



Dorset County Council

Report of Internal Audit Activity

Plan Progress 2018/19 – October 2018

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Executive Summary

The Assistant Director is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating previously identified significant risks by audit.



Audit Opinion and Summary of Significant Risks

Audit Opinion:

Audit reviews completed to date, highlight that in the majority of areas, risks are reasonably well managed with the systems of internal control working effectively.

Significant Risks:

Since our last report in June one further significant risk has been identified as follows:

We have been regularly reporting to the Audit & Governance Committee on progress made in respect of **Safer Recruitment** with particular emphasis on **DBS checking**. In order to provide the Committee with a comprehensive assurance that clear processes are in place for the identification of those employees and volunteers that must be subject to the DBS checking procedure, we have undertaken a further full audit of DBS checking. Our work is now concluded and our concerns around the findings and the existing awareness of issues around the DBS checking process are such that it has led us to issue a '**no assurance**' opinion. The full audit report has been attached as an **Appendix** to this report, setting out the details of our findings, recommendations and agreed actions.

Management actions have been agreed against each of our recommendations. We are satisfied that, if implemented, these actions will mitigate the immediate and ongoing risks. The exception to this is in regard to volunteers, where officers have indicated proposed actions that go some way to help address the issue, however SWAP is of the opinion that there is still a significant degree of risk exposure as a result of not maintaining a comprehensive record of volunteers and their DBS statuses. Therefore, the risk has been considered accepted.

New SWAP Audit Report & Recommendation Priorities

We have recently amended our audit report template across the SWAP partnership. The changes we have made aimed to reduce the overall length of our reports, summarise all the key messages on the first page of the report and introduced an assurance opinion 'dial' to better pinpoint our audit assurance.

As part of the refresh, the scoring mechanism for our recommendations has also changed; moving from a 1-5 system from Low to High, to a 1-3 High to Low approach. All previous priority 5 and 4 recommendations have been amended to priority 1 and 2 respectively. The full report attached within the Appendix provides an example of our new report template.

Added Value

'Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.'



Added Value

SWAP strive to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

During this year SWAP have added value through the circulation of industry bulletins and fraud prevention alerts wherever possible. We also share the outcomes of any benchmarking undertaken across our SWAP Partner base. SWAP also aim to share the results of emerging areas of risk, or findings from relevant audit reviews undertaken at our Partners, to enable the sharing of best practice and comparison of common findings.

So far this year we have provided best practice guides for Budget Management as well as the Development of a People Plan. We have also provided benchmarking data from across SWAP partners and beyond for Dorset Waste Partnership.

As well as the above, we have continued to make available to DCC detailed analysis of expenditure through SAP in order to identify potential duplicate payments. This is proving to be a valuable and worthwhile exercise.

SWAP has provided support to the Shadow Dorset Council undertaking three reviews of programme governance that have been reported to the Shadow Overview and Scrutiny Committee and the Shadow Executive Committee. The following reviews have been completed to date:

- [LGR Programme Audit – Programme Governance Review](#)
- [LGR Programme- Programme Governance Follow up](#)
- [LGR Programme – Further Programme Governance Review](#)

This work will continue with regular assurance reports throughout the lifecycle of the programme.

Internal Audit Plan Progress 2018/19

The Executive Director for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.



SWAP Performance

SWAP now provides the Internal Audit service for 26 Partners as well as many subsidiary bodies. SWAP performance is subject to regular review by both the Board and the Member Meetings. The respective outturn performance results for Dorset County Council for the 2018/19 year (as at 10 October 2018) are as follows:

Performance Target	Performance
<p><u>Audit Plan – Percentage Progress</u></p> <p>Completed</p> <p>Work at Report Stage</p> <p>Fieldwork</p> <p>Scoping</p> <p>Not yet Started</p>	<p>36%</p> <p>8%</p> <p>17%</p> <p>12%</p> <p>27%</p>
<p><u>Quality of Audit Work</u></p> <p>Overall Client Satisfaction <i>(did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i></p> <p>Percentage of SWAP staff qualified or working towards a qualification</p>	<p>100%</p> <p>100%</p>
<p><u>Outcomes from Follow Up Audit Work</u></p> <p>Percentage of Priority 1&2 recommendations for partial assurance audits, that remain outstanding when the follow up audit is undertaken</p> <p>Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i></p>	<p>60 % (35 of 58)</p> <p>100%</p>

Internal Audit Plan Progress 2018/19

Approved Changes:

We keep our plans under regular review so as to ensure that we are auditing the right things at the right time



Changes to the Audit Plan

Since the approval of the annual internal audit plan there have been certain changes. This had been due to emerging risks that have been deemed higher priority, or where the service has stated that an audit would not add sufficient value at this time. The changes have been summarised below together with an explanation of the reasons for the change:

Audits removed from the original 2018/19 audit plan since our update report in June

- Reserves and Medium Term Financial Strategy (*CIPFA have been commissioned to undertake work on the financial situation of each of the sovereign Councils prior to LGR and therefore for internal audit to cover similar or the same areas was not considered efficient. The request to remove this work came from the Chief Financial Officer*)
- Data and performance Team and Outcomes Tracker (*The team is currently undergoing a restructure in relation to a review commissioned by the Organisational Transformation Board and is also part of a wider service review to deliver savings for the Council to achieve a balanced budget. Due to this we were requested not to undertake these reviews by the Corporate Director for Environment and Economy.*)
- Brexit Member/Officer Working Group (*This group is no longer meeting and therefore no audit support is required*)

Audits substituted to replace the reviews above and new audits added to plan

- DBS Checking (*This audit was on the reserve list and was brought into the audit plan as a result of other audits removed and a request for an updated position by the Committee*)
- Coach tender investigation and advice work (*A request to undertake some investigation work into incorrect usage figures used during a tendering process*)
- Green Assets (*A requested piece of work to review the arrangements currently in place within the service to confirm that they robustly contribute to a valued service to the public whilst fully recovering their above the line costs and leveraging additional resources for the benefit of Dorset as a whole*)
- Durlston Country Park investigation into banking shortfall and general income procedures (*Following two bankings where the amount deposited was less than the amount recorded as banked, Internal Audit were asked to investigate and review current income collection and banking procedures*)
- Duplicate Payment Run – Advice on Revised Procedures (*Following an upgrade of Mosaic a duplicate payment run for residential care homes took place resulting in £2.25M of overpayments. Recovery will take place and a new software upgrade procedure has been proposed. Audit have been asked to review the revised procedure to ensure this provides adequate control to prevent any further occurrences of this nature*)

Monitoring of Previously Reported Significant Risks

Summary of progress in mitigating previously reported Significant Risks

Audit Tittle	Significant Audit Findings	Dates of Implementing Key Actions Agreed by Service	Progress in Implementing Agreed Actions
Use and Management of the High Needs Block	<p>There are issues with the quality of data within Synergy which may impact on the service's ability to accurately track and project future demand on the HNB.</p> <p>If initiatives to reduce reliance on Independent Sector placements are not progressed promptly with estimated savings revisited regularly for feasibility as more detail becomes known, there is a risk that they may not be achievable, resulting in an increase in the cumulative deficit of the High Needs Block budget.</p>	All actions are planned to be completed by the end of July 2018	A follow review is currently being undertaken to confirm progress against the recommended actions.
Safer Recruitment	<p>There is no effective control to ensure that a DBS check is undertaken in every appropriate instance prior to employment commencing.</p> <p>Without maintaining a central record of volunteers, the Authority is unable to ensure that a DBS check is undertaken in every appropriate instance prior to volunteer work commencing.</p>	All actions were planned to be completed by the end of April 2017.	A further full internal audit review has been undertaken and details of this can be found on Page 1 above and the no assurance report can be found in the Appendix to this report A follow up audit to ascertain progress in implementing the recommendations contained within this report will be undertaken during November 2018.

Monitoring of Previously Reported Significant Risks

Audit Title	Significant Audit Findings	Dates of Implementing Key Actions Agreed by Service	Progress in Implementing Agreed Actions
<p>Governance Framework for Tricuro</p>	<p>The council does not currently receive copies of minutes of Tricuro's Audit, Governance and Risk Committee and therefore has limited assurances around the adequacy of review of operations within Tricuro.</p> <p>Tricuro have not provided regular performance or financial data to the council.</p> <p>Performance data that has been provided indicates poor performance in some areas.</p>	<p>All actions were due to be implemented by 1 October 2017</p>	<p>Further follow up work is currently underway and we are awaiting confirmation that the key areas of concern have been adequately addressed.</p>
<p>Resilience of ICT infrastructure – Service Continuity Planning</p>	<p>The last large-scale assessment of IT system criticality was undertaken in 2014 and many of the individual service continuity plans do not contain clear step by step instructions.</p> <p>The last update to the ICT Service Continuity Plan was undertaken on 23rd January 2017, so these unresolved issues have been outstanding since then and have not been updated since the UPS failure or Wannacry incidents.</p>	<p>All actions are due to be implemented by 31 March 2018</p>	<p>A follow up audit has been undertaken and we were encouraged by the work undertaken to either complete or progress recommendations which will significantly reduce the risk exposure.</p> <p>Previously reported significant risks are now believed to be adequately mitigated.</p>

Monitoring of Previously Reported Significant Risks

Audit Tittle	Significant Audit Findings	Dates of Implementing Key Actions Agreed by Service	Progress in Implementing Agreed Actions
Budget Management within Children's Services	<p>Robust processes are not in place to set realistic budgets and effective actions are not always being taken in a timely manner to address budget overspends resulting in predicted overspent budgets for the 2017/18 year end.</p> <p>Actions which address budget overspends are not always quantified in terms of the impact on budgets. Savings targets are allocated to budgets without a documented plan being in place for the achievement of these targets.</p>	All actions are due to be implemented by 31 March 2018	<p>A follow up audit has been undertaken and a substantial proportion of the recommendations relate to the 2017-18 budget which has now been closed down with an overspend of £6.6M for Children's Services. A copy of our follow up report was provided to the Chair of Audit and Governance Committee, as it was understood that the report was going to be used to inform discussions with the Interim Director of Children's Services as part of an Enquiry Day reviewing Children's Services budgets.</p> <p>Whilst there is ongoing work across the organisation to mitigate the significant risks associated with the Children's Services budget our audit recommendations have been implemented.</p>
EU General Data Protection Regulations (GDPR)	The organisation is not able to fully implement the requirements of the GDPR within the required timescales resulting in non-compliance with the consequence of financial penalties.	All actions are planned to be completed by the implementation of the GDPR which is 25 May 2018.	<p>The response from the authority has been extremely positive in terms of implementing our recommendations and we have recently undertaken some follow up work which has demonstrated encouraging progress and a positive direction of travel. It is not possible through this work to provide assurance on compliance with GDPR and a further piece of compliance audit work will be undertaken later in 2018-19.</p> <p>However, in relation to the issues that were raised as part of the original audit we consider that the actions taken have adequately mitigated the risk highlighted and this will be further confirmed in the compliance work due to be undertaken.</p>

Internal Audit Work Programme – 2018-19

At the conclusion of audit assignment work each review is awarded a “Control Assurance”, a summary of the assurance levels is as follows:


- Substantial – Well controlled and risks well managed.
- Reasonable – Adequately controlled and risks reasonably well managed.
- Partial – Systems require control improvements and some key risks are not well managed.
- None – Inadequately controlled and risks are not well managed

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Completed Work for Dorset County Council								
Governance	Coach tender investigation and advice work	1	Final	Advice and Guidance	N/A	-	-	-
Grant Certification	Growth Hub	1	Final	Advice and Guidance	N/A	-	-	-
Grant Certification	Dorset Families Matter	1	Final	Advice and Guidance	N/A	-	-	-
Operational	Budget Management	1	Final	Advice and Guidance	N/A	-	-	-
Operational	Potential Duplicate payments	1	Final	Advice and Guidance	N/A	-	-	-
Follow up	Learning Disability	1	Final	N/A				
Follow up	General Data Protection Regulations	1	Final	N/A				
Operational	Management of Grants	1	Final	Reasonable	3	-	-	3
Operational	Family Partnership Zones	1	Final	Partial	5	-	2	3
Operational	Contract Management – Construction and Transport	1	Final	Reasonable	3	-	1	3
Operational	Deferred Payments	1	Final	Partial	5	-	3	2

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Follow up	ICT Contract Management	1	Final	N/A				
Operational	Dorset Care Framework	1	Final	Partial	10	-	8	2
Operational	Capital Budget Management	1	Final	Substantial	1	-	-	1
Operational	Mental Health Act	1	Final	Advice and Guidance				
Follow up	Education of Looked After Children	2	Final	N/A				
Operational	Statutory Timescales for Children's Assessments	2	Final	Partial	5	-	3	2
Follow up	Resilience of ICT Infrastructure	2	Final	N/A				
Follow up	Children's Services Budget Management	2	Final	N/A				
Operational	Implementation of Our People Plan	2	Final	Advice and Guidance	N/A			
Operational	DBS checking	1	Final	None	8	5	2	1
Operational	Dorset Waste Partnership – Value for Money	1	Final	Advice and Guidance				
Completed work for Shadow Dorset Council								
Operational	Governance of Shaping Dorset Programme	1	Final	Partial	5	-	5	-
Follow up	Governance of Shaping Dorset Programme	1	Final	N/A				
Operational	Governance of Shaping Dorset Programme	1	Final	Partial	7	-	7	-

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major  3 = Medium		
						Recommendation		
						1	2	3
Reporting								
Operational	Whistleblowing	1	Discussion					
Operational	National Fraud Initiative Governance Arrangements	1	Discussion					
Operational	Budget Assumptions	1	Discussion					
Operational	Cyber Security Firewall Management	2	Discussion					
Operational	Durlston Country Park	2	Draft					
In progress								
Operational	Adult and Community Services Debt Management and Debt Recovery	1	Fieldwork					
Operational	Deprivation of Liberty	2	Fieldwork					
Operational	Green Assets Strategy	2	Fieldwork					
Operational	Achievement of Savings Targets	2	Fieldwork					
Operational	Data Quality – Mosaic	2	Fieldwork					
Operational	Fraud Detection	2	Fieldwork					
Operational	Public Health - Livewell Dorset	2	Fieldwork					
Operational	Mosaic Post Implementation Review	2	Fieldwork					
Operational	Duplicate Payment Run advice	2	Fieldwork					

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Operational	Duplicate payment reporting	1-4	Fieldwork					
Follow up	High Needs Block	3	Fieldwork					
Follow up	Tricuro Governance Arrangements – Follow up	3	Fieldwork					
Operational	Role of the Dorset Manager	3	Scoping					
Operational	Pension Fund Investments Transfer	3	Scoping					
Operational	Risk Management	3	Scoping					
Operational	Portesham Primary	3	Scoping					
Operational	Wool Primary	3	Scoping					
Operational	Continuing Health Care	3	Scoping					
Operational	Standards in Dorset Schools	3	Scoping					
Operational	Property Maintenance Framework	4	Scoping					
Yet to Commence								
Operational	Fostering		Not started					
Operational	Children’s Social Care Caseload Management		Not started					
Operational	Effectiveness of Social Care Practice		Not started					
Operational	Readiness for Ofsted Inspection		Not started					

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation		
						1 = Major	2	3 = Medium
						1	2	3
Operational	DWP - Enforcement		Not started					
Operational	Dorset Travel		Not started					
Operational	Local Enterprise Partnership		Not started					
Operational	Equality Impact Assessments		Not started					
Operational	Scheme of Delegation		Not started					
Operational	Compliance with IR35		Not started					
Operational	Staff Performance Management		Not started					
Operational	Public Health contract compliance		Not started					
Operational	Property Maintenance Framework		Not started					
Operational	Supplier resilience		Not started					
Operational	GDPR Compliance		Not started					
Operational	ICT Key Controls		Not started					
Operational	WAN Management		Not started					
Operational	Software Licencing		Not started					
Operational	LGR – Technology Convergence		Not started					

A copy of the full audit plan, including details of upcoming planned audit reviews, is available to view on ModernGov under the March 2018 Audit & Governance Committee

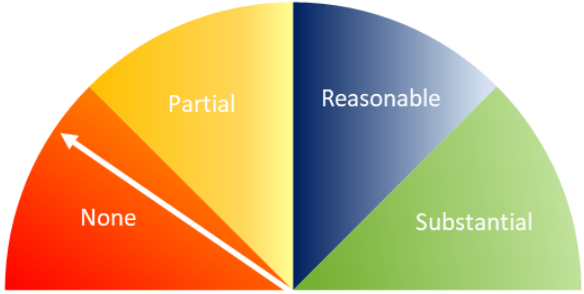


Disclosure and Barring Service (DBS) Checking

Final Report

Issue Date: 27 September 2018

Executive Summary

Audit Opinion		Recommendation Summary	
	<h1>None</h1>	Priority	Number
		Priority 1	5
		Priority 2	2
		Priority 3	1
		Total	8
<p>The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>			

Audit Conclusion

Our audit testing has identified that job roles have been incorrectly assessed as not requiring a DBS check and employees have been found to be working in regulated roles without a DBS clearance. There is a risk therefore, that the Council is employing barred individuals in regulated positions. In addition, reliance cannot be placed on the DBS status indicating whether a check has taken place or not, as examples were found where the status indicated that a DBS clearance was not required and yet the individual had been given a DBS check.

Where a DBS check has been completed and it returns information on that individual, the responsible manager should complete a 'Record of positive (non-blank) check risk assessment'. If the individual is offered and takes a position with the Council, the risk assessment should be retained on their personal file. Our testing indicated that there are instances of employees working in positions where a DBS clearance is required, and information has been returned on the check, however there is no evidence that a risk assessment as to the individual's suitability to be employed, has been carried out. As a result, individuals with convictions and cautions for criminal offences could be employed in roles within the Council for which they are unsuitable.

The Council permits the employment of individuals prior to the receipt of DBS clearances. In such circumstances, the manager recruiting for the vacant post is required to complete a risk assessment which records why they consider to individual to be low-risk, and what additional measures will be put in place to mitigate any risks until receipt of the DBS clearance. Audit testing identified examples where it was not possible to evidence completion of a risk assessment prior to staff

starting without a DBS clearance having been received. There is a risk that employees in regulated posts could be permitted to undertake duties, for which as yet, there is no clearance.

A central record is not maintained of volunteers working across the Council and it is the responsibility of the appropriate manager to ensure that an assessment of the volunteering work is undertaken to determine whether a DBS check is required. There is guidance on SharePoint around the requirements for this. However, we are not able to provide any assurance that DBS checks have been undertaken for volunteers working in regulated or financial based activities as it was not possible to obtain a sample for testing. Based on the finding of our testing across Council employees, there is a concern that the same levels of non-compliance may exist across the population of volunteers and as a result there may be volunteers working across the Council in regulated and financial related positions who have not had appropriate DBS clearance.

Background

An audit of Safer Recruitment was undertaken during 2016-17. This systems-based audit review identified a lack of control in place to ensure that a DBS check is carried out in every appropriate instance. As part of that audit a recommendation was made that the Council should consider whether the risk incurred around the lack of controls within the manager self-service process did not exceed the Council's risk appetite. In response to our recommendation the risks around manager self-service were accepted, however it was agreed that a system of spot checking a sample of new employees in regulated posts would be implemented, to ensure that a DBS check had been undertaken prior to commencement of employment. The perceived corporate risk around DBS checking was highlighted to the Audit and Governance Committee through the usual reporting process and they asked for regular updates.

A follow up audit undertaken in the first half of 2017-18, identified that only partial progress had been made in implementing the agreed recommendations, with the spot checking not having been implemented at that time. A further follow up audit was conducted towards the end of 2017-18 and this work found that increased focus had been placed on improving DBS clearance checking procedures. At this time, it was confirmed that the spot check recommendation had been implemented and this had identified several instances where further investigation was required where data suggested that either DBS clearance had not been received prior to commencement of employment or that HR did not have a record of confirmed DBS clearance where a position has been marked as requiring one.

Throughout this time the Audit and Governance Committee had been asking Audit to provide assurances around DBS clearance procedures. As a result, it was agreed that Internal Audit would undertake a further review of DBS checking which would focus on compliance.

The County Council introduced a whole council SAP enterprise system in 2009 dependent upon manager self-service, thereby securing savings from the corporate centre. The DBS element of manager self-service was rolled out in 2013. As a result, it is the responsibility of managers across the organisation to correctly identify the DBS status of a new post and to ensure that where applicable that DBS clearance is obtained, a risk assessment is completed prior to an employee starting in post where the DBS clearance is pending and to assess the risk of employing an individual whose DBS check has returned details of criminal offences. HR provide a supporting and advisory role to managers to enable them to fulfil their responsibilities regarding DBS.

At the point at which a manager determines that a DBS check is required the manager should contact the DBS administrator (HR) for their area and arrange for the checking process to be begin. This results in an email and secure link to enable the individual being checked to provide required information about themselves. This should be followed by a face to face meeting at which the person being checked provides required documents to prove their identity. The DBS then undertake the required level of checking through the police national computer and as well as providing a certificate to the individual they notify the manager whether there is anything positive on the certificate (a conviction).

Local Authorities are responsible for ensuring arrangements are in place which help prevent abuse of vulnerable people. The Safeguarding Vulnerable Groups Act 2006 sets out the activities and work which are 'regulated activity', which a person who has been barred by the Independent Safeguarding Authority must not do. The correct use of the DBS helps ensure safe recruitment, transfers in (e.g. via TUPE transfers), continuing employment decisions and access to premises by contractors and agency workers. It is an important part of preventing unsuitable people from working with vulnerable groups. The council can only legally check someone's criminal record if they are applying for certain roles, where the requirement for a check has been identified. When considering the suitability of an individual for any position with access to children or vulnerable adults the manager needs to ensure that criminal record information checks are undertaken when appropriate, at the required level, and in accordance with legislative requirements.

The Disclosure and Barring Service (DBS) is an executive agency of the Home Office and provides organisations with a 'one stop service' to access criminal record information and to check whether individuals are barred from working with children and vulnerable adults. The DBS helps supports recruitment processes and procedures in place to help to deter, reject and identify people who might abuse vulnerable people or are otherwise unsuitable to work with them.

Corporate Risk Assessment

Objective

To assess the procedures and controls in place to ensure individuals are subject to appropriate DBS checking where relevant to their role in the Authority.

Risks	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. The Authority fails to identify individuals unsuitable to work with vulnerable people, potentially leading to harm or detriment to the wellbeing of service users.	High	High	High
2. Individuals who require DBS clearance, start work prior to clearance being obtained, or an appropriate risk assessment in place leading to potentially unsuitable individuals working with vulnerable people.	High	High	High

Scope

The audit review focused primarily on employees excluding schools-based staff and those of third parties providing services to the Council e.g. Tricuro. The Council does not maintain a central record of volunteers. All records relating to volunteers are currently kept with the manager responsible for the Service. Whilst it was not possible to undertake any testing on volunteer DBS checking we have raised recommendations around this area.

Sample testing was performed on the following:

- A report of all DCC employees and their respective DBS eligibility was obtained from HR. The report was filtered to identify all employees listed as not eligible for a DBS check (those listed as N/A against the DBS Code field). From the filtered report, we selected a sample of nine job roles which we considered likely to require a DBS check based on a number of factors. For example, using key words such as social, residential, care etc. or selecting from high risk Service/Directorate areas such as Children's, Adults or Legal Services. Each job role was queried with the employee's respective manager in order to establish the rationale for the employee not requiring a DBS check despite the job role indicating that potentially they may be eligible for one;
- HR provided a report which detailed all changes made in the last 12 months to DBS eligibility. A sample of 7 changes were selected where the post had been changed from requiring a DBS check to no longer being eligible for one. Each job role was queried with the appropriate manager in order to establish the rationale for the change in DBS eligibility; A report of all employees with a positive DBS check (which could highlight criminal convictions) was obtained from HR. A sample of 10 employees with positive checks were selected to ensure that a risk assessment had been completed and that these were retained on file; and
- HR provided a report which detailed all new starters from the 1st of March 2018. We identified a total of 15 employees had commenced employment with the authority before DBS clearances were received. We sampled checked all 15 employees in order to establish whether a risk assessment had been completed for each.

The key findings from the above testing have been detailed in the main body of this report hereafter.

Findings and Outcomes

Summary of Control Framework

Policies, procedures and guidance documents are available on SharePoint to managers who advertise vacancies in order to help them determine whether a post requires a DBS clearance. The responsibility lies with the manager advertising a vacancy to determine whether a DBS check is required for a role based on the information available to them on SharePoint. It is our understanding that the guidance on SharePoint has recently been updated to further help managers determine the DBS eligibility of a post, however, a more fundamental review of the guidance is planned for in the Autumn. Advice can also be sought from Human Resources if required.

When advertising a vacancy on DES, managers are required to select whether the post is eligible for DBS clearance and if so, what level of check is required. This is a mandatory requirement for all vacancies, however, the manager may select a not applicable option. HR will undertake a sense check to ensure DBS eligibility has been assessed correctly. Applicants are informed of the requirement to undergo a DBS check at advertising and short-listing stages of the recruitment process. The Council allows the appointment of individuals into post before clearances are received. However, in such circumstances, the manager advertising the vacancy must complete a risk assessment which will record why they consider the individual to be of a low risk and what additional measures will be put in place to mitigate any risks until receipt of clearance. A weekly report is produced by HR which identifies all new starters who have not yet had a DBS check despite the requirement for one. The purpose of the report is to ensure managers undertake DBS checks for all employees requiring one promptly and that these checks do not remain outstanding on their DES work list for a long period of time. The information is provided to all HR & OD Business Partners who will liaise with managers directly.

Following the transfer of DBS data from a number of sources onto DES in January 2018, HR have identified potential gaps in DBS clearances of existing employees whose DBS status indicates eligibility for a DBS check. These have been followed up with Services / Directorates to secure evidence that DBS clearances have been obtained or to confirm that real gaps exist, i.e. where an employee who requires a DBS check is found not to have had one. In such circumstances, action has been taken and risk assessments have been completed where appropriate whilst formal clearance is obtained. Progress has been made in this area, but further work is still required.

In circumstances where a DBS check is returned and reveals information for consideration by the manager (non-blank, positive check), which could indicate a criminal conviction(s), this does not automatically result in a withdrawal of an offer of employment or termination (if individual has already been appointed into post). However, in such circumstances the manager is required to complete a separate risk assessment. The risk assessment provides a record of the managers rationale in any case where one or more offences have been disclosed, but where these are not considered by the manager to pose a risk.

The terms and conditions of employment for individuals in roles requiring DBS clearance emphasise the individual's obligation to declare any relevant changes to their criminal record status which occur during their employment. If an individual fails to declare any relevant change to their criminal record status, this is subject to disciplinary action, which may include dismissal in serious cases. Changes are being made to the Personal Development Review form to record the date of the last DBS check carried out against an employee eligible for one and also provide a forum for the employee to declare any changes to criminal record status. However, these are currently in the process of being tested but it is anticipated that this will be rolled out in readiness for mid-year reviews due to take place October 2018.

1.	The Authority fails to identify individuals unsuitable to work with vulnerable people, potentially leading to harm or detriment to the wellbeing of service users.	High
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1.1 Finding and Action	
Issue	Risk
Job roles have been incorrectly assessed as not requiring a DBS check. This has resulted in the appointment of individuals into posts classed as a 'regulated activity' with no DBS check carried out.	Barred individuals may have been appointed into posts for which they would not be suitable. This could result in reputational damage and legal challenge to the Council.
Findings	
<p>From a report of employees not requiring a DBS check (i.e. a DBS eligibility status of N/A) we selected a sample of nine job roles which were considered likely to require a DBS check based on a number of factors. For example, using key words such as social, residential, care etc. or selecting from high risk Service/Directorate areas such as Children's, Adults or Legal Services. Each job role was queried with the employee's respective manager in order to establish the rationale for the employee not requiring a DBS check despite the job role indicating that potentially they may be eligible for one. The findings have been detailed below:</p> <ul style="list-style-type: none"> • Three responses indicated that the jobs roles had incorrectly been assessed as not eligible for a DBS check and, as a result, a check had not been completed for the employees appointed into those posts. All three job roles were found to require a DBS clearance. The job roles in question were for a Principal Social Worker - Adult & Community Services, Quality Improvement Officer - Adult & Community Services and a Paralegal - Legal Services. In respect of the Quality Improvement Officer, we were informed by the manager that they felt this role required DBS clearance given the contact that they have with service users, sometimes alone during visits to the service user's homes. However, a decision was made prior to the managers appointment that the role did not require DBS clearance. This was queried by the manager, but HR advised them that clearance was not deemed necessary for the role. Further detail with regards to the three job roles found to have been incorrectly assessed has been documented within Table A of Appendix A for managements review. • Four responses indicated that the manager believed that a DBS check had been undertaken despite the DBS status showing as 'N/A' against the DBS eligibility, which would indicate that they were not eligible for a DBS check. Further investigation revealed that of the four employees, evidence could not be provided to demonstrate that DBS clearance had been received in three instances despite the manager's assurances that clearance had been obtained. These employees together with the details of their manager have been listed within Table A of Appendix A. Evidence to demonstrate clearance was provided for one of the four employees and found to be satisfactory. 	

In addition to the above, the DBS status of two Senior Officer posts (the Chief Financial Officer and Chief Accountant) were identified as not eligible for a DBS check. It is our opinion that these Senior Officer's should have a basic DBS check as it would be inappropriate to employ individuals who may have certain convictions. The responsibility for determining whether a post requires a DBS check lies with the manager advertising a vacancy. Guidance is available on SharePoint to help managers make the assessment and advice can be sought from HR if required. HR has also informed us that a sense check is carried out to ensure DBS eligibility has been assessed correctly., However, our testing highlights that the arrangements for sense checking are not adequate. In addition to this, we found that the guidance on SharePoint was not clear suggesting that the DBS status code for a basic check is BC and N/A. This is not the case as N/A indicates that no check is necessary. These factors may have led to some of the discrepancies identified within our testing outline above.

Recommendation

I recommend that the Service Director Organisational Development ensures that a review is undertaken of all job roles across the whole Council in order to confirm that the DBS status within DES has been correctly assessed and the appropriate level of clearance has been obtained. Where jobs are identified as having been incorrectly assessed as not requiring a check or the incorrect level of check has been applied, DBS clearance should be sought as a matter of urgency and appropriate precautions taken before and if necessary, after clearances are received (where DBS checks reveal potential concerns).

SWAP Ref. 39205

Priority Score	1
Timescale	31/10/2018
Responsible Officer	HR Service Manager – Operations

Agreed Action

A review of all job roles is already being undertaken across the council to confirm that the DBS status of roles within DES have been correctly assessed and that the appropriate levels of clearance have been obtained. This is being undertaken with each Directorate Leadership Team working with their HR Business Partner. This work has been completed within the Adult & Community Services directorate and is well in progress across all other areas.

Where roles are found to have been incorrectly assessed, and the assessment means that either of the following apply:

- (a) the workforce checked is not appropriate for the role;
- (b) a barred list check has not been undertaken where it is a requirement to do so for the role;
- (c) the level of check undertaken has not assessed all of the criminal record information that the role demands.

We will require that managers:

- I. seek DBS clearance at the appropriate level of relevant staff as a matter of urgency;
- II. risk assess individuals in roles where no or the incorrect level of DBS checking has been carried out and take appropriate steps to address the risk in the interim, pending the outcome of the subsequent check;
- III. take action should the criminal records check outcome reveal concerns about individuals in their role.

The review of roles will be completed by the end of October, including initiation of the correct level of check. It should be noted that completion of the recommendation in full will be dependent on the time required to receive DBS check results (which Dorset County Council cannot influence) and compliance by managers with the requirements listed above.

Managers are also always asked to review that the level of check is accurate as they advertise vacancies in DES, and to consider the DBS status as they undertake PDR reviews; changes have been made to the PDR Mid-Year Review form to provide managers with access to information about DBS clearances. The data will allow managers to understand the DBS status of positions, identify when a DBS clearance has been completed or, more importantly, where a clearance is not recorded, and input dates when Risk Assessments have been completed. Data in DES is updated on a weekly basis to ensure that information from data sources such as the DBS e-bulk system is up to date. The changes to the PDR Mid-Year Review form have been communicated to all managers, including a reminder of the county council's expectations around ensuring DBS clearances are complete and up to date. This included a need for managers to review posts that do not have a DBS indicator on DBS, to ensure that this is correct and consistent with other similar roles.

Recommendation

I recommend that the Service Director Organisational Development implements a process to ensure that all newly created posts are assigned the correct DBS status in accordance with the DBS guidance and that the correct level of DBS check is undertaken.

SWAP Ref. 39212

Priority Score

1

Agreed Action

Timescale

15/10/2018

Responsible Officer

HR Service Manager –
Operations

There is already a process in place requiring managers to assign the correct level of check to all newly created positions during the DES process to advertise a newly-created position. DES provides links to the SharePoint guidance to assist managers in making this decision. There are issues of clarity in guidance and understanding. To support managers, Sharepoint guidance on the DBS process will be re-written to help ensure that going forward they are better equipped to assess the correct DBS status of posts. This will be undertaken by October.

As an additional level of checking and process, the HR/Pay Support team staff sense-check the level of check that has been indicated by the manager during the DES process, and have a conversation with the manager should the level of check appear to be inconsistent. However, this does not displace the manager's responsibility to assign the correct DBS status. Detailed interpretation of the regulations is required in some cases where the legislation is not clear or the role is undertaking non-standard duties, and advice will need to be sought by the manager via the HR Helpdesk or the HR Business Partner.

Changes to roles within the HR/Pay team have been introduced from 1st August 2018 that sees the administration of DBS checks absorbed into the general HR/Pay Assistant role rather than sit with a standalone post. Not only does this remove any risk around single point of failure this also ensures that the administration of DBS clearances is more closely aligned with the broader recruitment process. This will lead to an improvement in the quality of spot-checking of the DBS status of posts as Assistants will be designated with a specific area of the county council to support, leading to a much-improved understanding of service areas and roles performed in each area.

There is also a standard process in place following submission of the manager's DES request which confirms the start date of the employee, whereby the HR Pay Support team reviews the status of the DBS check as they set up the employment record. Where the criminal check outcome is pending or not commenced, the manager is contacted and advised that a risk assessment must be undertaken pending clearance.

Additionally, on a weekly basis HR Operations provide HR Business Partners with lists of all positions that indicate a DBS requirement together with the dates of the most recent check and any risk assessment recorded, so that in any instance where there are concerns these can be followed up with the relevant manager.

In view of the problems of non-compliance as an additional action the Monitoring Officer will write to fellow Directors to emphasise the need for compliance.

Recommendation

I recommend that the Service Director Organisational Development ensures that DBS guidance is reviewed to clarify any ambiguity and correct any errors.

SWAP Ref. 39206

Priority Score	3
Timescale	15/10/2018
Responsible Officer	HR Service Manager – Operations

Agreed Action

To support managers in complying with their criminal records check responsibilities, Sharepoint guidance on the DBS process will be re-written to help ensure that going forward they are better equipped to assess the correct DBS status of posts. An overhaul of the DBS e-learning modules has been completed and the revisions have been made available to learners from September. The revised e-learning module separates out the guidance around system use and the overarching DBS guidance. Feedback since the revised modules have been launched has been extremely positive.

Following changes to the structure of the HR Pay Support team further in-house training is being provided to assist team members with their role in responding to first line queries relating to the level of DBS check required. The DBS status of posts can be ambiguous and if necessary questions will be escalated to business partners to resolve in consultation with relevant service managers. Additional pre-employment check training by an external provider has also being arranged for late November.

1.2 Finding and Action		
Issue	Risk	
Risk assessments for two existing employees with positive DBS checks could not be located within central records held by HR.	Individuals may be employed without proper assessment as to whether they are suitable for work given their criminal offences. This could result in reputational damage and legal challenge to the Council.	
Findings		
<p>A sample of 10 employees with positive checks were selected to ensure that a risk assessment has been completed and that these were retained on file. The findings are summarised as followed:</p> <ul style="list-style-type: none"> • Two risks assessments were not found within the employees personnel file. The managers were contacted by HR to ascertain whether a copy was retained locally with the manager, however no response was received. These employees together with the details of their manager have been listed within Table B of Appendix A. • One individual did not commence employment with DCC and therefore a risk assessment was not required. • Two individuals had since left DCC and therefore, their personnel files had been transferred to Records Management. Due to time constraints, we were unable to review these files. • Five risk assessments were found within personnel files and deemed to be satisfactory <p>We therefore found two instances where a copy of a completed risk assessment was not retained on file with HR. In addition to this, the managers failed to provide a response as to whether assessments had been completed or not. Therefore, it is not possible to provide assurance that a risk assessment has been completed for these two employees. There is a risk that individuals may be employed without proper assessment as to whether they are suitable for work given their criminal convictions and/or cautions.</p>		
Recommendation		
I recommend that the Service Director Organisational Development ensure that a review is undertaken of all positive DBS checks to confirm that a risk assessment has been undertaken in every instance for current employees. If it is identified in any instances that a risk assessment has not been undertaken, then this should be carried as a matter of urgency.	Priority Score	1
<i>SWAP Ref. 39208</i>		

Agreed Action	Timescale	31/12/2018
	Responsible Officer	HR Service Manager – Operations
<p>CLT has agreed to the funding of a review of all positive DBS checks to confirm that the appropriate service manager has undertaken a review in every instance for current employees (such a review involves production of a report from the DBS system, a matching exercise to the SAP record, pulling each hard copy personnel file to review the content for existence of the risk assessment form and a subsequent request to the manager to provide a copy where evidence is found not to be held centrally). It is hoped that additional resource to commence this piece of work will be in place by the end of September.</p> <p>The review will be undertaken and in any instance where a risk assessment has not been undertaken the relevant service manager will be required to undertake and act on the risk assessment.</p>		
<p>Recommendation</p> <p>I recommend that the Service Director Organisational Development ensures that a process is implemented to confirm that a completed and appropriately approved risk assessment is received by HR for all positive DBS checks where a decision is made to employ the individual concerned.</p> <p style="text-align: right;"><i>SWAP Ref. 39207</i></p>		
Agreed Action	Priority Score	2
	Timescale	31/12/2018
Agreed Action	Responsible Officer	HR Service Manager – Operations
	<p>A monthly check will be introduced to ensure that a completed and appropriately approved risk assessment is received by HR for all positive DBS checks where a decision is made to employ the individual concerned, whether as a result of recruitment, or during a regular DBS re-check.</p> <p>HR Operations processes will be reviewed to ensure a copy of a risk assessment has been obtained as part of the onboarding process from managers whose responsibility it is to carry out DBS checks and assess the risks of employing in a particular role someone for whom a positive check has been disclosed.</p>	

1.3 Finding and Action		
Issue	Risk	
The Council does not maintain a central record of DBS clearance of volunteers	The Council could have engaged volunteer workers in regulated activities or who handle cash who are not suitable for these roles.	
Findings		
There is guidance on SharePoint covering the appointment of volunteer workers, including the need to undertake a DBS check where a manager deems this to be appropriate, and following the audit in 2016 reminders are programmed in to be displayed on SharePoint and/or via Managers Mail. However, as there is no central record of all volunteers it was not possible to undertake any testing to provide assurance that a DBS check has been obtained where appropriate. As it is not possible to place reliance on all employees having the appropriate level of DBS check undertaken if required, it is possible that similar concerns around the DBS checking of volunteers will exist.		
Recommendation		
I recommend that the Service Director Organisational Development ensures that a list of volunteers across the Council is drawn up and arrangements made to check that an appropriate level of DBS clearance has been obtained for volunteers that are working in regulated or financial related activities.	Priority Score	1
<i>SWAP Ref. 39652</i>	Timescale	Risk Accepted
Agreed Action	Responsible Officer	HR Service Manager – Operations
Directorates should already keep their own records of volunteers, the roles in which they volunteer, and the risk assessments undertaken to determine whether a DBS check is needed. As these are records of volunteers in directorates, there are no central payroll and other personnel records which, HR Pay Support staff could use to validate and check against. This makes it essential that service managers keep accurate records of roles undertaken by volunteers to demonstrate how decisions on the need for DBS checking and the appropriate level have been reached.		
HR Operations will prepare firm guidance on the importance of each directorate maintaining these records and undertaking necessary checks, and specifically about the essential requirements for any volunteer working in a regulated activity. Compliance and checking is though, a matter for managers who utilise the services of volunteers. To help monitor compliance a periodic spot-check of clearances for volunteers that have indicated a positive check will be undertaken to ensure risk assessments have been completed by the engaging manager. The first spot-checking exercise will be completed by the end of October.		
Audit Commentary		
Whilst the proposed action outline goes some way to help address the issue, there is still a significant degree of risk exposure as a result of not maintaining a comprehensive record of volunteers and their DBS statuses. Therefore, the risk has been considered accepted.		

2.	Individuals who require DBS clearance, start work prior to clearance being obtained, or an appropriate risk assessment in place leading to potentially unsuitable individuals working with vulnerable people.	High
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2.1	Finding and Action
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Issue	Risk
Risk assessments are not completed for all individuals appointed before DBS clearances are received.	Barred individuals may have been allowed to work unrestricted prior to DBS report/clearance being received.

Findings

A total of 15 employees who commenced employment with the authority before DBS clearances were received were checked to ensure that a risk assessment had been completed. The findings are summarised as follows:

- No risk assessment was completed for five employees. The managers were contacted by HR and confirmed that one had not been completed. These employees together with the details of their manager have been listed within Table C of Appendix A.
- No risk assessment could be found for four employees within their personnel records. The managers for each employee were contacted by HR to ascertain whether a copy was retained locally with the manager, however no response was received. These employees together with the details of their manager have been listed within Table C of Appendix A.
- one employee had since left DCC and therefore, their personnel files had been transferred to Records Management. Due to time constraints, we were unable to review this file
- Five risk assessments were found to have been completed to satisfactory standard

We found five instances where a risk assessment had not been completed. In addition to this, we identified four instances where managers failed to provide a response as to whether an assessment had been completed or not. There is a risk that individuals may be employed without proper assessment as to why the individual is a low risk or what additional controls could be put in place to mitigate risks prior to clearances being received.

Recommendation

I recommend that the Service Director Organisational Development ensures that a process is put in place to confirm that a risk assessment has been completed prior to an individual starting in post before a DBS clearance is received.	Priority Score	1
<i>SWAP Ref. 39210</i>		

Agreed Action	Timescale	Complete
	Responsible Officer	HR Service Manager – Operations
<p>There is a standard process already in place whereby following submission of the manager’s DES request which confirms the start date of the employee, the HR Pay Support team reviews the status of the DBS check as they set up the employment record. Where the criminal check outcome is pending or not commenced, the manager is contacted and advised that a risk assessment must be undertaken pending clearance. That risk assessment must be undertaken by the employing manager. A copy of any completed risk assessment will be requested from the employing manager and retained on the employee’s personal file.</p> <p>In addition to the monitoring of the overall compliance position on a weekly basis a separate report is produced that looks specifically at new recruits into roles that require a DBS clearance of some sort. This report highlights where clearances have been received before start date or where clearance has not been received but a risk assessment has been completed. Again, this information is provided to HR&OD Business Partners who share this with relevant managers to ensure full visibility of the data and appropriate action is taken.</p>		
Recommendation		
<p>I recommend that the Service Director Organisational Development ensures that appropriate investigations are undertaken to ensure that a risk assessment has been completed for the four employees where an assessment could not be located within their personnel record or appropriate DBS clearance has subsequently been received. Further work should be undertaken to ensure that all employees with outstanding DBS clearances have a risk assessment on file.</p> <p style="text-align: right;"><i>SWAP Ref. 39209</i></p>	Priority Score	2
Agreed Action	Timescale	31/10/2018
	Responsible Officer	HR Service Manager – Operations
<p>In respect of the four employees where a risk assessment could not be located in the time available, a further investigation will be carried out during September.</p> <p>A subsequent piece of work relating to staff who still have DBS clearance outstanding following commencement of employment, to check personnel files for copies of risk assessments and to follow up missing forms with managers will be undertaken during October.</p>		

Audit Framework and Definitions

Assurance Definitions	
None	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Definition of Corporate Risks	
Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

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