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**Report to: Resources and Audit Committee**

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**Date of Meeting: 24 September 2015**

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**Subject: External Audit BV Performance Report: Delivering  
Change Management and Financial Sustainability**

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**Report by: Depute Chief Executive**

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### **1.0 Purpose**

- 1.1. This report presents to Committee the Best Value Performance report prepared by the Council's external auditors, Deloitte. The report was prepared as part of Deloitte's 2014/15 annual audit of Council activity.

### **2.0 Recommendations**

It is recommended that the Committee:

- 2.1. Notes the content and findings of the External Audit Best Value Performance report.
- 2.2. Consider the improvement priorities arising from recommendations set out on page 8 of the External Auditor's report.

### **3.0 Considerations**

- 3.1. In conducting the annual audit of the Council's arrangements, external auditors also undertake Best Value Performance audit work.
- 3.2. In the External Auditor's annual report, they present their findings on a range of performance and governance issues as required by the Code of Audit Practice. As part of this year's planned activity a more detailed review of the Council's change management and financial sustainability arrangements has been undertaken.
- 3.3. As a consequence of the more detailed review and their recommendations for improvement action, this year, Deloitte's have prepared a separate Best Value Performance report.
- 3.4. The External Auditors are in attendance at this Committee meeting to present their report and findings.

### **4.0 Sustainability Implications**

4.1. N/A

## 5.0 Resource Implications

5.1. *Financial Details*

5.2. The full financial implications of the recommendations are set out in the report. Yes

5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. *Staffing - none*

## 6.0 Exempt Reports

6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

- |  |                                     |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses         | <input type="checkbox"/>            |
| Our communities are more cohesive and inclusive                          | <input type="checkbox"/>            |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/>            |
| Our communities are safer  | <input type="checkbox"/>            |
| Vulnerable people and families are supported                             | <input type="checkbox"/>            |
| Substance misuse and its effects are reduced                             | <input type="checkbox"/>            |
| Health is improving and health inequalities are reducing                 | <input type="checkbox"/>            |
| The environment is protected and enhanced for all                        | <input type="checkbox"/>            |
| The Council is effective, efficient and recognised for excellence        | <input checked="" type="checkbox"/> |

(2) **Council Policies** (Please detail)

## 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes  No

## 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

## 10.0 Appendices

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1: Deloitte BV Performance Report: Delivering Change Management and Financial Sustainability

## 11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

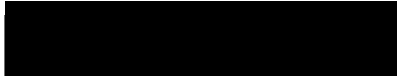
Yes  (please list the documents below) No

**External Audit report 24th September 2015**

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Nikki Bridle	Depute Chief Executive	01259 452030

### Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Depute Chief Executive	
Elaine McPherson	Chief Executive	



Best Value Report to the  
Resources and Audit  
Committee:

Delivering Change and  
Financial Sustainability



24 September 2015

the  
Distinctive  
audit

# Contents

## Delivering financial sustainability

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5	Recap of previous Deloitte observations
5	Overview of current year Deloitte approach
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7	Overall findings and observations
8	Recommendations
9	Purpose of report and responsibility statement

**Political leadership,  
decision-making and  
prioritisation  
essential to  
Clackmannanshire's  
financial  
sustainability**



# Delivering change and financial sustainability

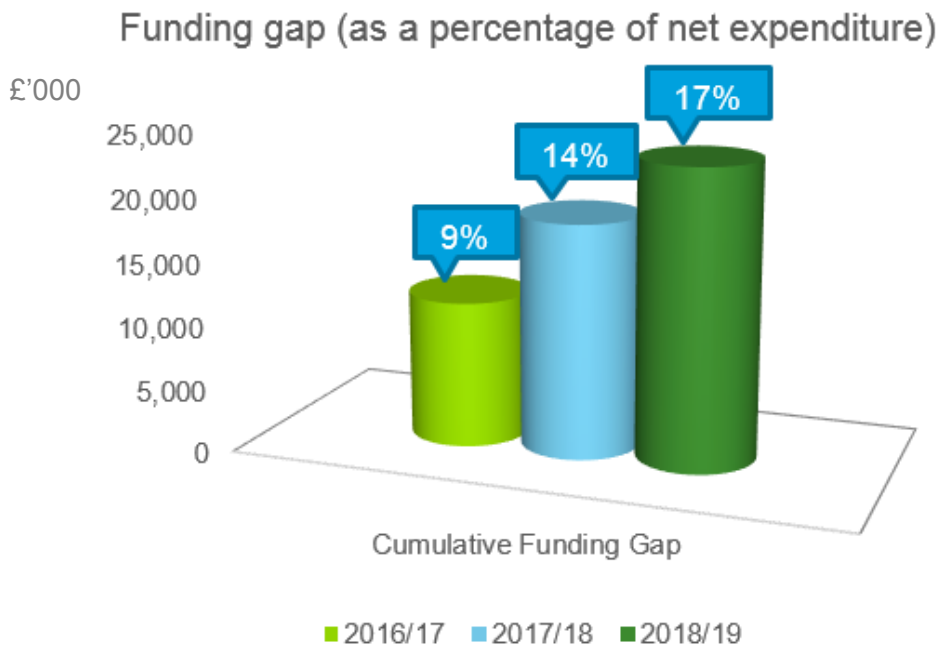
# Delivering change and financial sustainability

## Background

The stated objectives of the Making Clackmannanshire Better (“MCB”) transformation programme are “to reduce costs, better meet our customers’ changing needs and operate in a more integrated way with our public service partners, so that we can collectively achieve better outcomes for our communities”. MCB was launched as a five year transformation programme two and a half years ago, with a pilot in Tullibody commencing in February 2013 so we are now approximately half way through this timeline.

From June 2014, MCB has been fully integrated within the Council budget challenge process and is regarded as the main driver for improving outcomes, cost reduction and for addressing the Council’s financial sustainability challenges over the next three years. This is a very positive and welcome development. In the 2015/16 budget round, MCB delivered £3m of the £6.7m savings required to balance the budget with the gap being met by the use of reserves.

With an estimated cumulative three year funding gap of £21 million (which according to the recent Accounts Commission papers dated 14 May 2015 is one of the highest in Scotland relative to total net expenditure) it is essential that the MCB programme is successful in delivering these above objectives and addressing the significant funding gap. The relatively low tax base and demographics in Clackmannanshire, together with Scottish Government direction on certain policy matters including teacher numbers, council tax setting and compulsory redundancies make addressing the funding situation even more challenging.





# Delivering change and financial sustainability

## Recap of previous Deloitte observations and overview of current year Deloitte approach

### Recap of previous Deloitte observations

In our 2013/14 annual audit report, we highlighted that the Tullibody pilot had developed three new Target Operating Models, which once fully tested, would be replicated across the Council as a whole. These were as follows:

- Integrated Universal Transactional Services for low complexity/low frequency transactions;
- Integrated Universal Family and Community-based Services (via improved and joined-up local provision) to incorporate medium to high complexity/intensity support; and
- Integrated Preventative and Early Intervention Services for Vulnerable People and Families involving very high complexity/intensity support.

In our 2013/14 annual audit report, we acknowledged that these high level proposals offered the potential to deliver the MCB objectives over the next three years, enabling significant cost reduction and better outcomes for the communities of Clackmannanshire.

We also reported last year that only high level benefits realisation planning had begun as part of the work taken forward since February 2014 to align MCB with the refreshed budget challenge process. Officers accepted that it is important that benefits realisation planning was progressed quickly and to a comprehensive level to gain a detailed understanding of the changes required within the Council to deliver the anticipated benefits from the MCB programme. The Council also acknowledged the importance of completing this work promptly to further improve the visibility and transparency over the benefits to be delivered by MCB.

### Overview of current year Deloitte approach

As part of our best value work this year, we have again assessed the progress of the MCB programme during the course of the year and followed up on the actions agreed by the Council last year.

As part of this work we have consulted with a wide cross-section of members, senior officers, heads of service, senior/ middle management and the trades unions. We have also reviewed relevant MCB papers prepared during the year, including output from the MCB Member Forum, the Administration Finance Group and budget strategy updates as well as considering leading practices applied elsewhere. We summarise in the next section the main MCB activities completed during the year before presenting our findings and observations on the effectiveness of these arrangements and the current status of the transformation programme.

# Delivering change and financial sustainability

## Principal MCB 2014/15 activities

To run alongside existing MCB initiatives, at its budget meeting of February 2015, the Council agreed to launch a further additional 49 reviews in four priority areas:

- Delivering clear policy priorities;
- Transforming services;
- Making efficiencies; and
- Increasing income and savings.

The new reviews launched included development of settlement hubs, maximising use of community assets, review of leisure services, review of fleet and differential charging for car parking.

Following the February 2015 budget meeting, the Administration established an Administration Finance Group to undertake the strategic challenge role of corporate policy and investment priorities. The Administration Finance Group paper of 28 April 2015 highlighted that a major review of MCB delivery was required with an agreed need to:

- make it simpler and more effectively articulated;
- show how it fits in with the big picture, the budget strategy and future budgets;
- better communicate strategic direction across services so it is clear and consistent; and
- embed MCB across the organisation.

This would appear to be an acknowledgement that at this point there were issues in terms of programme understanding, engagement and understanding within the Council both at a member and officer level.

To help address these concerns and to continue the member engagement and education process, an MCB members forum was established and met for the first time on 25 May 2015 which built on and broadened the engagement that previously existed through the MCB Steering Group. The group meets every month and receives updates on programme progress and implementation. At the most recent meeting 11 of the 18 elected members attended. In addition there has been evidence of significant investment in communication targeted at officers during the year through the creation of the new MCB brochure, CONNECT, the staff suggestions process, the staff newsletter Grapevine and the finance newsletter Focus on Finance. Our review suggests these communication activities have been largely successful in delivering enhanced MCB understanding and awareness within the Council.

During late June and early July 2015, all services underwent MCB challenge sessions to develop final business cases, identification of new service areas for business case development and identification of additional service budget savings. Following these challenge sessions, officers were tasked to complete full business cases by 30 September 2015. Tranche 1 business cases relating to the list of review areas detailed in the February 2015 budget were received by 31 August 2015 and are now in the process of being passed to the Administration Finance Group. Tranche 2 business cases that were identified from the MCB challenge process in June 2015 are due by the 30 September 2015.

Further parallel workstreams are also ongoing to model the impact on FTEs and service delivery of both a 10% and 15% reduction in budgeted expenditure. This was received by 31 August 2015 and first draft is currently being considered by the Administration Finance Group.

A mini challenge round is also being undertaken during September with each service on the first quarter 2015/16 revenue outturn.

# Delivering change and financial sustainability

## Overall findings and observations

Although there has been significant MCB officer activity during the course of the year, we are concerned that the pace and scale of delivery from the programme is not yet sufficient to meet the Council's stated objectives and to address the Council's very significant short to medium term financial challenges. In the 2015/16 budget round, while MCB generated savings of £3m, £6.7m savings were required to balance the budget. Since 2011/12, the Council has approved savings of £21.2m while in the same period the Council required £33.7m savings to deliver a balanced budget. As such, the Council has been heavily reliant on reserves for a prolonged period of time. With demographic changes and ongoing demand pressures, we do not believe this approach is financially sustainable in the short to medium term.

Whilst officers have given the programme significant time and attention and have presented a lot of alternative scenarios and financial modelling options as well as leading practices from elsewhere, there seems to be limited traction in terms of engagement by the Council in agreeing on priorities and next steps and in tackling difficult decisions head-on. There is evidence of significant and difficult decisions being deferred by the Council for over a year. This includes decisions on schools estates strategy, leisure services and reviews of discretionary spending. There also does not yet appear to be political consensus around the current policy position on certain of the more difficult areas for decision and prioritisation. Based on our discussions there still appears to be a wide range of views within the Administration, with some members accepting that prioritisation and difficult decisions were inevitable whilst others were less persuaded that this was necessary and still see the use of reserves as the main solution to the medium term financial challenges. This has resulted in a lack of feedback and direction for officers and, in our opinion, is starting to create an impasse and understandable frustration between the Council members and key officers. We would emphasise that these findings were confirmed by the vast majority of the consultations we undertook as part of this review.

We would encourage the Administration to reach consensus on the key policy and prioritisation matters in order that the officers can then execute these and make progress. Similarly, we believe that there is scope for the opposition to play a more constructive role through, for example, preparing and presenting its own amendments or an alternative budget.

We would also note the following:

- We have seen limited evidence of the lessons learned from the February 2013 Tullibody pilot being formally leveraged across the Council in terms of replication of the hub model detailed above. Indeed a paper put forward by officers in December 2014 directly following on from the Target Operating Models identified through the pilot was rejected by Council.
- Given that full MCB business cases are only now being finalised, it is clear that despite assurances provided following the 2013/14 audit, detailed benefits realisation planning remains to be delivered. Business cases are a necessary first step in benefits realisation planning but need to be built upon by detailed implementation plans, which will provide a comprehensive understanding of the process, role, system, people and organisational change required by the Council and partner organisations to deliver the benefits outlined in the business cases. This is clearly a result of the issues relating to political prioritisation and decision making referred to above.
- We welcome the fact that the proposed 49 review areas have been distilled and grouped into six themes to allow officers to focus on a smaller number of high impact, visible and deliverable MCB actions. In a similar vein we would strongly recommend that a number of "quick wins" are identified and successes shared to help build the momentum over the coming months.

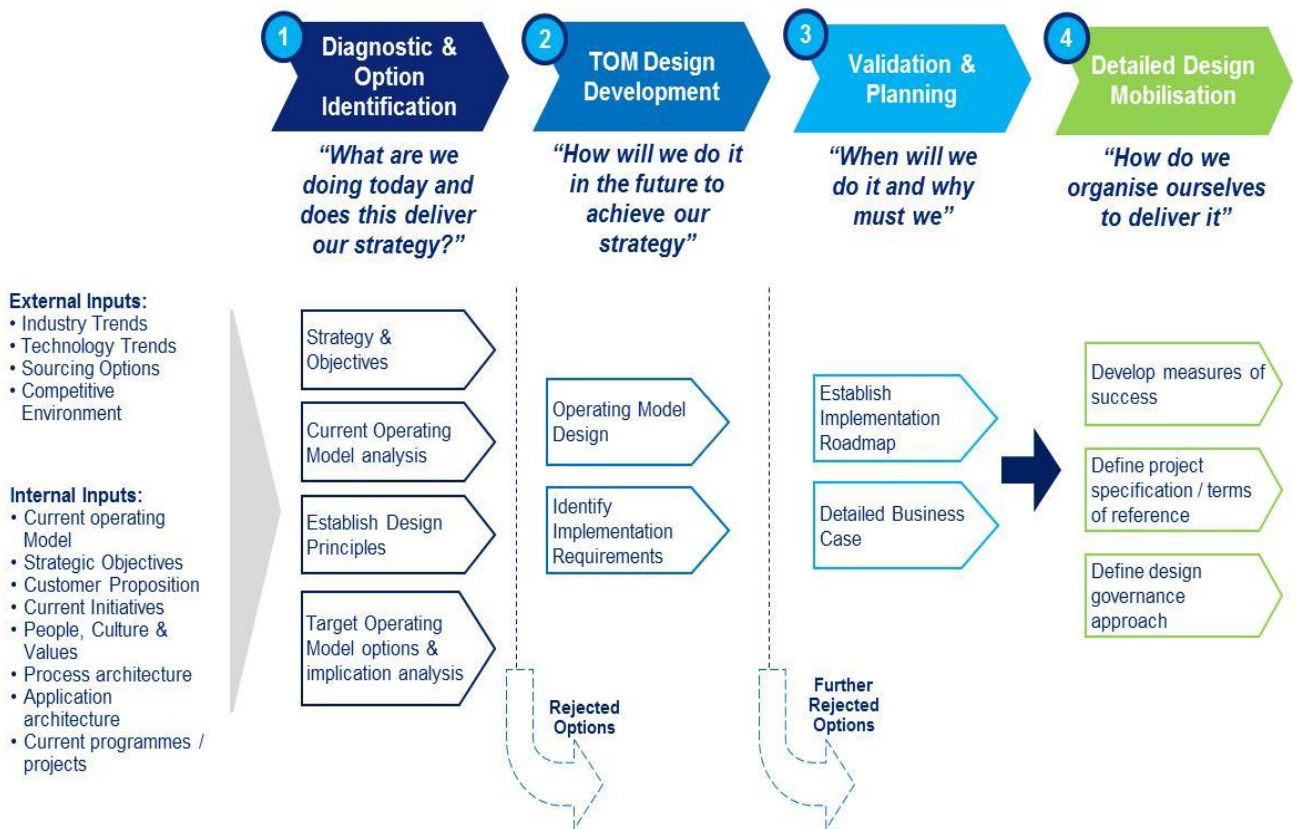
# Delivering change and financial sustainability

## Recommendations

Given the financial imperative and the limited progress made to date we believe that significant time and effort must be invested by the Council and its constituent groups in order to demonstrate clear leadership and responsibility and acceleration of the decision-making progress on medium-term policy matters and actions.

Unless significant progress is made in the rest of the 2015 calendar year we do not believe that the objectives of Making Clackmannanshire Better will be achieved.

We outline below a proven four stage approach to delivering a new Council target operating model (TOM) based on agreed Council priorities



To deliver this prioritised policy agenda at pace, we would also recommend that the Council considers short term external investment in change management and transformation capacity and capability. This was strongly supported in our consultations.

# Purpose of our report and responsibility statement

# Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

## What we report

Our report is designed to help the Resources and Audit Committee and the Members of the Council discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA 260 (UK and Ireland) to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report.
- Other insights we have identified from our audit.

## What we don't report

- As you will be aware, our audit was not designed to identify all matters that may be relevant to the Council.
- Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.
- Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

## The scope of our work

- Our observations are developed in the context of our audit of the financial statements.
- We described the scope of our work in our audit plan and the supplementary "briefing on audit matters" previously circulated to you.

We welcome the opportunity to discuss our report with you and receive your feedback.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants  
Edinburgh  
16 September 2015

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**Report to Resources & Audit Committee**

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**Date of Meeting: 24 September 2015**

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**Subject: Disclosure Scotland Compliance Audit Report**

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**Report by: Head of Resources & Governance**

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**1.0 Purpose**

- 1.1. To update Committee on the recent compliance audit undertaken by Disclosure Scotland.

**2.0 Recommendations**

- 2.1. The Committee is asked to note, comment on and challenge the Disclosure Scotland Compliance Audit report.

**3.0 Considerations**

- 3.1. The Code of Practice published by Scottish Ministers under section 122 of Part V of the Police Act 1997 identifies obligations which registers persons and other recipients of disclosure information require to meet.
- 3.2. Failure to comply with the Code may result in Scottish Ministers refusing to issue disclosures.
- 3.3. A number of posts within the Council are considered to require membership to the PVG Scheme as they involve work with what is termed regulated groups i.e. Children or Protected Adults.
- 3.4. In addition the Council may require individual employees in specific posts to complete Basic, Standard or Enhanced Disclosure Checks.
- 3.5. The audit is aimed at ensuring an organisation fully understands the disclosure process, the different types of disclosures, their responsibilities in relation to making referrals to Disclosure Scotland and their understanding of the barring of individuals from regulated work.
- 3.6. 5 recommendations were identified 3 of which are mandatory.
- 3.7. Actions have been put in place to address the mandatory recommendations highlighted and these will be delivered within the timeframes outlined in the report.

#### 4.0 Sustainability Implications

4.1. N/A

#### 5.0 Resource Implications

5.1. There are no resource implications arising from this report

#### 6.0 Exempt Reports

6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

#### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

Our communities are safer

Vulnerable people and families are supported

Substance misuse and its effects are reduced

Health is improving and health inequalities are reducing

The environment is protected and enhanced for all

The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

#### 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes  No

#### 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

#### 10.0 Appendices



10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Compliance Audit Report

### 11.0 Background Papers


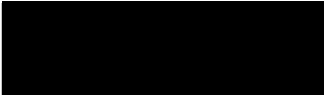
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

#### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Chris Alliston	HR and Payroll Team Leader	2184

#### Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	
Nikki Bridle	Depute Chief Executive	



# COMPLIANCE AUDIT REPORT

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CLACKMANNANSHIRE COUNCIL

REGISTERED BODY CODE: CLA168

10 AUGUST 2015

<b>Assurance Level</b>	<b>Partially Compliant</b>
Number of Recommendations	<b>5 (3 of which are mandatory)</b>
Compliance Manager	<b>Lesley Maguire</b>

Lead Signatory Name: Chris Alliston
Location of Audit: Clackmannanshire Council, Human Resources, Kilncraigs, Greenside Street, ALLOA FK10 1EB
RB Representatives: Stephen Coulter (Lead Signatory), Chris Alliston
Date of Audit: 10 August 2015

## Introduction

The Code of Practice (“the Code”) is published by Scottish Ministers under section 122 of Part V of the Police Act 1997 in connection with the use of disclosure information provided to registered persons and with the discharge of any functions by registered persons under that Act.

The Code identifies obligations which registered persons or the nominee of a registered person (countersignatory) and other recipients of disclosure information require to meet. Failure to comply with the Code may result in Scottish Ministers refusing to issue disclosures.

## Assurance and Audit

The Code advises that Disclosure Scotland may carry out compliance audits to be satisfied and thus ensure that those receiving Disclosure information are acting lawfully and within the Code.

## Methodology

The audit asked a series of questions specifically designed to elicit information from the Lead Signatory and others from the Registered Body on their understanding of the Disclosure process, including the different types of disclosures and when to ask for them, the Code of Practice, their responsibilities in relation to making referrals to Disclosure Scotland and their understanding of the barring of individuals from regulated work.

This report will identify any areas of compliance and non-compliance of the Code and will make any recommendations (see Schedule 1) which Disclosure Scotland considers necessary to ensure that the Registered Body fully complies with the Code and the law.

Question	Compliant? (Fully/ Partially/Not)
<b>Section 1 – Structure of the Registered Body</b>	
Registered body are aware of, and are complying with, legal requirement to pay annual fee for registration.	Fully Compliant
Countersignatory list is up to date.	Fully Compliant
Lead Signatory has appropriate authority over the other countersignatories in relation to disclosure matters	Fully Compliant
Countersignatories receive adequate information and/or training in the disclosure process.	Fully Compliant
Disclosure information is disseminated by Lead and/or periodic discussions take place.	Fully Compliant
Level of errors is acceptable (<10%).	Partially Compliant
<p><b>Comments:</b></p> <p>Mr Coulter is new to the Lead Signatory role but there is no exposure here as he is supported by a team of experienced countersignatories. Fees are paid by invoice and Disclosure Scotland finance confirm that all due invoices have been paid. Mr Coulter has line management responsibilities for some of the countersignatories and the others are in a parallel department. All are located in the same building and although there have been no meetings dedicated to disclosure matters since the preparations for PVG, should a need arise this would not present a problem. Clackmannanshire Council has well-defined policies and procedures surrounding disclosure and related matters, these are given to new countersignatories along with a copy of the Code of Practice. There is peer support available and advice is sought for difficult cases.</p> <p>The rate of avoidable errors for the past 12 months is 26.4% with address history queries and discrepancies in passport, driving and national insurance numbers accounting for the highest percentage of these errors. A full breakdown of type of error and corresponding percentage was provided and this was supplemented by a corresponding list of application errors attributed to individual countersignatories. This will be used to identify training needs and to drive improvement.</p>	
<b>Recommendation(s) made at Schedule 1?</b>	<b>Yes</b>
<b>Section 2 – PVG Scheme and Regulated Work</b>	
Good knowledge of regulated work criteria.	Fully Compliant

Question	Compliant? (Fully/ Partially/Not)
Good knowledge of different PVG forms. Good knowledge of different types of PVG disclosures and how/when to use them.	Fully Compliant
Notes of interest in PVG members is kept up to date.	Partially Compliant
Good understanding of offences in relation to PVG disclosures.	Fully Compliant
<p><b>Comments:</b></p> <p>Mr Alliston showed a good knowledge of the meaning of Regulated Work for children and protected adults and was familiar with Schedules 2 and 3 of the PVG Act. Where there is dubiety surrounding whether a position is eligible for Scheme membership, there will be a discussion between the CSG and the relevant head of service to gain a full understanding of 'normal duties' for that position and this in turn is applied to the 5-step plan as outlined in the PVG guidance. If at the end of this process there is still some uncertainty, they will seek advice from Disclosure Scotland.</p> <p>CSGs use SRU and SR application forms appropriately and critically analyse and interpret the information contained in the certificates received.</p> <p>Mr Alliston was provided with a report of all scheme members where Clackmannanshire Council is recorded as an interested party. Significant work is underway on the authority's HR systems which will see PVG membership numbers linked to individual HR records; reconciliation will form part of this exercise and the authority will notify Disclosure Scotland of PVG members on that report in whom it no longer has an interest. It should be noted that the HR system will be restricted to staff members who have a legitimate need to access this information and all access to disclosure information will be lawful.</p>	
<b>Recommendation(s) made at Schedule 1?</b>	<b>Yes</b>
<p><b>Section 3 – Consideration for Listing, Barring and Referrals</b></p>	
Registered Body are aware of their legal obligations to make referrals.	Fully Compliant
Registered Body are aware of timescales within which a referral must be made.	Fully Compliant
Good knowledge of referral criteria.	Fully Compliant
Good knowledge of meaning of "harm".	Fully Compliant
Good understanding of meaning of "under consideration for listing", and	Fully Compliant

Question	Compliant? (Fully/ Partially/Not)
appropriate response to disclosure of consideration status.	
Good understanding of meaning of “barred” and obligations as an employer.	Fully Compliant
<p><b>Comments:</b></p> <p>CSGs are familiar with the referral grounds and definition of harm as set out in the Protection of Vulnerable Groups (Scotland) Act 2007 at sections 2 and 93. CSGs are aware of the relevant timescales for making a referral and the consequences of failing to do so.</p> <p>The Registered Person has contingencies in place should they receive notification that an individual has been placed under consideration for listing. This process includes advising the relevant ‘Head of Service’, conducting a robust risk assessment and where appropriate removal from regulated work. Where a notification is received that an individual, whose normal duties met the criteria for regulated work, is barred, this would lead to immediate removal from regulated work with the relevant workforce. Suspension and disciplinary procedures would ensue to identify if it was appropriate to continue to employ the individual in another capacity which did not meet the criteria.</p>	
<b>Recommendation(s) made at Schedule 1?</b>	<b>No</b>
<b>Section 4 – Police Act Disclosures under Part V of The Police Act 1997</b>	
Good knowledge of eligibility for different disclosure levels and information contained on disclosures.	Fully Compliant
Appropriate use of Basic disclosures (if applicable).	Fully Compliant
Good understanding of Part V offences.	Fully Compliant
<p><b>Comments:</b></p> <p>The Registered Person has a wide range of positions requiring different levels of disclosure. For the most part, the small number of Basic disclosures stem from Public Sector Network requirements and Enhanced disclosures from posts based in Glenochil Young Offenders Institution.</p> <p>Original PVG and higher-level PAD certificates are not retained; reference numbers are recorded, date received and date of last Scheme Record (where appropriate) are recorded and the certificate is securely destroyed. Basic Disclosures are sent to individuals who then show these to the HR officer.</p>	
<b>Recommendation(s) made at Schedule 1?</b>	<b>Yes</b>

Question	Compliant? (Fully/ Partially/Not)
<b>Section 5 – Identity Checks</b>	
Disclosure ID checks carried out appropriately.	Fully Compliant
Good understanding of recommended types of ID.	Fully Compliant
<p><b>Comments:</b></p> <p>The Registered Person adopts best practice; HR staff seek 3 forms of identification, one of which is to be photographic (a government document) wherever possible. Copies are not accepted.</p>	
<b>Recommendation(s) made at Schedule 1?</b>	<b>No</b>
<b>Section 6 – Disclosure Scotland Code of Practice</b>	
Good understanding of the provisions of the Rehabilitation of Offenders Act and the “exempt question”.	Partially Compliant
Countersignatories are aware of their obligations under the Code of Practice and have access to a copy.	Fully Compliant
Applicants are appropriately informed of the need for a disclosure and how the information will be used.	Fully Compliant
Relevant policies are in place and made available to applicants.	Fully Compliant
Certificates are handled, stored and destroyed securely.	Fully Compliant
Disclosure tracking and retention of information is appropriate.	Fully Compliant
Disclosure information is used appropriately and fairly.	Fully Compliant
<p><b>Comments:</b></p> <p>The Registered Person is in the process of introducing a new HR system which will retain Disclosure reference numbers and dates; this information is currently held on a spreadsheet. Policies are in place and these are made available within the recruitment pack and at the offer of appointment as appropriate.</p> <p>A range of application forms were presented in advance of the audit and in one the Rehabilitation</p>	



Question	Compliant? (Fully/ Partially/Not)
<p>of Offenders Act (ROA) provision was not properly captured. On this form, the Registered Person articulated the ROA provision as a requirement and in doing so mandated the higher level of disclosure. Leaving aside those instances where higher level disclosure is mandated by regulatory bodies, the inclusion of the provision as currently drafted is potentially misleading and consideration should be given to rephrasing this provision in terms of 'can' rather than 'must' If this is accepted and actioned it will make it clear that it is Clackmannanshire's policy decision to seek this level of disclosure rather than a legislative mandate. This in no way deflects from the clear rationale of the authority in seeking higher levels of disclosure for a prescribed purpose.</p>	
<p><b>Recommendation(s) made at Schedule 1?</b></p>	<p><b>Yes</b></p>
<p><b>Section 7 – Umbrella Bodies (not currently applicable)</b></p>	
<p>Registered Body has documented arrangements in place with organisations on whose behalf they countersign.</p>	
<p>Appropriate checks on disclosure eligibility are made by the Registered Body.</p>	
<p>Processes in place for ensuring organisations observe Code of Practice and legislation.</p>	
<p>Sufficient ID verification arrangements are in place.</p>	
<p>Countersignatories aware of their obligations under the Code of Practice when countersigning as an umbrella body.</p>	
<p>Certificates handled in accordance with Code of Practice.</p>	
<p>Good knowledge of interested party status and obligations to provide information.</p>	
<p><b>Comments:</b></p>	
<p><b>Recommendation(s) made at Schedule 1?</b></p>	
<p><b>Section 8 – Qualifying Voluntary Organisations (not applicable)</b></p>	

Question	Compliant? (Fully/ Partially/Not)
Good understanding of the legislative criteria for free checks.	
<del>Appropriate maintenance of notes of interest in respect of volunteers.</del>	
<b>Comments:</b>	
<b>Recommendation(s) made at Schedule 1?</b>	

### **Conclusions**

1. Having conducted the Compliance Audit and after examination of the documents and evidence produced, it is confirmed that Clackmannanshire Council is partially compliant with the Code of Practice as laid down by section 122 (1) of Part V of the Police Act 1997 (see Annex A).
2. The Registered Body requires to take action in respect of the recommendations detailed in **SCHEDULE 1** (if any) to ensure that they are **fully** compliant with the Code and the law and that they are following 'best practice' as recommended.
3. Provided any recommendations are acted upon, Clackmannanshire Council remains suitable to receive disclosure information.

### **Action Required**

The Registered Body should:

1. Confirm receipt of this report in writing, either by email (preferred) or letter to the undernoted Compliance Manager.
2. Provide responses to the recommendations, together with copies of any revised documentation if applicable, by the date(s) shown against the respective recommendations.
3. Advise the named Compliance Manager if the Registered Body does not agree with any of the findings or recommendations detailed in this report, outlining any points where there is disagreement.
4. Note that Disclosure Scotland reserves the right to revisit a Registered Body to determine whether or not the recommendations have been acted upon.

### **Compliance Manager Contact Details**

<b>Name:</b>	Lesley Maguire

<b>Designation:</b>	Compliance Manager
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**Signed/Approved**

**Date:** 12 August 2015



**Compliance Manager**

RECOMMENDATIONS

No.	Report Section	Recommendation	Is this a mandatory requirement?	Response required by:
1	1	The Registered Person, Clackmannanshire Council, should use the information provided to reduce the level of error to less than 10% within the next quarter. Follow up reports will be made available on request.	Yes	30 November 2015
2	2	The Registered Person, Clackmannanshire Council, should undertake a reconciliation exercise and notify Disclosure Scotland of all scheme members in which it on longer has an interest.	Yes	30 September 2015
3	4	<p>The Registered Person should confirm that, in the following document, the reference to the secondary legislation named as ‘The Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2003 (SSI 2003/231) have been amended to read ‘The Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 (SSI 2013/50):</p> <ul style="list-style-type: none"> <li>• Clackmannanshire Council – Rehabilitation of Offenders – September 2012 – Version 1</li> </ul>	Yes	30 September 2015
4	4	The Registered Person, Clackmannanshire Council, should consider reviewing all application forms to ensure that where a position is eligible for PVG scheme membership this is clearly indicated on the form itself as well as in the job profile and the advertisement. This practice strengthens the authority’s stanceonce the section 34 offence is brought into force should a barred individual apply for a position with Clackmannanshire Council which meets the criteria for regulated work.	No	30 September 2015
5	6	The Registered Person, Clackmannanshire Council, should consider reviewing the Rehabilitation of Offenders declaration on certain application forms to clarify that it is able to	No	30 September 2015

		request this level of disclosure rather than mandated to do so. Where appropriate this could include a general caveat to cover the requirements of regulatory bodies.		
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## Definition of Assurance

### Assurance:

<p><b>Fully Compliant</b> <i>Disclosure processes are robust and well managed</i></p>	<p>Countersignatories have a sound understanding of their legal obligations in relation to disclosure eligibility and the PVG Scheme. The Registered Body's disclosure practices and procedures are in accordance with the Disclosure Scotland Code of Practice and are effective in supporting the delivery of safer recruitment. Any exposure to potential weakness is low and the materiality of any consequent risk is negligible.</p>
<p><b>Partially Compliant</b> <i>Disclosure processes are adequate but require improvement</i></p>	<p>There are some weaknesses in the knowledge and/or practices &amp; procedures that either do, or could, affect the Registered Body's compliance with the law and/or Code of Practice, or delivery of safer recruitment. Exposure to the weaknesses identified is moderate and being mitigated.</p>
<p><b>Not Compliant</b> <i>Disclosure processes are not acceptable and have notable weaknesses</i></p>	<p>There are significant weaknesses in the current knowledge and/or procedures in relation to disclosures, to the extent that the Registered Body may be acting unlawfully, in breach of the Code of Practice, or failing to deliver safer recruitment. Exposure to the weaknesses identified is sizeable and requires urgent mitigating action.</p>