



Independent Safeguarding Authority

# **Annual Report and Accounts 2011/12**





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

**Ordered by the House of Commons to be printed 12 July 2012**

**HC 356 London: The Stationery Office £17.00**

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ISBN: 9780102976441

Printed in the UK for The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID P002485786 06/12

Printed on paper containing 75% recycled fibre content minimum.

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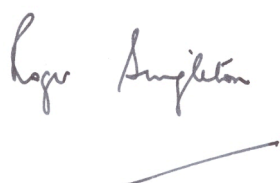
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The Independent Safeguarding Authority's (ISA) task is to decide who it is appropriate to statutorily bar from working with children or vulnerable adults. Some of these people have committed such serious offences that the law requires us to bar them automatically. Others are referred by their employers (including organisers and managers of unpaid members of staff who volunteer their services) following dismissal or removal for inappropriate conduct. The ISA then has to exercise its judgement as to whether or not they should be barred. During the year a total of 11,618 people were automatically placed on the Barred Lists. A further 467 were placed on the lists following referral by their employers.

In October 2010 the Coalition Government began a review of the Vetting and Barring Scheme and the outcome of the review was announced in February 2011. Since then the major recommendations have been incorporated into the Protection of Freedoms Act (2012) which received Royal Assent in May 2012. The Act's provisions in particular will create new disclosure and barring services and abolish the need to register with the Scheme. The Act will also merge the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority into a single, new Non-Departmental Public Body. The ISA has contributed its knowledge and experience of safeguarding work to inform these changes.

High profile cases throughout the year have forcefully reminded us of the appalling consequences of abuse when perpetrated by people in positions of trust who perform caring and educational tasks in relation to children and vulnerable people. We welcome the emphasis placed on employers to ensure that criminal record disclosures are obtained in a timely way and that barred people are not able to work in regulated activity. In addition, employers will need to ensure that the full range of staff recruitment, selection, training, support and supervision processes are effectively carried out.

The ISA has existed for three years and 2011/2012 will be its final full year before it merges with the CRB to form the new Disclosure and Barring Service (DBS). It is therefore highly appropriate that I express my gratitude to Adrian McAllister for his excellent leadership and management of the organisation; to the members of staff who have shown such strong commitment to safeguarding within a high performance culture; and to my fellow Board Members who have carried the ultimate responsibility for the governance of the ISA and the barring decisions which have been taken.

A handwritten signature in cursive script that reads "Roger Singleton". Below the signature is a horizontal line that tapers to a point on the right side.

Sir Roger Singleton, ISA Chair

Throughout the year all ISA employees have maintained their commitment to deliver 'high performance in everything we do'. This approach has ensured that we have remained ambitious when setting and meeting our performance targets during a challenging time.

The year has been one of some uncertainty for the ISA. In particular, the details of the Government's Protection of Freedoms Act (2012) and the ISA's merger with the CRB into a new Non-Departmental Public Body could easily have become distractions from ISA 'core business'. Everyone at the ISA has shown considerable resilience and focus throughout the year and is looking forward to working ever more closely with colleagues from the CRB.

During the year we were able to contribute to the Government's review of vetting and safeguarding arrangements and we are now working to ensure that there is an efficient and professional transition to the new organisation.

Of course it has also been vital for us to maintain our primary responsibility – barring decision-making. In doing so we have ensured that important aspects of casework, such as quality assurance, are given the utmost priority. We have also worked hard to ensure that casework progression is carefully balanced with the absolute need to make properly informed and considered judgements.

Finally, none of what the ISA has achieved could have happened without the excellent staff and in particular the support given to me by my Executive Team. I am convinced that the commitment and talent of all ISA employees will contribute hugely to the effective delivery of the new DBS.



Adrian McAllister, ISA Chief Executive and Accounting Officer

## ISA Vision

The following describes how we have translated our statutory responsibilities into a vision for safeguarding and into objectives that are at the core of our organisational plans. Our vision clearly expresses what we have sought to achieve.

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

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

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

We adopted seven strategic objectives to help ensure we deliver our responsibilities to a high standard and in a cost effective manner. Our objectives were reassessed during 2011/12 following the outcomes of the reviews of the Vetting and Barring Scheme and Criminal Records Regime and the planned creation of the single disclosure and barring organisation – the DBS. It is in that context that we continue to respond positively to our changing operational and organisational environment.



## The benefits we bring

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

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

We bring the following benefits to this difficult but necessary work:

- we are an independent decision-making body
- our barring decisions are undertaken using a fair and consistent method across all employment sectors
- barring decisions are made by our uniquely trained, accredited decision-makers
- our barring decision-making process is transparent. Where we propose to bar a person from working with children and/or vulnerable adults through our discretionary powers, we share all the information we are relying upon to reach this position with the person under consideration
- the legal duty on employers and other bodies to refer safeguarding information to us ensures that we have the relevant information we need to make barring decisions
- we share safeguarding information with regulators such as the General Medical Council and inspectorates such as Ofsted and the Care Quality Commission
- as we and our processes further develop we will be able to share our knowledge and experience of the people who are referred to us and the people on whom we place a bar to better inform safer recruitment practices
- we are able to support the criminal justice process by providing evidence packs to the police on people who are suspected of trying to work or volunteer whilst barred, with children and/or vulnerable people

## Our Achievements

Number of people placed on barred lists since October 2009, and still on the lists at 31 March 2012

ISA's Children's List	46,557
ISA's Adults' List	43,249
The total number of people barred across both lists	48,485

This comprises the England and Wales lists and the Northern Ireland lists.

2011/12 statistics

Numbers of referrals received and processed	6,222
Number of Automatic Bars*	11,618
Number of Discretionary Bars*	467

\* Some of these people will have subsequently been removed from the list or lists. This can happen through the automatic barring with representations process; following notification that the person has died; or where late representations have been submitted and considered [ or where an appeal has been granted .

### **Achievements against our strategic objectives**

In 2011, the ISA developed a three year Corporate Plan which set out our priorities for delivering our strategic objectives. We have summarised (below) our main achievements against these priorities in 2011/12, which was the first year of the three year plan.

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

Corporate Plan priorities: (1) Raise external awareness of safeguarding responsibilities and requirements (2) Make and communicate our case decisions promptly

Our most important responsibility is to consider whether a person referred to us should be barred from working or volunteering with vulnerable groups.

#### (1) Raising awareness

The ISA has a clear responsibility for making referral procedures accessible and understandable. We achieved this during 2011/12 by:

- Providing further explanatory information on the ISA's role and work on our website. 99% of the ISA's stakeholders say they are clear about the ISA's role.

- Helping organisations better understand their safeguarding referral duties through workshops, road shows, media articles, partner website content and improved ISA website content.

(2) Make and communicate our decisions promptly

Making and communicating our decisions promptly improves safeguarding and lets people referred to us know about their situation as soon as possible. We set targets for these important aims, which we exceeded during 2011/12:

- Where we have discretion whether to bar or not, we aimed to close 55% of cases within 55 working days and 75% within 110 working days. In 2011/12 we achieved 66% and 85% respectively.
- Where the nature of the offence or conduct is such that a person is automatically barred, we aimed to close 95% of cases within 25 days. In 2011/12 we achieved 99%.

Communicating decisions promptly

- We aimed to tell all the people referred to us about our decision within two working days of us making the decision. In 2011/12 this was achieved.

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

Our Corporate Plan priorities are to: (1) Assess the impact of and react to changes in the Protection of Freedoms Bill (2) Learn from our Board's expertise and from each other (3) Deliver excellent training.

Safeguarding cases can be complex and must be handled expertly, sensitively and without prejudice. We recruit and develop our caseworkers to ensure this happens; and we continuously learn from our experiences to improve the barring decision-making process.

(1) Assess and react to changes in safeguarding legislation

We have worked closely with our cross-departmental government partners and the CRB to assess and contribute to the proposed changes brought about by the Protection of Freedoms Bill.

(2) Learn from our Board and from each other

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

- ISA Board involvement in quality assurance work
- Creating a specialist quality assurance team, which reviews the quality of our casework.

### (3) Deliver excellent training

Achieving such high standards requires considerable investment in, and the commitment of, our caseworkers and support staff. During 2011/12:

- Our caseworker accreditation programme was shortlisted for a National Training Journal award

Strategic objective 3 - To be a highly regarded public body that has the confidence of the public and of other stakeholders

Our Corporate Plan priorities are to: (1) Set and achieve high standards of service for our customers (2) Be open and accessible through strong internal systems (3) Reflect the diversity of staff and stakeholders in everything we do, and treat everyone fairly (4) Be environmentally responsible.

We treat everyone we work with as a customer - deserving the highest standard of service from us.

### (1) High standards of customer service

We aim to treat everyone who contacts us with respect. This includes listening, being courteous and empathetic, and not pre-judging people. In 2011/ 12, we continued to strengthen our customer service processes.

- We adopted a customer services charter, which sets out our aims. This will form the basis of a more detailed customer service strategy.
- We trained all relevant staff on the new charter and in call handling.
- Those who call us can be very stressed and concerned, so we have specialist guidance and training for our staff to deal with these situations.
- We have set and achieved targets in acknowledging referrals and general correspondence.

### (2) Be open and accessible

We hold a great deal of very sensitive information about people. However, we aim to be as open and accountable as the laws of privacy and data protection allow. For instance, the Freedom of Information Act (FOI), which gives everyone the right to request information held by public sector organisations, did not apply to the ISA until 1<sup>st</sup> October 2011. Nevertheless, we complied fully with the Act's requirements on a voluntary basis. In 2011/12 we had 29 FOI requests.

A very small proportion of our contacts result in some dissatisfaction, expressed in the form of a complaint. We take these seriously and aim to resolve these quickly and reasonably, within tight target times. We also receive compliments about how well individual staff have dealt with customers. We value this feedback.

We have introduced a facility that enables Members of Parliament to support any constituents who seek their advice following a referral to the ISA or a bar by the ISA by developing a page on the EPolitix website. We hope this information will ensure that MPs have an understanding of our processes and decision-making.

### (3) Diversity and equality

We work hard to make the ISA open and accessible and this includes removing barriers, such as language or cultural differences. In 2011/12:

- The Welsh Language Board approved the ISA's Welsh language scheme.
- We introduced a translation service for people who may need additional language support, so that we can ensure effective communication throughout the referral and barring process.
- We have scrutinised all our main corporate policies, including our discretionary barring decision-making process, to ensure they meet the requirements of equality and human rights legislation.

### (4) Environmental responsibility

Our sustainability aim is to reduce the impact of the ISA's business on the environment. Improving sustainability within the organisation is closely linked to our work on value for money. Procurement work processes include sustainable and environmental assessments, and the ISA actively supports local suppliers to reduce the environmental impact through procurement. For more information on our commitment to sustainability please see page 24.

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

Our Corporate Plan priorities are to (1) Undertake research to inform safeguarding policy development (2) Use our unique expertise to strengthen safeguarding policy and practice

The ISA is in a unique position to use its expertise and increasing knowledge and understanding to support the development of workplace safeguarding policy and practice. Our Board members continue to do this, through their extensive roles outside the ISA.

- The ISA's first major external research project was completed in March 2012 and we are evaluating its findings. We expect this to inform policy and employers' safeguarding practice in relation to the protection of children and vulnerable adults in the workplace.

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

Our Corporate plan priorities are to (1) Maintain the highest standards of information security (2) Ensure all our staff are fully aware of information security requirements, risks and of their responsibilities (3) Contribute to information – sharing initiatives, to improve safeguarding and to reduce costs.

The nature of the ISA's business means that we hold a large volume of personal and sensitive information about the people referred to us. We have very strong security arrangements to prevent unauthorised access to this information.

(1) Maintain the highest standards of information security

- During 2011/12 the ISA experienced no loss of confidential information or unauthorised access to it. We tested our security arrangements by comparing them against a Government model approach and achieved a high level of compliance.
- A review of our Business Impact Levels of Information confirmed that our security controls are in line with current Cabinet Office guidance.

(2) Ensure all our staff are fully aware of information security issues

We recognise that all our staff are part of the ISA's security processes and so we make sure that they are well trained in and aware of security issues. In 2011/12:

- 99 per cent of ISA staff received training in basic information security policy and practice.
- ISA staff with specific information security responsibilities and ISA Board Members received more detailed training.

(3) Contribute to information – sharing initiatives

- We provided evidence packs to the police on people who are suspected of trying to work or volunteer, whilst barred, with children and/or vulnerable people

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

Our Corporate Plan priorities are to: (1) Provide the taxpayer with good value for money (2) Improve continuously the way we do things, including how we measure, report on and improve our performance across all our activities. (3) Continue to strengthen the way we manage risks, for instance, by working better with partners on shared risks (4) Contribute to better integration of information technology across government departments.

We continue to demonstrate that we spend public money wisely.

#### (1) Providing value for money to the taxpayer

- We underspent against our approved 2011/12 budget delegation by £2.6m and were able to return this money to the Home Office (HO).

#### (2) Improving continuously

- We use independent external assessors to report on the quality of our systems and controls. In 2011/12 the Home Office's Audit and Assurance Unit undertook seven such reviews. They gave five of these the highest available rating and the other two their second highest rating.
- We completed a rigorous mapping and testing of all of our key business processes. This has ensured consistency of practice across the ISA and identified improvements. It also provided very useful information for our new workforce planning model, which is enabling us to plan our workforce needs much more accurately.

We do as much as we can to help the financial situation of our suppliers by paying their invoices promptly.

- We aimed to pay 80% of invoices with no query on them within five working days but we exceeded this by paying 96% within this time limit.

#### (3) Continue to strengthen the way we manage risks

- Our approach to risk management was already embedded within the organisation, but in 2011/12 we also introduced a monthly meeting on risk with our partners – such as the CRB and across Government departments. This helps all organisations to identify and manage shared risks more effectively.

#### (4) Better integration of information technology across government

The ISA is collaborating in a very substantial project, which is aimed at identifying a new IT and Business Process Operator for the ISA and the CRB. This is expected to result in more efficient processes.

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

Our Corporate Plan priorities are to: (1) Ensure our values are reflected in the way we deal with each other on a day-to-day basis (2) Support teams and individuals in their own development and in the development of the organisation (3) Support our staff to cope with the stresses inherent in the complex and sensitive nature of safeguarding cases.

We know that our staff are our most valuable resource and the key to our success. We treat their wellbeing as a high priority.

(1) Reflect our values in the way we deal with each other

We have adopted organisational values, which set out how we deal with each other and those with whom we work. To help deliver these on a day-to-day basis, we have created and implemented a fair treatment policy.

In 2011/12, a survey of ISA staff told us that over 92% of our staff understand our values and how they apply.

(2) Support teams and individuals to develop

We know that we will only continue to be successful and improve if we support our staff to develop in all their roles. To achieve this, in 2011/12:

- We began Phase 2 of a targeted management and leadership programme for all ISA managers, to ensure our staff receive excellent leadership training that enables them to perform at their highest levels.
- All our staff get feedback about their achievements and the areas in which they can further improve. This is important to them and to the ISA. All these reviews were undertaken on time in 2011/12.

(3) Support staff to deal with work pressures

Our caseworkers deal with challenging information as part of their work. The ISA therefore treats the wellbeing of its staff as a high priority. To continue this, in 2011/12:



- The ISA achieved the Darlington Investors in Health Award – Foundation level, which recognises the work we do for employees' health and wellbeing
- We offered individual well-being sessions on a voluntary basis
- We delivered change workshops for all employees to support people during periods of change

In addition to these achievements, we have also succeeded in other valuable areas in our aim to be an excellent organisation.

### **Process improvements**

- A process mapping, testing and improvement exercise covering the end to end operational processes was delivered resulting in greater consistency and efficiency of operations.
- A new operational structure was created which saw a reduction in the number of decision-making teams; the disbanding of the determination team (which had been responsible for the migration of people from the previous Barred Lists) and the creation of an Appeals team and a Quality Assurance team, to support improvements in consistency and best practice throughout the organisation. The ISA's Automatic Barring team, Central Operations Support team and HUB team (a centralised resource involved in the early stage assessment of referrals) also remain.

### **Employee development**

A broad range of learning and development opportunities are provided to all employees across the ISA. The main focus has been on ensuring that staff have the necessary skills and knowledge to achieve business objectives and priorities.

- We promoted opportunities for ISA employees to undertake vocational qualifications in recognition of individual preferences for learning
- We developed a series of short 'attachments' for staff to work at partner organisations such as the police and local safeguarding organisations

### **Promoting equality, diversity and human rights**

We continued to deliver our equality priorities as we outlined in our Equality and Diversity Strategy 2011/2014.

- We developed and implemented an equality and human rights analysis process
- Our Fair Treatment Policy for our customers and employees was implemented

We have now taken steps to embed equality work into our normal day-to-day practices by handing over the ownership of equality actions to individual directorates. The creation of our Equality and Diversity Strategy Group has confirmed our continued commitment to this work.

## **Finance**

- We delivered a long term finance model linked to workforce planning and based upon our current responsibilities.
- We successfully reduced our creditor payment terms to five days.

## **Risk management**

A risk management framework has been established for the ISA that provides a structured process for risk identification, escalation and management.

Risk is reported upon and considered at all meetings of the ISA Board; the Audit and Risk Committee (ARC); all formal Executive Management Team (EMT) meetings; and at the quarterly meetings of the Management Board; all of which have a formal risk register. This approach ensures that risk management is cascaded throughout the ISA with managers taking responsibility for managing specific risks within their designated area of responsibility. For further information on our risks and how we manage them, please go to page 40.

## **Change management**

We have administered an effective ISA change management process to ensure a structured and efficient approach to continuous improvement within the organisation and to the way we deliver our services.

## **Community involvement**

Our staff are committed to playing a positive role in their communities, particularly through their involvement in a range of charity work and fundraising. During the year we raised almost £2,500 for charitable causes, including Breakthrough Breast Cancer, Macmillan Cancer Care, the Samaritans and Barnardo's. We also 'adopted' a local hospice – St Teresa's – as a key charity. ISA staff also worked with the Women's Royal Voluntary Service (WRVS) over the Christmas period to provide and deliver hampers to older people living in and around Darlington. As well as food, the hampers included books, audio-books, warm clothing and DVDs.

## Our contribution to wider Coalition Government Objectives

### Coalition Government Objectives

We contribute to the Coalition Government's wider objectives:



#### Home Office Objective 5:

**To protect people's freedoms and civil liberties**

*(Ensure appropriate solutions to safeguarding and public protection challenges)*



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

(Source: Department for Education Business Plan)



#### *Reform Social Care*

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

(Source Department of Health Business Plan)

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

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

## Management commentary

### Performance

We are committed to delivering high quality performance and services to help us to achieve organisational excellence. Our policies and targets support us in maintaining our status as a high performing public body.

### Key performance indicators

A number of key performance indicators are stated below:

<b>Performance Indicator</b>	<b>Target 2011/12</b>	<b>Actual 2011/12</b>
Automatic Barring cases approved within 25 working days (where all information is available) and the person is placed upon the Barred List/s	95%	99%
Independent decision-making cases closed within 110 working days	75%	85%
Independent decision-making cases closed within 55 working days	55%	66%
Availability of our casework IT systems	98.5%	100%
Complaints – Stage 1 responded to within 15 working days	85%	86%
Complaints – Stage 2% responded to within timescale (30 working days)	85%	100%
Average employee turnover	<10%	8.00%
Average number of days lost to sickness absence per employee	8 days	7.96
Employees who understand our values	80%	93%
Successful bids received from local suppliers	15%	47%
Creditor invoices paid within 5 days	80%	96%
Stakeholders say they are clear about our role	80%	99%

### ISA casework

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

We understand that the effect of a bar on a person's life and career is significant and we are committed to being fair in our barring decision-making. We are also acutely aware that by barring those who pose a risk of harm we can help reduce abuse, whether physical, sexual, emotional, financial or through neglect.

As of 31 March 2012, the number of people on each of the ISA's Barred Lists was:

List	Number As at March 2012	Number As at March 2011
Adults'	43,249	32,216
Children's	46,557	35,654

The total number of people barred across both lists (as of March 2012) is 48,485. Please note that some people are on both lists.

### Referrals from employers and other organisations

- During the year April 2011 until March 2012 we received and processed 6,222 referrals for consideration, averaging 518 referrals per month

### Sector-specific referral information

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

	2011/2012	%
Education LEA	258	4
Education Independent sector	249	4
Care Homes / Domiciliary Care	2,327	37
NHS	217	3
Health & Social Care	795	13
Local Authority	894	14
Faith	33	0.5
Sport / Recreation	97	2
Personnel Supplier	72	1
Voluntary	92	1
Prison / Probation	34	0.5
Police	165	3
Professional Regulators	688	11
Other	301	5

## Removals from ISA Barred Lists

A person may also be removed from a Barred List when they have been added on the list because they were convicted or cautioned for an offence that falls under the 'Automatic Barring with Representations' provisions. The Safeguarding Vulnerable Groups Act 2006 (SVGA) requires that convictions or cautions for specified offences result in an Automatic bar from working with children and/or vulnerable adults. In all but the most serious offences the person has the right to make representations (provide information to us) as to why the bar should be removed.

Therefore, once the ISA has the opportunity to consider a person's representations and comes to a decision that it is not appropriate for them to remain on the Barred List, the person can be removed from the Barred list. Additionally, people can be removed through a review, if they are deceased and through the determination process or as a consequence of an appeal.

## Information governance

Up until the end of September 2011 the ISA had not been subject to the Freedom of Information (FOI) Act 2000, although requests for information had always been processed as if the Act applied. However, in October 2011, the ISA was included within the Freedom of Information (Additional Public Authorities) Order 2011 (2011 No 1041) bringing us fully under the powers of the Act.

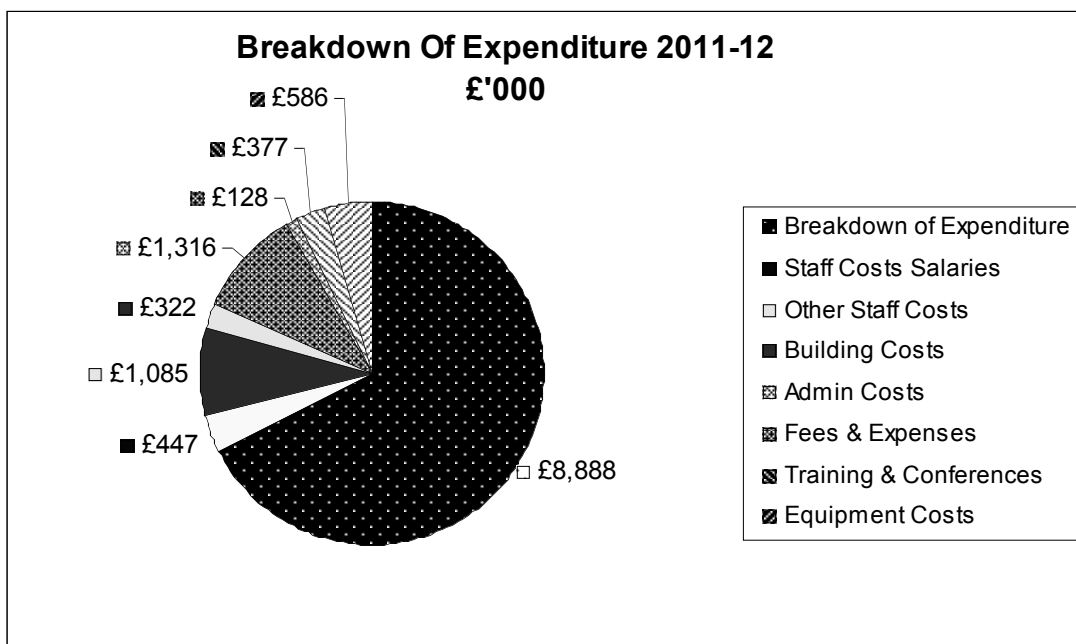
Subject Access Requests (SAR) received during 2011/12	97
Subject Access Requests responded to during 2011/12 (this included SARs received at the end of the last financial year)	102
Subject Access Request's responded within timescale	100%
Freedom of Information requests received	29
Freedom of Information responses	28
Freedom of Information requests responded within timescale	96%

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

## Financial results for the year

We are a non-departmental public body (NDPB) sponsored by the Home Office. We are funded by Grant in Aid and in 2011/12 we received a budget delegation of £15.8m from the Office. HO. Our net expenditure for the year after interest totalled £13.2m.

A breakdown of our expenditure by type is as follows:



## Our research

The ISA is committed to the use of research to support our positive and effective contribution to the protection of children and vulnerable adults in England, Wales and Northern Ireland.

### ISA Research Objectives

Our research will be used to inform the development of safeguarding policies, operations, practice and directly support our overarching Strategic Objectives. The list below shows our Research Objectives and the Strategic Objectives (see pages 5-13 for details on our Strategic Objectives) which they inform and support:

	Research Objective (RO):	SO:
RO1	To inform the development of safeguarding policies and practices to better safeguard children and vulnerable adults	SO1
RO2	To ensure that the ISA and partner agencies remain at the forefront of international practice in safeguarding vulnerable groups	SO1
RO3	To develop and improve ISA decision-making and case management	SO1
RO4	To provide greater transparency of ISA services	SO3
RO5	To improve the quality and timeliness of services to service users	SO6

### ISA External Research Commission

Following the development of the ISA's Research Strategy, a commitment was made to commission an external piece of research that would directly contribute to the ISA's Strategic Objectives. This project is the first the ISA has undertaken in relation to the referred and barred populations and we will be publishing our findings in May 2012. As a starting point for the research, we have used our case information to develop an in-depth understanding about harm in the workplace. The ISA's unique role in making barring decisions about people who work in regulated activity makes us the only organisation able to commission this type of research.

The work will constitute an in-depth study of case data gathered by the ISA and used in consideration of the potential barring of an individual on the ISA's Children's or Adults Barred Lists.

This will enable the following objectives to be achieved:

- to better identify the behaviours demonstrated by the referred individuals that lead to their referral;



- to better understand the circumstances in terms of relationships, culture and policy within which the harm occurred and was reported; and
- to determine what actions were taken by the employer leading up to and in response to the behaviours.

The findings will be used in conjunction with our internal data analysis work and will form part of the first research that the ISA will present at the British Association for the Study and Prevention of Child Abuse and Neglect (BASPCAN) Congress in April 2012.

We also anticipate that the research will be used to inform stakeholders safeguarding policy and practice, enabling them to better protect children and vulnerable people from harm within the workplace.

## Our people

### People and development policies

The ISA has a range of policies that help ensure that we support and develop our staff. New policies and procedures are subject to a rigorous consultation process which includes trade unions, employee representatives and management. Our policies are reviewed on a regular basis to reflect changes in legislation and best practice.

### Profile of our people

Our employee profile at the end of March 2012 was 245.82 full time equivalents (FTEs). This includes permanent, fixed term and temporary employees. It does not include the Chair of the ISA, Board Members or agency workers.

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

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

- Of the ISA's 256 person workforce, 156 are women and 100 are men. Our senior management is representative of the wider workforce with 12 of our 19 most senior posts being held by women.
- 6 people working for the ISA are from a Black and Minority Ethnic background and 244 are White British. The remaining 6 people preferred not to provide details about their ethnicity.
- 9 members of staff have told us that they have a disability, whilst 4 have chosen not to provide details in relation to disability.

Age profile:

Age profile	Employees	%
>19	0	0.0
20 – 24	9	3.5
25 – 29	32	12.5
30 – 34	44	17.2
35 – 39	44	17.2
40 – 44	38	14.8
45 – 49	35	13.7
50 – 54	31	12.1
55 – 59	17	6.6
60 – 64	6	2.3
Total	256	100%

In terms of gender profile, our organisation shows the following ratio of male and female employees.

- 39.1% are male and 60.9% are female

Our employee profile is as follows:

<b>Ethnicity</b>	<b>Percentage</b>
White and Black Caribbean	0.39
Any other White background	1.17
Any other Mixed background	0.39
White British	95.31
Chinese/English	0.39
Prefer not to say	2.34

The percentage of economically active persons in the North East and North Yorkshire who are from an Ethnic Minority is 3.2%

<b>Religion or belief</b>	<b>Percentage</b>
Christian	51.56
No religion	37.89
Other	2.34
Buddhist	0.78
Prefer not to say	7.42

<b>Disability</b>	<b>Percentage</b>
No disability declared	94.92
Disability declared	3.52
Prefer not to say	1.56

<b>Work pattern</b>	<b>No of employees</b>
Full time	80.08
Part time	15.23
Compressed hours	3.91
Term time	0.78

### **Sickness absence**

The average number of days lost to sickness absence per employee during 2011/12 was 7.96 days. The breakdown for this is:

Short term absence = 3.95 days (target = 5 days)

Long term absence = 4.01 days (target = 3 days)

Employee turnover for 2011/12 was 8% (target >10%)

## **Employee involvement**

Under our consultation processes, Joint Negotiation and Consultative Committee (JNCC) meetings are held with the Public and Commercial (PCS) Union and Employee Voice representatives – our employee representative scheme. These are chaired by the ISA Chief Executive and are held on a quarterly basis. In addition, monthly meetings are held with the People and Development directorate to discuss and resolve issues raised by and affecting ISA employees.

## **Learning and Development**

Learning and Development continues to be a primary focus for the ISA as outlined in our Learning and Development strategy (2010/2012). Its stated aim is:

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

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

## **Health and safety**

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

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

## Sustainability reporting

Throughout 2011/12, in accordance with the Government Financial Reporting Manual (FRoM), the ISA was required to include a discrete section in the Annual Report covering performance on sustainability during the year. It forms part of the Home Office consolidated report in their Annual report and Accounts.

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

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

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

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

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

This year the ISA:

- Undertook sustainability training for staff and managers on the facilities management team;
- Procurement staff completed the National Sustainable Public Procurement Training Programme hosted by Defra;
- Worked with our landlord to ensure better information on sustainability issues was provided;
- Negotiated increased recycling of waste with our landlord;
- Improved processes for dealing with confidential waste to reduce the environmental impact.

### **Travel**

The majority of travel and hotel bookings are made through a Home Office contracted service supplier and follow the Home Office guiding principles.

- Travel is to be undertaken at the lowest practicable cost

- Travel should be undertaken only where absolutely necessary and other forms of business interaction, such as video/telephone conferencing should be considered first
- All travel should be booked within the class of travel and price limit rules
- All travel should be made with preferred vendors where appropriate
- A reasonable balance is struck between convenience, cost and carbon emissions.

## Reporting

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

## Greening Government Commitments (GGC)

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

We have also been working to

- cut our paper use by 10% in 2011/12
- ensure that redundant ICT equipment is re-used (within government, the public sector or wider society) or responsibly recycled

Year	Paper Type	Number of Boxes	Average Cost per Box (Ex Vat)	Total Cost	Yearly Cost
2010/11	A4	660	£11.49	£7583.40	£7686.16
2010/11	A3	4	£25.69	£102.76	
2011/12	A4	665	£11.44	£7607.60	£7828.46
2011/12	A3	9	£24.54	£220.86	

## Our Governance and Standards

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

## About our data

Due to the service charge arrangements and our reliance on third parties for the provision of our sustainability data there are limitations to the accuracy of our

non-financial data. We continue to work closely with our landlord and other service providers to improve the quality of the data that we receive.

The ISA operates out of a single site. A significant proportion of the costs relating to sustainability are covered in the service charge payable to our landlord. Working with our landlord, we shall improve upon the information we currently receive so that we can better assess the impact of the ISA on the environment.

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

## Emissions

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

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

## Carbon Dioxide/Greenhouse Gas Emissions

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

Area	CO <sub>2</sub> Emissions 2011/12	Units Cost 2010/11	Cost 2011/12	Performance Against 2010/11
Building Energy	Not available	Not available	Not available	Not available
Service charge including cost of utilities and waste	2,564,611Kg	£219,029	£223,689	(£4,660)
Grey fleet	7997.37Kg	Not available	£7,658 (23,937 miles)	Not available
Taxi	1793.44Kg	Not available	£4,206	Not available
Rail	3975Kg	£78,224.50	£87,415	(£9,190.50)
Flight	3668Kg	£6,455.36	£3,561	£2,894
Travel Related	X	£24,320.14	£31,160	(£6,839.86)

Total Business travel	X	£109,000	£134,000	(£25,000)
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## Our barring decision-making processes

We are committed to ensuring that we make consistent, fair and proportionate barring decisions on the people who are referred to us. The ISA Board plays an active role in making barring decisions and are ultimately responsible for all the decisions made by the organisation. The thoroughness of our processes helps to support the often difficult and finely balanced decisions that have to be made.

There are two key channels through which cases come to us:

- **referrals** from employers and other providers of regulated activity, personnel suppliers, local authorities and professional regulatory bodies. There is a duty, in certain circumstances, on those organisations to make a referral to us when they have removed or moved an employee from working in regulated activity, following harm to a child or vulnerable adult or where there is a risk of harm
- **automatic barring** cases are where a person has been cautioned or convicted for a 'relevant' serious offence. In these cases the person is 'automatically' barred (by law) from working with children and/or vulnerable adults. For some 'auto-bar' offences a person has the right to make representations to us as to why they should be removed from the barred list(s) and we have the power to remove them.

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

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

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

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

We then gather and consider information about the case, including any relevant convictions or cautions. As we have no investigatory powers we rely upon the information provided by other organisations. Court findings, police cautions and the findings of specified competent bodies (such as the General Medical Council) are treated as 'findings of fact'.

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

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

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

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

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

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

If a risk of harm to children or vulnerable adults is identified and barring is an proportionate and appropriate response to that risk, the ISA will then be 'minded to bar' the person on either one or both lists, and the case progresses to stage four. Otherwise the case is closed save in exceptional circumstances where it may still be appropriate to consider a bar.

### **Stage four: Representations**

We then write to the person advising them that the ISA has reached a 'minded to bar' view and invite them to make representations as to why they should not be barred. The ISA outlines the legal powers used and reasons for taking this view. A copy of all of the information that we have relied upon to reach the 'minded to bar' position is sent to the person.

The person has eight weeks in which to provide representations to the ISA – although the ISA will consider and grant extensions to this, if requested. They may be assisted in their representations by, for example, a friend, relative, adviser, trade union or solicitor. Where the ISA considers that it is necessary to protect the person's Convention rights (under the European Convention on Human Rights) or in the interests of fairness and equality, arrangements will be made to hear oral representations. This may be either following a request, or of the ISA's own suggestion. Such circumstances include (but are not limited to) a person with a disability (whether or not falling within the definition of disability in the Equality Act 2010) which the ISA is satisfied from available information, prevents that person from making written representations with available assistance. All cases are considered on their particular circumstances.

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

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

### **Reviews**

Any barred person who had the opportunity to provide representations will also have the right to request a review of our decision after a minimum barred period as follows:

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

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

### **Appeals**

A barred person has the right to seek an appeal on the grounds of an 'error of fact' or an 'error in law'. Appeals are dealt with by the Administrative Appeals Chamber of the Upper Tribunal, or the Care Tribunal in Northern Ireland. Please see page 38 for further information on appeals.

## The lifecycle of ISA cases

All cases handled by the ISA have unique features, which are often of a complex nature with individual circumstances, behaviours and outcomes. Yet at the heart of every case is the person, who may or may not have committed the abuse or neglect, and the person (or people) alleged to have been harmed or put at risk of harm.

The work that we do is of a sensitive and confidential nature. We do not comment upon or reveal the details of anyone who has been referred to us, or placed on an ISA Barred List. That information is only for the person concerned and for those who have a need to know for safeguarding purposes. As a result, we cannot provide examples of real cases and real decisions that we have made.

We have, however, developed three fictional examples which we hope will provide an insight into how we consider cases. We have not been able to detail every aspect that could present itself in a case, but the following examples provide good headline representations of both the types of referrals we receive and the decisions we have to make.

### **Mr X**

Mr X was a 49-year-old teaching assistant at a primary school for children with severe learning difficulties. He was referred to the ISA by the school, after he was dismissed for allegedly physically harming four of the pupils. The pupils were aged between 4 and 11 years, and many also had social and emotional difficulties. Mr X had been assisting in one of the classrooms since September 2006.

In the months prior to the 2010 Christmas holidays, the school had received a number of complaints about Mr X's conduct in school. It was alleged that he had physically and verbally abused some of the pupils in his care. One of the allegations involved him twisting a pupil's arm behind his back and another was that he had elbowed a child forcefully in the back. He was also seen to drag a child out of the classroom by his ear.

It was also alleged that he left a child in a wheelchair outside in the cold for 15 minutes, as punishment for bad behaviour. Other teachers said they had witnessed him throwing books at pupils and on several occasions he was observed shouting at the children and calling them derogatory names.

Children's Social Care were informed of the alleged behaviour on 7 January, 2011, and a strategy meeting was held the following week. Mr X was suspended from work on 17 January, 2011.

Mr X denied the allegations of physical and verbal assault. There had been no concerns about his behaviour prior to 2010. Mr X attended a disciplinary hearing in April 2011 and was subsequently dismissed. The case was referred to the ISA. The police confirmed that they would not be taking any further action.

Having received the referral, the ISA carried out an initial assessment to determine whether this was a case that should be considered by the ISA. With this confirmed, the ISA began by gathering additional information from both the police and the local authority. This information took the form of witness statements, minutes of safeguarding meetings and Mr X's employment history. The file was then passed to a caseworker to assess whether, based on the evidence on the file, the allegations could be proven on the 'balance of probabilities'.

When evaluating the evidence, the caseworker considered the fact that Mr X had strenuously denied ever assaulting any of the children – physically or verbally. He had previously attended training sessions on the appropriate way to restrain pupils, and was also aware of the school's code of conduct.

Consideration was given to the witness statements provided by Mr X's colleagues who each recalled different incidents. One teacher said she had seen Mr X throw a book at a child when they began to cry. Another said she had seen him pull a child out of the classroom by his ear. In all, five colleagues provided statements involving the verbal and physical abuse of pupils by Mr X. It was decided (on the balance of probabilities) that Mr X did physically and verbally abuse four of the children, and the allegations of assault were therefore now to be treated as findings of fact.

The caseworker then had to decide whether Mr X's actions constituted "relevant conduct" – that which endangers a child/vulnerable adult or is likely to endanger a child/vulnerable adult. It was determined that the physical abuse was, indeed, relevant conduct.

Using the ISA's Structured Judgment Process, the caseworker then undertook a risk assessment, concluding that there were 'definite concerns' in relation to Mr X. These concerns lay in the areas of his exploitative attitude, callousness/lack of empathy and poor problem solving/coping skills. The nature of the children's disabilities meant that they were easy targets for Mr X's behaviour. He displayed poor problem solving and coping skills when presented with challenging behaviour from the pupils. He also showed no empathy for the children, failed to understand their needs and expressed no remorse for his behaviour throughout the disciplinary process.

Having analysed all the evidence and completed the Structured Judgement Process, it was decided that a bar on the Children's List might be appropriate. There was no evidence that Mr X had ever repeated this behaviour in relation to the vulnerable adults he worked with at his local community centre. The caseworker was not therefore minded to bar him on the Adults' List.

Mr X was informed of the ISA's view and was given eight weeks in which to submit representations. This was his opportunity to present his side of the story, offer any mitigation and challenge the ISA on any findings of fact.

Mr X made representations, which came in the form of a three page document written by his solicitor. The document made reference to the fact that Mr X had never been charged with these offences and said that it was implausible for a person who had performed so well in such a role for four years to suddenly go off the rails to such a degree. The representations questioned the motives of the complainants,

who were Mr X's colleagues, rather than the children themselves. The document concluded that there was no reasonable basis upon which to conclude that Mr X may pose a future risk to children. The representations also included a testimonial from a youth group leader who volunteered with Mr X at a local community centre. He stated that Mr X cared deeply about the welfare of local children and was a role model to many of them.

Following reconsideration of all the information provided, the findings of fact remained unchanged and the information provided by Mr X was not deemed to have successfully challenged any of the findings in the risk assessment. The ISA therefore confirmed its view that it was appropriate to bar Mr X, and he was informed that he had been barred from working or volunteering with children.

## **Mr H**

Mr H was a 23-year-old care assistant at a care home for vulnerable adults. He had worked at the home for seven months, but resigned in May 2011 after he was accused of sexually assaulting one of the residents. Mr H had previously worked as a care assistant at another care home run by the same company for three years.

In April 2011, Mr P a resident at the care home told another member of staff that he no longer wanted Mr H's help in the shower, as he "touches me down there". He then proceeded to gesture masturbation with his hand. Mr P later repeated this allegation to the care home's manager and a Social Services care worker.

A safeguarding strategy meeting was held on 8 May, 2011 and the police were informed of the allegations. Mr H voluntarily attended the police station a week later and was interviewed in relation to the alleged sexual assault of a service user. Following further enquiries, the police decided to take no further action. However, an internal investigation at the care home continued.

At an internal investigation meeting, Mr H denied the allegation and indicated that he thought Mr P had made it up after a disagreement in the communal television room when Mr H had overruled his pleas to change the channel. Mr H said he was disliked by his colleagues and felt victimised. He then offered to tender his resignation with immediate effect. This was accepted and, as a result, the disciplinary process was not completed. The care home made a referral to the ISA.

Once the ISA had established that this was a case it should be considering, the caseworker began the information gathering process. This included receiving witness statements, local authority case notes and minutes of strategy meetings, training certificates and documents relating to the incomplete disciplinary action.

Information from Mr H's former place of work was also forwarded to the ISA, which revealed that concerns had been raised about his behaviour in the past. In March 2009 he was given a verbal warning for persistently using social networking sites whilst on duty. Then in September 2009 he was suspended from duty following an allegation of sexual abuse against one of the residents. During the night shift, it was alleged that a member of staff had exposed himself to the victim and touched the

victim's genitals. Following a police investigation, it was concluded that Mr H was not directly involved in the sexual assault. He was therefore exonerated of any wrongdoing, and another resident was identified as being the perpetrator.

A further internal investigation was undertaken to ascertain how the sexual assault could have occurred and, as a result, Mr H was accused of leaving three service users unattended for a long period of time. At a formal disciplinary hearing he admitted his failure to follow policy and procedure by leaving residents unattended. As a result, he received a written warning, which was still in place when the alleged sexual assault took place in April 2011.

Taking this information into account, the caseworker had to assess whether, based on the evidence on the file, the allegation of sexual assault against Mr P could be proven on the balance of probabilities.

The caseworker took into account the fact that Mr H denied the allegations and no criminal proceedings had been brought against him. Consideration was also given to the witness statements provided by Mr H's colleagues, many of whom felt Mr P did not possess the ability to invent such a story. No members of staff mentioned there being any ill-feeling felt towards Mr H. The police investigation was thorough and resulted in no action due to there being no realistic prospect of conviction. This was unsurprising due to the age and learning difficulties associated with Mr P, and the level of proof needed for a conviction (beyond reasonable doubt).

On the balance of probabilities, the caseworker concluded that the sexual assault did occur, and from this point, the incident was regarded as a finding of fact. Relevant conduct was therefore established.

The caseworker undertook a risk assessment using the ISA's Structured Judgement Process, which identified two areas of definite concern - that Mr H was found to have exploitative attitudes and poor emotional arousal/urge management. The gravity of the assault was deemed to be increased given that Mr H was working as Mr P's carer, undertaking day to day intimate care of the victim. The breach of trust was therefore significant.

Having previously been accused and exonerated of the sexual abuse of a resident, Mr H was clearly aware of the potential for sexual abuse of vulnerable adults in his care. At a later date, when faced with the responsibility of undertaking intimate personal care of a vulnerable adult, he failed to control his emotions/urges and engaged in the sexual abuse of a vulnerable adult on at least one occasion. If the abuse had gone unreported, then the sexual abuse may have continued.

The abuse was also seen as an escalation in the breach of professional boundaries – given earlier verbal and written warnings for lapses in conduct whilst in his previous care role. Due to the gravity of the sexual assault and the risk factors identified, it was decided that it was appropriate for Mr H to be considered for inclusion on both of the ISA's barred lists.

Mr H was given eight weeks in which to submit representations. This was his opportunity to present his side of the story and offer any mitigation or challenge on a

finding of fact. To do this effectively, Mr H was sent copies of all the information used by the ISA in its decision-making process. Mr H declined the opportunity to make representations.

After reviewing all of the evidence again, it was decided that it was appropriate to bar Mr H from working/volunteering with vulnerable adults. He was also assessed as posing a risk of harm to children and was also placed on the Children's Barred List.

## **Mrs A**

Mrs A was a 51-year-old care assistant who worked for an agency which provided home-based care for the elderly and disabled. Her role was to assist with tasks such as washing, dressing, meals and medication, which would enable service users to remain in their homes.

One of her former patients was 85-year-old Mrs G who suffered with mild dementia. Mrs A had, however, ceased working with Mrs G in May 2011 when she had been given a different rota. In July 2011 Mrs G's daughter became concerned that her mother's bank account contained less money than she would have expected. Her concerns were raised further when a neighbour recalled seeing a uniformed carer in Mrs G's spare bedroom several weeks earlier. At the time, the carer claimed she was making the bed, but the neighbour thought this strange, as the bed was not used by Mrs G.

The daughter set up a hidden video camera in the spare bedroom and placed her mother's purse, containing £100, on a chair in the corner. Several days later, the daughter discovered that £50 was missing from the purse. The camera footage showed Mrs A going into the room and removing the purse, before returning it several minutes later. The daughter immediately reported the alleged theft to the police and informed the care agency.

Mrs A was interviewed by police and denied having taken any money from Mrs G. She stated that Mrs G had invited her over for a cup of tea, after seeing her in the supermarket. Mrs A said that during this visit, Mrs G asked her to fetch her purse from the spare bedroom, so that she could show her a picture of her grandchildren. Having done as she was asked, Mrs A said she then returned the purse to the chair.

The police visited Mrs G and showed her the footage. She did not recall receiving a social visit from Mrs A, and said she did not always know where her purse was, or how much money it contained. The police also visited Mrs G's neighbour to show her the footage. She said she believed it was the same carer she had spoken to, but could not be 100% sure. The police later confirmed that although theft was suspected, Mrs G would not make a credible witness for either the interview process or court proceedings (due to her poor mental state).

In a disciplinary hearing, the employer found on the balance of probabilities that Mrs A had stolen money from Mrs G, and that she had misused her official position for private advantage or personal gain. She was therefore dismissed and the case



was referred to the ISA, where a caseworker began the information gathering process.

Information was forwarded to the ISA from Mrs A's employer which showed that in 2006 she had been given a written warning for failing to disclose eight previous convictions for shop theft dating back to the early 1990s. She was also accused of theft in 2008 by the family of another service user. There was, however, no proof of Mrs A's involvement and, therefore, no police or employer action.

When assessing whether the latest allegations were proven on the balance of probabilities, the caseworker took into account the fact that Mrs A had denied the allegations and no criminal proceedings had been brought against her in the case. The evidence in the case was poor, and although the video footage showed Mrs A handling the purse, it did not show her removing any money. Consideration was also given to Mrs A's history of theft related offences and the fact that her explanation for the events seemed less than credible. The evidence suggested that she had entered Mrs G's home on more than one occasion with no employment reason for doing so.

The caseworker concluded that, on the balance of probabilities, the theft of £50 did occur and the allegations were now to be treated as findings of fact. Mrs A's failure to disclose previous convictions was also found to constitute relevant conduct (i.e. behaviour that endangered or was likely to endanger a vulnerable adult).

The caseworker then completed a decision-making process specifically designed for dealing with cases of financial abuse. This involved the caseworker addressing a series of 14 questions relating to the information held about the case. These included 'Is there a pattern of behaviour?' 'Is there any mitigation?' 'Has the person expressed any remorse?' and 'Have they taken any steps to repay the money?'

Having analysed the results of the financial abuse tool, it was concluded that the ISA was minded to bar Mrs A from working with vulnerable adults. It was not, however, deemed appropriate that she be considered for inclusion on the Children's List. Mrs A was given eight weeks in which to submit any representations. She did so four weeks later by way of a letter.

Mrs A said she had built up a good rapport with Mrs G whilst caring for her and had enjoyed catching up with her over a cup of tea. She denied having made a social visit previously and could not understand why her version of events had been rejected. She said there was no proof that she had stolen any money and provided healthy bank statements to prove that there was no motive for her to do so. Mrs A also stated that in the past she had found £200 cash belonging to a service user, and had reported it to her employer, which would indicate she was not a thief.

Mrs A said that the camera footage contained several gaps when someone else could easily have taken the money. She also pointed out that if she had been intending to steal, she would surely have removed the money in the privacy of the bedroom (and in front of the hidden camera). She said that she thought it unfair that an unproven allegation of theft, which was rejected by the police, could lead to her being barred from working with vulnerable adults – a career she had enjoyed for more than 30 years.

More significantly, Mrs A informed the ISA that following her dismissal, she had since heard that another carer at the same agency had been suspended following allegations of theft. She highlighted that this may have been the carer in the spare bedroom who Mrs G's neighbour had been unable to identify.

Having received this new information, the caseworker contacted Mrs A's previous employer, who confirmed that they were in the process of making another referral to the ISA, having recently dismissed a carer who had admitted visiting service users not on her rota, and stealing money or jewellery. The caseworker requested that this information was put in writing, so it could be used as part of Mrs A's risk assessment. It was also confirmed that Mrs A had previously reported concerns about finding a large sum of money in a service user's home.

Having assessed all of the information, the caseworker found that Mrs A's representations successfully challenged one of the ISA's findings of fact. There were a lot of unknown factors in this case, but the existence of gaps in the camera footage and, most importantly, the new information about the second dismissal, meant it could no longer be proven on the balance of probabilities that Mrs A had stolen the £50.

Mrs A did have a history of dishonesty, having been convicted of eight offences relating to theft and deception in the early 1990s. These offences were however 20 years old and it was reasonable to infer that given her satisfactory work history over the subsequent period, her behaviour had since modified.

Due to there being no evidence of financial abuse against Mrs G, it was not deemed appropriate or proportionate to bar Mrs A solely on the basis that she had failed to disclose past convictions of theft to her employer. The ISA therefore wrote to her to inform her of its decision.

## Appeals

A person who has been included on one or both of the ISA's Barred Lists (other than those barred for the more serious Automatic Barring without representations offences) has the right to appeal to the Upper Tribunal. The tribunal may grant permission for an appeal to be heard where an individual considers the ISA has made a mistake in law or in fact.

In June 2011, the ISA set up a dedicated appeals team to monitor and deal with ongoing appeal cases. One of the team's key roles is to examine the lessons learnt from concluded appeal cases, so that this information can be used to help shape and inform the ISA's decision-making processes.

Between 1 April 2011 and 31 March 2012, there were 54 requests for permission to appeal an ISA bar.

During this period, 26 cases were concluded. Of these, 15 were refused permission to appeal and four resulted in the appeals being dismissed. In all of these cases, the appellants remained on the barred list(s).

There were three instances where the appeals were upheld, although the ISA is currently appealing one of these cases with the Court of Appeal, and this is therefore still being treated as a live case. The ISA are also considering whether to lodge an appeal against one of the others.

There were four cases where the ISA withdrew from proceedings and the appellants were removed from the barred list(s). One further case was also transferred back to the Secretary of State.

As of 31 March 2012, there were a further 43 live cases at various stages of consideration.

## Our Business focus for the future

In 2010 the Coalition Government announced its review of the Vetting and Barring Scheme and an independent review of the Criminal Records Regime. Many of the recommendations from these reviews were included within the Protection of Freedoms Bill.

The Protection of Freedoms Bill is, at the time of writing, before Parliament. A key recommendation contained within the Bill is for the ISA and the Criminal Records Bureau (CRB) to be merged into a new Non-Departmental Public Body, to be called the Disclosure and Barring Service (DBS). Other planned changes in relation to the Vetting and Barring Scheme include:

- The requirement to register with and to be monitored by the Vetting and Barring Scheme to be removed
- Controlled activity to be removed
- In automatic barring cases where representations are permitted, the representations process will now take place before the barring decision, rather than after, as is currently the case
- The definition of 'regulated activity' to be amended in order to reduce the number of roles from which people are barred
- The ISA to provide additional barring information to the police and to the Prison/Probation Services where relevant
- The introduction of a test for barring linked to regulated activity and the ability of the ISA to review someone's inclusion on the barred list at any time

These changes will take effect when they are commenced, rather than at Royal Assent.

Should the Protection of Freedoms Bill receive Parliamentary approval it is anticipated that it will receive Royal Assent in May 2012. It is then planned that the DBS will be operational by the start of December 2012.

The consequence of this is that whilst the ISA will continue its primary responsibility to deliver its safeguarding responsibilities by making fair and proportionate barring decisions, we will also be planning for a professional and efficient closedown of the organisation to facilitate the merger with the CRB into the DBS.

We will support our colleagues in the Home Office, Department for Education and the Department of Health in ensuring that stakeholders receive clear and effective information on the range, timing and impact of the planned changes and how this may affect their safeguarding procedures.

We will also be exploring the findings of our research project, 'Safeguarding in the Workplace: What are the lessons to be learned from those referred to and/or barred by the ISA?'. We will use this research to inform the current debate into risk within employment settings and to better inform key sectors and employers on best practice in identifying, managing and delivering their own safeguarding responsibilities.

## Risks and uncertainties

The key risks which the ISA face over the next year are set out below. These risks have been considered by the ISA Board and mitigating actions have been identified and are being proactively managed.

The statement on internal control sets out the systems in place within the ISA to identify and manage risk.

Risk description	What are we doing about it
<p><b>Appeal outcomes</b></p> <p>Individual decisions made on appeals at the Upper Tribunal stage have required the ISA to assess its internal and external guidance to ensure consistency with current policy.</p> <p>There is a risk that outcomes from appeals could suggest that the ISA may need to revise the way it considers cases and could set a precedent for the way the ISA operates.</p>	<p>We are continuing to have regular meetings with the Upper Tribunal to discuss our operational processes.</p> <p>We will review internal and external guidance on an ongoing basis to ensure consistency with upcoming policy changes.</p> <p>Where it is appropriate we will appeal decisions made at the Upper Tribunal Stage.</p>
<p><b>ISA/CRB merger considerations</b></p> <p>Should the planned proposals contained within the Protection of Freedoms Bill become law, it is expected that the DBS (which will see the merger of the ISA and the CRB) will be operational by the start of December 2012.</p> <p>There is a risk that the volume of change will be so significant that business readiness for the new organisation will be affected.</p>	<p>We will continue to build on our strong relationship with the CRB and the Home Office in delivering the new services. We will continue to engage our staff regarding the immediate and future changes.</p> <p>Through the ISA Disclosure and Barring Service Board we will continue to monitor and control our contribution to the implementation of the overall Disclosure and Barring Programme including delivery of the new organisation and the managed 'close down' of the ISA.</p>

**Organisational capacity to manage forthcoming changes**

ISA staff are currently undertaking a number of projects through our internal Project Management Board and as part of the planned legislative changes included within the Protection of Freedoms Bill. This is in addition to ISA close-down and DBS start-up activities and on top of ISA 'business as usual' activities.

There is a risk that the volume of change is so significant in terms of business processes, Information Communication Technology and general demands on current lean resource levels that the ISA may not have the capacity to manage this effectively.

We will continue to monitor staff absenteeism and turnover levels to enable early identification of any problems/issues.

We will ensure business continuity plans are in place to minimise any staffing impacts.

We will continue to regularly inform and engage all our staff regarding any immediate and future transitional changes.

## Foreword to the accounts

We have prepared our accounts in accordance with the requirements of the financial reporting manual (FReM) produced by HM Treasury. The accounts are prepared in a form that the Secretary of State has, with the approval of HM Treasury, directed under schedule 1 of the Safeguarding Vulnerable Groups Act 2006.

We were created under the Safeguarding Vulnerable Groups Act as a non-departmental public body on 2 January 2008.

The Home Office is our sponsoring department and in particular, the Safeguarding and Public Protection Unit (SPPU) has specific responsibility for us.

Our executive functions are led by the Chief Executive, who is supported by an executive management team. The Chief Executive is accountable to the ISA Board and has been appointed as ISA Accounting Officer by the Home Office Departmental Accounting Officer.

The ISA's vision and strategic objectives are set out on pages 3 and 5-13 of this report.

### **ISA Board Members**

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

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

The core functions of the Board are set out in the Safeguarding Vulnerable Groups Act 2006. The Board Members who served during 2011-12 were as follows:

Sir Roger Singleton CBE (Chair)  
Dr John Belcher CBE (resigned 24 May 2011)  
Richard G Black OBE  
Debbie Ariyo OBE (resigned 31 January 2012)  
Dr Valerie Brasse  
Tom Davies OBE  
Donald Findlater  
Professor Don Grubin  
Moira Murray

Mehmuda Mian

Peter Withers

Apart from Ms Ariyo and Dr Belcher, all board members were in post for the entire financial year.

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

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

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

We have a corporate structure which comprises - the ISA Board (including case committees), an Audit and Risk Committee, and the Remuneration Committee. All ISA committees have clear terms of reference.

A risk management framework has been established for the ISA that provides a structured process for risk identification, escalation and management.

Risk is reported upon and considered at all meetings of the ISA Board; the Audit and Risk Committee (ARC); all formal Executive Management Team (EMT) Meetings; and at the quarterly meetings of the Management Board; all of which have a formal risk register. This approach ensures that risk management is cascaded throughout the ISA 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. The ISA also escalate risks/issues externally via the SPPU risk escalation procedure which includes a feedback loop on individual risks and shared mitigating actions.

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

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

### **Committees of the Board**

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

The ISA Board meets on a monthly basis (apart from August) to make barring decisions and to discuss both operational (casework) and organisational issues. Case committees are also held on a monthly basis, to coincide with Board meetings. The type of cases escalated to the ISA Board for their consideration are often when the expertise of specific Board Members may be required or where the barring decision is complex and finely balanced. The Board is supported in its meetings by the ISA's Chief Executive and members of the executive team.



## **Audit and Risk Committee**

Jane Palmer was appointed as specialist financial advisor to the ARC in March 2010, and continued in this role until August 2011. David Hall took up the post of specialist financial advisor to the audit and risk committee on an unpaid voluntary basis in January 2012, attending his first meeting in March 2012. Representatives from the National Audit Office (NAO), the internal auditors, the ISA sponsor unit, the ISA Chief Executive and members of the ISA management team all attend the ARC by invitation.

During 2011/12 the audit and risk committee comprised four board members:

Tom Davies OBE (Chair)  
Peter Withers  
Richard G Black OBE  
Dr Valerie Brasse

## **Remuneration Committee**

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

The Remuneration Committee members for 2011/12 were:

Sir Roger Singleton CBE (Chair)  
Mehmuda Mian  
Peter Withers  
Adrian McAllister, ISA Chief Executive (or designated deputy)  
Debby Bonnard, ISA head of people & development

## **Pension liabilities**

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

## **Board members' interests**

We maintain a register of interests for Board Members. This register is available to the public from the ISA 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 interest and where appropriate, withdraw from participating in the decision-making process.

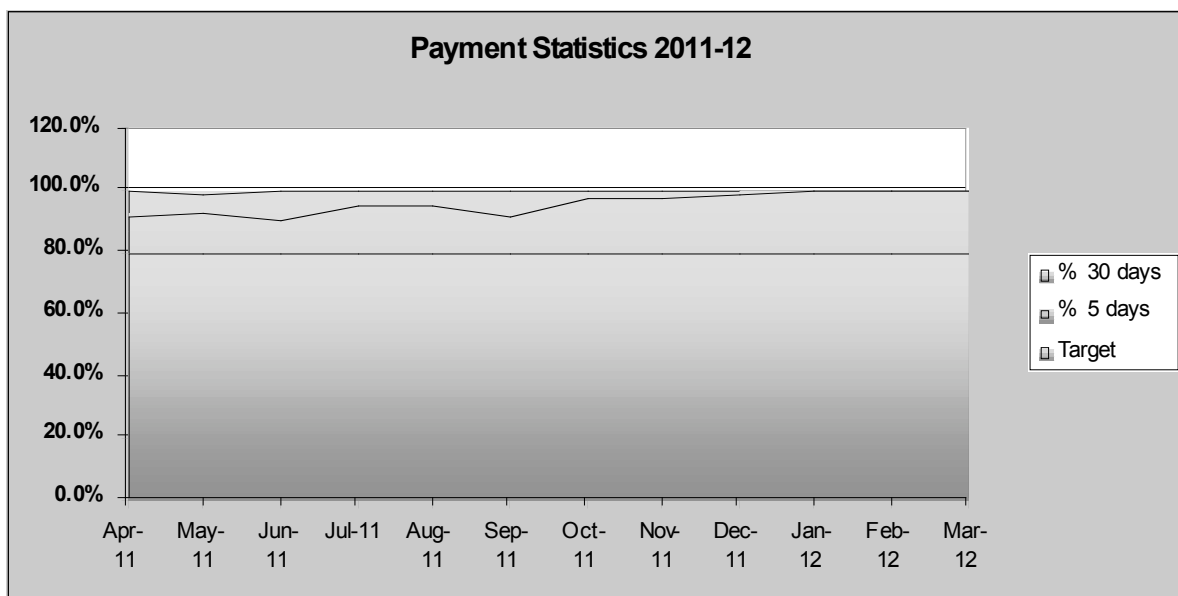
During 2011/12 the Lucy Faithfull Foundation, of which Donald Findlater, ISA board member is a director, provided services to the ISA to the value of £47,437. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

Don Grubin sits on the management committee and is a core member of the Sexual Behaviour Unit. During 2011/12 the ISA entered into a contract with the Sexual Behaviour Unit for the provision of specialist risk assessment services. Don Grubin formally declared an interest in this respect and was not involved in the tender process to award this contract. No services were purchased under this contract during 2011/12.

### Creditor payment policy and performance

We are committed to paying all our invoices in line with agreed contract terms. Where these are not stated we will ensure that undisputed invoices are paid within 30 days of receipt of goods, or receipt of a valid invoice, whichever is the later. The 2010 Budget included a policy announcement: Procurement Policy Note – Policy through Procurement Budget 2010 Announcements. Information Note 08/10. It required, from June 2010, Government departments to pay 80% of undisputed creditor invoices within 5 working days.

A monthly analysis of achievement against 30 day and 5 day payment target of creditor invoices during 2011/12 is set out below:



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

### Receipt of gifts

Where Board Members and ISA employees receive gifts, as a result of their normal duties, these are recorded in a register, a copy of which is available on the ISA website.

## **Going Concern**

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

In February 2011, the Vetting and Barring Scheme review recommended that 'the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority (ISA) should be merged and a single Non-Departmental Public Body or Agency created to provide a barring and criminal records disclosure service'. It was subsequently announced that the new body will be a Non-Departmental Public Body that will be known as the Disclosure and Barring Service (DBS). Chapter 3 of Part 5 of the Protection of Freedoms Act sets out details in relation to the establishment of the DBS and the dissolution of the ISA. At the point of merger, it is proposed that ISA, in its current legal form, will be dissolved and it is expected that the statutory functions will continue in the newly formed organisation. Subject to the passage of secondary legislation, it is expected that the new body will come into existence on the 1st December 2012.

Having considered the circumstances described above and from discussion with the Home Office, as Sponsors, the ISA's expectation is that the ISA will not continue to operate in its current form for the next 12 months. However, this depends on the passing of secondary legislation, which is expected to transfer ISA's assets and liabilities to the Disclosure and Barring Service when it is passed. Therefore the financial statements continue to be prepared on a going concern basis in accordance with the Government Financial Reporting Manual.

## **Subsequent events**

There have been no significant events between the year end and the date of approval of these accounts which would require a change to or disclosure in the accounts. These accounts were authorised for issue on the date the accounts were certified by the Comptroller & Auditor General.

## **Auditors**

Arrangements for the external audit of our accounts are provided under paragraph 12 of schedule 1 of the SGVA 2006, which requires the Comptroller and Auditor General to examine, certify and report on the annual accounts, and send a copy of the accounts and his report to the Secretary of State, who must lay them before each House of Parliament. The fees for these services for 2011/12 are estimated at £35,000 for the annual audit (£35,000 in 2010/11). The auditors have received no remuneration for non-audit work.

Internal audit services are provided under contract by the Home Office Audit and Assurance Unit, who were first appointed on 1 April 2008.

The Accounting Officer has taken all steps to ensure he is aware of any relevant audit information, and to ensure that our auditors are also aware of the information. As far as the Accounting Officer is aware, there is no relevant internal audit information of which the ISA auditors are unaware.

Signed:

A handwritten signature in black ink that reads "Adrian McAllister". The script is cursive and somewhat informal.

Adrian McAllister  
Chief Executive and Accounting Officer  
**14<sup>th</sup> June 2012**

## **Remuneration Report**

Our remuneration packages were set using a benchmarking process to define comparable packages for our geographical area of operation and to recognise any specialist skills required for each position. We aim to ensure that the remuneration packages we offer are comparable, and are designed to attract, retain and motivate senior managers and employees.

The Remuneration Committee reports to the ISA Board. Details of its membership are set out on page 44 of this report. Its role is to consider proposals in respect of the ISA pay and reward framework for all employees up to and including the Chief Executive. In setting remuneration we work within HM Treasury guidelines for public sector pay. The following sections of the remuneration report provide details of the remuneration policy, service contracts, salary and pension entitlements of the ISA Board Members and the Chief Executive.

The Remuneration Report is subject to Audit.

### **Remuneration policy**

Our Chair and board members are 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 is determined by the Secretary of State.

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

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

We have 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.

### **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.

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

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

Should the ISA be dissolved during these appointment periods, the ISA Chair and Board Member appointments would be expected to cease with effect from that dissolution or such other date as is specified in any relevant legislation.

The Chief Executive's contract has no fixed period.

### **Bonuses**

The Chair and Board Members do not receive a bonus. The Chief Executive is eligible for a non-consolidated performance bonus of up to 20% of annual salary each year. Bonus payments follow the same approvals process as for basic pay and should equally be in line with the Senior Salaries Review Board guidance. In 2011/12 the Chief Executive declined to be considered for a bonus payment.

### **Salaries, emoluments and pension entitlements of the board**

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

Name and Job Title	Start Date	2011/12			2010/11		
		Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)
Sir Roger Singleton CBE (Chair)	14/05/07	80-85	-	10,500	80-85	-	18,100
Adrian McAllister (Chief Executive)	08/10/07	120 - 125	-	-	120-125	5-10	-
Richard G Black	14/04/08	20-25	-	4,000	20-25	-	2,700

Richard G Black OBE	14/04/08	20-25	-	4,000	20-25	-	2,700
Debbie Ariyo OBE	25/02/08 (Resigned 31/01/12)	10-15	-	1,000	20-25	-	1,600
Dr John Belcher CBE	25/02/08 (Resigned 24/05/11)	nil	-	-	20-25	-	1,000
Dr Valerie Brasse	25/02/08	20-25	-	2,300	20-25	-	1,800
Tom Davies OBE	25/02/08	20-25	-	4,800	20-25	-	4,000
Donald Findlater	04/03/08	20-25	-	2,600	20-25	-	2,400
Professor Don Grubin	25/02/08	20-25	-	500	20-25	-	500
Moira Murray	25/02/08	20-25	-	2,100	20-25	-	1,900
Mehmuda Mian	25/02/08	20-25	-	1,700	20-25	-	1,400
Peter Withers	25/02/08	20-25	-	2,500	20-25	-	3,300
Band of Highest Paid Director's Remuneration (£'000)	Total	120-125			120-125		
Median	Total	25-30			25-30		

Board members' total expenses for the year amounted to £32K. Expenses (benefits in kind) were paid in accordance with Home Office Policy and relate principally to travelling and accommodation costs incurred on board business in Darlington.

### Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the ISA and thus recorded in these accounts.

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

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the ISA 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 ISA Board Members are only in relation to travel, accommodation and subsistence costs for board meetings, case committees and other meetings pertinent to ISA operations, at Stephenson House in Darlington.

Stephenson House is deemed to be the normal place of work for ISA Board Members. Any travel and accommodation costs associated with attendance at Stephenson House for meetings, case committees and other duties in their role as Board Members are taxable as a benefit in kind. The benefits in kind for Board Member expenses amount to £32K for 2011/12 and £39K for 2010/11.

### **Payments to third parties**

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

### **Pay multiples**

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

The banded remuneration of the highest-paid director in the ISA in the financial year 2011/12 was £120-125 (2010/11, £120-125). This was 4.72 times (2010/11, 4.72) the median remuneration of the workforce, which was £25-30 (2010/11, £25-30).

In 2011/12, 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, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### **Pension benefits**

<b>Name and job title</b>	<b>Accrued pension at pension age as at 31/3/12</b>	<b>Real increase in pension and related</b>	<b>CETV at 31/3/12 £'000</b>	<b>CETV at 31/3/11 £'000</b>	<b>Real increase in CETV £'000</b>



	<b>and related lump sum £'000</b>	<b>lump sum at pension age £'000</b>			
Adrian McAllister (Chief Executive)	10-15	2.5-5	113	81	22

The factors used in the CETV calculation have been revised during 2011/12, mainly to account for the change from the use of RPI to CPI to calculate future pensions increase. This has resulted in the opening CETV value shown in this year's report (£81,000), differing from the closing CETV value shown in the 2010/11 Remuneration Report (£67,000).

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

### **Civil service pensions**

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

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

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee

from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

### **Cash Equivalent Transfer Values**

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

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

### **Real increase in CETV**

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

Signed:



Adrian McAllister  
Chief Executive and Accounting Officer 14<sup>th</sup> June 2012

## **Statement of Accounting Officer's responsibilities**

Under the SVGA 2006, the Secretary of State has directed the ISA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the ISA and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Secretary of State has appointed the Chief Executive, Adrian McAllister, as Accounting Officer of the ISA. 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 ISA's assets, are set out in Managing Public Money published by the HM Treasury.

## Governance Statement

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

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

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

I confirm that I have reviewed the governance, internal control and risk management arrangements in operation within my area of responsibility for 2011/12.

The ISA corporate governance and risk management frameworks are well established and the controls within these areas have worked consistently across the review period.

We are committed to ensuring a high standard of corporate governance and to ensuring we make consistent, fair and proportionate decisions to bar or not bar the people who are referred to us.

We have a corporate structure which includes - the ISA Board including case committees, an Audit and Risk Committee, and the Remuneration Committee. The Executive Management Team, Quarterly Management Board, and the Health & Safety Committee are also accountable to the Board. All ISA committees have clear terms of reference that are reviewed regularly and any changes approved through the appropriate governance arrangements. The ISA Board is responsible for defining strategy and determining the allocation of resources to ensure the delivery of our objectives.

The ISA Board meets on a monthly basis (excluding August). Records are kept of Board meeting activity and reviewed by the Board on a cyclic basis. This assists the Board in ensuring it is focusing its attentions appropriately to discharge its responsibilities and allows the Board to reflect on its own effectiveness. During 2011/12 Board time was spent on:

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

During 2010 the ARC undertook a self assessment, facilitated by the NAO. The assessment assisted in identifying actions to further strengthen the ISA governance arrangements as part of our drive for continuous improvement. These actions have been implemented throughout 2011.

As an NDPB, the ISA is not bound by the terms of the Corporate Governance Code for Departments. However, governance arrangements in place within the ISA aim to reflect the principles of good practice set out in the Code.

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

### **Board Members' attendance at meetings**

Board Members' attendance at Board and committee meetings for the period 1 April 2011 to 31 March 2012 is shown below:

	<b>Board</b>	<b>Audit &amp; Risk Committee</b>	<b>Remuneration Committee</b>
<b>No of meetings</b>	<b>11 (1)</b>	<b>4</b>	<b>3 (5)</b>
Sir Roger Singleton CBE (Chair)	11		3
Richard G Black OBE	10 (4)	4	
Debbie Ariyo OBE (6)	5 (2)	1 (3)	
Dr Valerie Brasse	11	3	
Tom Davies OBE	10	3	
Donald Findlater	11		
Professor Don Grubin	10		
Moirra Murray	9		
Mehmuda Mian	8		3
Peter Withers	11	4	3

**Notes:**

- (1) No ISA Board meeting during August 2011.
- (2) A two month leave of absence was taken from November to December 2011.
- (3) Non-ARC member however attended ARC meeting in June 2011 as part of Personal Development Plan.
- (4) Non-attendance however was on ISA related-business.

- (5) Meetings scheduled as and when required. The Remuneration Committee consists of as a minimum two non-executive Board Members.
- (6) Resigned on 31 January 2012.

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

During the year, internal audits have been carried out covering the areas of:

- Learning & Development (Training Evaluation Procedure) – green rating
- People Management – IT ('Vizual Personnel Manager' system) – amber/green rating
- Post go-live Protecting Vulnerable Groups Scheme (Scotland) – amber/green rating
- Asset Management & Inventory – green rating
- Project Management & Ongoing Change Management Process – green rating
- Information Assurance – green rating
- Corporate Governance & Risk Management – green rating

The internal audits above are in addition to two separate consultancy based audits which were carried out around 'Managing Change/Review Changes' which has been ongoing throughout 2011/12 and also an 'Operations Review' audit which was to provide an independent opinion as to the effectiveness of internal structures and controls established within operations to ensure the ISA's responsibilities and obligations are delivered in the most effective manner.

Internal Audit made 14 recommendations this financial year as compared to 33 during 2010/11. There were no critically rated actions made by internal audit this year and outstanding actions continue to be promptly addressed.

For 2011/12 the ISA were provided with a 'High' level of assurance as part of the Head of Internal Audit opinion. This opinion states that the 'ISA has adequate and appropriate control, risk and information management systems in place, which operate consistently and effectively. Management Interventions are effective in identifying and rectifying errors and failures promptly. Risks to the Accounting Officer are generally well managed; material errors and failures which arise are detected and generally rectified promptly and effectively'.

The management team seeks to achieve continuous improvement of the internal control system. We do this by responding to audit recommendations and reviewing,

updating and implementing new policies, procedures and processes as required to respond to changes faced by the organisation.

In February 2011 the outcome of the Vetting and Barring Scheme Review and the recommendations of the Criminal Records Review were announced. The announcement included a number of changes that, if approved under the Protection of Freedoms Bill, would effect the future operations and existence of the ISA. This has impacted on the risk profile of the organisation due to the uncertainty felt by our employees and the significant change process that this planned organisational and legislative change would bring.

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

Risk is reported upon and considered at all meetings of the ISA Board; the ARC; all formal EMT Meetings; and at the quarterly meetings of the Management Board; all of which have a formal risk register. This approach ensures that risk management is cascaded throughout the ISA 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. The ISA also escalate risks/issues externally via the Safeguarding & Public Protection Unit (SPPU) risk escalation procedure which includes a feedback loop on individual risks and shared mitigating actions.

The ARC are responsible for reviewing the effectiveness of the risk management processes. The Committee dip-sample risks on the risk register, and review evidence to substantiate the effective delivery of mitigating actions. This process allows the ARC to provide the Board and the Accounting Officer with assurances that the risk and control framework is operating effectively.

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

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

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

The ISA carried out a self-assessment against the HO Risk Management Maturity Model (HO RMMM) during September 2011. The ISA has progressed from Level 3 'Application' to meeting Level 4 – Metrics 1 to 5 'Embedding'. This level has been ratified by Internal Audit in their 2011/12 audit assessment of Corporate Governance & Risk Management in the ISA.

The ISA has a business continuity plan with individual plans for each directorate setting out essential systems and requirements for the ISA to function in the event of

an incident. Plans to deal with disaster recovery and a business continuity site have been impeded due to the continued use of the current operational ICT solution. This risk is signed off and carried by the Home Office.

The ISA carried out an Organisational Capability Audit (OCA) as part of the Treasury 'Managing Risk of Financial Loss (MROFL)' initiative. The actions identified as part of the process have been included and are being monitored as part of the ISA Assurance Framework.

### **Progress against issues identified in the 2010/11 Statement of Internal Control (SIC)**

In my 2010-11 SIC I was able to provide High Assurance of the adequacy and appropriateness of the systems of internal control and risk management within the ISA.

The only issue identified in the 2010/11 SIC that remains unresolved is that of a business continuity site, details of which are set out in the previous paragraph.

#### **Key Issues**

During the year there have been a small number of key issues that have impacted on the risk profile of the ISA.

1. In February 2011 the outcome of the Vetting and Barring Scheme Review and the recommendations of the Criminal Records Review were announced. The announcement included a number of changes that, once approved under the Protection of Freedoms Bill, will impact on the future operations and existence of the ISA. One recommendation is for the merger of the ISA and the CRB to form a single organisation, the DBS. The new organisation will go live by the start of December 2012. As a result of the proposed merger announcement the ISA is experiencing an increase in employee turnover for specialist posts and recruitment to these posts has proved difficult and lengthy. To mitigate the risk that corporate objectives are not delivered, resources have had to be diverted from frontline services to help support other areas of the business.

2. From March 2011 the ISA has experienced an increase in appeals resulting in the risk that the ring-fenced budget delegation to meet the litigation cost of appeals may not be sufficient, and the human resource and the legal provision the ISA has at its disposal may not be sufficient to deal with the potential increase in volumes. This risk has been escalated to the ISA sponsor team in the Home Office and approval given for contingency arrangements to deal with any costs that arise in excess of current delegation. Internal processes have been implemented to identify and respond to lessons learnt from appeals cases.



## **Performance Management**

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

The ISA recently carried out an internal review on the PMF against the NAO good practice guide 'Performance Frameworks and Board Reporting'. In doing this, the ISA's approach was compared with the criteria set out by the NAO, to measure progress and identify scope for further improvement.

Key performance targets are set for the decision-making process with timescales monitored via ISA Performance Report and Balanced Scorecard.

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

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

## **Financial Management**

The ISA has a suite of Financial Policies and Procedures that form part of the ISA system of internal control. Procedures include arrangements for dealing with fraud. Procedures are subject to periodic review to ensure they remain fit for purpose.

The budget process includes input from each of the Directorates. Staffing budgets are developed from detailed work-force planning models. Each item of expenditure is linked to one of the ISA's strategic objectives. This process helps to ensure the effective and efficient use of resources to achieve value for money. The budget is reviewed and agreed by the EMT and the ISA Board prior to submission to the Home Office. A mid-year review is undertaken to produce a revised forecast.

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

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

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

The 2011-12 internal audit of financial management focused on fixed assets and resulted in a green rating.

## **People Management**

A workforce planning model has been developed for the ISA. Recruitment takes place in line with the ISA's Resourcing and a Workforce Approvals Process, which comply with both the current recruitment controls issued by the Home Office and the Civil Service Commission's Recruitment Principles.

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

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

The ISA has not offered any release under the Civil Service Compensation Scheme during the current financial year.

A clear Personal Development Record (PDR) process and training for both job holders and line managers have been implemented. Mid-year reviews are recommended as part of the process. Streamlining of the process in 2011 resulted in an increased (on time) return rate to 99.6%, which exceeded the ISA target of 80% for 2011.

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

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

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

Health and safety continues to be managed by the ISA Health and Safety Committee. The Committee meets quarterly. Minutes of the Health and Safety Committee are reviewed by the Board and the ISA Management Board.

## **Information Management**

The ISA's Information Governance Framework (IGF) underpins the ISA's approach to Information Governance. The IGF and its supporting documentation have been reviewed to ensure that they are fit for purpose and reflect the current best practice for the management of information risk, protective security and information management.

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

The ISA has an ongoing training programme for information management. New staff receive training on induction and this training is refreshed on an annual basis. Additional training is provided for key posts such as IAOs, Senior Information Responsible Officer SIRO, Accounting Officer and Board Members.

Information assets have been identified and a new information asset register tool for maintaining the information asset register has been introduced during the year. Information risks have been identified for information assets and appropriate controls are in place and where necessary, risk treatment plans have been developed identifying appropriate counter-measures. An incident reporting policy is in place which identifies routes for escalation and control. This policy is rolled out across the ISA.

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

Disaster Recovery (DR) plans are in place for Updated Case Relationship Management System (uCRM). To date the DR plans have not been fully tested, however, it should be noted that the plan is to recover to the User Acceptance Testing (UAT) environment, which is done, successfully, on a two monthly basis during scheduled maintenance and as required following changes to the system.

The ISA Information Systems Technology (IST) strategy was written specifically to align closely with the Home Office IST Strategy. The ISA is currently working with the Home Office and the CRB to appoint an ICT provider when the current ICT contracts end. Threats to the security of the IT systems are documented in line with CESG Information Standards.

An assessment of the ISA's system of internal control for the protection of information against the Information Assurance Maturity Model (IAMM) was carried out in 2011. The assessment concluded that the ISA met the requirements for the IAMM Levels 1 and 2 with high levels of compliance achieved against all Level 3 areas.

The ISA became subject to the Freedom of Information Act in October 2011. The ISA has in place policies and procedures for the processing of Freedom of Information requests. Arrangements are also in place to ensure that best practice for Data Protection requirements are followed and assimilated into organisational policy and culture.

In the event that a data loss incident should occur or vulnerabilities are identified, a structured procedure is in place to ensure that all appropriate parties both within the ISA and externally are notified in a timely fashion and updated as incidents proceed and are ultimately concluded. The ISA has not suffered any security breaches during the period covered by this statement.

### **Programme and Project Management**

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

The ISA Disclosure & Barring Service Board is responsible for monitoring and controlling the ISA's contribution to the implementation of the overall Disclosure and Barring Project. Programmes and projects are structured on a basis of using the Prince II methodology. Sound governance structures have been established with Programme and Project Boards supported by Checkpoints, with appropriate attendees and chaired by a Senior Reporting Officer.

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

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

Project Plans are developed and maintained and progress is reported via regular checkpoint meetings. Lessons learned and post implementation reviews are also routinely undertaken as best practice.

All transitions have an overarching strategy and plan and include RTF ("Ready to Fly") checklists covering all aspects of transition with RTF meetings to ensure all aspects of transition are represented. Lessons learned and post implementation reviews are also routinely undertaken as best practice.

## Overall Assessment

I have reviewed the ISA systems of governance, internal control and risk management internal. In my opinion I am able to provide, HIGH ASSURANCE regarding the areas for which I am responsible.

Signed:

A handwritten signature in black ink that reads "Adrian McAllister". The signature is written in a cursive, slightly slanted style.

Adrian McAllister  
Chief Executive and Accounting Officer  
14<sup>th</sup> June 2012

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements of the Independent Safeguarding Authority for the year ended 31 March 2012 under the Safeguarding Vulnerable Groups Act 2006. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the 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 Safeguarding Vulnerable Groups Act 2006. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

### **Opinion on regularity**

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

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Safeguarding Authority's affairs as at 31 March 2012 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Safeguarding Vulnerable Groups Act 2006 and Secretary of State directions issued thereunder.

### **Emphasis of Matter**

Without qualifying my opinion I draw attention to the disclosures made in note 1 concerning the application of the going concern principle in light of the intention to merge the Independent Safeguarding Authority with the Criminal Records Bureau into a single NDPB that will be known as the Disclosure and Barring Service (DBS). Chapter 3 of Part 5 of the Protection of Freedoms Act sets out details in relation to the establishment of the DBS and the dissolution of the ISA however, this depends on the passing of secondary legislation and there is therefore uncertainty over whether the ISA will continue to operate in its current legal form.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Safeguarding Vulnerable Groups Act 2006; and
- the information given in Management Commentary for the financial year 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.

Amyas C E Morse  
 Comptroller and Auditor General  
 National Audit Office  
 157-197 Buckingham Palace Road  
 Victoria  
 London  
 SW1W 9SP  
 25<sup>th</sup> June 2012.

## FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure for the period ended March 2012

		2011-12	Restated 2010-11
	Notes	£'000	£'000
<b>Programme Expenditure</b>			
Staff Costs	5	(9,099)	(9,947)
Depreciation	6	(558)	(667)
Other Expenditures	6	(3,492)	(2,2850)
		<b>(13,149)</b>	<b>(13,464)</b>
<b>Income</b>			
Other Income	7	9	192
		<b>9</b>	<b>192</b>
<b>Net Expenditure</b>		<b>(13,140)</b>	<b>(13,272)</b>
Interest (payable)/receivable	7	-	1
<b>Comprehensive Net Expenditure</b>		<b>(13,140)</b>	<b>(13,271)</b>

The figures for 2010-11 have been restated as outlined in note 1.2 Restatement of Accounts and Note 2. The restatement refers to changes in how the ISA accounts for grant income under IFRS. All operations of the ISA are continuing. See note 1.3 for ISA policy re going concern.

The notes on pages 73 to 91 form part of these Accounts.



Statement of Financial Position for the period ended March 2012

	Notes	2011-12 £'000	Restated 2010-11 £'000	Restated 2009-10 £'000
<b>Non-current Assets</b>				
Property, plant and equipment	8	1,365	1,742	2,149
Intangible assets	9	209	332	476
<b>Total non-current assets</b>		<b>1,574</b>	<b>2,074</b>	<b>2,625</b>
<b>Current assets:</b>				
Trade and other receivables	10	235	193	247
Cash and cash equivalents	11	325	453	772
<b>Total current assets</b>		<b>560</b>	<b>646</b>	<b>1,019</b>
<b>Total assets</b>		<b>2,134</b>	<b>2,720</b>	<b>3,644</b>
<b>Current liabilities</b>				
Trade and other payables due in less than one year	12	(542)	(368)	(930)
<b>Total current liabilities</b>		<b>(542)</b>	<b>(368)</b>	<b>(930)</b>
<b>Non-current assets plus current assets less current liabilities</b>		<b>1,592</b>	<b>2,352</b>	<b>2,714</b>

<b>Non-current liabilities</b>				
Provisions	13	(419)	(361)	(349)
<b>Total non-current liabilities</b>		<b>(419)</b>	<b>(361)</b>	<b>(349)</b>
<b>Assets less liabilities</b>		<b>1,173</b>	<b>1,991</b>	<b>2,365</b>
<b>Reserves</b>				
Revaluation Reserve		48	37	-
I&E Reserve		1,125	1,954	2,365
		<b>1,173</b>	<b>1,991</b>	<b>2,365</b>

The figures for 2010-11 and 2009-10 have been restated as outlined in note 1.2 Restatement of Accounts, and Note 2. The restatement refers to changes in how the ISA accounts for grant income under IFRS.

The financial statements on pages 67 to 91 were approved by the ISA board on 14<sup>th</sup> June 2012;

**Approved by Adrian McAllister as Accounting Officer for the ISA**

**Signed:**



Date: 14<sup>th</sup> June 2012

## Statement of Cash flows for the period ended March 2012

	Notes	2011-12 £'000	Restated 2010-11 £'000
<b>Cash flows from operating activities</b>			
Net Surplus/(Deficit) after interest		(13,140)	(13,271)
Adjustment for non cash transactions			
Depreciation and amortisation	6	558	667
Police Disclosure costs funded by notional grant	6	483	-
Decrease/(Increase) in trade and other receivables		(40)	54
Increase/(decrease) in trade payables and other payables (excluding deferred income)	12	174	(562)
Movement in provisions (through CNE)	6	9	12
<b>Net Cash outflow from operating activities</b>		<b>(11,956)</b>	<b>(13,100)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(1)
Purchase of intangible assets		-	-
<b>Net cash flow in from investing activities</b>		<b>-</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>			
Grants from parent department	4	11,828	12,782

Net cash flow from in from financing activities		11,828	12,782
<b>Net decrease in cash and cash equivalents in the period</b>	11	<b>(128)</b>	<b>(319)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>453</b>	<b>772</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>325</b>	<b>453</b>

The figures for 2010-11 have been restated as outlined in note 1.2 Restatement of Accounts, and Note 2. The restatement refers to changes in how the ISA accounts for grant income under IFRS.

Statement of Changes in Tax Payers' Equity for the period ended March 2012

	Notes	Revaluation Reserve £'000	I&E Reserve £'000	Government Grant Reserve £'000	Total Reserve £'000
<b>Balance as at 31 March 2010</b>		-	(20)	2,385	2,365
<b>Change in accounting policy</b>	2		2,385	(2,385)	-
<b>Restated Balance as at 31 March 2010</b>	2	-	2,365	-	2,365
<b>Changes in Taxpayers' Equity 2010-11</b>					
Grants from Parent	4	-	12,860	-	12,860
Comprehensive Expenditure for the year		-	(13,271)	-	(13,271)
Net gain/(loss) on revaluation	8,9	37	-	-	37
Movements in reserves		37	(411)	-	(374)
<b>Balance as at 31 March 2011</b>	2	37	1,954	-	1,991
<b>Changes in Taxpayers' Equity 2011-12</b>					
Grants from Parent	4	-	12,311	-	12,311
Comprehensive Expenditure for the year		-	(13,140)	-	(13,140)
Net gain/(loss) on revaluation	8,9	11	-	-	11
Movements in reserves		11	(829)	-	(818)
<b>Balance as at 31 March 2012</b>		48	1,125	-	1,173

The notes on pages 73 to 91 form part of these Accounts. The figures for 2010/11 and 2009/10 have been restated as outlined in note 1.2 Restatement of Accounts, and Note 2. The restatement refers to changes in how the ISA accounts for grant income under IFRS.

## Notes to the Accounts

### **1. Statement of accounting policies**

The financial statements have been prepared in accordance with the 2011/12 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the ISA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the ISA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### **1.1 Accounting Conventions**

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

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

The financial statements contain restated amounts for 2009/10 and 2010/11. The restatement relates to the treatment of government grants in the accounts in line with IAS 20. Previously, government grants were held in a reserve and released against the cost of depreciation to the income and expenditure account. This was done over the useful economic life of the asset that the grant was used to fund. The ISA has grant funding for computer equipment and hardware (uCRM). The grant has therefore been released to income and expenditure in total in 2009-10 and the accounts have been restated accordingly. Detailed calculations are included in note 2.

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

In February 2011, the Vetting and Barring Scheme review recommended that 'the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority (ISA) should be merged and a single Non-Department Public Body or Agency created to provide a barring and criminal records disclosure service. It was subsequently announced that the new body will be a Non-Departmental Public Body that will be known as the Disclosure and Barring Service (DBS). Chapter 3 of Part 5 of the Protection of Freedoms Act sets out details in relation to the establishment of the DBS and the dissolution of the ISA. At the point of merger, it is proposed that ISA, in its current legal form, will be dissolved and it is expected that the statutory functions will continue in the newly formed organisation. Subject to the pass of secondary legislation, it is expected that the new body will come into existence on the 1<sup>st</sup> December 2012.

Having considered the circumstances described above and from discussion with the Home Office, as Sponsors, the ISA's expectation is that the ISA will not continue to operate in its current form for the next 12 months. However, this depends on the passing of secondary legislation, which is expected to transfer ISA's assets and liabilities to the Disclosure and Barring Service when it is passed. Therefore the financial statements continue to be prepared on a going concern basis in accordance with the Government Financial Reporting Manual.

#### **1.4 Grant in Aid**

Grant in aid is used to support the statutory objectives of the ISA. Grant in aid received for revenue expenditure is regarded as funding and is credited direct to the I&E Reserve in accordance with the FReM. Grant received for capital expenditure relating to specific assets was previously credited to a Government Grant Reserve. Each year, an amount equal to the depreciation charge on the specific fixed assets acquired, was released from the Government Grant Reserve to income over the useful economic life of the asset. In line with the FReM this policy has been amended and the relevant prior period restatements reflected within the Accounts.

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

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

Grant relates directly to income received from the University of Teesside, who secured funding from the Higher Education Funding Council as a contribution towards the cost of the University Certificate in Advanced Professional Development, Professional Decision Making in Independent Safeguarding Authority Case Work. The course is delivered jointly by the University of Teesside and the ISA Learning and Development department.

The course is delivered in two modules and income is received and recognised when the employee commences module 2, under the conditions of the grant agreement.

Other income relates to fees charged for subject access requests under the data protection act. The ISA has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

#### **1.6 Value Added Tax**

The ISA pays VAT on all expenditure with no reclamation.

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

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

Under arrangements to establish the ISA, the Home Office has been responsible for the procurement of assets which are then granted to ISA.

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

At 31<sup>st</sup> March 2011, as a result of extending the useful economic life of computer equipment and hardware (uCRM) and software (uCRM) to the 28<sup>th</sup> February 2013, a decision was taken that these assets should be revalued. Following a further review in 2011-12, the useful economic life has now been extended to 31<sup>st</sup> December 2013. All other assets continue to be carried at depreciated historical cost where they have a short economic life or are low in value.

## **1.8 Depreciation & Amortisation**

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

The following asset lives are applied:

Furniture and fittings – 7 years

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

Fit-out of Stephenson House for 3<sup>rd</sup> floor – 7.42 years to correspond with end of lease

Equipment – 5 years

Computer equipment and hardware (uCRM) transferred from Home Office – from the date of recognition to the 31<sup>st</sup> December 2013

Software (uCRM) transferred from Home Office – from the date of recognition to the 31<sup>st</sup> December 2013



## 1.9 Pensions

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

For 2011-12, employers contributions of £1,219k were payable to the PCSPS (2010-11 £1,242k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contributions are set to meet the costs of benefits accruing during 2011-12 to be paid when the member retires and not the benefits paid during this period of existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18k (2010-11 £18k) were paid to one or more of the panel of the three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition employer contributions of £1k (2010-11 £1k), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these.

The ISA had one employee who took early retirement on health grounds during the year.

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

## 1.10 Provisions

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

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

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

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

A provision for the Ground, First, Second and Third floors of Stephenson House has been created for combined £419k which will be depreciated over an extra 2 years to the second break clause in the lease to 1<sup>st</sup> July 2014.

When the costs crystallise a grant to fund the whole of the provision will be drawn down from the Home Office.

### **1.11 Operating Leases**

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

### **1.12 Cash and cash equivalents**

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

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

The Statement of Comprehensive Net Expenditure is analysed between administration costs. The classification of administration or programme costs follows the definition set out by HM Treasury and interpreted by the Home Office. All of the ISA's expenditure was classified as programme expenditure in 2011-12.

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

IAS8, accounting policies, changes in accounting estimates and errors, require disclosures in respect of new IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. None of these new or amended standards and interpretations are likely to be applicable or are anticipated to have a future material impact on the financial statements of the Independent Safeguarding Authority.

## 2. Prior Year Restatement relating to Government Grant Reserve

As per note 1.2, Government Grants were held in a reserve, and released to the Comprehensive Net Expenditure statement (CNE) over the useful economic life of the asset.

Under IFRS, grants are released to the CNE when conditions of the grant are met. The ISA received grant from the Home Office to fund the software and equipment for the uCRM. This was held in reserve.

The adjustments required under the 2012 Government Financial reporting manual (FReM) are detailed below. In summary this releases the amount held in the grant reserve to the CNE. This impacts on the Tax Payers' Equity account and the Comprehensive Net Expenditure Statement as follows:

<b>2.1 Tax Payers' Equity</b>	<b>Government Grant Reserve £'000</b>	<b>Revaluation Reserve £'000</b>	<b>General Reserve £'000</b>	<b>Total Reserve £'000</b>
Reported Taxpayers' equity at 31 March 2009	2,958	-	(176)	2,782
Grant from Parent	576	-	13,092	13,668
Release of Government Grant	(1,149)	-	-	(1,149)
Expenditure for the year	-	-	(12,936)	(12,936)
<b>Taxpayers' equity at 31 March 2010</b>	<b>2,385</b>	<b>-</b>	<b>(20)</b>	<b>2,365</b>
<b>Adjustments Required</b>				
Release of Government Grant to Statement of Comprehensive Net Expenditure	(2,385)	-	2,385	-
<b>Restated Position</b>	<b>-</b>	<b>-</b>	<b>2,365</b>	<b>2,365</b>
<b>Reported Taxpayers' equity at 31 March 2010</b>	<b>2,385</b>	<b>-</b>	<b>(20)</b>	<b>2,365</b>

Grant from Parent	78	-	12,782	12,860
Release of Government Grant	(564)	-	-	(564)
Expenditure for the year	-	-	(12,707)	(12,707)
Net gain/loss on revaluation	-	37	-	37
<b>Taxpayers equity at 31 March 2011</b>	<b>1,899</b>	<b>37</b>	<b>55</b>	<b>1,991</b>
<b>Adjustments Required</b>				
Previous adjustments	(2,385)	-	2,385	-
Release of Government Grant to Statement of Comprehensive Net Expenditure	564	-	(564)	-
Release of Government Grant to Statement of Comprehensive Net Expenditure	(78)	-	78	-
<b>Restated Position</b>	<b>-</b>	<b>37</b>	<b>1,954</b>	<b>1,991</b>

## 2.2 Statement of Comprehensive Net Expenditure

	2010-11
Reported – Release of Government Grant Adjustments Required	(564)  486
<hr/>	
Government Grant Released Restated	(78)
<hr/>	

The entry in 2010-11 increases the next expenditure by reversing grant released in 2011 which was now released in a prior period.  
The release of £78k relates to grant received in 2011 where the conditions of the grant were met.

## 3. Analysis of Net Expenditure

	Operations	Finance & Corporate Resources	People & Development	Performance, Partnerships & Corporate Change	Chief Executive Officer & Board	Project Costs	Total Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs	6,144	655	450	891	446	302	8,888
Salaries							
Other Staff Costs	76	123	99	-	38	111	447
Building Costs	-	1,085	-	-	-	-	1,085
Admin Costs	37	267	3	15	-	-	322
Fees and Expenses	944	298	28	46	-	-	1,316
Training and Conferences	3	-	118	7	-	-	128
IT Purchase Costs	-	68	-	-	-	-	68
Equipment Costs	-	307	2	-	-	-	309
Refreshments and Hospitality	-	19	-	-	-	-	19
Total Costs	7,204	2,822	700	959	484	413	12,582

<b>Non Cash Items</b>							
Depreciation	-	558	-	-	-	-	558
Unwinding of Re- instatement Provision	-	9	-	-	-	-	9
Total Expenditure	<b>7,204</b>	<b>3,389</b>	<b>700</b>	<b>959</b>	<b>484</b>	<b>413</b>	<b>13,149</b>

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

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

#### 4. Grant in Aid

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

	<b>2011-12</b>	<b>Restated</b>
	<b>£'000</b>	<b>2010-11</b>
		<b>£'000</b>
GIA received for revenue expenditure	11,828	12,781
Grant received for revenue expenditure (notional)	483	-
GIA received for capital expenditure	-	1
Grant received for capital expenditure (notional)	-	78
Total Grant in Aid in the period	<u>12,311</u>	<u>12,860</u>

Grant in Aid received for the year has been for revenue expenditure. Notional grant received in the period was to cover Police Disclosure costs (£483k).

In line with the Government Financial Reporting Manual (FReM) grant income received from the Home Office in respect of specific assets is now released to the income and expenditure account when conditions are met. It is not now credited to the government grant reserve. This is deemed to be a change in accounting policy and as such previous period have been re-stated accordingly.

## 5. Staff Numbers and Related Costs

<b>Staff costs comprise:</b>	<b>Permanent Employed Staff £'000</b>	<b>Others £'000</b>	<b>2011/12 Total £'000</b>	<b>2010/11 Total £'000</b>
Wages & Salaries	7,061	48	7,109	7,325
Social Security Costs	521	3	524	559
Other Pension Costs	1,206	7	1,213	1,218
<b>Sub Total</b>	<b>8,788</b>	<b>58</b>	<b>8,846</b>	<b>9,102</b>
Less Recoveries in respect of outward secondments Temporary Staff	-	-	-	(13)
Agency workers	-	211	211	858
Inward secondments	-	42	42	-
<b>Total net costs</b>	<b>8,788</b>	<b>311</b>	<b>9,099</b>	<b>9,947</b>

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

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

Other pension costs for the period to March 2012 included £1,213k for pension payments (2010-11 £1,261k), there was no movement in pension accruals for the period (2010-11 £43k), making the total for the year £1,213k (2010-11 £1,218k).

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 year was as follows:

	<b>Permanently Employed</b>	<b>Others</b>	<b>2011-12 Total</b>	<b>2010-11 Total</b>
Directly Employed	262	3	265	272
Other	-	7	7	15
	<b>262</b>	<b>10</b>	<b>272</b>	<b>287</b>

## 6. Other Expenditure

	2011-12 £'000	2010-11 £'000
<b>6.1 Accommodation Costs</b>		
<b>Accommodation costs include the following:</b>		
Rent	561	552
Additional Accommodation Costs	-	-
Service Charges	253	228
Rates	144	44
Insurance	9	8
Maintenance Buildings	32	29
<b>Total Accommodation Costs</b>	<b>999</b>	<b>861</b>
<b>6.2 Administration Costs</b>		
<b>Administrative costs include the following</b>		
Police Disclosure Costs	483	-
Equipment Rental & Maintenance	447	482
NPIA (Data Sharing Agreement)	296	288
Travel & Subsistence	146	136
Legal Fees	238	80
Training Costs	121	270
Stationery & Printing	70	72
IT Support Costs	65	71
Professional Fees	153	123
Recruitment Costs	8	9
Other Staff Costs	85	94
Postage & Telephone Costs	53	54
Security	55	56
ACPO Criminal Records Office	87	58
Equipment Purchase <5K	6	21
Cleaning	31	30
Subscriptions	14	9
Refreshments, Hospitality & Conferences	25	20
Internal Audit Fees	24	25
Hire of Vehicle	-	8
General Expenses	4	4
External Audit Fees	35	35
Offsite Storage	37	32
Advertising	1	-
<b>Total Admin Costs</b>	<b>2,484</b>	<b>1,977</b>
<b>6.3 Non cash items</b>		
Depreciation	558	667
Unwinding of Re-instatement Provision	9	12
<b>Total Non Cash Items</b>	<b>567</b>	<b>679</b>
<b>Total costs</b>	<b>4,050</b>	<b>3,517</b>
<b>Total other costs excluding depreciation</b>	<b>3,492</b>	<b>2,850</b>



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

## 7. Income & Interest Receivable

<b>7.1 Income</b>	<b>2011/12 £'000</b>	<b>2010/11 £'000</b>
Grant Income from the University of Teesside	8	191
Other Income	1	1
<b>Total Other Income</b>	<b><u>9</u></b>	<b><u>192</u></b>

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

<b>7.2 Interest Receivable</b>	<b>2011/12 £'000</b>	<b>2010/11 £'000</b>
Interest Receivable	-	1
<b>Total Interest Receivable</b>	<b><u>-</u></b>	<b><u>1</u></b>

In 2010 the ISA received a rate rebate from Darlington Borough Council as a result of an adjustment to the rateable value of Stephenson House resulting in an interest payment.

## 8. Tangible Non-current Assets

<b>Cost or Valuation</b>	<b>Furniture &amp; Fittings £'000</b>	<b>Fit-out £'000</b>	<b>Equipment £'000</b>	<b>Information Technology Hardware £'000</b>	<b>Total £'000</b>
At 1 April 2011	504	1,504	370	962	3,340
Additions	-	48	-	-	48
Revaluation	11	20	-	(5)	26
<b>At 31 March 2012</b>	<b>515</b>	<b>1,572</b>	<b>370</b>	<b>957</b>	<b>3,414</b>

<b>Depreciation</b>					
At 1 April 2011	(181)	(542)	(222)	(653)	(1,598)
Charge in year	(74)	(180)	(74)	(117)	(445)
	(4)	-	-	(2)	(6)
Revaluation					
<b>At 31 March 2012</b>	<b>(259)</b>	<b>(722)</b>	<b>(296)</b>	<b>(772)</b>	<b>(2,049)</b>
<b>Net book value at 31 March 2011</b>	<b>323</b>	<b>962</b>	<b>148</b>	<b>309</b>	<b>1,742</b>
<b>Net book value at 31 March 2012</b>	<b>256</b>	<b>850</b>	<b>74</b>	<b>185</b>	<b>1,365</b>
<b>Asset financing:</b>					
Owned	256	832	74	-	1,162
Leased	-	18	-	185	203
<b>Net book value at 31 March 2012</b>	<b>256</b>	<b>850</b>	<b>74</b>	<b>185</b>	<b>1,365</b>

### (1) Leased Assets

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

### (2) Movements during the year

The only movements for the period related to revaluations, detailed below and an addition of £48k relating to the creation of an additional asset associated with reinstatement work at Stephenson House, funded by provision.

### (3) Revaluations

At 31 March 2011, as a result of extending the useful economic life of computer equipment and hardware (uCRM), a decision was taken that these assets should be re-valued. All other assets continue to be carried at depreciated historical cost. The opening net book value for 2010/11 was used as the baseline for the calculation of depreciation from April 2010. In line with this approach, the uCRM has been revalued in line with indices relating to computer equipment. The useful economic life has been assessed on the basis of the introduction of a new computer system. The revaluation has been applied as at 31 March 2012.

Revaluation losses on IT relate to reduction to the valuation of IT software/equipment. These downward valuations relate to the reversal of previous gains and are therefore movements through the revaluation reserve rather than charges to the statement of Comprehensive Net Expenditure.

Revaluation gains in furniture relate to items not previously included in the asset register.

Revaluation gains on fit out relate to the revaluation of reinstatement work at Stephenson House. The value has been assessed on £450 per square foot. See note 13 for details of the provision against dilapidation costs.

<b>Cost or Valuation</b>	<b>Furniture &amp; Fittings £'000</b>	<b>Fit-out £'000</b>	<b>Equipment £'000</b>	<b>Information Technology Hardware £'000</b>	<b>Total £'000</b>
At 1 April 2010	503	1,504	370	816	3,193
Additions	1	-	-	78	79
Disposals	-	-	-	-	-
Revaluation	-	-	-	68	68
<b>At 31 March 2011</b>	<b>504</b>	<b>1,504</b>	<b>370</b>	<b>962</b>	<b>3,340</b>
<b>Depreciation</b>					
At 1 April 2010	(109)	(307)	(148)	(480)	(1,044)
Charge in year	(72)	(235)	(74)	(123)	(504)
Revaluation	-	-	-	(50)	(50)
<b>At 31 March 2011</b>	<b>(181)</b>	<b>(542)</b>	<b>(222)</b>	<b>(653)</b>	<b>(1,598)</b>
<b>Net book value at 31 March 2010</b>	<b>394</b>	<b>1,197</b>	<b>222</b>	<b>336</b>	<b>2,149</b>
<b>Net book value at 31 March 2011</b>	<b>323</b>	<b>962</b>	<b>148</b>	<b>309</b>	<b>1,742</b>
<b>Asset financing:</b>					
Owned	323	941	148	-	1,412
Leased	-	21	-	309	330
<b>Net book value at 31 March 2011</b>	<b>323</b>	<b>962</b>	<b>148</b>	<b>309</b>	<b>1,742</b>

## 9. Intangible Assets

<b>Cost or Valuation</b>	<b>Information Technology £'000</b>	<b>Software Licences £'000</b>	<b>Total £'000</b>
At 1 April 2011	728	433	1,161
Revaluation	(5)	(3)	(8)
<b>At 31 March 2012</b>	<b>723</b>	<b>430</b>	<b>1,153</b>

	<b>Information Technology £'000</b>	<b>Software Licences £'000</b>	<b>Total £'000</b>
<b>Amortisation</b>			
At 1 April 2011	(512)	(317)	(829)
Charged in year	(75)	(39)	(114)
Revaluation	-	(1)	(1)
<b>At 31 March 2012</b>	<b>(587)</b>	<b>(357)</b>	<b>(944)</b>
<b>Net book value at 31 March 2012</b>	<b>136</b>	<b>73</b>	<b>209</b>
<b>Cost or Valuation</b>			
At 1 April 2010	691	400	1,091
Revaluation	37	33	70
<b>At 31 March 2011</b>	<b>728</b>	<b>433</b>	<b>1,161</b>
<b>Amortisation</b>			
At 1 April 2010	(378)	(237)	(615)
Charged in year	(107)	(56)	(163)
Revaluation	(27)	(24)	(51)
<b>At 31 March 2011</b>	<b>(512)</b>	<b>(317)</b>	<b>(829)</b>
<b>Net book value at 31 March 2011</b>	<b>216</b>	<b>116</b>	<b>332</b>
<b>Net book value at 31 March 2010</b>	<b>313</b>	<b>163</b>	<b>476</b>

**(1) Movements During the Year**

There were no movements during the period to 31 March 2012.

**(2) Valuation of uCRM**

At 31 March 2011, as a result of extending the useful economic life of computer equipment and software (uCRM), a decision was taken that these assets should be re-valued. All other assets continue to be carried at depreciated historical cost. The opening net book value for 2010-11 has been used as the baseline for the calculation of depreciation from April 2010 to 31 December 2013. In line with this approach, the uCRM has been revalued in line with indices relating to computer equipment. The useful economic life of the asset has been reviewed in year on the basis of the introduction of a new computer system. The useful economic life has been assessed up to December 2013. The revaluation has been applied as at 31 March 2012.

Revaluation losses on IT relate to reduction in indices relating to the valuation of IT software / equipment. These downward valuations relate to the reversal of previous gains and are therefore movements through the revaluation reserve rather than charges to the Statement of Comprehensive Net Expenditure.

## 10. Trade receivables and other current assets

	2011-12	2010-11	2009-10
	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>			
Other receivables	-	-	50
Prepayments and accrued Income	235	193	197
<b>Total receivables as at 31 March</b>	<b><u>235</u></b>	<b><u>193</u></b>	<b><u>247</u></b>
<b>Intra Government Balances</b>			
Balances with central government bodies	42	3	57
Balances with police and local authorities		-	-
<b>Total intra government</b>	<b><u>42</u></b>	<b><u>3</u></b>	<b><u>57</u></b>
Balances with bodies external to external government	193	190	190
<b>Total as at 31 March</b>	<b><u>235</u></b>	<b><u>193</u></b>	<b><u>247</u></b>

As at 31 March 2012 and 31 March 2011 there were no amounts falling due after more than one year.

## 11. Cash and cash equivalents

	2011-12	2010-11	2009-10
	£'000	£'000	£'000
<b>Balance at 1 April</b>	453	772	558
Net change in cash balances	(128)	(319)	214
	<b><u>325</u></b>	<b><u>453</u></b>	<b><u>772</u></b>

The following balances at 31 March were held at:

Commercial banks	324	453	772
Government banking service	1	-	
	<b><u>325</u></b>	<b><u>453</u></b>	<b><u>772</u></b>

## 12. Trade payables and other current liabilities

	2011- 12	2010- 11	2009- 10
	£'000	£'000	£'000
Trade payables	(48)	(19)	(232)
Accruals and deferred income			
Accrued charges	(494)	(349)	(698)
<b>Total payables as at 31 March</b>	<b>(542)</b>	<b>(368)</b>	<b>(930)</b>
<b>Intra Government Balances</b>			
Balances with central government bodies	(245)	(102)	(146)
Balances with police and local authorities	(3)	(3)	(10)
<b>Total intra government</b>	<b>(248)</b>	<b>(105)</b>	<b>(156)</b>
Balances with bodies external to government	(294)	(263)	(774)
<b>Total as at 31 March</b>	<b>(542)</b>	<b>(368)</b>	<b>(930)</b>

As at 31st March 2012 and 31st March 2011 there were no amounts falling due after more than one year.

## 13. Provisions for liabilities and charges

### Reinstatement Provision

	£'000
Provision at 1 April 2011	361
Provided in year: creation of tangible asset	49
Unwinding of discount	9
<b>Balance at 31 March 2012</b>	<b>419</b>
Analysis of expected timing of discounted flows Between 1 and 5 years	419
<b>Provision as at 1st April 2010</b>	<b>349</b>

For property provisions the ISA recognises a dilapidation provision for the leased premises currently occupied where it has an obligation to bring the property into a good state of repair at the end of lease. The provision is based on the contractual agreement between the ISA and the landlord. In line with IAS37 'Provisions, contingent liabilities and assets', the costs of reinstatement have also been recognised as a tangible non-current asset, part of fit-out, and are depreciated over

the period to the second break clause of the lease which is 7 years. The discount factor used in the calculation of the provision is 2.2%.

#### 14. Capital Commitments

The ISA had no capital commitments as at 31 March 2012 (31 March 2011 £nil).

#### 15. Commitments under leases

Operating leases

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

	<b>2011-12</b>	<b>Restated</b>
	<b>£'000</b>	<b>2010-11</b>
		<b>£'000</b>
<b>Obligations under operating leases for buildings</b>		
Not later than one year	561	561
Later than one year and not later than five years	701	1,262
Later than five years	-	-
<b>Total at 31 March</b>	<u><b>1,262</b></u>	<u><b>1,823</b></u>

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

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

#### 16. Contingent liabilities disclosed under IAS 37

The ISA had no contingent liabilities as at 31 March 2012.

## **17. Subsequent Events**

There have been no significant events between the year and the date of approval of these accounts which would require a change to or disclosure in the accounts. These accounts were authorised for issue on the date the accounts were certified by the Comptroller & Auditor General.

## **18. Financial Instruments**

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

## **19. Related Party Transactions**

The Home Office is the sponsor department of the ISA and is regarded as a related party. During the year to 31<sup>st</sup> March 2012 the ISA has had a number of material transactions with the Home Office, and with other entities for which the Home Office is regarded as the parent Department, these entities are listed below:

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

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

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

During 2011-12 the Lucy Faithfull Foundation of which Donald Findlater, ISA board member is a director, provided services to the ISA to the value of £47k. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

Don Grubin sits on the management committee and is a core member of the Sexual Behaviour Unit. During 2011-12 the ISA entered into contract with the Sexual Behaviour Unit for the provision of specialist risk assessment services. Don Grubin formally declared an interest in this respect and was not involved in the tender process to award this contract. No services were purchased under this contract during 2011-12.



## Glossary

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

### Further information

You can find further information on the ISA at

[www.isa.homeoffice.gov.uk/](http://www.isa.homeoffice.gov.uk/)

As well as general information on the ISA, you can also find ISA Referral Guidance and Referral Form and a series of helpful fact sheets

Information on the Government's disclosure and barring services can be found on:

[www.direct.gov.uk](http://www.direct.gov.uk)

[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

<http://www.homeoffice.gov.uk/agencies-public-bodies/crb/>







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