Secure

- We will maintain high levels of integrity, transparency and confidence in the service that we provide.

The Corporate Plan also details a set of Corporate Objectives, which provide specific deliverables that the DBS aims to achieve during 2013-14. These are:

- Deliver Published Service Standards
- Deliver change programme
- Develop management and technical capabilities
- Consolidate external stakeholder engagement
- Adopt single customer service approach (Customer Service Excellence)
- Energise staff engagement
- Develop a corporate transparency approach
- Reduce corporate overhead

This will allow the DBS to focus on:

- Maintaining business continuity and meeting our PSS
- Introducing new filtering of cautions and convictions from DBS certificates
- Introducing the Update Service and a single certificate, and so dealing directly with individuals as well as our Registered Body network
- Maintaining high levels of public confidence in our barring decisions and further developing our barring decision making processes
- Further developing efficient and effective information sharing arrangements with our safeguarding partners
- Introducing an Interim Barred List check, allowing employers to ask whether an Update Service status update relates to inclusion on a barred list
- Developing a Basic criminal record check service
- Moving to a new commercial supplier and exit from our current commercial arrangements
- Enhancing our transparency by improving our communications, influencing focus and opening up new means of communicating with partners and customers
- Responding to legislative changes as necessary
- Designing and developing a modern IT solution to move our operations into a digital era and enhance service provision and efficiency
- Considering the introduction of new services, and developing our strategic plan, for 2014-17

OTHER PUBLIC INTEREST INFORMATION

Health and Safety

The DBS is committed to maintaining the standards required by the Health and Safety at Work Act 1974 and the other United Kingdom and international regulations relating to the health and safety of its employees and the public. The Health and Safety Forum meets on a quarterly basis and is supported by two Health and Safety sub groups (in Liverpool and Darlington) who meet every six weeks.

Transparency

The DBS supports the Government's Transparency Programme, which enables the public to hold politicians and public bodies to account. It aims to reduce the deficit and to deliver better value for money in public spending and to realise significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites using public data. The DBS follows the government's guidance on release of data in an open, non-proprietary standardised format via Freedom of Information and its' Publication Scheme.

Staff:

During the period December 2012 to March 2013, the DBS employed an average of 720.64 full time equivalent staff. The average number of contractors employed was 9.75 for the same period.

Sickness Absence Levels:

Taking into account figures from our legacy organisations, the average number of days per person recorded as sickness over the last 12 months was 8.45. Extensive efforts to reduce the average working days lost per employee continue across the DBS.

This includes access for business managers to detailed business intelligence and specialist HR support to facilitate effective absence management by building capability and confidence. In addition, the robust compliance regime in place at DBS Liverpool has been rolled out at DBS Darlington with effect from April 2013 to ensure that line managers are compliant with attendance management policy and procedure. The regime will provide increased assurance that appropriate support is being given to members of staff ensuring timely referrals to Occupational Health and provision of reasonable adjustments where needed.

Equality and Diversity:

The DBS is committed to embedding considerations of equality and diversity in all that it does. We have a legal and moral responsibility to ensure that everyone who comes into contact with us is treated fairly, with dignity and with respect for their personal circumstances.

We encourage a diverse workforce and aim to provide a working environment where all staff at all levels are valued and respected, and where discrimination, bullying, promotion of negative stereotyping and harassment are not tolerated.

As a public authority, the DBS has statutory duties placed on it under the Equality Act 2010 that states it must have due regard of the need to:-

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations

We expect all staff to assist the DBS in meeting these obligations and the DBS has set up an Equality & Diversity Forum which is responsible for ensuring compliance with equality legislation and reviewing performance against the aims of the DBS Equality & Diversity Strategy.

Employee Involvement:

The DBS regularly updates staff on business plans, results achieved, any changes in our operating processes and development opportunities. This ensures our staff are aware of any changes to the service that we are delivering and that they understand the impact for both themselves and for our customers.

SMT and the Chair have led on two off-site employee awareness sessions for all staff. The session allowed the opportunity for staff to hear about the work of the Board, the strategic development process for the DBS and the importance of maintaining service levels and quality.

The DBS Board also welcomes observers to the Board from within the DBS. This allows staff members to see how the Board operates, the work of the Board and how Board consider and make decisions.

In addition, the DBS Joint Consultation and Negotiation Committee (JCNC) now provides a forum for the official side and the trade union side to meet on a quarterly basis to discuss business and people related issues of importance and/or concern.

Conflict of Interests

Details of any significant interests held by the DBS Board members are maintained in a Register of Interests, which can be obtained from the DBS Secretariat. Where decisions are taken which could reasonably be seen as giving rise to a conflict of interest, Board members are required to declare the relevant interests and where appropriate, withdraw from participating in the decision making process. During the reporting period, no conflicts of interest were declared by DBS Board members.

Personal Data Related Incidents

During the reporting period, there was one minor reported data incident. The data was swiftly recovered and the incident thoroughly investigated. This incident was not significant enough for referral to the Information Commissioners Office (ICO).

Audit Fees

These financial statements have been prepared in accordance with the Protection of Freedoms Act 2012 and are subject to audit by the Comptroller and Auditor General. The audit fee for this reporting period for the DBS was £128,000. No remuneration was paid to the National Audit Office (NAO) for non audit work.

Provision of Information to Auditors

As far as the Accounting Officer is aware, there is no relevant audit information of which the DBS' auditors are unaware. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the DBS' auditors are aware of that information.

Adrienne Kelbie

Chief Executive

28 June 2013

SUSTAINABILITY REPORT

Introduction

Sustainability means making the necessary decisions now to realise our vision of stimulating economic growth and tackling the deficit, maximising wellbeing and protecting and enhancing our environment, without negatively impacting on the ability of future generations to do the same.

The DBS contributed to the review of the Home Office sustainability commitments as part of the overall Home Office Business Plan. The Home Office joint sustainability priorities are to:

- Assess and manage environmental, social and economic impacts and opportunities in policy development and decision making
- Procure from small businesses with the aspiration that 25% of contracts should be awarded to Small and Medium-sized Enterprises (SMEs)
- Meet the Greening Government Commitments (GGC), supplying quarterly information and contributing to an annual report on progress

As an NDPB sponsored by the Home Office, the DBS reports against GGC (Green-government). They require us to significantly reduce our impact on the environment by 2015 and to be more transparent.

The DBS sustainability aim is to reduce the impact of our business on the environment. Improving sustainability in the DBS is closely linked to our work on value for money.

The DBS will:

- Comply with legal, regulatory and other requirements
- Manage the carbon dioxide equivalent (CO₂e) emissions from its building energy use and official travel
- Manage water use and waste responsibly on its estate
- Purchase goods and services that meet government standards while continuing to ensure value for money
- Actively encourage our suppliers and staff to support these aims
- Strive to make sustainability integral to decision making processes

Initiatives and areas for improvement

The DBS initiatives include:

- One of the main Principles of the DBS is “Digital by Default” and these channels are used for work wherever possible, reducing mail, travel and resources.
- The formation of the DBS Wellbeing group, with representatives from all business areas

- Various recycling points around the building: food waste, cans, paper, plastics, and batteries
- Construction of two purpose built Video-Conferencing suites, to reduce travel, whilst investigating use of portable Video-Conferencing units via Procurement Of Information Systems Effectively (POISE) laptops
- Travel survey conducted and travel plan devised in conjunction with Merseytravel
- Promoting use of public transport by having Merseytravel on site
- Planned improvements of facilities to support Walk/Cycle to work scheme and car sharing schemes
- Shredding and recycling of all paper waste takes place on both the Darlington and Liverpool sites through approved and accredited suppliers
- Trialling the use of desktop whiteboards to reduce paper/post-it notes
- Senior managers now have own telephone-conferencing dial-in functionality to reduce travel
- Alignment with Home Office policy on sustainable procurement
- Training of Facilities and Procurement staff on sustainability and sustainable procurement

The DBS will work with its supply chain and landlord to set a baseline for both its sites and set targets reducing carbon dioxide emissions, water and waste.

Scope and data

The data below is only for the last four months when the DBS replaced the CRB and ISA.

Data from all three organisations will be incorporated into the Home Office consolidated sustainability report within the Home Office Annual Report and Accounts.

There are limitations to the accuracy of this financial and non-financial sustainability data. A set of processes and internal controls is in place to help ensure accuracy and completeness. Energy and travel data has been audited as part of the work resulting in the Home Office (including DBS) achieving the Carbon Trust Standard in December 2012. This year's footprint is being verified by the Carbon Trust and a statement on this will be published at a later date on the Direct.gov website under Sustainable Development.

The energy, water and waste data used in this report comes from one building in Liverpool for which data is available. The other premises in Darlington, is a landlord service charged building and data is not available. Travel data is included regardless of location.

Governance arrangements

The Home Secretary is held accountable by the Cabinet Office to deliver the Corporate Plan containing joint sustainability objectives. Overall leadership for sustainability is provided by the Parliamentary under Secretary for Criminal Information and the Permanent Secretary.

Direction and management is provided by the Sustainable Development team who report to the Sustainability Implementation Group, chaired by the Director of Shared Services. This group comprises key Home Office Bodies and business units including the DBS and meets quarterly. It ensures that necessary action is taken to meet the GGC and during 2012/13, reported to the Estates and Sustainability Board (chaired by Director General, Finance and Corporate Services Group, who is also a member of the Home Office Supervisory Board and Executive Management Board). Day to day sustainability business in the DBS is undertaken within the DBS Facilities teams.

Sustainability is embedded into the DBS's business planning and reporting procedures. DBS data is included in a six monthly report submitted to the Cabinet Office, so that the Home Affairs Green Government Sub-Committee can monitor consolidated departmental progress. Home Office sustainability policy and other documents are held on the intranet and will be reproduced at a later date on the Direct.gov website under Sustainable Development.

Stakeholders

The DBS's principal sustainability stakeholders are the public, Ministers, Chief Executive, our staff and suppliers. Stakeholders can play an important part in identifying key priorities and enhancing the value of our activities. Our governance, business planning and reporting arrangements help to ensure staff can input to, and provide feedback on, our activities.

Summary of data for first four months

Area	Metric	Dec 2012 - March 2013
Greenhouse gas emissions	Amount (tonnes CO ₂ e)	296,266
Building energy	Amount (tonnes CO ₂ e)	390
	Amount (kWh)	1,262,783
	Expenditure (£)	68,779
Government Carbon Offsetting Fund (GCOF)	Expenditure (£)	0.20
Domestic flights	Amount (number)	40
Office waste	Amount (tonnes)	9
	Expenditure (£)	557
	Total recycled (tonnes)	6
Water	Amount (m ³)	1,579
	Expenditure (£)	2,427
Paper (A4 equivalent)	Amount (reams)	615
	Expenditure (£)	1,411

Mainstreaming the policy contribution to sustainability

The DBS makes a valuable contribution to social and economic sustainability in its work. It helps employers make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children. It supports economic growth by helping to create a safe and flexible labour market.

Sustainable Procurement

The DBS works with suppliers to promote sustainable procurement as part of a Corporate and Social Responsibility (CSR). This includes SMEs and the diversity agenda. We promote the mandated Government Buying Standards² and consider CSR factors in investment decisions where they are relevant to the contract. CSR factors are incorporated throughout the procurement cycle from pre-qualification through to contract award to ensure value for money is optimised.

The information gathered on the supply chain through CAESER (an online self assessment for suppliers to assess their commitment to sustainability) is reported to us on an annual basis to enable us to obtain an overview of our suppliers' performance in relation to sustainability. This is used to inform contract management discussions and business decisions, manage supply chain risks and drive improved outcomes.

² <http://sd.defra.gov.uk/advice/public/buying>

REMUNERATION REPORT

The Remuneration Committee reports to the DBS Board. Details of its membership are set out within the governance statement of this report. Subject to approval by Home Office of the DBS's overall remuneration strategy, the Board has delegated to the Remuneration Committee the determination of the remuneration packages and other employment benefits of all for all employees and Senior Managers up to the Chief Executive.

In setting remuneration, the DBS works within HM Treasury guidelines for public sector pay. Remuneration packages for DBS employees are set using a benchmarking process to define comparable packages for DBS's geographical areas of operation, and to recognise any specialist skills required for each position. The remuneration packages offered by the DBS are designed to attract, retain and motivate senior managers and employees.

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

The following sections of the Remuneration Report provide details of the remuneration policy, service contracts, salary and pension entitlements of the DBS Executive and Non-Executive Board Members.

The contents of the remuneration tables are subject to Audit.

Remuneration policy

The DBS Chair, Board members, and Chief Executive 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 Home Office. Any increase in the Chief Executive's salary will be considered by the DBS Remuneration Committee, followed by a submission for approval by the DBS Sponsor team in the Safeguarding and Public Protection Unit (SPPU) of Home Office. At meetings of the Remuneration Committee where the Chief Executive's pay will be considered, the Chief Executive will be required to declare a pecuniary interest and withdraw from the meeting.

Other Executive Board members are Senior Managers of the DBS. The determination of their remuneration packages and other employment benefits are considered by the Remuneration Committee.

Service contracts

Appointments are 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 hold appointments which are 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.

Bill Griffiths, Chair of the DBS, was appointed on 1 December 2012 for a period of five years.

Board Members were appointed on 1 December 2012 for periods of one to three years. Board Member appointments are subject to a maximum period of five years.

The Chief Executive was appointed on 6 August 2012 for a statutory term of five years (under para 4 (2) of schedule 8 of the Protection of Freedoms Act 2012). Prior to 1 December, the Chief Executive was an employee of the Home Office, and all salary and other expense payments will be included in the Home Office financial statements.

Bonuses

The assessment of performance for Executive Directors is currently based on the approach adopted for the SCS. In this approach three performance groups are considered for each pay band. They are;

Group 1 – top 25% of performers

Group 2 – next 65% of performers

Group 3 – bottom 10% of performers

For relatively small organisations such as the DBS this would mean some comparative assessment with other parts of Home Office. The Senior Salaries Review Board (SSRB) determines the percentage of pay that can be used for non consolidated performance payments and the Cabinet Office then sets the guidelines on SCS bonuses for all government departments. In recent years performance payments have only been made to those in Group 1. In the DBS no performance payments have been made to Executive Directors to date.

Salaries, emoluments and pension entitlements of the Board

The following sections provide details of the remuneration of the Board of the DBS.

Name and job title	Start date	Four months to 31/03/13 (Full year figure)		
		Salary/Fees £'000	Bonus payments £'000	Benefits in kind (to nearest £100)
Bill Griffiths (Chair) ³	01/12/12	20-25 (40-45)	-	900
Adrienne Kelbie (Chief Executive)	01/12/12	40-45 (120-125)	-	1,500
Richard G Black (Non- Executive Board Member)	01/12/12	5-10 (20-25)	-	900
David Clarke (Non- Executive Board Member)	01/12/12	0-5 (10-15)	-	300
Tom Davies (Non- Executive Board Member)	01/12/12	5-10 (20-25)	-	1,200
Donald Findlater (Non- Executive Board Member)	01/12/12	5-10 (20-25)	-	800
Bernard Herdan (Non- Executive Board Member)	01/12/12	0-5 (10-15)	-	1,100
Mehmuda Mian (Non- Executive Board Member)	01/12/12	5-10 (20-25)	-	400
Caroline Tapster (Non- Executive Board Member)	01/12/12	0-5 (10-15)	-	1,200
Adele Downey (Executive Board Member – Director for Corporate Services)	01/12/12	20-25 (65-70)	-	1,400
Sue Quigley (Executive Board Member – Director for Operations Disclosure)	01/12/12	25-30 (80-85)	-	400

	Four months to 31 March 2013 (Full year figure) Salary
Highest Paid Director's Total Remuneration (£000's)	40-45 (120-125)
Median Paid Employees' Total Remuneration (£'s)	7,579 (22,738)
Ratio	5.39

³ Included within Bill Griffiths salary is £10k which relates to his services in setting up DBS

Board Members' Expenses

Board members' total expenses for the four months to 31 March 2013 amounted to £13k. Expenses were paid in accordance with Home Office Policy. The benefits in kind for Board Members' expenses amounted to £10k for the period to 31 March 2013 and related to travelling and accommodation costs incurred on Board business in Darlington and Liverpool.

Salary / Fees

'Salary' applies to Executives, 'Fees' applies to Non-Executives. '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 DBS and thus recorded in these accounts.

Benefits in kind

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

Stephenson House and Shannon Court are deemed to be the normal place of work for the Chair, Chief Executive and Non-Executive Board Members. Re-imbursement of any travel and accommodation costs associated with attendance at Stephenson House and Shannon Court for meetings and other duties in their roles are taxable as a benefit in kind. For other Executive Board Members, Shannon Court is their normal place of work.

Payments to third parties

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

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 DBS director in the financial year 2012/13 was £120k-125k. This was 5.39 times the median remuneration of the workforce, which was £20k-25k.

No employees received remuneration in excess of the highest-paid director. Remuneration ranged from £10,000-15,000 to £120,000-125,000. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the Cash Equivalent Transfer Value (CETV) of pensions.

Pension benefits

Name and job title	Accrued pension at pension age as at 31/03/13 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/13 £'000	CETV at 01/12/12 £'000	Real increase in CETV £'000
Adrienne Kelbie (Chief Executive)	0-5	0-2.5	16	8	6
Adele Downey (Director for Corporate Services)	30-35	(0-2.5)	451	433	(2)
Sue Quigley (Director for Operations Disclosure)	15-20	0-2.5	202	200	0

Adrienne Kelbie and Sue Quigley are members of the nuvos defined benefit scheme and Adele Downey is a member of the premium scheme. Bill Griffiths, DBS Chair, and the other Non-Executive Board members are contracted for a fixed number of days, on a 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 applied from 1 April 2012. Further increases to contributions were effective from 1 April 2013. 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 their 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 up-rated 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 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 in 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.

Adrienne Kelbie
Accounting Officer

28 June 2013

STATEMENT OF ACCCOUNTING OFFICER'S RESPONSIBILITIES

Under Schedule 8 of the Protection of Freedoms Act 2012, the Secretary of State has directed the DBS to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the DBS and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer was required to comply with the requirements of the Government Financial Reporting Manual (FReM) 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 FReM have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on a going concern basis

The Secretary of State has appointed the Chief Executive, Adrienne Kelbie, as Accounting Officer of the DBS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the DBSs assets, are set out in 'Managing Public Money', published by HM Treasury.

Adrienne Kelbie
Accounting Officer
28 June 2013

GOVERNANCE STATEMENT

Introduction

As the Accounting Officer for the DBS, I am responsible for maintaining a sound system of internal control that supports achievement of Home Office's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible. This is in accordance with the responsibilities assigned to me in HM Treasury Guidance 'Managing Public Money'.

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.

I can confirm that I have reviewed the system of internal control in operation within my area of responsibility and have made the following assessment to cover the period of 1 December 2012 (the transfer of the functions of the CRB and ISA to the DBS) until 31 March 2013.

Internal Controls and Governance

As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those public funds and for the day-to-day operations and management of the DBS. In addition, I ensure that the DBS 'adheres' to the standards in terms of governance, decision-making and financial management set out in HM Treasury's 'Managing Public Money' guidance.

The Disclosure and Barring Programme was the Home Office led programme on the procurement for the new supplier (TCS), working with TCS at the early stages, the Update Service and PoFA legislative changes applying to Barring in Darlington. The Disclosure and Barring Programme was handed over to the DBS in December 2012 and I note that Senior Responsible Owner (SRO) accountability for delivering it remains with a Home Office officer, whilst responsibility for delivery rests largely with the DBS. Conditions to enable the transfer of SRO accountability have yet to be met. This is due to the outstanding risk of insufficient time to complete the transition to service delivery under the new contract. Once it is clear whether we do not require any additional contingency time, or additional time is secured, this risk will be mitigated.

As an NDPB, the DBS is not bound by the terms of the Corporate Governance Code for Departments. However our governance arrangements aim to reflect and follow the principles of good practice set out in the Code. The DBS are not aware of any parts of the Code with which it did not comply.

The DBS is led by a Board, which is responsible for the strategic leadership of the organisation and comprises the DBS Chair and the appointed members.

Part of the overall governance arrangements that applied throughout the reporting period was a robust organisational structure to ensure delivery of strategic goals.

Risk Management

Following the merger of CRB and ISA, legacy Risk Management Frameworks (RMFs) were adopted and a comprehensive RMF was jointly developed and agreed by SMT and Audit and Risk Committee (ARC). This is currently being further strengthened with input from the ARC and Internal Audit. As Accounting Officer, I am aware of the opportunity to strengthen and improve risk management policies in 2013-14.

The DBS RMF provides a structured process for risk identification, escalation and management. The RMF ensures that risks are dealt with in an appropriate manner. The RMF follows HM Treasury guidance 'Management of Risk: Principles and Concepts'⁴ and reflects the Home Office risk management guidance. The DBS is in the process of drafting policies to safeguard itself against fraud and theft, in line with the Treasury's guide, 'Managing the Risk of Fraud'⁵.

A set of Corporate issues and risks have been defined with each owned by a member of SMT. The Corporate issues and risks are reviewed monthly by SMT and by the Board. Functional risks registers are held at a Directorate level and reviewed at Directorate Management team meetings. Directors provide oversight of any potential escalation to the Corporate Register.

Project level risk is dealt with by Project Boards and escalated to the Change Forum for consideration at Programme level. The Change Forum has oversight of all programme related risks, and the Home Office SRO/SPPU is represented on the Forum. It is expected that any risks with potential reputational impacts for the DBS and the Home Office will be referred to the relevant SRO and SPPU. (The SRO for each project is a DBS Director, the DBS Programme SRO is currently an officer of the Home Office, and the DBS Chief Executive is SRO for the non-DBS programme elements.)

The DBS SMT are members of the Change Forum and they are also the risk owners for any corporate level risks dealt with separately by ARC and the DBS Board.

Risk is reported upon and considered at all meetings of the DBS Board; the ARC, monthly SMT Meetings; and at the Change Forum. This approach ensures that risk management is cascaded throughout the DBS with managers taking responsibility for managing specific risks within their designated area of responsibility. Updated risk logs are reported to the relevant meetings and their content considered.

Risk and mitigating action owners are accountable for record keeping of their own records of progress against mitigating actions and report into the monthly risk update process. This ensures clarity of ownership of risk and mitigating actions.

⁴ http://www.hm-treasury.gov.uk/psr_governance_risk_riskguidance.htm

⁵ http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf

An Internal Audit Unit (IAU) review of the adequacy of the DBS's risk management arrangements was undertaken during the period. The audit covered a period of transition in terms of establishing effective risk management arrangements. Due to organisational transition and an increased level of business risk surrounding the service contract transition, a low assurance level was granted. The IAU comments and recommendations have been reviewed and actions are being taken to address them.

ARC is responsible for reviewing the effectiveness of the risk management processes. The Committee utilises a process of dip-sampling of risks on the risk register, and review evidence to substantiate the effective delivery of mitigating actions.

The DBS has legacy Business Continuity Plans (BCP) in place, under cover of an overarching single incident plan, and is currently in consultation with TCS to agree a revised BCP, with particular emphasis on the business transition period. The plans are at an advanced stage and regular checkpoint meetings are being held to address issues and review progress.

Key Issues

Some key issues that have impacted on the risk profile of the DBS during the period are:

Court of Appeal ruling:

Issue: In January 2013, the Court of Appeal ruled that the disclosure of all cautions and convictions on a DBS certificate was incompatible with the European Convention on Human Rights (ECHR – Article 8). There was a need for a swift filtering solution. However, this project would impact on other change programme initiatives.

Mitigation: Work was undertaken to re-plan the change programme, with governance provided by the DBS Change Forum. Technical interdependencies with the Update Service were removed so that the Update Service could be launched without the filtering solution being in place. The filtering solution and legislation came into force on 29 May 2013.

Supplier transition:

Issue: Moving supplier from Capita to TCS and introducing a new IT system whilst avoiding disruption of the DBS's normal service.

Mitigation: The DBS Change Forum has been established to ensure programme level oversight and management of related risks. Regular checkpoints meetings were held including detailed planning workshops and extra resources were secured. A comprehensive programme structure was in place whereby contractors were required to update the Chief Executive regularly against milestones.

Balancing business as usual:

Issue: Capacity to balance the DBS business as usual, taking into account the merger of the former CRB and ISA, along with other significant changes within the organisation.

Mitigation: Monthly meetings were held to discuss issues including workforce and volumetric planning. I note that since the DBS is subject to Home Office procedures, I do not have the authority for approving contractor or consultancy staff resourcing.

Self funding status:

Issue: Ensuring that self funding status is maintained. The significant DBS change programme of new commercial arrangements, new products and legislative change increases this risk.

Mitigation: We have begun a market research strategy to better understand and inform demand forecasting and mitigate the potential financial risks. On-going review of actual results and trends is reported to SMT and the Board.

In response to the 'low' Assurance and Opinion rating given by the Head of Internal Audit (for the period 2012-13), we have undertaken an initial review of the issues highlighted and have identified a range of changes and are taking mitigating actions to address the areas of concern. The recommendations will be actively monitored by SMT.

My inability to significantly influence certain critical decisions, particularly concerning the IT partners and recruitment of additional people/skills, has limited the extent to which I can manage risks.

In recognition of the potential impacts on the DBS service, I and my team are in constant dialogue with the Home Office to help mitigate adverse impact.

Additionally during this period, we have dealt with major change projects encompassing legal and technology change, new services, service transition and internal change.

DBS Board

The Board operates under a Constitution which sets out the governance arrangements for the Board and its Committees and in particular details the legislative framework for the Board.

The Board met monthly, and were supported by the SMT, and designated forums which oversee significant financial investment, the change programme, the effective delivery of our front line service and the programme. The Board were also supported by four governance committees, each chaired by a Non-Executive Board member:

- Audit and Risk Committee (ARC)
- Finance and Performance Committee (F&P)
- Quality and Standards Committee, and (Q&S)
- Remuneration and Nominations Committee (R&N)

The Board has collective responsibility for the proper conduct of the DBS affairs and is responsible for reputation, activities, strategy, financial performance and a system of corporate governance. The Board also has responsibility for the functions of the DBS, and in particular takes full and ultimate responsibility for Barring decisions.

The Board reviews and identifies risks, assesses these risks and ensures that adequate control measures are in place, including mitigation strategies and contingency plans.

The Board is subject to an annual evaluation process. This process involves performance evaluation of the Board, its committees and individual appointed members (in relation to performance on Board matters and committees); and acknowledgment of this evaluation by the Chair in recognising the strengths and identifying the weaknesses of Board and acting accordingly. The evaluation process is detailed in the DBS Board Constitution document. Since the DBS Board has only been operating for a four month period, no formal evaluation process has been undertaken. An interim informal assessment of Board effectiveness, including discussions with Board members, has been undertaken by the Chair.

Board Committees

The four committees that supported the Board operated under clear terms of reference. The aim of the committees was to oversee the responsibilities of Board on specific areas of the DBS, providing advice and assistance where appropriate.

At each Board meeting, the committee chair reported back to Board on the most recent meeting of the committee and raised any relevant concerns or risks. In reporting back to the Board, the committee chair sought Board's endorsement or ratification of proposals or recommendations which were discussed and scrutinised at committee level.

The Chair of the Board had regular meetings with the committee chairs. Each committee is required to produce and present to the Board an annual report of the activities undertaken by the committee and a review of its own effectiveness.

Audit & Risk Committee (ARC)

ARC met twice during the reporting period, its purpose was to provide the Board and Accounting Officer with assurances in areas such as risk management, governance, audit and financial control.

Finance and Performance Committee (F&P)

F&P met three times during the reporting period. Its purpose is to ensure that the overall integrity of the financial strategy, planning, monitoring and reporting framework and ensured that financial information provided to the Board is robust and fit for purpose in terms of enabling the Board to adequately monitor, assess and evaluate the DBS financial performance.

Quality and Standards Committee (Q&S)

Q&S met three times during the reporting period. Its purpose is to provide assurance to Board as to quality and standards of operations and to consider the implications of external policy and legislation in operations and to provide advice to the Chief Executive about strategic Q&S matters.

Remuneration and Nominations Committee (R&N)

R&N met once during the reporting period. Its purpose is to assist the Board to discharge its responsibilities in relation to remuneration, pay and reward.

Senior Management Team

This team comprises of the Chief Executive and all four Directors. SMT ensured that the DBS:

- Met its strategic objectives and key targets
- Monitored and scrutinised all aspects of performance to inform strategic decisions
- Followed high standards in terms of integrity, accountability, probity, honesty and openness
- Had high level policies and effective planning mechanisms in place;
- Conducted business in a proper and equitable manner in accordance with Treasury accounting rules
- Adopted best practice for governance and assessed and managed risk effectively

Change Forum

This is an executive programme board, chaired by the Chief Executive. It is also routinely attended by SPPU, Home Office IT, suppliers and commercial colleagues. The Forum dealt specifically with multiple major change projects.

Health & Safety Forum

This Forum operates under delegation by SMT to deal with all matters relating to health, safety, and wellbeing.

Equality Forum

This Forum operates under delegation by SMT, to ensure that the DBS complies with all relevant equalities legislation and that we offer equality in our service.

Workforce Planning Forum

This forum operates under delegation by SMT and is responsible for staffing and capabilities of the workforce.

Board Members' attendance at meetings

The Board comprised eleven members; a Non- Executive Chair, seven Non-Executives (termed Non-Executive Directors) and three Executives (Executive Directors).

The three Executive members are ex-officio members, these being the Chief Executive, the Deputy Chief Executive/Director, Corporate Services, and the Director, Operations (Disclosure). Other DBS Executives attend Board meetings by agreement with the Chair.

1 December 2012 – 31 March 2013

		DBS Board	ARC	F&P	Q&S	R&N
Bill Griffiths	Chair	4 (4)	0 (0)	0 (0)	0 (0)	0 (0)
Richard Black	Non-Executive Director	4 (4)	0 (0)	3 (3)	3 (3)	1 (1)
David Clarke	Non-Executive Director	4 (4)	2 (2)	3 (3)	0 (0)	0 (0)
Tom Davies	Non-Executive Director	3 (4)	2 (2)	0 (0)	2 (3)	0 (0)
Donald Findlater	Non-Executive Director	4 (4)	0 (0)	0 (0)	3 (3)	0 (0)
Bernard Herdan	Non-Executive Director	4 (4)	2 (2)	0 (0)	0 (0)	0 (0)
Mehmuda Mian	Non-Executive Director	4 (4)	1 (2)	0 (0)	3 (3)	1 (1)
Caroline Tapster	Non-Executive Director	3 (4)	0 (0)	3 (3)	2 (3)	1 (1)
Adrienne Kelbie	Chief Executive	4 (4)	1 (0)	0 (0)	0 (0)	1 (1)
Adele Downey	Director for Corporate Services	3 (4)	2 (0)	3 (3)	0 (0)	0 (0)
Sue Quigley	Director for Operations (Disclosure)	4 (4)	0 (0)	0 (0)	3 (3)	0 (0)

NB: Figure shows how many meetings attended. Figure in brackets indicates how many meeting where attendance was required.

Internal Audit

Under the terms of the DBS Framework Document, the Home Office IAU provided an independent and objective internal audit service operating to Government Internal Audit Standards (GIAS)⁶. The designated Head of IAU provided the Accounting Officer with an objective opinion, for the four month period, on the overall adequacy and effectiveness of the DBS's governance, risk management and control framework.

The DBS ARC approved the Internal Audit Charter, which documents the purpose, authority, and responsibilities of internal audit. IAU had unrestricted access to all functions, documentation, management information, property and historical records relating to the DBS business.

The Head of Internal Audit Opinion was completed in April 2013. The Assurance and Opinion Rating is as follows:

'My opinion is provided to an organisation that is four months old and therefore reflects the strengths, risks and issues inherited by the Disclosure and Barring Service (DBS) at start-up.'

LOW: Some areas of the business are well managed and controlled, but other aspects require substantial attention either to address serious weaknesses and omissions in control, risk and/or governance arrangements or in the effective operation of those systems'. Direction of Travel – Risk exposure is increasing going into 2013-14'.

'Despite the successful launch of DBS on 1 December 2012, the subsequent establishment of an effective governance structure and the continued controlled delivery of business as usual, the AO has inherited significant levels of change risk, with an inability to influence certain critical decisions. The risk profile of DBS post launch is therefore far greater than those previously in place for the legacy organisations'. This has significantly influenced the annual assurance provided'.

The IAU found that the DBS continues to carry risk linked to supplier transition and delivery.

The report noted that specific risks include developing new services and IT, delivering a filtering solution, merging corporate systems and mitigating the complications of exiting existing suppliers and transitioning to a new one within a challenging timeframe.

Eight separate assignments were carried out by IAU during the reporting period, with opinions provided in six. Those six (and levels of assurance) were:

- | | |
|------------------------|----------|
| • Fixed Assets | Moderate |
| • Risk Management | Low |
| • Corporate Governance | Moderate |
| • The Update Service | Low |
| • Barring Operations | Moderate |
| • Financial Modelling | Moderate |

⁶ http://www.hm-treasury.gov.uk/psr_governance_gia_guidance.htm

The IAU opinion is predicated by the organisation's ability to manage the level of risk during the first four months of operation based largely upon systems of control that were inherited from two smaller and closing organisations. In a number of areas the organisation has either been unable to influence control of these risks or has recognised improvements are required.

As AO, whilst acknowledging those risks, I am confident that the foundations of good governance have been established during the first four months of operation, and that the systems of internal control over the core operational systems of the business remain adequate. However, I also recognise the opportunities to enhance programme and commercial management.

Performance Measurement

Our legacy bodies operated to a set of PSSs and KPIs respectively, to measure and publish service performance to the public, demonstrating accountability and transparency. Performances against these targets were published in relevant forms of communication and were reported to Ministers via written submissions.

Financial Management

CRB and ISA Finance teams merged with the formation of the DBS on 1 December 2012 at which time the assets, liabilities and functions of the legacy organisations were transferred into the DBS. As part of the merger, the two legacy organisations converged to a new, shared Oracle based accounting system. Since the merger, work has continued across the Finance teams to ensure common practice and approach are adopted.

The OWoW project is working towards bringing the legacy finance policies and procedures together to ensure consistency across the whole of the DBS. This work will help to address any remaining differences in approaches across the two sites.

The budget for the DBS for the four months to 31 March 2013 was prepared by the legacy organisations following the Home Office business planning process. This started with bids for resources from all budget holders which were subject to scrutiny and challenge. A budget delegation was approved and issued by the Home Office in advance of the commencement date for the DBS and the budget was subsequently ratified by the DBS Board in early December 2012.

The budget for the DBS was originally set to achieve a surplus of £2.0 million, however as a result of the volumes of disclosure applications being lower than forecast, a deficit of £0.2 million was reported for the four month period to 31 March 2013.

Security Management

Following the formation of the DBS in December 2012, the DBS Senior Accreditor has undertaken a review of the security arrangements for the legacy barring system and has provided an executive summary of the key risks and issues for consideration by the Senior Information Risk Owner (SIRO).

Under the governance of the legacy organisations, both sites achieved Level 3 compliance with the Cabinet Office Information Assurance Maturity Model (IAMM). For the reporting period, compliance based on an assurance statement from the SIRO that the legacy arrangements and controls remain extant.

Programme and Project Management

From December 2012 the DBP was transferred from the Home Office to the DBS with the exception of the SRO.

The Programme Board was replaced by the Change Forum in January 2013. Programme and Project Management techniques are applied appropriately to the full range of change in the following areas:

- Terms of Reference agreed for the Change Forum, including the attendance of key suppliers.
- Governance, scope and a SRO have been determined for each of the Projects within the Programme.
- Programme and Project tolerances have been specified.
- The Programme has been fully scoped and now includes monthly reporting on seven Projects:

Programme and Project Management techniques are applied appropriately to the full range of change. Key issues include the management of suppliers across the range of projects. A challenge remains for the development of a Benefits Realisation Model to measure the outcomes of what is now a significant change programme.

Overall Assessment

This is the first period of operation for the DBS and I recognise that we have much to do to ensure that the DBS can fulfil its potential. I am, however, content that during this period we have developed and established adequate systems of internal control and governance. I have been mindful of the risks and issues that we faced, particularly related to a very significant change agenda, and will continue to direct resource to minimise risk and optimise benefit whilst ensuring that our customers remain at the forefront of all we do.

Adrienne Kelbie
Chief Executive
28 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 Disclosure and Barring Service for the period ended 31 March 2013 under the Protection of Freedoms Act 2012. 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 Board, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the Accounting Officer are 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 Protection of Freedoms Act 2012. 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 Disclosure and Barring Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Disclosure and Barring Service; 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 Disclosure and Barring Service's affairs as at 31 March 2013 and of the net expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Protection of Freedoms Act 2012 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 Protection of Freedoms Act 2012; and
- the information given in the Management Commentary 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

I have no observations to make on these financial statements.

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

04 July 2013

Statement of Comprehensive Net Expenditure
for the period 1 December 2012 to 31 March 2013

		Four month period to 31 March 2013 £'000
	Note	
Expenditure		
Staff costs	3	8,003
Depreciation	4	2,203
Other Expenditures	4	30,166
		40,372
Income		
Income from activities	5	(40,151)
		(40,151)
Net Expenditure		221

Other Comprehensive Expenditure

		Four month period to 31 March 2013 £'000
	Note	
Net (gain)/loss on revaluation of Property Plant and Equipment	7	(20)
Net (gain)/loss on revaluation of Intangibles	8	(699)
Total Comprehensive Expenditure for the four month period ended 31 March 2013		(498)

The notes on pages 46 to 64 form part of these accounts.

Statement of Financial Position

as at 31 March 2013

	Note	31 March 2013 £'000	Balance transferred at 1 December 2012 from CRB and ISA £'000	1 December 2012 £'000
Non-current assets:				
Property, plant and equipment	7	2,516	1,571	-
Intangible assets	8	24,379	21,391	-
Total non-current assets		26,895	22,962	-
Current assets:				
Trade and other receivables	11	22,672	18,192	-
Cash and cash equivalents	12	16,141	286	-
Total current assets		38,813	18,478	-
Total assets		65,708	41,440	-
Current liabilities:				
Trade and other payables	13	(29,738)	(6,980)	-
Provisions	14	(230)	(237)	-
Total current liabilities		(29,968)	(7,217)	-
Non-current assets plus/less net current assets/liabilities		35,740	34,223	-
Non-current liabilities:				
Provisions	14	(906)	(936)	-
Total non-current liabilities		(906)	(936)	-
Assets less liabilities		34,834	33,287	-
Taxpayers' equity:				
General reserve		33,757	32,851	-
Revaluation reserve		1,077	436	-
Total taxpayers' equity		34,834	33,287	-

The financial statements on pages 42 to 45 were approved by the DBS Board on 27 June 2013;

Approved by Adrienne Kelbie as Chief Executive Officer for the Disclosure and Barring Service
28 June 2013

The notes on pages 46 to 64 form part of these accounts.

Statement of Cash Flows
for the period 1 December 2012 to 31 March 2013

		Four month period to 31 March 2013 £'000
	Note	
Cash flows from operating activities		
Net Expenditure		(221)
Movements in Depreciation and Amortisation	4	2,203
(Increase)/decrease in trade and other receivables	11	(22,672)
<i>Less movements transferred from CRB and ISA on 1 December 2012 not passing through the Statement of Comprehensive Net Expenditure</i>		10,325
Increase/(decrease) in trade payables and other payables	13	29,738
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(4,025)
Use of provisions	14	1,136
Net cash in from operating activities		16,484
Cash flows from investing activities		
Purchase of intangible assets	8	(1,392)
Net cash outflow from investing activities		(1,392)
Cash flows from financing activities		
Grant in Aid		1,049
Net cash flow from financing activities		1,049
Net increase/(decrease) in cash and cash equivalents in the period		16,141
Cash and cash equivalents at the beginning of the period	12	-
Cash and cash equivalents at the end of the period	12	16,141

The notes on pages 46 to 64 form part of these accounts.

Statement of Changes in Taxpayers' Equity
for the period 1 December 2012 to 31 March 2013

		General Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
	Note			
Balance at 1 December 2012		-	-	-
Balance transferred at 1 December 2012 from CRB and ISA		32,851	436	33,287
Net Expenditure for the period		(221)	-	(221)
Grant in Aid		1,049	-	1,049
Non-Cash Adjustments:				
Net gain/(loss) on revaluation		-	719	719
Movement in reserves:				
Transfers between reserves		78	(78)	-
Balance at 31 March 2013		33,757	1,077	34,834

The notes on pages 46 to 64 form part of these accounts

Notes to the NDPB's Accounts

1. Statement of accounting policies

These 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 Disclosure and Barring Service (DBS) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the DBS for the four month period ended 31 March 2013 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 New standards

Any new standards, amendments or interpretations that have the potential to have a material impact on DBS will be identified in accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors. No standards which have been issued but are not yet effective have a material impact for the DBS.

1.2 Accounting convention

The accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant, equipment and intangible assets.

1.3 Going concern

The financial statements have been prepared on a going concern basis.

1.4 Transfer of assets and liabilities

The DBS was established under the Protection of Freedoms Act (PoFA) 2012 carrying out functions previously undertaken by the CRB and ISA. The DBS is a NDPB of the Home Office. All assets and liabilities of the CRB and ISA were transferred to the DBS on 1 December 2012. The Statement of Financial Position (SOFP) shows the impact of this transfer to the DBS. The CRB and ISA ceased to exist at the point immediately after the transfer had been effected. The assets and liabilities of the CRB and ISA were nil following the transfer of assets and liabilities.

1.5 Restatement of Accounts

In accordance with the FReM the merger of the ISA and CRB was accounted for as a transfer of assets and liabilities rather than applying full merger accounting. Prior year comparators were not required and therefore negated any restatements in the accounts.

1.6 Bank

The DBS opened bank accounts with the Royal Bank of Scotland and Citibank in preparation for the commencement date on 1 December 2012.

Income received by the DBS in relation to checks is banked into the Citibank bank account on a weekly basis.

Due to the use of a Shared Service Centre, the Home Office makes payments on behalf of the DBS. The Home Office is then refunded in return on a monthly basis.

1.7 Grant in Aid

The DBS is funded through the fee that it charges for its services as laid down in legislation. The DBS receives Grant in Aid (GIA) from the Home Office to fund expenditure that should not impact on fee payers. GIA received is credited to the General Reserve.

1.8 Income & Income Recognition

Income represents:

Fees charged to applicants for applications for Enhanced and Standard checks of prescribed criminal record information; and

Fees charged to register corporate bodies and signatories to access the criminal record process.

In line with the requirements of IAS 18 – Revenue income will only be recognised on completion of the Disclosure application process. Up until this point, income will only be recognised to the extent that the costs have been incurred.

Operating income also includes payment from the University of Teesside relating to the co-delivery of training for Barring Decision Makers. The income is subject to Corporation Tax (see 1.9).

Deferred income

Income is deferred where an application fee has been received but where the application processing has not been fully completed.

1.9 Value Added Tax (VAT) and Corporation Tax (CT)

The DBS will pay VAT on all expenditure with no reclamation. The DBS is not registered for VAT, and all figures in the accounts are inclusive of VAT.

The DBS is subject to Corporation Tax on income from the following sources:

Training Co-delivery

Interest Earned

1.10 Non-Current Assets

In accordance with FReM (12)01 the transferring assets, both tangible and intangible, have been reflected as Gross Book Values (GBV) and Accumulated Depreciation. These have been accounted for as transferred in as at 1 December 2012 and reflects the NBV in the transferor's accounts. Refurbishment works have been capitalised and written off over the remaining length of the lease agreement.

Refurbishment works have been capitalised and written off over the remaining length of the lease agreement.

In line with the DBS capitalisation policy, assets both tangible and intangible are individual items or groups of assets normally costing or valued at or above a threshold of £5,000, and with an expected life of more than one year.

An annual revaluation exercise has been conducted in accordance with appropriate Office of National Statistics indices and where a material revaluation is deemed necessary this has been taken to the revaluation reserve and/or SoCNE as appropriate. Development expenditure has been recognised as an intangible asset in accordance with IAS 38 – Intangible Assets.

Development expenditure has been recognised as an intangible asset in accordance with ISA 38 – Intangible Assets.

All non-current assets being developed and not in operation at the year end were capitalised as an asset under construction. Until the asset is ready for use, no depreciation is recognised; however, once the asset is available for use, depreciation is charged with the asset being transferred to the relevant 'Non Current Asset' register immediately. The DBS did not revalue assets under construction.

A review of assets was undertaken on 31 March 2013 to ensure that the purpose for which the asset was being constructed and its associated valuation was appropriate.

1.11 Depreciation & Amortisation

Assets in the course of construction are not depreciated until the asset is ready for use. Non-current assets are depreciated or amortised on a straight-line basis over their estimated useful lives. The useful economic lives of non-current assets are reviewed annually. The current asset lives to be applied are:

Furniture and Fittings	– 5 to 10 years
Leasehold improvements	- to correspond with end of the lease
Equipment	– 5 to 10 years
Information Technology	– from date of recognition to end of useful economic life (3 to 10 years for both PPE and Intangible assets)
Software Licenses	- from date of recognition to end of useful economic life (3 to 10 years)

1.12 Pensions

DBS employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), an unfunded multi-employer defined benefit scheme. Additionally, former ISA staff can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Detail of the annual contributions will be provided in note 3 as will additional information relating to pensions be contained within the Remuneration Report.

1.13 Provisions

In accordance with IAS 37 – Provisions, contingent liabilities and assets, the DBS will recognise in the form of a dilapidation provision its obligations to reinstate its leasehold buildings to a good state of repair at the end of the lease.

Additionally the DBS will recognise a provision for the additional cost of making payments annually to PCSPS from early departure date to normal retirement date, in respect of employees who retire early.

1.14 Reserves

Reserves constitute the following:

Revaluation Reserve - the upward revaluation amounts of property, plant and equipment and intangible assets.

General Reserve - funds accumulated by the usual operation of the business.

1.15 Research

Payments will be charged to the SoCNE.

1.16 Operating Leases

Payments will be charged to the SoCNE on a straight line basis over the life of the lease.

1.17 Commitments under PFI contracts

The DBS will account for PFI transactions under IFRIC 12 – Service Concession Agreements as it considers it controls the infrastructure in a public to private service concession arrangement.

Note 17 provides details of how the DBS accounts for such arrangements and the financial commitments outstanding.

Capita Contract

The 10 year PFI contract awarded came to an end in March 2012. However, this contract was extended to March 2013 with an option to extend for a further three months to June 2013. This option was exercised. Subsequently, as an impact of the Court of Appeal ruling in January 2013, the contract has been extended for an additional three months to 30 September 2013. As such, no amounts falling due after more than one year are applicable.

TCS Contract

Following a full competitive procurement exercise, the contract for the provision of Business Process Outsourcing (BPO) services for the DBS has been awarded to Tata Consultancy Services (TCS) with effect from October 2013. The DBS looks forward to working with our new private sector partner in the further development of the vetting service over the course of the new contract.

1.18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand.

1.19 Administration and Programme Expenditure

The SoCNE will be analysed between administration and programme as per the definition set out by HMT and interpreted by the HO. Programme expenditure relates to the delivery of frontline services and programmes. Administration expenditure relates to policy and support activities.

1.20 Critical Accounting Judgements

In applying its policies judgements, estimates and assumptions will be required by the DBS. They will be based on historical evidence and other factors considered appropriate from external sources.

2. Statement of operating costs by operating segment

					Four month period to 31 March 2013
	Operations Disclosure £'000	Operations Barring £'000	Transition £'000	Corporate Services £'000	Total Costs £'000
Staff Costs Salaries	2,776	2,341	793	2,093	8,003
Other Staff Costs	5	1	-	72	78
Subsistence	4	1	1	6	12
Travel	24	9	7	60	100
Fees and Legal Costs	45	2	-	448	495
Training	3	-	3	70	76
Public Relations	-	1	-	29	30
IT	148	-	200	2,420	2,768
Stationery	-	-	-	32	32
Accommodation	-	12	-	379	391
Police	8,108	269	-	-	8,377
PFI service charges	16,347	-	1,364	-	17,711
Other Costs	(10)	-	-	106	96
Total Costs	27,450	2,636	2,368	5,715	38,169
Non cash items					
Depreciation	-	-	-	2,203	2,203
Supplier Costs	-	-	-	-	-
	27,450	2,636	2,368	7,918	40,372
Income					
Other Income	(40,151)	-	-	-	(40,151)
Total Expenditure	(12,701)	2,636	2,368	7,918	221

A consolidated report is prepared for the DBS executive management team in order to facilitate collective decisions regarding the overall funding and resource requirements for the DBS. A summarised version of this report is prepared for the DBS Board to review.

Classification of expenditure into categories does not correlate with the analysis provided at Note 6. For example, Security expenditure is included in Accommodation costs above but as Other Expenditures rather than accommodation costs in Note 6.

Operations (Disclosure) is responsible for ensuring that the DBS delivers an effective end-to-end disclosure service for its stakeholders, which include the police, registered bodies and applicants. This involves effectively managing all aspects of service delivery and maintaining strong links with these stakeholders.

Operations (Barring) is responsible for ensuring that the DBS delivers an effective end-to-end barring service for its stakeholders, which include the police, registered bodies and applicants. This involves effectively managing all aspects of service delivery and maintaining strong links with these stakeholders.

Corporate services is responsible for ensuring that all legal and sponsorship requirements are met, while, at the same time, developing a coherent plan for corporate service activity.

Transition is responsible for coordinating and overseeing all aspects of transition to DBS and ensuring the safe close-downs of the ISA and the CRB. The directorate will also act as senior responsible owner (SRO) for new services during the transition period.

3. Staff numbers and related costs

Staff costs comprise:

	Four month period to 31 March 2013 Total	Permanently employed staff	Others
	£'000	£'000	£'000
Wages and salaries	6,490	6,117	373
Social security costs	415	415	-
Other pension costs	1,098	1,098	-
Total net costs	8,003	7,630	373

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

The PCSPS is an unfunded multi-employer defined benefit scheme but the DBS 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.gov.uk/pensions).

For the four month period to 31 March 2013, employers' contributions of £1.1 million were payable to the PCSPS 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 contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £10,664 were paid to one or more of the panel of 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 £644, 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.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

No one retired early on ill-health grounds; the total additional accrued pension liabilities in the year were £nil.

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 four month period to 31 March 2013 was as follows:

	Four month period to 31 March 2013 Total	Permanently employed staff	Others
Directly Employed	721	721	-
Other	9	-	9
Total	730	721	9

No civil service exit packages were agreed in the four month period to 31 March 2013.

A total of 718.56 FTE transferred into DBS on 1 December 2012, 471.14 FTE from CRB and 247.42 FTE from ISA.

4. Other Expenditure

	Four month period to 31 March 2013 £'000
PFI (and other service concession arrangement) service charges	17,711
Police and other data source costs	8,377
Travel, subsistence and hospitality	114
Training Costs	76
Professional fees	
Audit fees - Internal	98
Audit fees - External	128
Legal fees	75
Other professional fees	182
Subscriptions	14
Facilities Management and staff services	406
Publication, stationery and printing	33
Media and IT	42
IT running and telephone costs	2,819
Other costs	44
Non-cash items	
Depreciation	257
Amortisation	1,946
Provision movements	(23)
Bad debt movement	70
Total other expenditure	32,369
Total other expenditure excluding depreciation and amortisation	30,166

External auditors receive no remuneration for non-audit work.

5. Income

	Four month period to 31 March 2013 £'000
Income	
Fees charged for the provision of the DBS checking service	40,151
Total	40,151

5.1 Consolidated Fund Income

The amounts collected by the DBS for the Consolidated Fund are as follows:

	Four month period to 31 March 2013 £'000
Other income - interest received	2
Total	2

This balance is included within the 'Income from activities' section above. Details of Fees and Charges can be found in Note 22.

6. Analysis of net expenditure by Administration and Programme budgets

	Programme £'000	Administration £'000	Four month period to 31 March 2013 £'000
Expenditure			
Staff costs	5,631	2,372	8,003
Depreciation	2,203	-	2,203
Other Expenditures	27,613	2,553	30,166
	35,447	4,925	40,372
Income			
Income from activities	(35,226)	(4,925)	(40,151)
	(35,226)	(4,925)	(40,151)
Net Expenditure	221	-	221

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

7. Property, plant and equipment

	Leasehold Improve- ments £'000	Information Technology £'000	Equipment £'000	Furniture & Fittings £'000	Assets under Construc- tion £'000	Total £'000
Cost or Valuation						
Balance at 1 December 2012	-	-	-	-	-	-
Balance transferred at 1 December 2012 from CRB and ISA	3,537	11,864	408	2,506	-	18,315
Additions	-	-	-	-	1,182	1,182
Revaluations	-	46	-	4	-	50
At 31 March 2013	3,537	11,910	408	2,510	1,182	19,547
Depreciation						
Balance at 1 December 2012	-	-	-	-	-	-
Balance transferred at 1 December 2012 from CRB and ISA	(3,537)	(11,425)	(380)	(1,402)	-	(16,744)
Charged in year	-	(91)	(27)	(139)	-	(257)
Revaluations	-	(27)	-	(3)	-	(30)
At 31 March 2013	(3,537)	(11,543)	(407)	(1,544)	-	(17,031)
Net Book Value at 31 March 2013	-	367	1	966	1,182	2,516
Net Book Value at 1 December 2012 (following transfer)	-	439	28	1,104	-	1,571
Net Book Value at 1 December 2012	-	-	-	-	-	-
Asset financing:						
Owned	-	-	1	966	1,182	2,149
Finance leased	-	73	-	-	-	73
On balance sheet PFI contracts	-	294	-	-	-	294
Net book value at 31 March 2013	-	367	1	966	1,182	2,516

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.

8. Intangible assets

	Information Technology £'000	Software Licenses £'000	Assets under Construction £'000	Total £'000
Cost or Valuation				
Balance at 1 December 2012	-	-	-	-
Balance transferred at 1 December 2012 from CRB and ISA	71,723	485	13,998	86,206
Additions	-	-	4,235	4,235
Reclassifications	1,363	-	(1,363)	-
Revaluations	9,085	-	-	9,085
At 31 March 2013	82,171	485	16,870	99,526
Amortisation				
Balance at 1 December 2012	-	-	-	-
Balance transferred at 1 December 2012 from CRB and ISA	(64,381)	(434)	-	(64,815)
Charged in year	(1,930)	(16)	-	(1,946)
Revaluations	(8,386)	-	-	(8,386)
At 31 March 2013	(74,697)	(450)	-	(75,147)
Net Book Value at 31 March 2013	7,474	35	16,870	24,379
Net Book Value at 1 December 2012 (following transfer)	7,342	51	13,998	21,391
Net Book Value at 1 December 2012	-	-	-	-
Asset financing:				
Owned	-	-	4,235	4,235
Finance leased	66	35	-	101
On balance sheet PFI contracts	7,408	-	12,635	20,043
Net book value at 31 March 2013	7,474	35	16,870	24,379

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.

9. Financial Instruments

IFRS7 requires disclosure in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments, and how they are managed.

Because of the largely non-trading nature of its activities, the DBS is not exposed to the degree of financial risk faced by business entities.

The DBS has no powers to borrow, invest surplus funds or purchase foreign currency. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the department in undertaking its activities.

The DBS has no borrowings, relies primarily on income from Disclosures and is therefore not exposed to liquidity risks. The DBS also has no material deposits and all material assets and liabilities are denominated in Sterling, so it is not exposed to interest rate or currency risk. The DBS holds cash assets of £16.1m in its own RBS Bank Account for receipts.

The maximum exposure to the DBS is credit risk to the value included in payables totalling £29.7 million.

The total value of receivables at 31 March 2013 amounted to £22.7 million.

10. Impairments

The DBS had no impairments at 31 March 2013.

11. Trade receivables and other current assets

	31 March 2013 £'000	Balance transferred at 1 December 2012 from CRB and ISA £'000	1 December 2012 £'000
Amounts falling due within one year:			
Trade receivables	13,803	15,490	-
Staff receivables	35	39	-
Other receivables	-	11	-
Prepayments and accrued income	8,834	2,652	-
Total	22,672	18,192	-

11.1 Intra-Government balances

Amounts falling due within one year			
Balances with other central government bodies	381	300	-
Balances with police and local authorities	3,659	4,831	-
Balances with NHS trusts	1,044	1,144	-
Intra-Government balances	5,084	6,275	-
Balances with bodies external to government	17,588	11,917	-
Total	22,672	18,192	-

12. Cash and cash equivalents

	31 March 2013 £'000
Balance at 1 December 2012	-
Balance transferred at 1 December 2012 from CRB and ISA	286
Net change in cash and cash equivalent balances	15,855

Balance at 31 March 2013	16,141
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The following balances were held at:

Government Banking Service	16,141
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Balance at 31 March 2013	16,141
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13. Trade payables and other current liabilities

	31 March 2013 £'000	Balance transferred at 1 December 2012 from CRB and ISA £'000	1 December 2012 £'000
Amounts falling due within one year:			
Trade payables	15,318	32	-
Accruals and deferred income	14,420	6,948	-
Total	29,738	6,980	-

13.1 Intra-Government balances

Amounts falling due within one year

Balances with other central government bodies	15,860	399	-
Balances with police and local authorities	4,278	3,693	-
Balances with NHS trusts	-	96	-
Intra-Government balances	20,138	4,188	-
Balances with bodies external to government	9,600	2,792	-
Total	29,738	6,980	-

14. Provisions for liabilities and charges

	Early departure costs £'000	Dilapidations £'000	31 March 2013 Total £'000
Balance at 1 December 2012	-	-	-
Balance transferred at 1 December 2012 from CRB and ISA	205	968	1,173
Provisions not required written back	-	(5)	(5)
Provisions utilised in the year	(14)	-	(14)
Borrowing costs (Unwinding of discount)	(18)	-	(18)
Balance at 31 March 2013	173	963	1,136

Analysis of expected timing of discounted flows

	Early departure costs £'000	Dilapidations £'000	Total £'000
Not later than one year	40	190	230
Later than one year and not later than five years	122	773	895
Later than five years	11	-	11
Balance at 31 March 2013	173	963	1,136

14.1 Early departure costs

The DBS meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The DBS provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.35% in real terms.

14.2 Dilapidations

For property provisions, the DBS recognises 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 for Stephenson House in Darlington was based on the original contractual agreement between the ISA and the landlord which has now passed to DBS along with the contractual agreements for Shannon Court and India Buildings in Liverpool and India Mill in Darwen. In line with IAS 37 Provisions, contingent liabilities and assets, the costs of reinstatement for Stephenson House have been recognised as a tangible non-current asset, part of furniture & fittings, and are depreciated over the period to the second break clause of the lease which is seven years. The discount factor used in the calculation of the provision is a negative 1.58%.

15. Capital commitments

The DBS had no Capital commitments as at 31 March 2013.

16. Commitments under leases

16.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2013
	£'000
Obligations under operating leases for the following periods comprise:	
Buildings	
Not later than one year	561
Later than one year and not later than five years	140
Later than five years	-
	<hr/> 701 <hr/>

The operating lease for the rent on Stephenson House is 10 years from July 2007 to July 2017 with a break clause at five, seven 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 DBS must give written notice six months prior to the break date. A break fee of three months rent plus VAT is payable to exercise the first break clause. A decision was been taken not to exercise the 2012 break clause. The figures above do not include any provision for the rent reviews which are due after five 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.

The leases for Shannon Court, Liverpool and India Mill, Darwen are currently held by Capita and will continue to be until the expiry of the Capita contract on 30 September 2013. The three leases pertaining to Shannon Court only will be assigned to DBS with effect from 1 October 2013.

17. Commitments under PFI contracts

17.1 On-balance sheet (SoFP):

Capita

2011-12 was the final year of a 10 year PFI contract to provide the CRB checking service. Under IFRIC 12, assets were treated as assets of the DBS. The substance of the contract was that the CRB had a finance lease and that payments comprised two elements - imputed finance lease charges and service charges. At the end of March 2012 the finance lease creditor was fully settled. As a result, a lease arrangement no longer exists, and payments will no longer be split between imputed finance lease charges and service charges. Upon expiry of the contract the DBS reserve the option to retain or transfer the title of the technical infrastructure for the payment of a nominal sum. All CRB assets were transferred to DBS on 1 December 2012.

A contingency arrangement to extend this contract has been put in place until October 2013. Consequently, payments made for the DBS checking service have been charged in full to the SoCNE since 1 December 2012. The financial commitment under this scheme is £18.8m due in the financial year 2013-14.

TCS

A new five year PFI contract was signed with Tata Consultancy Services (TCS) to commence October 2013. The overall value of the contract is £170m. A milestone payment relating to capital of £3.9m was made in 2012/13. The total Financial commitments detailed below for TCS therefore total £166m. Capital commitments under the contract total £30m.

Commitments due in not later than one year relate to payments due to both Capita & TCS.

	31 March 2013 £'000
Total obligations under on-balance sheet (SoFP)	
service concession arrangements for the following periods comprises:	
Not later than one year	67,738
Later than one year and not later than five years	94,922
Later than five years	22,401
	185,061
Less interest element	(5,347)
Present value of obligations	179,714
	31 March 2013 £'000
Present value of obligations under on-balance sheet service concession arrangements for the following periods comprises:	
Not later than one year	66,124
Later than one year and not later than five years	91,189
Later than five years	22,401
	179,714

17.2 Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the SoCNE in respect of the service element of on-balance sheet (SoFP) PFI transactions was £17.7 million; and the payments to which the DBS is committed is as follows:

	31 March 2013
	£'000
Not later than one year	37,719
Later than one year and no later than five years	94,922
Later than five years	22,401
	<hr/> 155,042 <hr/>

18. Other Financial Commitments

The DBS has no Financial Commitments other than those disclosed in Note 16 and Note 17.

19. Contingent liabilities

The DBS had no contingent liabilities as at 31 March 2013.

20. Related-party transactions

The Home Office is the sponsor department of the DBS and is regarded as a related party. During the four month period to 31 March 2013 the DBS 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:

Police authorities were regarded as related parties. The DBS incurred costs of £8.4m with police authorities in respect of running and set up costs.

Included within the total expenditure with the Police was £0.5m for DBS transactions with the National Policing Improvement Agency (NPIA) to allow access to PNC checks for DBS staff.

The DBS had transactions with the Security Industry Authority (SIA) between December 2012 and March 2013 of £0.9m relating to income for DBS checks carried out during the four month period.

The DBS had transactions with the Ministry of Justice (MoJ) between December 2012 and March 2013 of £0.1m relating to the hosting of the e-bulk service.

In addition, the DBS had a small number of material transactions with other government departments and other central government bodies.

The DBS maintains 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 four month period to 31 March 13 the Lucy Faithful Foundation of which Donald Findlater, DBS Board member is a director, did not have any transactions with DBS. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

21. Losses and Special Payments

a. Losses: DBS did not have any write off for all relevant losses during the four month period to 31 March 2013.

b. Special payments: There were 14 cases of ex-gratia payments as at 31 March 2013. The total amount paid was £13,032. These payments relate to claims from members of the public for loss of earnings as a result of delays in the DBS checking service and claims of maladministration. There were no single payments above £250,000.

c. Revaluation: DBS had a total upward revaluation of £719,000 during the four month period to 31 March 2013.

22. Fees and charges for the four month period ended 31 March 2013

The DBS has a financial objective to achieve full-cost recovery.

Activity	Income	Costs	31 March 2013 Surplus/ (Deficit)
	£'000	£'000	£'000
Enhanced DBS checks	37,886	(38,368)	(482)
Standard DBS checks	1,954	(1,752)	202
DBS Adult First	296	(224)	72
Other*	15	(28)	(13)
Total	40,151	(40,372)	(221)

*Other relates primarily to income (and associated costs) for applications by Registered Bodies and Counter signatories.

Total costs are apportioned to the appropriate income stream based on volumes, with the exception of Police and Barring costs, which are allocated to Enhanced DBS checks only.

This information is provided for the Fees and Charges note only and not for IFRS 8 purposes. For IFRS 8 purposes please refer to Note 2 Statement of operating costs by operating segment.

Notional Cost per paid Application (£) for the four month period to 31 March 2013

	Costs £'000	Applications '000	Notional Cost £
Enhanced DBS checks	38,368	1,138	33.71
Standard DBS checks	1,752	78	22.46

* Cost of processing a paid DBS check application based on 22.75% of the application figure shown above being free-of-charge. Used for full-cost recovery purposes.

23. Events after the Reporting Period

These accounts were authorised for issue by the Chief Executive on the date that the accounts were certified by the Comptroller & Auditor General.

The Update Service

The commencement of the new online checking service, the Update Service, was 17 June 2013. This will help ensure that DBS checks are, in effect, portable thereby reducing the need for multiple checks.

Court of Appeal Ruling

On 29 January 2013, the Court of Appeal held that Part V of the Police Act 1997 and the Exceptions Order to the Rehabilitation of Offenders Act 1974 were incompatible with Article 8 of the European Convention on Human Rights (ECHR). Provisions within these two pieces of legislation support the disclosure service.

Following the judgment, Home Office, in conjunction with the Ministry of Justice, have developed a set of rules to determine if and when a caution or conviction should be filtered, allowing the DBS to develop a process to implement these rules with effect from 29th May 2013.

Since the period end, the government has leave to appeal this ruling.

Glossary

ACPO	Association of Chief Police Officers
ARC	Audit and Risk Committee
BCP	Business Continuity Plan
BPO	Business Process Outsourcing
CETV	Cash Equivalent Transfer Value
CFER	Consolidated Fund Extra Receipts
CPI	Consumer price index
CRB	Criminal Records Bureau
CSR	Corporate and Social Responsibility
DBS	Disclosure and Barring Service
DEFRA	Department for Environment, Food & Rural Affairs
DfE	Department for Education
DoH	Department of Health
e-Bulk	Multiple electronic applications and results
ECHR	European Convention on Human Rights
F&P	Finance and Performance Committee
FOI	Freedom of Information
FReM	Government Financial Reporting Manual
GBS	Government Banking Service
GCOF	Government Carbon Offsetting Fund
GDP	Gross Domestic Product
GGC	Greening Government Commitments
GIAS	Government Internal Audit Standards
HR	Human Resources
IAMM	Information Assurance Maturity Model
IAO	Information Asset Owners
IAU	Internal Audit Unit
ICM	Independent Complaints Monitor
ICO	Information Commissioners Office
IFRS	International Financial Reporting Standards
ISA	Independent Safeguarding Authority
JCNC	Joint Consultation and Negotiation Committee
KPI	Key Performance Indicator
MoJ	Ministry of Justice
NAO	National Audit Office
NDPB	Non-departmental public body
NPIA	National Policing Improving Agency
OGD	Other Government Departments
OJEU	Official Journal of the European Union
OWOW	One Way of Working
PCSPS	Principal Civil Service Pension Scheme
PHSO	Parliamentary and Health Service Ombudsman
PNC	Police National Computer
PoFA	Protection of Freedoms Act

POISE	Procurement Of Information Systems Effectively
PSS	Public Service Standard
PPP	Public-Private Partnership
RIF	Risk Improvement Forum
RMF	Risk Management Framework
SCS	Senior Civil Servants
SIRO	Senior Information Risk Owner
SMES	Small and Medium Sized Enterprises
SMT	Senior Management Team
SIA	Security Industry Authority
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SoCTE	Statement of Changes in Taxpayers Equity
SPPU	Safeguarding & Public Protection Unit
SRO	Senior Responsible Owner
SSRB	Senior Salaries Review Board/Body
TCS	Tata Consultancy Services
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
VBS	Vetting and Barring Scheme

Notes

Notes



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