







**Independent Safeguarding Authority**

# **Annual Report and Accounts**

## **2010/2011**

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Safeguarding Vulnerable Groups Act 2006.

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## Foreword | Sir Roger Singleton CBE

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Our principal responsibilities are to decide which people should be statutorily prevented from working with children or vulnerable adults because they present a risk to their safety and

well being. During the year, 5,361 people were referred to us by employers or other organisations because of the harm they had caused to a child or vulnerable person, or concern about the harm that they posed.

That has been our main activity during the year, but it was not the only one. In June the Coalition Government announced its intention to review the Vetting and Barring Scheme (VBS) as prescribed in the Safeguarding Vulnerable Groups Act 2006 and the Criminal Records Regime. The Home Secretary also halted further implementation of the VBS until the reviews' recommendations were known.

The findings of the VBS Review will inevitably shape the future of the ISA - particularly as a key recommendation requires the ISA and the CRB to merge into a new organisation. Whilst there are challenges ahead I am confident that the ISA is well positioned to meet them with fortitude and commitment.

But it is our mainstream work which presents the greatest challenges. We must ensure that the people referred to us are treated individually and that a decision - whether to place a bar or not - is proportionate to any future risk that is posed. We do not take our responsibilities lightly. The impact of our decisions is potentially significant both to the children or vulnerable adults who are at risk of abuse and to the people referred to us for whom a bar can have major and life changing consequences. That is why we continually strive for excellence by investing in our staff with greater opportunities for learning and development.

The ISA Board is corporately responsible for all the barring decisions taken by the Authority. It has supported me throughout the year, and for that I offer my thanks and gratitude. The board members share a wide range of knowledge and expertise in children and adult safeguarding, from organisational governance through to offender management, and this has been key in sustaining and informing our decision-making. I would also like to thank Adrian McAllister and the executive team for their advice and highly effective management of the ISA.

We are keen to contribute our knowledge and experience of safeguarding to improve the protection available to children and vulnerable adults. We recognise and continually emphasise that safeguarding is a responsibility which we all share and reliance cannot be placed on a single party or agency. Our commitment is to play our part in a way which has regard to the need to protect vulnerable people and ensures fairness to those whose behaviour has caused concern.



**Sir Roger Singleton, ISA Chair**

# Introduction | Adrian McAllister

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This last year has been one of continued challenge, development and some consolidation for the ISA. As Chief Executive, my focus has been on ensuring continuous

improvement across the organisation whilst maintaining a very close eye on the potential impact of the review of the Vetting and Barring Scheme (VBS).

Delivering high quality decision-making is our key priority, but it cannot be achieved without the support of an organisation that seeks excellence as a whole. We know that governance arrangements, performance management, communications or security procedures only hit the headlines when they 'go-wrong'. That is why we are rigorous in ensuring that we have an ambitious approach to all aspects of our work.

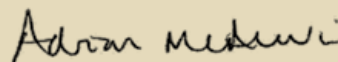
The emphasis on the quality of our work is not just confined to our caseworkers, but permeates throughout the entire organisation. During 2010 all of our staff maintained a superb level of commitment and dedication. This was

reflected, not least, in the messages thanking staff for their courtesy, understanding and their continued focus on 'quality of service'. Some of those comments you can read throughout this annual report.

Of particular note is the great emphasis we place on effective learning and development. It was therefore particularly pleasing that our partnership with Teesside University, which helps us to deliver our caseworker training programme, was recognised as 'best practice' at the 2010 Tees Valley Chartered Institute of Personnel and Development (CIPD) Awards.

None of what we have so far achieved could have taken place without the leadership of my executive team, our managers throughout the directorates and of course the dedication and commitment of all ISA staff.

The past three years has shown the ISA and its staff to be resilient, focused and innovative. I believe that our professionalism, combined with our expertise in helping to protect vulnerable groups stands us in great stead for future challenges.



**Adrian McAllister, ISA Chief Executive and Accounting Officer**

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## Our vision

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We have developed a vision to express clearly what we are looking to achieve in the years ahead.

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

We will do this by recognising and responding positively to our changing operational and organisational environment and 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. Specifically these 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 have adopted seven strategic objectives to help ensure we deliver our responsibilities to a high standard and in a cost effective manner. The objectives were reviewed during 2011/12 following the outcome of the Vetting and Barring Scheme and Criminal Records reviews and the planned creation of a single disclosure and barring organisation.

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## The benefits we bring

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The majority of people who work or volunteer with children and vulnerable adults do so with the highest motives and intentions. However, we know that there are a small number of people who will try to access vulnerable groups with the intention of trying to abuse them or whose past behaviour and actions indicate that they pose a risk.

It is the role of the ISA to decide, often following an employer's disciplinary process, whether it is appropriate and proportionate to bar a person from working with a vulnerable group or groups because of the ongoing risk of harm they present.

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, consistent and proportionate** method across all employment sectors
- barring decisions are made by our **uniquely trained, accredited** decision-makers

- our decision-making process is **transparent**, as we share all the information we rely upon to make our barring decisions with the person under consideration. They can then 'make representations' as to why they believe a bar is inappropriate or disproportionate
- the representations process **enables** those with previous convictions or cautions to demonstrate why a bar may not be appropriate
- 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 Social Care 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 recruiting 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 with children and/or vulnerable adults whilst barred from doing so

*"I have recently unfortunately had to deal with the ISA, throughout the time my representations and other information was being gathered, I spoke with your staff on a regular basis. At all times they were non judgemental, and I have to say extremely kind and compassionate. I would just like to say thank you to the staff I dealt with, it was a very difficult time, and your staff were fantastic."*

From an individual we worked with during the year.

# Our achievements

## Key Statistics 2010-2011

Numbers of referrals we have received and processed	5,361
Numbers of people we have placed on the ISA's Children's List*	14,633
Numbers of people we have placed on the ISA's Vulnerable Adults' List*	14,365

\* Some of these people will have been removed from the list or lists. This can happen through the autobar with representations process and following notification that the person has died or where late representations have been submitted and considered.

### Achievements against our strategic objectives

We have adopted seven strategic objectives to help ensure we deliver our responsibilities, both to a high standard and cost effectively. Our highest priorities are those that relate directly to the delivery of our core purpose - to reduce the risk of harm to children and vulnerable adults.

Our two remaining strategic objectives reflect our aim to achieve excellence in all that we do and will help to ensure that we have the right staff with the right skills, that our people are supported by the appropriate level of resources, systems and procedures, and that we work effectively with our partners and others to deliver our core purpose.

These are our key achievements in meeting those objectives:

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

- we made **517** "discretionary" bars. These are where employers or other regulatory bodies have 'referred' relevant safeguarding information to us and we have decided that it is a proportionate response to bar a person from working with children and or vulnerable adults
- we have closed **17,698** autobar cases and **13,663** people have been barred through the autobar process. 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

- we processed **5,361** referrals throughout the year. A referral is relevant safeguarding information sent from employers usually after a disciplinary hearing that has resulted in a dismissal or resignation
- we have provided evidence packs to the police for **215** people who have tried to gain employment with children and/or vulnerable adults whilst barred by the ISA

#### 2. To ensure case decisions are made independently, by those with relevant experience and skills

- the majority of our caseworkers are authorised to make decisions under the casework decision making authority (CDMA)
- we introduced a quality assurance framework to support consistency in our decision-making
- ISA caseworkers successfully gained accreditation by Teesside University as part of the University Certificate in Advanced Professional Development (UCAPD) in Professional Decision Making in Independent Safeguarding Authority Casework

*“Thanks for your recent letter containing such good news as well as your help over the past seven months, all the best.”* From an individual we worked with during the year.

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### **3. To be a highly regarded public body that has the confidence of the public and of other stakeholders**

- we engaged with over **40** partners including professional regulators, inspecting agencies, devolved administrations, police, military and partner agencies to work together on developing and implementing effective information sharing policies and procedures
- in January 2011 we successfully implemented an ISA **Help desk** following the closure of the Vetting and Barring Scheme Contact Centre facilities in December 2010
- we regularly receive compliments from the people with whom we come into contact through our work. Examples of these are reproduced within this report

### **4. To influence policy and strategic decision-making in order to better protect children and vulnerable adults**

- on request we provided background information to support the Coalition Government's reviews of the Vetting and Barring Scheme and the Criminal Records Regime
- our research strategy was approved by the ISA Board and will help us to inform policy by providing greater intelligence on the risk profile of the population of people being referred to the ISA and those who are subsequently barred

### **5. To protect the information we hold and to share it securely and effectively with those entitled to receive it**

- our risk management document set (which helps us to identify and manage our risks effectively) was approved for our case management system which our caseworkers use to record and manage their work
- we achieved a Level two Information Assurance Maturity Model (IAMM) with aspects of Level three in 50% of the areas. The IAMM provides an independent review of an organisation's progress towards the National Information Assurance Strategy and particularly the mandatory and other measures set out in the Data Handling Review into handling personal data. These measures clarify how government departments should improve their data security arrangements by putting in place protective measures, getting the working culture right and improving accountability and scrutiny of performance. The model assesses data handling controls across the supply chain, and covers the organisation, third party suppliers and delivery partners
- **100%** of ISA staff undertook and passed an e-learning National School of Government course in handling personal data

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## Our achievements | Continued...

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### 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

- we implemented flexible working systems to ensure the efficient use of our workspace
- we delivered savings against agreed budget delegation reducing the cost to Government for 2010/11
- we implemented an in-house legal advice service which has reduced the use of external advisors and increased our cost efficiency
- our Information Systems Technology (IST) Strategy was aligned with Home Office and Government strategy to achieve best value from technology
- we implemented Business Continuity plans across each ISA Directorate and provided appropriate and effective training

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

- we successfully developed and promoted our learning resource centre to support knowledge and skills amongst all our staff
- we developed an equality & diversity action group with representatives from all directorates, grades and the ISA Board
- our partnership with Teesside University, which helps us to deliver our caseworker training programme, was recognised as 'best practice' at the 2010 Tees Valley Chartered Institute of Personnel and Development (CIPD) Awards
- we supported the implementation of an Investors in People diagnostic assessment
- we undertook a staff survey, which highlighted that 94.6% are proud to work for the ISA

In addition to our strategic objectives we also delivered the following achievements to continually improve the organisation and its staff.

*“I would just like to let you know how delighted I am by the ISA’s decision – obviously! I feel as though a huge black cloud has been lifted. It has been an extremely traumatic few years and although I’ve had tremendous support from friends, colleagues, parents and ex-pupils, your decision has restored some sanity back into the proceedings! “*

From an individual we worked with during the year.

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## Organisational excellence

### Audits

The Home Office audit and assurance unit provides internal audit services to the ISA under a service level agreement. Those undertaken throughout the year are set out below, along with the rating we achieved:

1. Information management – green rating
2. Financial management – amber/green rating
3. Operations decision-making processes – green rating
4. Operational quality assurance process – amber/green rating
5. Operations case management and control – green rating
6. Corporate governance and risk management – green rating

Four out of the six audit areas were graded the highest assurance rating possible (green) and the other two graded as the second highest assurance rating possible (amber/green). In addition we commissioned three 'ad-hoc' audits to provide assurance on projects or as background to process improvement projects.

We developed and implemented a new reporting process for updating any outstanding internal and external audit recommendations.

### Process improvements

- we implemented a performance management framework including an improved ISA balanced scorecard, performance reporting, a Ministerial report and the strengthening of management information for all directorates
- we reviewed our information gathering processes and identified and delivered improvements for the different stages of the operational information gathering process
- following the completion of an internal efficiency review of our operational structure and procedures, the 'HUB' was created and implemented in June 2010. The HUB is a centralised team involved in the early stage assessment of referrals and provides greater consistency, efficiency and peer support. The HUB has the responsibility and ownership for the initial case assessment and information gathering of referrals received by the ISA. Best practice from the HUB has also been rolled out to other areas of the ISA

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## Our achievements | Continued...

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### Staff development

- we delivered a series of awareness raising sessions on the effective and accurate use of our case management system to all ISA operational staff
- **95%** of staff were satisfied with our induction programme and 99% satisfaction was recorded with our training.
- **100%** of staff throughout the organisation completed the roll-out of e-learning in **diversity and information assurance** training to enhance skills and knowledge

### Equality and human rights

- we completed equality and human rights relevance tests on all corporate policies

### Finance

- we created 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 – currently 91.6% against a target of 80%

### Risk management

- we are committed to identifying and managing any risks effectively and efficiently. Therefore we implemented assurance frameworks for financial management, operational decision making and corporate governance/risk management. Our assurance framework provides a simple but comprehensive method for the effective and focused management of the systems of internal control. It also provides a structure for the evidence to support the statement of internal control included within our annual report

### Change management

- we implemented an ISA change management process to ensure a consistent and streamlined process is applied and that business developments and improvements are effectively impact-assessed throughout the ISA

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# Our contribution to wider Coalition Government objectives

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## 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 Assembly 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 help us to maintain our status as a high performing public body.

## Key performance indicators

A number of key performance indicators are stated below:

Performance indicator	Target 2010/11	Actual 2010/11	Comment
<b>Operations</b>			
Autobar cases approved within 25 working days (where all information is available) and are placed upon the barred list	80%	94%	
Cases closed within 110 working days	70% revised to <b>75%</b>	75%	To ensure our targets remain challenging, a review resulted in revised targets in October 2010
Cases closed within 55 working days	25% revised to <b>55%</b>	54%	
Down time of our casework IT systems	<5%	0%	
Complaints resolved within 21 working days	85%	94.9%	
<b>Our people</b>			
Caseworker decision makers signed off to make decisions	80%	94%	This relates to the percentage of caseworkers signed off to Stage 2 at the end of March 2011. 83% are signed off to Stage 3
Average turnover of staff	<10%	4.1%	This equates to a total of 11 employees
Average number of days lost to sickness absence per employee	<8 days	8.31 days	This has been impacted by a very small number of long term sickness absence
Staff who understand our values	80%	86.5%	



*“Hopefully I will now be able to register with supply agencies and get back in to the classroom and the job I love.”* From an individual we worked with during the year.

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Performance indicator	Target 2010/11	Actual	Comment
<b>Finance</b>			
Bids received from local suppliers	80%	94%	
Creditor invoices paid within 5 days	70% revised to 75%	75%	To ensure our targets remain challenging, a review resulted in revised targets in October 2010
<b>Stakeholder</b>			
Stakeholders say they are clear about our role		N/A	See note*

\* The Coalition Government’s announcement of a review of the Vetting and Barring Scheme and other measures that were introduced as a consequence of the election of a new government in May 2010, impacted upon the delivery of some targets and activities that we had set out in our business plan for 2010 -11.

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# Management commentary | Continued...

## 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 looked after 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 decision-making. We are also acutely aware that by barring those who pose a risk of harm we can help reduce further abuse, whether physical, sexual, emotional or financial.

As of 31 March 2011, the number of people on each of the barred lists was:

List	Number as at March 2011	Number as at March 2010
Vulnerable Adults'	32,216	19,111
Children's	35,654	21,419

The total number of people barred across both lists (as of March 2011) is 37,199. Please note that some people are on both lists.

## Referrals from employers and other organisations

- During the year April 2010 until March 2011 we received 5,361 referrals for consideration, averaging 446 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 highest number of referrals came from the care home and domiciliary care sector, followed by local authorities and professional regulators. We hope to provide a more detailed breakdown of referrals in future annual reports.

## Autobar cases

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.

- between 1 April 2010 and 31 March 2011 we closed **17,698** autobar cases and **13,663** people have been barred through the autobar process

## Transferring cases to the ISA barred lists

On 12 October 2009 we became responsible for ensuring people from the previous barred lists (POVA, POCA, List 99) were transferred, where appropriate, onto the ISA's barred lists. This process was called ISA 'determination'.

We achieved our target of ensuring that 98% of cases were concluded by March 2011, and in fact exceeded our target with performance reaching 98.7%

## Information governance

- a total of 121 subject access requests were received, of which 110 have received a response. The outstanding cases were received at the end of the March 2011
- 99% were responded to within the 40 calendar day standard

Although we are not yet subject to the Freedom of Information Act (FOI) 2000, FOI requests have been processed as if the act applied.

- 42 FOI requests were received in 2010/11
- of the 42 responses sent, 98% were responded to within 20 working days

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

*“We would like to extend our personal appreciation of the extremely personable and professional dealings we have had with one of your employees, he is a credit to ISA.”*

From an individual we worked with during the year.

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## **Research**

We are committed to producing high quality research for the purposes of improving the safeguarding of children and vulnerable adults. Work has begun to provide us with a profile of the population of people being referred to the ISA and those who are subsequently barred. This work will inform the ISA and its board on the profile of risk and contribute to the delivery of our strategic objectives.

## **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 2010/11 we received a budget delegation of £16.8m from the Home Office. Our net expenditure for the year after interest totalled £12.7m (£12.9m in 2009/10). This underspend was achieved due to a number of factors. The halting of the registration element of the Vetting and Barring Scheme in June 2010 enabled the ISA to impose a recruitment freeze and to cease project work connected with registration. A “value for money” review of operational casework processes led to the introduction of more streamlined case work management processes which improved efficiency.

In line with Treasury requirements the ISA does not draw down Grant in Aid from the Home Office in advance of need. Therefore, the underspend against our delegation was not drawn down.

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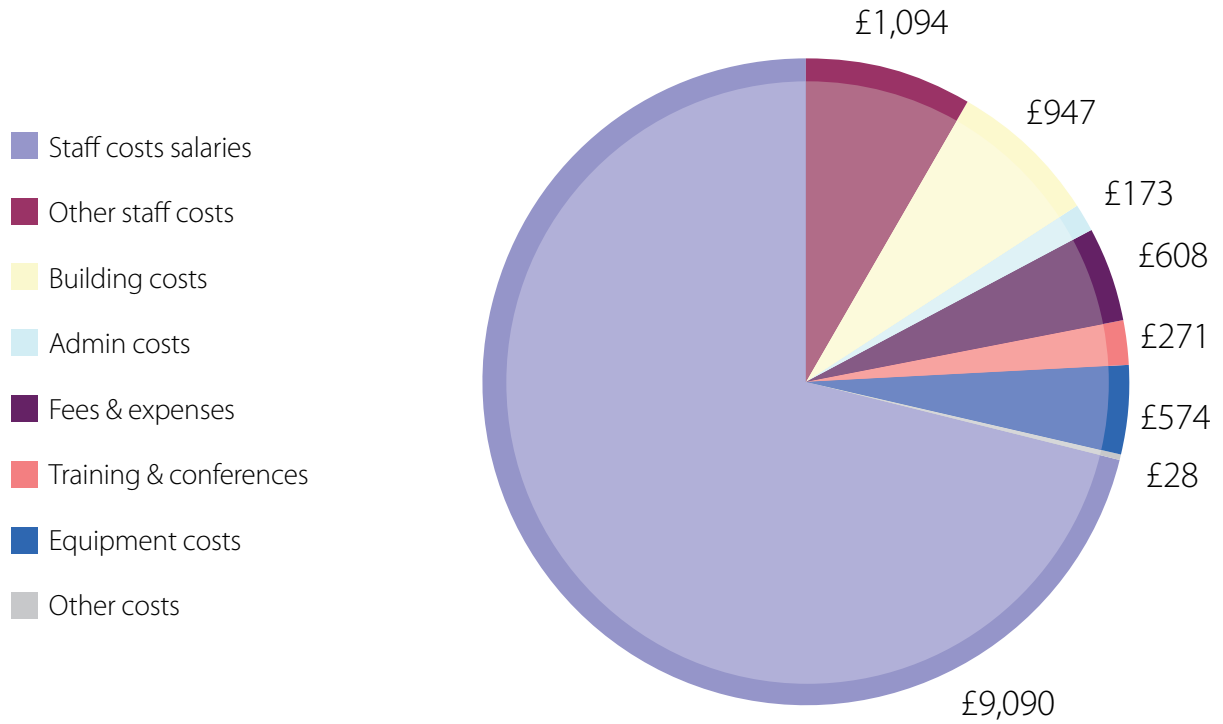
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# Management commentary | Continued...

## Breakdown of expenditure 2010-2011

£'000

A breakdown of our expenditure by type is as follows



# 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, management and staff representatives. Our policies are reviewed on a regular basis to reflect changes in legislation and best practice.

## Profile of our people

Our staffing profile at the end of March 2011 was 262.67 full time equivalents (FTEs). This includes permanent, fixed term and casual 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 273 person workforce, 166 are women and 107 are men. Our senior management is representative of the wider workforce with eight of our 13 most senior posts being held by women.

- Six people working for the ISA are from a Black and Minority Ethnic background and 262 are White British. The remaining five people preferred not to provide details about their ethnicity.
- Seven members of staff have told us that they are disabled, whilst eight have chosen not to provide details in relation to disability.

Age profile	Employees	%
<19	0	0
19 - 28	48	17.6
29 - 38	89	32.6
39 - 48	77	28.2
49 - 58	52	19.1
59 - 68	7	2.6
	273	100

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

- 39% are male and 61% are female

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*'Thank you for your genuine and honest handling of my case. For being a good listener, a shoulder to lean on. For the endless communication and above all going extra miles to reach out amazes me.'* From an individual we worked with during the year.

**Our staff profile is as follows;**

<b>Ethnicity</b>	<b>Percentage</b>
White and Black Caribbean	0.4% (1 employee)
Any other White background	0.7% (2 employees)
Any other Mixed background	0.4% (1 employee)
White British	96.0% (262 employees)
Asian - Indian	0.4% (1 employee)
Chinese/English	0.4% (1 employee)
Prefer not to say	1.8% (5 employees)

The percentage of economically active persons in the North East and North Yorkshire who are from an Ethnic Minority is 2.3%

<b>Religion or belief</b>	<b>Percentage</b>
Christian	50.6% (138 employees)
No religion	36.6% (100 employees)
Other	3.3% (9 employees)
Buddhist	0.7% (2 employees)
Sikh	0.4% (1 employee)
Prefer not to say	8.4% (23 employees)

<b>Disability</b>	<b>Percentage</b>
No disability declared	94.5% (258 employees)
Disability declared	2.6% (7 employees)
Prefer not to say	2.9% (8 employees)

<b>Work pattern</b>	<b>No of staff</b>
Full time	82.8% (226 employees)
Part time	14.3% (39 employees)
Compressed hours	2.2% (6 employees)
Term time	0.7% (2 employees)

## Our people | Continued...

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### Sickness absence

The average number of days lost to sickness absence per employee during 2010/11 was 8.31 days. The breakdown for this is:

- Short term absence = 3.96 days (target = 5 days)
- Long term absence = 4.35 days (target = 3 days)
- Staff turnover for 2010/11 was 4.06% (11 employees)

### Promoting equality, diversity and human rights

The ISA is committed to creating an environment where:

- everyone who comes into contact with the ISA is treated fairly, with dignity, and with respect for their individual circumstances; and
- all employees feel empowered to carry out their role and supported in achieving their potential.

There is a clear business case for doing this, which is supported by the Equality Act 2010 and the public sector equality duty.

In 2010 we established an equality and diversity action group (EDAG), where representatives from all directorates are empowered to act as 'equality champions' in working toward our vision. The group is chaired by the ISA's Chief Executive and has board and executive management level representation.

We have developed the ISA's equality and diversity strategy 2011-2014 which incorporates the protected characteristics set out in the Equality Act 2010, and is in line with the ISA's corporate and business plans. The strategy sets out the objectives and priority actions that are key to embedding equality and diversity within our employment and service provision. The EDAG is dedicated to providing support to the ISA to ensure these objectives are achieved.

During the year, the ISA also rolled out a mandatory e-learning diversity package to all employees, undertook equality and human rights relevance tests on all corporate policies, and carried out a staff survey to gain understanding of employee experiences of working for the ISA.

We have continued to promote the emotional and physical health and wellbeing of our employees by providing wellbeing meetings and by piloting optional in-house health checks.

### Employee involvement

Under our consultation processes, joint negotiation and consultative committee (JNCC) meetings are held with the Public and Commercial Services (PCS) Union on a quarterly basis and are chaired by the Chief Executive.

We have recently facilitated the establishment of an employee representative scheme – Employee Voice. The representatives were appointed through an election process and attend the JNCC and will be consulted on issues affecting ISA employees.

### 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 meets on a quarterly basis and is attended by representatives from management, trade unions and staff. The committee is responsible for considering issues relating to the health, safety and welfare of our employees and visitors to our premises. The health and safety committee reports to the executive management team and the ISA Board.

### Sustainability

During 2010/11 we developed initiatives that will ensure we are working toward greener government targets in respect of reductions in co2 emissions, waste, water consumption and paper usage. In our next Annual Report and Accounts we will publish information on our progress and achievements.

# Our decision-making process

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We are committed to ensuring that we make consistent, fair and proportionate barring decisions on the people who are referred to us. Our Chair and the ISA Board play 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 very difficult and finely balanced decisions that have to be made.

There are two key channels whereby cases can come to us:

- **autobar** 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 or vulnerable adults. For some autobar 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; and
- **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 working in regulated activity, following harm to a child or vulnerable adult or where there is a risk of harm.

We make our decisions using a documented decision-making process. Detailed information on this process is available on our website

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

## **Briefly this is as follows:**

### **Our five stage decision-making process**

Our decision-making process has 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 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 referrals are 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. is there 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.



*“I have contacted the office on a couple of occasions for advice and would like to thank everyone I have spoken to for their friendly manner, efficiencies and professional attitude.”*

From an individual we worked with during the year.

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## **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 and 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 services’ 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.

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# Our decision-making process | Continued...

## 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 determined and barring is a 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.

## Stage four: Representations

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

The person has eight weeks to provide written representations to the ISA. They may be assisted in their representations by, for example, a friend, relative, advisor, trade union or solicitor.

## Stage five: 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 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 has 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 24 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 they no longer pose a significant risk to children and/or vulnerable adults. A person cannot be removed from the list unless we are satisfied that the risk has diminished.

## Appeals

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

# The lifecycle of ISA cases

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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 two 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 A

**Mr A was a 37-year-old support worker at a housing scheme, which provided accommodation, care and support to adults with learning disabilities. He had worked at the centre for two years and was dismissed following allegations of indecent assault against one of the residents.**

During a nightshift, the victim, Mr K, aged 25, disclosed to another member of staff that Mr A had touched him intimately earlier that day. He also claimed that Mr A had behaved in this way on two other occasions. The scheme's manager launched an investigation, which prompted other

staff members to raise concerns about Mr A's behaviour.

One worker said she thought Mr A spent far too much time in Mr K's room with the door shut, while another said he often altered the shift plan to ensure that he could work with Mr K. A third member of staff also recalled seeing Mr A pull Mr K onto his lap in the television room and hug him. As a consequence of the allegations, Mr A was suspended from his role until further notice and the police were informed due to a concern that a criminal offence may have been committed.

The police took statements from several members of staff, as well as Mr K, and then arrested Mr A in relation to the allegations. He denied them all and no further action was taken due to the vulnerability of Mr K, who had severe learning difficulties and was autistic. The employer went ahead with a disciplinary hearing where they found, on the balance of probabilities, that the allegations were true, and Mr A was dismissed due to gross misconduct. The case was therefore referred to the ISA.

Having received the referral, the ISA carried out an initial assessment of the case to determine whether this was a case that should be considered by the ISA. With this established, the ISA began its information gathering process.

The ISA began by gathering additional information from both the police and social services. This information included witness statements, minutes of safeguarding meetings and Mr A'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'.

In evaluating the evidence, the caseworker had to take into account Mr A's strenuous denial of the allegations and that no criminal proceedings had been brought against him. Consideration was given to the corroborative witness statements provided by his colleagues who each recalled different incidents of inappropriate contact, as well as the

fact that Mr K had made the allegations of indecent assault without any prompting. It was decided that Mr A did engage in inappropriate sexual contact with Mr K on three occasions and the allegations of indecent assault were now treated as findings of fact.

The caseworker then had to decide whether Mr A's actions constituted relevant conduct, which encompasses a range of behaviours including that which is, or is likely to, endanger a vulnerable adult/child. It was decided that in this case the relevant conduct was one of sexual abuse against a vulnerable adult.

Using the ISA's structured judgement process, the caseworker undertook a risk assessment of Mr A, which concluded that there were 'definite concerns' in the areas of significant sexual interest and exploitative attitudes. Mr A had developed an interest in Mr K which overstepped the boundaries of the usual carer/resident relationship. He had gone to great lengths to be alone with Mr K and had exploited a position of trust to satisfy his own intimacy needs. It was also believed that Mr A was likely to repeat the behaviour if employed in a similar capacity. Having analysed all of the evidence, it was decided that a bar was appropriate.

Mr A was informed that the ISA was minded to bar him from working with vulnerable adults. It was concluded that he did not pose a risk to children, therefore it was not appropriate to bar him from working with them. Mr A was given eight weeks in which to submit representations. This was his chance to present his 'side of the story', offer any mitigation and challenge the ISA on any findings of fact.

Mr A made representations which included a testimonial from a family member that stated he was a caring and responsible man who cared deeply about his family. He continued to deny that anything sexual had ever happened between himself and Mr K, although he did admit that he had allowed himself to get too close to Mr K. He promised that this would not happen again.

Following a re-evaluation of the case documentation, Mr A's representations failed to challenge any of the findings of fact, and no information was provided that addressed the ongoing risk. He was therefore sent a letter confirming that he had been barred from working or volunteering with vulnerable adults.

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## The lifecycle of ISA cases | Continued...

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### Mr B

**Mr B, a 32-year-old teacher, had worked at an inner city comprehensive school for three years when he was dismissed from his role as head of music following allegations that he had had inappropriate relationships with several 13 and 14-year-old girls in the school choir.**

The allegations came to light when a teaching assistant overheard a pupil say that she was friends with Mr B on a social networking site. After raising the issue with the Head teacher, the school undertook enquiries which discovered that Mr B was also friends online with seven other female members of his chamber choir.

When questioned, the girls all confirmed that they had invited Mr B to be their friend on the website, and he had accepted. One of the pupils said that Mr B had told her to add him as a friend, so that he could offer her advice about a forthcoming singing competition. She confirmed to the school that no communication followed other than a “well done” message praising her performance several weeks later. Another girl said Mr B had given her his phone number, after she had confided in him about a family problem. The pair went on to exchange several text messages and he asked her not to tell anyone. Three others said that he had given them lifts home after choir practice. The school launched a full investigation and notified the local authority designated officer (LADO). The local authority did not feel it necessary to inform the police and suspended Mr B until further notice.

Subsequently Mr B attended a disciplinary hearing with senior management and governors. During the hearing, he was questioned about a further allegation that he had been holding one to one meetings with pupils in his music studio. He confirmed that this was correct, but stated that he had been trying to encourage the more timid members of the choir ahead of their end of term concert. He admitted giving the girls a lift home, but said he was only thinking of their safety. The panel came to the conclusion that Mr B did not understand professional boundaries. They found all allegations of inappropriate relationships proven and dismissed him on the grounds of gross misconduct. The school referred the case to the ISA.

Following receipt of the referral, Mr B was sent a letter informing him that he was being considered for inclusion in both the children and vulnerable adults’ barred lists. The ISA then began an initial assessment to ascertain whether this was a case that the ISA should be considering. This initial

assessment confirmed that relevant conduct appeared to have taken place but more information was required for confirmation. The ISA then began its information gathering process.

As a result, additional information from Mr B’s former school was forwarded to the ISA, which gave details of the content of the text messages and additionally revealed that Mr B had previously received a formal written warning for sending unauthorised text messages to a pupil.

The caseworker then had to assess whether, based on the evidence on the file, the allegations of inappropriate relationships could be proven on the balance of probabilities. The caseworker took into account the corroborating statements made by the girls in the choir, as well as the fact that Mr B had admitted holding one to one meetings with pupils and giving some of the girls lifts home.

The caseworker was also able to refer to minutes of the disciplinary hearing and printouts of both Mr B’s internet and text messages, which had been passed to the ISA by the school. The conclusion reached by Mr B’s school was reviewed as part of the evaluation of evidence. It was also noted that this was not the first time that Mr B had behaved in such a manner.

The caseworker concluded that Mr B did communicate with pupils in an inappropriate manner, and from this point, the inappropriate relationships were regarded as findings of fact. The caseworker then had to decide whether Mr B’s actions constituted relevant conduct, which encompasses a range of behaviours including that which endangers a child/vulnerable adult or is likely to endanger a child/vulnerable adult.

The caseworker concluded that, whilst some of Mr B’s text messages and online communications were inappropriate, there was no sexualised content or intention found in any of Mr B’s communications and there was no evidence of any malicious intent or of any harm being caused.

Based on this assessment, it was decided that to bar Mr B from working/volunteering with children would be a disproportionate response to his inappropriate behaviour. Similarly there was no evidence to suggest that Mr B presented a risk of harm to vulnerable adults. The case was therefore closed, and Mr B was sent a letter confirming that he had not been placed on either of the ISA’s barred lists. As Mr B was a qualified teacher, the General Teaching Council was informed of this decision.

# Coalition Government's review of the Vetting and Barring Scheme

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In June 2010, the Coalition Government announced that it was to undertake a review of the Vetting and Barring Scheme and the Criminal Records Regime. This was followed in October 2010 by an announcement of the terms of reference for both reviews. For the Vetting and Barring Scheme, these were:

To consider the fundamental principles and objectives behind the vetting and barring regime, including:

- evaluating the scope of the scheme's coverage
- the most appropriate function, role and structures of any relevant safeguarding bodies and appropriate governance arrangements
- recommending what, if any, scheme is needed now; taking into account how to raise awareness and understanding of risk and responsibility for safeguarding in society more generally

In February 2011, the Coalition Government announced its findings following the VBS Review. The key recommendations are:

- a) A state body should continue to provide a barring function to help employers protect those at risk from people who seek to do them harm via work or volunteering roles.
- b) The Criminal Records Bureau (CRB) and 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.
- c) The new barring regime should cover only those who may have regular or close contact with vulnerable groups.
- d) Barring should continue to apply to both paid and unpaid roles.
- e) Automatic barring should apply for those serious offences which provide a clear and direct indication of risk.

- f) There should be no requirement for people to register with the scheme and there will be no ongoing monitoring.
- g) The information used by the state barring body (currently the ISA) to make a barring decision should be serious in nature.
- h) Criminal records disclosures should continue to be available to employers and voluntary bodies but should be revised to become portable through the introduction of a system which allows for continuous updating.
- i) The new regime should retain current arrangements for referrals to the state barring body (currently the ISA) by employers and certain regulatory bodies, in circumstances where individuals have demonstrated a risk of harm to children or vulnerable adults.
- j) The current appeals arrangements should be retained.
- k) The state barring body should be given a power to vary review periods in appropriate circumstances.
- l) Services relating to criminal records disclosure and barring provisions should be self-financing.
- m) The new system will retain two offences; it will continue to be an offence for a barred person to work with vulnerable group regulated activity roles. It will also be an offence for an employer or voluntary organisation knowingly to employ a barred person in a regulated activity role.
- n) Finally, the Government should raise awareness of safeguarding issues and should widely promote the part everyone has to play in ensuring proper safeguarding amongst employers, volunteer organisations, families and the wider community.

## Our business focus for the future

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Following the VBS Review and the subsequent legislative proposals, the next three years will be a time of considerable change and challenge for the ISA. Currently, the Protection of Freedoms Bill is before Parliament and proposes the introduction of new disclosure and barring arrangements and the merger of the ISA and the Criminal Records Bureau (CRB).

The ISA is committed to playing our part in any legislative, policy and operational changes. We will also be working closely with the CRB and our departmental partners within government to find ways to better use and integrate our IT systems. This will not only help to support the development of the new organisation, it will also improve operational efficiency and drive cost savings.

We also need to effectively communicate any agreed changes and developments to the people and organisations that work with vulnerable groups and to those who have a keen interest in safeguarding. The ISA also has a role to play in helping to raise safeguarding awareness in society more generally.

Additionally, we need to ensure that the current requirements - particularly employers' referral duties - are equally understood and acted upon. We will continue to support our staff, giving them the help they need to continue providing professional and consistent services.

We will also work in collaboration with our partners to help manage the transition to the planned proposals within the Protection of Freedoms Bill, should they be accepted by Parliament. We will also develop our safeguarding role consistent with Coalition Government objectives. In particular, we will:

- Ensure our strategies, policies and plans are consistent with the spirit and content of any new legislation;
- Demonstrate value for money in all our operations; and
- Provide even greater transparency in our operations by publishing more information about what we do and through our reports to government.

We remain committed to providing timely, proportionate and consistent barring decisions to help safeguard children and vulnerable adults in our society, while demonstrating good value for money.

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# Risks and uncertainties

The key risks facing us over the next three years 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 of 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>Existing and future ICT requirements</b></p> <p>The ISA is currently assessing future ICT requirements for the medium to long term. This is being undertaken in conjunction with the Home Office and the CRB. There is a risk that an aspect or aspects of the new arrangements may be missed in the change activities.</p>	<ul style="list-style-type: none"> <li>• We are continuing to communicate and engage with our key partners in respect of future ICT delivery requirements.</li> <li>• We will also have a contingency plan, to ensure any gaps in ICT systems do not undermine effective implementation.</li> </ul>
<p><b>ISA/CRB merger uncertainty</b></p> <p>The current proposals before Parliament in the Protection of Freedoms Bill will, if passed, pave the way for the merger of the CRB and ISA into a single, new organisation.</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>	<ul style="list-style-type: none"> <li>• 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 - should the planned proposals within the Protection of Freedoms Bill be accepted by Parliament.</li> </ul>
<p><b>Staff turnover</b></p> <p>There is a risk that the volume of change and uncertainty regarding the ISA/CRB merger (if accepted by Parliament) could impact upon staff turnover.</p>	<ul style="list-style-type: none"> <li>• We will continue to monitor staff absenteeism and turnover levels to enable early identification of any problems/issues.</li> <li>• We will ensure business continuity plans are in place to minimise any impact.</li> <li>• We will continue to regularly inform and engage all our staff regarding any immediate and future transitional changes - should the planned proposals within the Protection of Freedoms Bill be accepted by Parliament.</li> </ul>



# Foreword to the accounts

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We have prepared our accounts in accordance with the requirements of the financial reporting manual (FRM) 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.

The ISA was created under the Safeguarding Vulnerable Groups Act as a non-departmental public body on 2 January 2008.

The Home Office is the sponsoring department for the ISA and the safeguarding and public protection unit has specific responsibility.

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 8 and 10-12 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 staff and other resources.

The ISA Chair and the ISA Board play an active role in making barring decisions and are accountable for all the barring decisions made by the organisation. The decisions that the board make about cases are independent and free from government involvement.

The core functions of the board are set out in the Safeguarding Vulnerable Groups Act 2006. The board members who served during 2010/11 were as follows:

Sir Roger Singleton CBE (Chair)

Richard G Black OBE

Debbie Ariyo

Dr John Belcher CBE

Dr Valerie Brasse

Tom Davies OBE

Donald Findlater

Professor Don Grubin

Moira Murray

Mehmuda Mian

Peter Withers

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

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.

The ISA Board is responsible for defining strategy and determining the allocation of resources to ensure the delivery of our objectives.

We have a corporate structure which includes - 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. The risk register is reported to the audit and risk committee and the ISA Board. The process allows for significant risks to be identified, assessed and then proactively managed by a series of mitigation and risk reduction activities.

Adrian McAllister, Chief Executive, and the ISA legal advisor attend all board meetings. Members of the executive management team and other ISA staff also attend by invitation.

# Foreword to the accounts | Continued...

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## Committees of the board

### ISA board meetings including case committees

The ISA Board meets on a monthly basis (apart from August) to discuss both operational (casework) and organisational issues. The board is supported in its meetings by the ISA's Chief Executive and members of the executive team.

### Audit and risk committee

The audit and risk committee reports to the ISA Board. Its role is to support the board in its responsibility for risk control and corporate governance. It does this by reviewing the comprehensiveness of assurances in meeting the ISA Board's and the accounting officer's assurance needs, and reviewing the reliability and integrity of these assurances.

During 2010/11 the audit and risk committee comprised four board members:

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

Jane Palmer was appointed as specialist financial advisor to the audit and risk committee in March 2010. Representatives from the National Audit Office, the internal auditors, the ISA Chief Executive and members of the ISA executive management team all attend the audit and risk committee by invitation.

### 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 2010/11 were:

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

In addition, ISA board members provide advice and guidance to non-operational staff to support other aspects of the organisation, such as research work, stakeholder and communications activities, performance management and security.

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PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

*“Thank you for your kind and sensitive reception whenever we have been in touch with the authority, be it by telephone or letter, when dealing with the case. It has been most appreciated... thank you to everyone else involved in the case.”*

From an individual we worked with during the year.

### 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.

During 2010-11 the Lucy Faithfull Foundation of which Donald Findlater, ISA board member is a director, provided services to the ISA to the value of £19,947. Donald Findlater formally declared an interest in this respect, and was not involved in the tender process to award this contract.

Professor Don Grubin sits on the management committee and is a core member of the Sexual Behaviour Unit. During 2010-11 the Sexual Behaviour Unit successfully tendered to provide specialist risk assessment services to the ISA. The contract for services was not signed until 2011-12. Don Grubin formally declared an interest in this respect and was not involved in the tender process to award this contract.

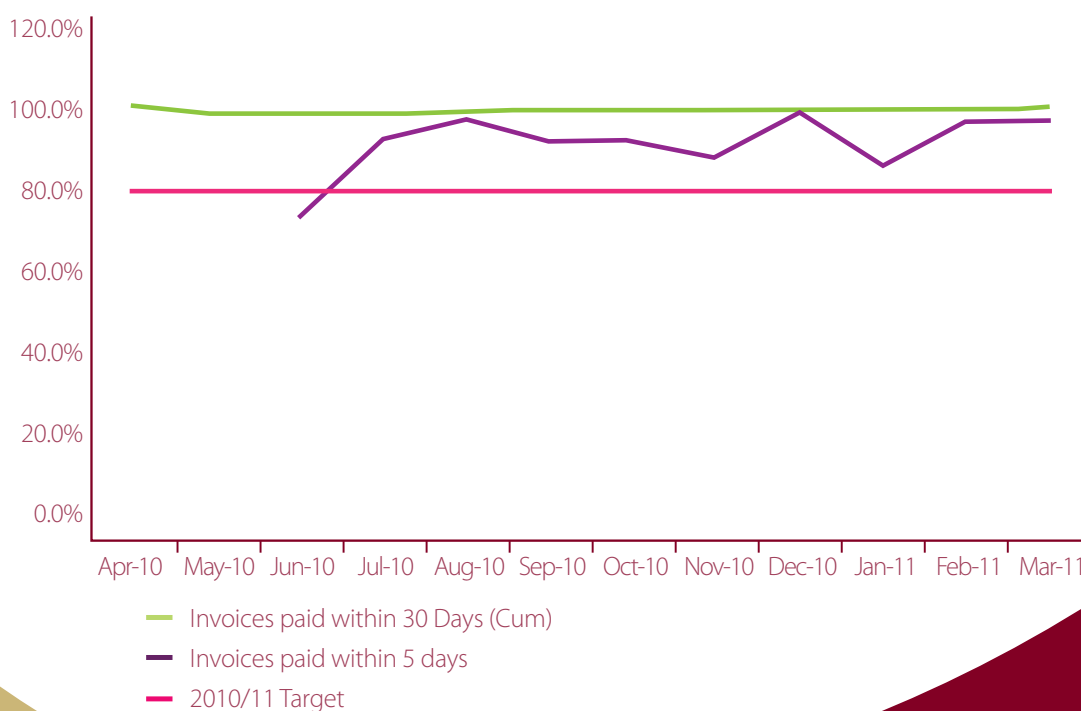
### Creditor payment policy and performance

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 2010/11 is set out below:

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



## Foreword to the accounts | Continued...

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### Receipt of gifts

Where board members and staff 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'. At the point of merger, it is proposed that the ISA, in its current legal form, will be dissolved. These arrangements are subject to Parliament passing legislation to enact the changes.

As merger arrangements have yet to be confirmed by Parliament, the future legislative framework for the functions currently undertaken by the ISA is not yet certain. However, it is expected that the statutory functions will continue; either in the newly merged organisation, or, should the proposed legislation not be passed, within the ISA in its current form.

Having considered the circumstances described above and from discussion with the Home Office, as sponsors, the ISA's expectation is that the ISA will continue to operate in its current form for at least the next 12 months. As a result, the ISA considers it appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

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***“On each and every time I have contacted the ISA the staff were friendly, helpful, informative and professional.”***

Chief Executive of the UKHCA (UK Home Care Association)

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### **Subsequent events**

Following the review of the vetting and barring and criminal records regimes, the Government has made the decision to alter current safeguarding arrangements to ensure that arrangements are appropriately balanced with the need to protect and respect individual’s freedoms. To fund these changes without placing an additional burden on the general tax payer the cost of obtaining an enhanced CRB disclosure will rise by £8 to £44 on 6 April 2011.

The income generated through the fee increase over 2011/12 includes the operational costs of the ISA (at £14.7m).

As noted earlier in this report, the current proposals before Parliament in the Protection of Freedoms Bill will, if passed, pave the way for the merger of the CRB and the ISA into a single, new organisation.

The Bill was presented to Parliament on 11 February 2011. The Bill had its second reading debate on 1 March 2011. Subsequent to 31 March 2011 the Protection of Freedoms Bill Committee’s consideration of the Bill finished. The Bill will progress to the report stage on the floor of the House and subject to the will of Parliament, then progress to the House of Lords.

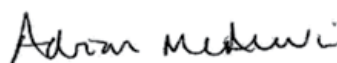
### **Auditors**

Arrangements for the external audit of our accounts are provided under paragraph 12 of schedule 1 of the Safeguarding Vulnerable Groups Act 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 2010/11 are estimated at £35,000 for the annual audit (£40,000 in 2009/10 including £5,000 for the IFRS Trigger Point 4 audit). 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, which was first appointed on 1 April 2008 with the agreement of the sponsor unit.

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:



Adrian McAllister  
Chief Executive and Accounting Officer  
16 June 2011

# Remuneration report

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## 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. 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. Details of its membership are set out on page 34 of this report. 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 safeguarding and public protection unit sponsor team in 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.

*“Thank you for the very comfortable way you dealt with my telephone call.”*

From an individual we worked with during the year.

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### **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, 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.

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.

The Chief Executive’s contract has no fixed period.

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## Remuneration report | Continued...

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### **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 2010/11 the Chief Executive received a bonus payment of £10,000.

*“I am thoroughly impressed with not only the efficiency of the Independent Safeguarding Authority (ISA) but also its conduct and professionalism. I strongly feel that the ISA should be commended for the way it handles complaints and deals with subject access request. I am most satisfied and impressed with the thoroughness of the ISA and the fantastic service it provides.”*

From an individual we worked with during the year.

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## 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	Salary 2010/11 £'000	Benefits in kind (to nearest £100)	Salary 2009/10 £'000	Benefits in kind (to nearest £100)
Sir Roger Singleton CBE (Chair)	14/05/07	80-85	18,100	80-85	10500
Adrian McAllister (Chief Executive)	08/10/07	120-125	0	120-125	0
Richard G Black OBE	14/04/08	20-25	2,700	20-25	2500
Debbie Ariyo	25/02/08	20-25	1,600	20-25	1800
Dr John Belcher CBE	25/02/08	20-25	1,000	20-25	2400
Dr Valerie Brasse	25/02/08	20-25	1,800	20-25	2200
Tom Davies OBE	25/02/08	20-25	4,000	20-25	3800
Donald Findlater	04/03/08	20-25	2,400	20-25	4500
Professor Don Grubin	25/02/08	20-25	500	20-25	500
Maira Murray	25/02/08	20-25	1,900	20-25	2700
Mehmuda Mian	25/02/08	20-25	1,400	20-25	1700
Peter Withers	25/02/08	20-25	3,300	20-25	4000

Board Members total expenses for the year amounted to £41,310. Expenses were paid in accordance with Home Office Policy and relate principally to travelling and accommodation costs incurred on board business in Darlington.

## Remuneration report | Continued...

### Salary

'Salary' includes gross salary; 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.

### 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 required meetings at Stephenson House in Darlington.

Following consultation with HMRC in 2009/10 it was confirmed that 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 £38,830 for 2010-11 and £36,656 for 2009-10.

### 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.

### Pension benefits

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 (£67,000), differing from the closing CETV value shown in the 2010-11 Remuneration Report (£78,000).

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.

<b>Name and job title</b>	<b>Accrued pension at pension age as at 31/3/11 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/3/11</b>	<b>CETV at 31/3/10</b>	<b>Real increase in CETV</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adrian McAllister (Chief Executive)	10-15	2.5-5	101	67	26

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## 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**. 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 updated 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:

[www.civilservice.gov.uk/my-civil-service/pensions/index.aspx](http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx)

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## Cash equivalent transfer values

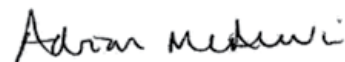
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment 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  
16 June 2011

*"I found our visit to the ISA very illuminating and helpful. You gave us both a strong impression of an organisation that not only thinks about the safeguarding of children and young people nationally – but also of the needs of your staff. The time given by everyone to explain their role in the organisation was very useful to us. We learned a great deal about your processes and were enthused by hearing of the many improvements and developments you are putting in place – especially the work of the HUB which we thought very impressive indeed."*

Ofsted

## Statement of Accounting Officer's responsibilities

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Under the Safeguarding Vulnerable Groups Act 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 HM Treasury.

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# Statement on internal control

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## Statement of Accounting Officer's responsibilities

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the ISA's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in managing public money.

The ISA Board is responsible for ensuring that the ISA properly discharges its functions. It established an audit and risk committee as a board sub-committee to support it in its responsibilities for risk control arrangements and corporate governance. I am required to allow the audit and risk committee (ARC) complete access to any aspect of ISA's control arrangements.

The ISA provides information to the Home Office via the Safeguarding and Public Protection Unit with the submission of monthly performance information. Quarterly meetings take place with the sponsor team at which ISA operational performance; people management; financial management; communication and stakeholder engagement; and risks are reported on and discussed. In addition a monthly report is provided to Ministers which includes key performance information for casework and resources.

The Head of the Safeguarding and Public Protection Team has a standing invitation to ISA board meetings. During 2010/11 the ISA ARC extended an invite to the ISA sponsor team, this was taken up in March 2011. Throughout the year I attended the Vetting and Barring Scheme (VBS) Steering Group in my role as ISA Chief Executive.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure in delivering our policies, aims and objectives. Therefore it can only provide reasonable and not absolute assurance of effectiveness.

The system helps us to evaluate the likelihood of the risks being realised, any subsequent impact, and to manage them efficiently, effectively and economically. The ISA had a system of internal control in place for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts. It accords with Treasury guidance.

## Context

The ISA was created in 2008 to deliver the barring responsibilities within the Vetting and Barring Scheme. Following a General Election in May 2010, the Coalition Government in its Programme for Government stated its aim to 'review the criminal records and vetting and barring regime and scale it back to common sense levels'.

In June 2010, the Coalition Government announced that it was to undertake a review of the Vetting and Barring Scheme and the Criminal Records Regime (CRR). As a result of this announcement a number of key elements of the VBS were halted. This included the registration element which had been scheduled for a phased introduction from July 2010. This also impacted on the implementation of the ISA's new case management system (CMS) and other ICT developments scheduled for implementation from July 2010 onward.

The terms of reference for the review were announced on 22 October 2010 and the outcome was reported in February 2011. It is in this context that the ISA has operated for a significant part of the review period.

A full list of the recommendations is included on page 30.

We will be working with the Home Office, the Department for Education, the Department of Health and the CRB to help implement the new arrangements.

The Coalition Government confirmed that until the proposals which are currently before Parliament are introduced and the new arrangements established, the existing responsibilities of employers and the ISA will remain.

## Statement on internal control | Continued..

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### Capacity to handle risk

Risk is reported 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.

During 2010/11 our programme of risk management training for all staff across the ISA has been completed. This training started in 2009/10 with all managers, and has been rolled out across the entire organisation. 89% of ISA staff have completed this training. In future, risk management training will form part of our induction process.

A separate risk register is held for information risk management. This register is also considered at meetings of the EMT and ARC on a regular basis.

The ISA's information governance framework (IGF) incorporates information risk, protective security and other information management issues. The IGF clearly identifies information asset owners and work continues to consolidate their roles. Other key roles are identified within the IGF and are established.

Information risk is considered by EMT and ARC on a regular basis and monitored by the risk manager and information governance officer.

All staff are required to attend information governance training on induction, as well as yearly refresher training. This is delivered through classroom based learning, e-learning, briefings and regular information within the ISA Newsletter. Additional training is provided for key roles such as information asset owners and the senior information risk officer (SIRO),

The risk manager and the information governance officer work closely to ensure that their processes complement each other to provide a robust risk management environment.

The most significant risks facing the ISA are reported to our sponsor unit in the Home Office and through the governance arrangements for the Vetting and Barring Scheme (VBS). The risks are discussed at appropriate meetings including the quarterly meetings with the sponsor unit and I am aware that procedures for escalation of risk through the Home Office risk management framework are currently subject to review.

In respect of the VBS programme, significant risks were escalated from the ISA delivery board risk register to the VBS Programme Board.

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## Statement on internal control | Continued...

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### The risk and control framework

The ISA risk management framework was approved by the ISA Board in 2009/10. The framework provides a structured process for risk identification, escalation and management.

During 2011 the Home Office will approve a new risk management policy and guidance framework. The ISA risk manager has been provided with an opportunity to review the draft proposals and provide comment. In light of these proposed changes, the ISA risk manager has undertaken a review of the ISA risk management framework. A draft set of proposals outlining various improvements to the framework were submitted to the ISA's audit and risk committee and board in March 2011. Once the Home Office guidance is signed off, the ISA will review the framework further to ensure the ISA framework continues to reflect that of the Home Office.

The risk and issues form (RIF) allows members of staff, or teams, to identify new risks within their area of responsibility. All RIFs are brought to the attention of the risk manager and rated. Dependent upon the rating, risks are escalated to the relevant risk register, or managed within the department/team. A similar process exists for information risk where a corporate information risk form (CIRF) is used.

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 accountability for ownership of risk and mitigating actions.

All reports to the ISA Board; the audit and risk committee; formal EMT meetings and the management board contain an assessment of risk against the objectives set out in the mitigating actions.

The ISA risk manager presents the corporate risk register and the issues log, at each board meeting for consideration and review, along with reports on performance against strategic plans and key performance indicators (KPIs). The board considers recommendations on escalation of risks and issues to the VBS programme from the corporate risk register.

The corporate risk register, internal audit reports and external audit reports are presented at meetings of the audit and risk committee. This committee is responsible for reviewing the effectiveness of our risk management processes by dip-sampling specific risks on the risk register and reviewing evidence to substantiate the effective delivery of mitigating actions. This process allows ARC to provide the board and the Accounting Officer with assurances that the risk and control framework is operating effectively.

A formal executive management team (EMT) meeting is held on a monthly basis where the EMT and management board risks and issues log is considered. EMT also receives a monthly report on security, reports on performance against strategic plans and KPIs.

At the quarterly meetings of the management board, the EMT and management board risks and issues log is considered alongside operational performance and achievement of corporate and team objectives.

Each project has its own risk register maintained by the project manager. The risk manager receives regular reports from each project manager on the current status of these risk registers, which are considered when reviewing the corporate risk register. The project team responsible for working with the VBS Programme also reports formally to the ISA delivery board on risks and issues.

Individual teams consider risk as a standing item on their team meeting agendas. Team leaders and managers are responsible for managing low level risks and reporting on them through the RIF process.

In February 2011 ISA risk champions were identified in each directorate to take part in a quarterly risk forum to help facilitate and improve corporate and information risk management across the ISA.

The ISA risk manager also receives regular internal audit reports, which provide an independent opinion of the adequacy and effectiveness of the ISA's system of internal control.



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## Information risk and security

The ISA places a high level of importance on ensuring that staff are aware of appropriate information governance legislation. The training they receive on data protection, freedom of information and information security has raised awareness and helped embed security and information governance into the organisational culture. Additional refresher training for information governance issues and security is delivered to staff on an ongoing basis.

The ISA has adopted the government protective marking scheme (GPMS) and all information is handled according to the scheme and the Cabinet Office security policy framework.

The ISA's information governance framework (IGF) incorporates information risk, protective security and other information management issues. The IGF clearly identifies information asset owners and work continues to consolidate their roles. Other key roles are identified within the IGF and are established.

Protective security arrangements are in place and a separate security policy complements the IGF to provide a holistic overview of protective security. Protective marking standards are also employed throughout the organisation.

Information management policies under the IGF have been implemented. Work continues to implement the full records retention review and disposal requirements.

Information assets have been identified and an information asset register is maintained. Controls are in place for all systems and a risk treatment plan has been developed and is being implemented for one system.

The ISA's information systems technology (IST) strategy, approved by the ISA Board in July 2010, was written specifically to align closely with the Home Office IST strategy, as well as the Next Generation IST Transformation Programme (NGISTT). Any potential threats to the security of the IT systems are documented in line with CESG (the information assurance arm of Government Communications Headquarters) standards.

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## Statement on internal control | Continued...

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An assessment of the ISA system of internal control relating to the protection of information was carried against the information assurance maturity model (IAMM) in April 2010. The assessment concluded that the ISA met the requirements of IAMM level two and aspects of level three. A self assessment has recently been completed against the IAMM.

The results of the self-assessment showed excellent progress against the 2015 targets with level three being achieved in three of the six areas. It should be noted that the assessment tool and criteria for level four (the 2015 target for four of the six assessment areas) has not yet been released and it is presently not possible to benchmark. An external inspection by the Home Office took place on 29 March 2011, initial feedback indicates satisfaction with the level of compliance.

Our information governance framework demonstrates how the ISA complies with data protection and freedom of information requirements.

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.

### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the internal auditors and the ISA's executive managers who have responsibility for the development and maintenance of the internal control framework. It is additionally shaped by comments made by the external auditors in their management letter and other reports. The ISA Board and the audit and risk committee have been advised on the results of my review and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

- information assurance – green rating
- financial management – amber/green rating
- operational decision making – green rating
- operational quality assurance process – amber/green rating
- corporate governance and risk management – green rating
- operations – case management and control – green rating

The following comments were made about the ISA during a Judicial Review

***The ISA is “in the best position to make a reasoned judgment as to when it is appropriate to include an individual’s name on a barred list or remove an individual from the barred list.”***

***“There can be little doubt that the barring provisions may be a valuable tool in achieving the legitimate ends which they seek to serve.”***

Judge Mr Justice Wyn Williams

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In addition we commissioned three 'ad-hoc' audits to provide assurance on projects or as background to process improvement projects.

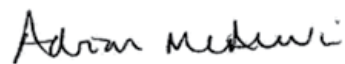
The assurance audits covered 'go live' of the Protection of Vulnerable Groups Scheme in Scotland, and the implementation of new servers and software version update for our case management system. Both audits provided me with high assurance. The third 'ad-hoc' assurance audit to provide background to a process improvement project carried an amber/green rating.

The Internal Audit Annual Opinion and Assurance Report for 2010-11 provided me with an overall 'High' level of assurance (green). The Head of Internal Audit opinion is that the business 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.

There are no outstanding critical actions from previous audits.

The management team seeks to achieve continuous improvement of the internal control system 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.

Signed:



Adrian McAllister  
Chief Executive and Accounting Officer  
16 June 2011

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# The certificate and report of the Comptroller and Auditor General to the House of Commons

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I certify that I have audited the financial statements of the Independent Safeguarding Authority (ISA) for the year ended 31 March 2011 under the Safeguarding Vulnerable Groups Act 2006. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 ISA, Chief Executive and Auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the ISA and the Chief Executive, as 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.

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

## **Opinion on regularity**

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

## **Opinion on financial statements**

- the financial statements give a true and fair view of the state of the Independent Safeguarding Authority's affairs as at 31 March 2011 and of its 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 proposal to merge the Independent Safeguarding Authority with the Criminal Records Bureau. This is subject to legislation and there is therefore uncertainty over whether the Independent Safeguarding Authority 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 issued under the Safeguarding Vulnerable Groups Act 2006; and
- the information, which comprises the sections entitled "Management commentary", "Our people" and "Foreword to the accounts" 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
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control 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  
06 July 2011

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# Financial statements

## Statement of comprehensive net expenditure for the period ended 31 March 2011

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		2010-11	Restated
	Notes	£'000	2009-10 £'000
<b>Expenditure</b>			
Staff costs	4	(9,947)	(9,682)
Depreciation	5	(667)	(1,199)
Other expenditures	5	(2,850)	(3,204)
		<u>(13,464)</u>	<u>(14,085)</u>
<b>Income</b>			
Other income	6	192	-
Release of government grant		564	1,149
		<u>756</u>	<u>1,149</u>
<b>Net expenditure</b>		<u>(12,708)</u>	<u>(12,936)</u>
Interest (payable)/receivable	6	1	-
<b>Net expenditure after interest</b>		<u>(12,707)</u>	<u>(12,936)</u>

All operations of the ISA are continuing.

The notes on pages 58 to 72 form part of these Accounts.

# Statement of financial position for the period ended 31 March 2011

	Notes	2010-11 £'000	Restated 2009-10 £'000	Restated 2008-09 £'000
<b>Non-current assets</b>				
Property, plant and equipment	7	1,742	2,149	2,295
Intangible assets	8	332	476	831
<b>Total non-current assets</b>		<b>2,074</b>	<b>2,625</b>	<b>3,126</b>
<b>Current assets:</b>				
Trade and other receivables	9	193	247	335
Cash and cash equivalents	10	453	772	558
<b>Total current assets</b>		<b>646</b>	<b>1,019</b>	<b>893</b>
<b>Total assets</b>		<b>2,720</b>	<b>3,644</b>	<b>4,019</b>
<b>Current liabilities</b>				
Trade and other payables	11	(368)	(930)	(1,006)
<b>Total current liabilities</b>		<b>(368)</b>	<b>(930)</b>	<b>(1,006)</b>
<b>Non-current assets plus current assets less current liabilities</b>		<b>2,352</b>	<b>2,714</b>	<b>3,013</b>
<b>Non-current liabilities</b>				
Provisions	12	(361)	(349)	(231)
<b>Total non-current liabilities</b>		<b>(361)</b>	<b>(349)</b>	<b>(231)</b>
<b>Assets less liabilities</b>		<b>1,991</b>	<b>2,365</b>	<b>2,782</b>
<b>Reserves</b>				
Government grant reserve		1,899	2,385	2,958
Revaluation reserve		37	-	-
I&E reserve		55	(20)	(176)
		<b>1,991</b>	<b>2,365</b>	<b>2,782</b>

The financial statements on pages 54 to 57 were approved by the ISA board on 13 June 2011;

Approved by Adrian McAllister as Accounting Officer for the ISA

Signed:

*Adrian McAllister*

Date: 16 June 2011

## Statement of cash flows for the period ended 31 March 2011

	Notes	2010-11 £'000	2009-10 £'000
<b>Cash flows from operating activities</b>			
Net surplus/(deficit) after interest		(12,707)	(12,936)
Adjustment for non cash items			
Depreciation and amortisation	7,8	667	1,199
Release of government grant		(564)	(1,149)
Decrease/(Increase) in trade and other receivables		54	88
Increase/(Decrease) in trade payables		(562)	(76)
Movement in provisions		12	118
<b>Net cash out flow from operating activities</b>		<b>(13,100)</b>	<b>(12,756)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1)	(541)
Purchase of Intangible assets	8		(157)
<b>Net cash outflow from investing activities</b>		<b>(1)</b>	<b>(698)</b>
<b>Cash flows from financing activities</b>			
Grants from parent department	3	12,782	13,668
<b>Net financing</b>		<b>12,782</b>	<b>13,668</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
	10	<b>(319)</b>	<b>214</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>772</b>	<b>558</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>453</b>	<b>772</b>



# Statement of changes in tax payers' equity for the period ended 31 March 2011

	Notes	Government Grant Reserve £'000	Revaluation Reserve £'000	I&E Reserve £'000	Total Reserve £'000
<b>Balance as at 31 March 2009</b>		2,958	-	(176)	2,782
		2,958	-	(176)	2,782
<b>Changes in taxpayers' equity 2009-10</b>					
Grants from parent	3	576	-	13,092	13,668
Transfer between reserves		-	-	-	-
Release of government grant		(1,149)	-	-	(1,149)
Comprehensive expenditure for the year		-	-	(12,936)	(12,936)
Net gain/(loss) on revaluation	7,8	-	-	-	-
Movements in reserves		(573)	-	156	(417)
<b>Balance as at 31 March 2010</b>		2,385	-	(20)	2,365
<b>Changes in taxpayers' equity 2010-11</b>					
Grants from parent	3	78	-	12,782	12,860
Transfer between reserves		-	-	-	-
Release of government grant		(564)	-	-	(564)
Comprehensive expenditure for the year		-	-	(12,707)	(12,707)
Net gain/(loss) on revaluation	7,8	-	37	-	37
Movements in reserves		(486)	37	75	(374)
<b>Balance as at 31 March 2011</b>		1,899	37	55	1,991

The notes on pages 58 to 72 form part of these Accounts

# Notes to the accounts

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## 1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2010-11 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 under the historical cost convention modified to account for the revaluation of certain non-current assets.

### 1.2 Going concern policy

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'. At the point of merger, it is proposed that ISA, in its current legal form, will be dissolved. These arrangements are subject to Parliament passing legislation to enact the changes.

As merger arrangements have yet to be confirmed by Parliament, the future legislative framework for the functions currently undertaken by ISA is not yet certain. However, it is expected that the statutory functions will continue; either in the newly merged organisation, or, should the proposed legislation not be passed, within ISA in its current form.

Having considered the circumstances described above and from discussion with the Home Office, as sponsors, the ISA's expectation is that the ISA will continue to operate in its current form for at least the next 12 months. As a result, the ISA considers it appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

### 1.3 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, is credited to a Government Grant Reserve. Each year, an amount equal to the depreciation charge on the specific fixed assets acquired, will be released from the Government Grant Reserve to income over the useful economic life of the asset. Any Grant in aid for the purchase of fixed assets in general is credited to the I&E Reserve.

### 1.4 Income & income recognition policy

Grant income relates directly to income received from Teesside University, 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 Teesside University 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.

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### **1.5 Value added tax**

The ISA pays VAT on all expenditure with no reclamation.

### **1.6 Cost of capital**

In line with the requirements of the FReM notional costs for cost of capital are not included within the accounts for 2010-11. HM Treasury consider the removal of cost of capital as a change in accounting policy and the comparatives in 2010-11 accounts should therefore be restated in line with IAS 1.

Cost of capital in 2009-10 amounted to £88k. The statement of comprehensive net expenditure has been restated for 2009-10 and note 5.3 Non cash items updated to reflect the change.

### **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 preparation for the VBS, the Home Office has been responsible for the procurement of assets which are then granted to the ISA.

In line with guidance on recognition of non current assets contained in the FReM asset 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 March 2011, as a result of extending the useful economic life of computer equipment and hardware (uCRM) and software (uCRM) to 28 February 2013, a decision was taken that these assets should be re-valued. All other assets continue to be carried at depreciated historical cost where they have a short economic life or are low in value.

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## 1.8 Depreciation & amortisation

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

The following asset lives are applied:

- Furniture and fittings - 7 years
- Fit-out of Stephenson House for floors Ground, 1st & 2nd - 9.25 years to correspond with end of lease
- Fit-out of Stephenson House for 3rd floor - 7.42 years to correspond with end of lease
- Equipment - 5 years
- Computer equipment and hardware (uCRM) transferred from Home Office - from the date of recognition to 28 February 2013
- Software (uCRM) transferred from Home Office - from the date of recognition to 28 February 2013

During 2010/11, the useful economic life of computer equipment and hardware (uCRM), and software (uCRM) was reviewed. The initial lifetime of these assets was based on the belief that a new IT system would be implemented at the date of go live of the VBS. Due to the halting of go-live, the new IT system was not implemented and it is now expected that uCRM will remain in use until 28 February 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 2010/11, employers contributions of £1,242,039 were payable to the PCSPS (2009-10 £1,059,790) 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. From 2011/12, the rates will be in the range 16.7% to 24.3%. 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 £17,704 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 £1,109, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

No ISA employees took early retirement on health grounds during the year.

Further information relating to pensions is contained within the remuneration report.

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## 1.10 Provisions

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

A provision for the ground, first and second floors of Stephenson House has been created for £237k which will be depreciated over 4.25 years to the first break clause in the lease to 1 July 2012.

A provision for the third floor of Stephenson House has been created for £110k which will be depreciated over 2.33 years to the first break clause in the lease on 1 July 2012.

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 Standards in issue but not yet effective

IAS8, accounting policies, changes in accounting estimates and errors, require disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. 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. Analysis of net expenditure by segment

	Operations £'000	Finance & Corporate Resources £'000	People & Development £'000	Performance, Partnerships & Corporate Change £'000	Chief Executive Officer & Board £'000	Project costs £'000	Non cash items £'000	Total costs £'000
Staff costs salaries	6,423	664	478	745	491	289	-	9,090
Other staff costs	151	120	100	50	24	649	-	1,094
Building costs	-	947	-	-	-	-	-	947
Vehicle costs	-	8	-	-	-	-	-	8
Admin costs	-	156	2	15	-	-	-	173
Fees and expenses	419	147	27	15	-	-	-	608
Training and conferences	-	-	270	1	-	-	-	271
IT purchase costs	-	73	4	-	-	-	-	77
Equipment costs	-	497	-	-	-	-	-	497
Refreshments and hospitality	-	20	-	-	-	-	-	20
<b>Total Costs</b>	<b>6,993</b>	<b>2,632</b>	<b>881</b>	<b>826</b>	<b>515</b>	<b>938</b>	<b>-</b>	<b>12,785</b>
<b>Non cash items</b>								
Depreciation	-	-	-	-	-	-	667	667
Unwinding of re-instatement provision	-	-	-	-	-	-	12	12
<b>Total expenditure</b>	<b>6,993</b>	<b>2,632</b>	<b>881</b>	<b>826</b>	<b>515</b>	<b>938</b>	<b>679</b>	<b>13,464</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.

In 2010/11 the Performance and Stakeholder Management directorate was renamed Performance, Partnerships and Corporate Change in order to better reflect the work carried out by the department.

## 3. Grant in Aid

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

	2010-11 £'000	2009-10 £'000
GIA received for revenue expenditure	12,781	12,691
Grant received for revenue expenditure (notional)	-	389
GIA received for capital expenditure	1	12
Grant received for capital expenditure (notional)	78	576
<b>Total Grant in Aid in the period</b>	<b>12,860</b>	<b>13,668</b>

The majority of the Grant in Aid received for the year has been for revenue expenditure with a small amount for capital expenditure. Notional grant received in the period was to cover non-current assets transferred from the Home Office.

#### 4. Staff numbers and related costs

Staff costs comprise:	Permanently Employed Staff £' 000	Others £' 000	2010-11 Total £' 000	2009-10 Total £' 000
Wages & salaries	7,142	183	7,325	6,456
Social security costs	543	16	559	499
Other pension costs	1,207	11	1,218	1,123
<b>Sub Total</b>	<b>8,892</b>	<b>210</b>	<b>9,102</b>	<b>8,078</b>
Less recoveries in respect of outward secondments	(13)	-	(13)	(5)
Temporary staff	-	858	858	1,609
<b>Total net costs</b>	<b>8,879</b>	<b>1,068</b>	<b>9,947</b>	<b>9,682</b>

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

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

Other pension costs for 2010/11 included £1,261k for pension payments, and a movement in pension accruals of minus £43k, making the total for the year £1,218k.

#### Average number of persons employed

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

	Permanently employed staff	Others	2010-11 Total	2009-10 Total
Directly employed	263	9	272	231
Other	-	15	15	24
Staff engaged on capital projects	-	-	-	-
	<b>263</b>	<b>24</b>	<b>287</b>	<b>255</b>

## 5. Other expenditure

	2010-11 £'000	Restated 2009-10 £'000
<b>5.1 Accommodation costs</b>		
<b>Accommodation costs include the following:</b>		
Rent	552	450
Additional accommodation costs	-	389
Service charges	228	186
Rates	44	137
Insurance	8	7
Maintenance buildings	29	29
<b>Total accommodation costs</b>	<b>861</b>	<b>1,198</b>
<b>5.2 Administration costs</b>		
<b>Administrative costs include the following:</b>		
Equipment rental & maintenance	482	410
NPIA (data sharing Agreement)	288	288
Travel & Subsistence	136	256
Legal fees	80	177
Training costs	270	126
Stationery & printing	72	101
IT support costs	71	68
Professional fees	123	76
Recruitment costs	9	81
Other staff costs	94	68
Postage & telephone costs	54	60
Security	56	47
ACPO Criminal Records Office	58	40
Equipment purchase < 5K	21	32
Cleaning	30	29
Subscriptions	9	-
Refreshments, hospitality & conferences	20	28
Internal audit fees	25	36
Hire of vehicle	8	15
General expenses	4	13
External audit fees	35	40
Offsite storage	32	7
<b>Total admin costs</b>	<b>1,977</b>	<b>1,998</b>
<b>5.3 Non cash items</b>		
Depreciation	667	1,199
Unwinding of re-instatement provision	12	8
<b>Total non cash items</b>	<b>679</b>	<b>1,207</b>
<b>Total costs</b>	<b>3,517</b>	<b>4,403</b>
<b>Total other costs excluding depreciation</b>	<b>2,850</b>	<b>3,204</b>

### Change in accounting policy for cost of capital

In line with the requirements of the FReM notional costs for cost of capital are not included within the accounts for 2010/11. HM Treasury consider the removal of cost of capital as a change in accounting policy and the comparatives in 2010/11 accounts should therefore be restated in line with IAS 1.

Cost of capital in 2009/10 amounted to £88k. Note 5.3 Non cash items has been updated to reflect the change.



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## 6. Income & interest receivable

<b>6.1 Income</b>	<b>2010-11 £'000</b>	<b>2009-10 £'000</b>
Grant income from Teesside University	191	-
Other Income	1	-
<b>Total other income</b>	<b>192</b>	<b>-</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 Teesside University 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>6.2 Interest receivable</b>	<b>2010-11 £'000</b>	<b>2009-10 £'000</b>
Interest receivable	1	-
<b>Total interest receivable</b>	<b>1</b>	<b>-</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.

## 7. Tangible non-current assets

	Furniture & fittings £'000	Fit-out £'000	Equipment £'000	Information technology - hardware £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 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)
Disposals	-	-	-	-	-
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>

### (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

Non Current Assets to the value of £77,563 were transferred to the ISA in 2010/11 (£418,411 in 2009-10) from the Home Office. These assets were purchased through the Vetting and Barring Scheme (VBS) programme as part of the set-up of the ISA. The value of the assets transferred has been recorded as a notional Government Grant. This grant is released to the Net Expenditure Account over the life of the asset.

### (3) Valuation of uCRM

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 has been used as the baseline for the calculation of depreciation from April 2010 to 28 February 2013

The revaluation has been applied as at 31 March 2011.

	<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>
<b>Cost or valuation</b>					
At 1 April 2009	365	1,126	368	793	2,652
Additions	138	378	2	23	541
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
<b>At 31 March 2010</b>	<b>503</b>	<b>1,504</b>	<b>370</b>	<b>816</b>	<b>3,193</b>
<b>Depreciation</b>					
At 1 April 2009	(52)	(150)	(74)	(81)	(357)
Disposals	-	-	-	-	-
Charge in year	(57)	(157)	(74)	(399)	(687)
Revaluation	-	-	-	-	-
<b>At 31 March 2010</b>	<b>(109)</b>	<b>(307)</b>	<b>(148)</b>	<b>(480)</b>	<b>(1,044)</b>
<b>Net book value at 31 March 2009</b>	<b>313</b>	<b>976</b>	<b>294</b>	<b>712</b>	<b>2,295</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>Asset financing:</b>					
Owned	394	1,172	222	-	1,788
Leased	-	25	-	336	361
<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>

## 8. Intangible assets

	Information technology £'000	Software licences £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2010	691	400	1,091
Additions	-	-	-
Donations	-	-	-
Disposals	-	-	-
Impairments	-	-	-
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)
Disposals	-	-	-
Impairments	-	-	-
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>Cost or valuation</b>			
At 1 April 2009	534	400	934
Additions	157	-	157
Donations	-	-	-
Disposals	-	-	-
Impairments	-	-	-
Revaluation	-	-	-
<b>At 31 March 2010</b>	<b>691</b>	<b>400</b>	<b>1,091</b>
<b>Amortisation</b>			
At 1 April 2009	(62)	(41)	(103)
Charged in year	(316)	(196)	(512)
Disposals	-	-	-
Impairments	-	-	-
Revaluation	-	-	-
<b>At 31 March 2010</b>	<b>(378)</b>	<b>(237)</b>	<b>(615)</b>
<b>Net book value at 31 March 2010</b>	<b>313</b>	<b>163</b>	<b>476</b>
<b>Net book value at 31 March 2009</b>	<b>472</b>	<b>359</b>	<b>831</b>

### (1) Movements during the year

There were no intangible assets transferred to the ISA in 2010/11 (£157,372 in 2009-10) from the Home Office. The value of the assets transferred in previous years were recorded as a notional Government Grant. This grant is released to the Net Expenditure Account over the life of the asset.

### (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 28 February 2013

The revaluation has been applied as at 31 March 2011.

## 9. Trade receivables and other current assets

	2010-11 £'000	2009-10 £'000	2008-09 £'000
<b>Amounts falling due within one year:</b>			
Other receivables	-	50	53
Prepayments and accrued Income	193	197	282
<b>Total receivables as at 31 March</b>	<b>193</b>	<b>247</b>	<b>335</b>
<b>Intra government balances</b>			
Balances with central government bodies	3	57	47
Balances with police and local authorities	-	-	137
<b>Total intra government</b>	<b>3</b>	<b>57</b>	<b>184</b>
Balances with bodies external to external to government	190	190	151
<b>Total as at 31 March 2011</b>	<b>193</b>	<b>247</b>	<b>335</b>

As at 31 March 2011 and 31 March 2010 there were no amounts falling due after more than one year.

## 10. Cash and cash equivalents

	2010-11 £'000	2009-10 £'000	2008-09 £'000
Balance at 1 April	772	558	-
Net change in cash balances	(319)	214	558
<b>Balance at 31 March</b>	<b>453</b>	<b>772</b>	<b>558</b>

All cash is held with the Natwest Bank in a commercial account.

## 11. Trade payables and other current liabilities

	2010-11 £'000	2009-10 £'000	2008-09 £'000
Trade payables	(19)	(232)	(374)
Accruals and deferred income	(349)	(698)	(632)
Other payables	-	-	-
Taxation and social security	-	-	-
<b>Total payables as at 31 March</b>	<b>(368)</b>	<b>(930)</b>	<b>(1,006)</b>
<b>Intra government balances</b>			
Balances with central government bodies	(102)	(146)	(149)
Balances with police and local authorities	(3)	(10)	(137)
<b>Total intra government</b>	<b>(105)</b>	<b>(156)</b>	<b>(286)</b>
Balances with bodies external to external to government	(263)	(774)	(720)
<b>Total as at 31 March</b>	<b>(368)</b>	<b>(930)</b>	<b>(1,006)</b>

As at 31 March 2011 and 31 March 2010 there were no amounts falling due after more than one year.

## 12. Provisions for liabilities and charges

### Reinstatement provision

	£'000
Provision at 1 April 2010	349
Provided in year: creation of tangible asset	
Unwinding of discount	12
<b>Balance at 31 March 2011</b>	<b>361</b>
Analysis of expected timing of discounted flows Between 1 and 5 years	361
<b>Provision as at 1 April 2009</b>	<b>231</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 will be depreciated over the period to the first break clause of the lease which is 5 years. The discount factor used in the calculation of the provision is 3.5%.

### 13. Capital commitments

The ISA had no capital commitments as at 31 March 2011 (2010 £nil).

### 14. 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.

	2010-11 £'000	2009-10 £'000
<b>Obligations under operating leases for</b>		
Not later than one year	561	549
Later than one year and not later than five years	280	824
Later than five years	-	-
<b>Total at 31 March</b>	<b>841</b>	<b>1,373</b>

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 order to exercise the break clause, the ISA must give written notice 6 months prior to the break date, and pay a break fee of 3 months rent plus VAT. 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. The figures above do not include any provision for the rent reviews which are due after 5 years.

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

### 15. Contingent liabilities disclosed under IAS 37

The ISA had no contingent liabilities as at 31 March 2011.

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## 16. Subsequent events

Following the review of the vetting and barring and criminal records regimes, the Government has made the decision to alter current safeguarding arrangements to ensure that arrangements are appropriately balanced with the need to protect and respect individual's freedoms. To fund these changes without placing an additional burden on the general tax payer the cost of obtaining an enhanced CRB disclosure will rise by £8 to £44 on 6 April 2011. The income generated through the fee increase over 2011/12 includes the operational costs of the ISA (at £14.7m).

As noted earlier in this report, the current proposals before Parliament in the Protection of Freedoms Bill will, if passed, pave the way for the merger of the CRB and the ISA into a single, new organisation.

The Bill was presented to Parliament on 11 February 2011. The Bill had its second reading debate on 1 March 2011. Subsequent to 31 March 2011 the Protection of Freedoms Bill Committee's consideration of the Bill finished. The Bill will progress to the report stage on the floor of the House and subject to the will of Parliament, then progress to the House of Lords.

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

## 17. 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 requirements and the ISA is therefore exposed to little credit, liquidity or market risk.

## 18. Related party transactions

The Home Office is the sponsor department of the ISA and is regarded as a related party. During the year to 31st March 2011 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 Policing Improvement Agency

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 the year Lucy Faithfull Foundation for which Donald Findlater, a board member of the authority, is a director, provided services to the Independent Safeguarding Authority to the value of £19,947. There was no balance outstanding as at 31 March 2011 to the Lucy Faithfull Foundation. Donald Findlater formally declared an interest in this respect, and was not involved in any way with the tender process to award this contract.



## Glossary

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Casework decision making authority	CDMA
Chartered Institute of Personnel and Development	CIPD
Criminal Records Bureau	CRB
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 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

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**You can find further information both on the ISA and the VBS on the following websites:**

[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  
ISA Caseworker Guidance Notes and  
a series of helpful fact sheets

Information on the Vetting and Barring Scheme can be found on:

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

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

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





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