



Department
for Work &
Pensions

**Provider Assurance Team
Contracted Employment Provision Directorate
CDG Wise Ability**

Report issued 7 July 2016

OFFICIAL

Assurance Review - Executive Summary

Assurance level	Current:	Previous:
	Strong	Strong

PAT Assurance Level	Strong
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Data Security Assessment Level	Strong
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Significant controls in place and progress since previous review

<p>Since the previous review CDG Wise Ability (CWA) has improved and strengthened their Quality audit regime by introducing a Quality Manager role The contract management framework in operation remains robust with strong direction given by the Partnership Director. With the award of the Work Choice extension contract and the changes to outcome payments CWA recognised the need for independent employer verification calls and implemented them effectively and efficiently. The results of these actions have helped ensure CWAs strong assurance level from the last PAT review has been retained.</p>	
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Level of risk comparison	Previous review:	Current review:
Whilst an embedded and effective quality audit regime was already in place this has now been strengthened further by the introduction of the Quality Manager role as part of CWAs continuous improvement activity.	Light Green	Solid Green
CWA has strengthened its outcome payments process since the contract changes in Oct 2015 by the introduction of independent employer validation checks by the Quality Manager	Light Green	Solid Green
The last review identified that improvements in recording Guided Support Hours was required, this is now included in the file checks undertaken by the Quality Manager's as part of her audit regime.	Light Green	Solid Green
CWA has introduced of the role of the Governance Auditor to oversee activities are being undertaken and give assurance to the Board. The Governance Auditor is independent of Quality Audit regime and reports directly to the Board	Light Green	Solid Green
Data Security Risk: Risk Assessment to be conducted on each occasion when equipment/information is taken off site. This should include where items are stored overnight and the reasons for the decisions	Light Green	Light Green

The number of actions set in the action plan is 1, which is solid green. There are 3 Data Security actions, of which 1 is light green and 2 are solid green.

Summary of Key Priority Actions:

Risk Assessment to be conducted on each occasion when equipment/information is taken off site. This should include where items are stored overnight and the reasons for the decisions.

Light Green

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Key to Risks:	
	RED. High risk. Urgent and significant, remedial action is required.
	AMBER. Medium/Heightened risk. Corrective action is required.
	Light GREEN. Moderate risk. Some remedial action required
	Solid GREEN. Low risk. Little or no remedial action required

Key to description of Assurance Levels.

Strong (Solid Green)	Governance, risk management and control arrangements operated provide strong assurance that material risks are identified and managed efficiently and effectively, although improvements may be recommended.
Reasonable (Light Green)	Governance, risk management and control arrangements operated provide reasonable assurance that material risks are identified and managed efficiently and effectively. Remedial action is required to improve the control environment.
Limited (Amber)	Governance, risk management and control arrangements operated provide limited assurance that material risks are identified and managed efficiently and effectively. Corrective action is required to resolve control weaknesses.
Weak (Red)	Governance, risk management and control arrangements operated provide weak assurance that material risks are identified and managed effectively. Urgent and significant corrective action is required to resolve significant control weaknesses.

Key Risks:**Governance Arrangements - PAT assure against the risk that:*****The Providers organisation is not effectively directed***

- Board of Trustees in place which includes a Trustee acting in a Non-Executive capacity.
- Clear roles and responsibility in terms of company Governance
- Well defined embedded management structure in place with clear areas of responsibility
- Effective and embedded communication strategies ensure all messages are cascaded effectively to all staff including supply chain.
- Vision and Values communicated to all staff and at the forefront of all operations.
- Effective controls in place to ensure operational guidance is up to date and readily available to staff. Comprehensive CWA supplier guidance in operation. Changes managed by the Quality Manager who cascades to all staff. Version control in operation.
- CWA has embedded and effective processes in place for the SAR with all staff and stakeholders being included.
- Embedded process in place for staff to report any concerns, issues or inappropriate behaviours e.g. Whistle blowing process
- Effective tested procedures in place for Business Continuity within the organisation.

The Providers organisation is not effectively managed

- Strong contract management in place - embedded contract framework in operation including regular contract reviews and Quality Audits inclusive of Supported Businesses.
- Performance monitoring and reporting procedures in place were found to be effective and embedded and being monitored on a daily, weekly and monthly basis.
- Clear segregation in duties and reporting lines between delivery and support functions.
- Effective and embedded process in place to collate and report feedback from both customers and staff.
- Clear escalation routes in place for customers in respect of reporting any complaints they might have.

The provider's organisation is not effectively assured and controlled

- Established and fully effective Quality assurance and audit regime in operation fully inclusive of all the supply chain including direct delivery and Supported Businesses.
- Introduction of Quality Manager role to enhance quality assurance and audit regime.
- Governance Auditor employed to give further independent assurance to the Board.
- Introduction of risk based approach to Quality Audits to further improve processes in operation.
- Fully embedded Risk Management process in place in respect of the consideration of risk throughout the organisation.

Service Delivery - PAT assure against the risk that:***Ineligible customers are accepted onto provision***

- Robust controls are in place to ensure customers on programme are eligible. Processes including those for SRO referrals are supported by detailed guidance.

Customers individual needs are not adequately identified, assessed and catered for at

the start of provision

- Robust controls are in place to ensure all customers on programme complete the induction process and are aware of their responsibilities whilst on programme.
- Robust controls are in place to ensure all customers during their first four weeks complete the Invitation to Talk diagnostic tool to help identify and assess customer's individual needs before progressing further on the programme.
- CWA has established and embedded processes relating to making customers aware of travel, childcare support. Quality Manager gives CWA assurance that payments where appropriate are made to customers.

Appropriate action is not taken to start/attach customers on provision

- CWA has embedded and effective processes in place to ensure appropriate actions are taken to start customers on provision. The process is supported by documented guidance.
- CWA have an embedded process in place in respect of completing customer ID checks. Evidence of documents checked is recorded on Invitation to Talk document. CWA Admin team check all paperwork before a start is entered on PRAP.

Customers on-going needs are not regularly reviewed and they do not progress appropriately through provision

- Robust controls are in place to ensure customers are seen on a frequent basis as per the contract. Although Work Choice is a voluntary programme evidence showed that all effort is made to encourage participant attendance including those customers employed by Supported Businesses.
- Robust controls are in place to ensure all customers complete an EDP at the start of programme and continue to have this reviewed quarterly throughout their time on programme to monitor their distance travelled.

Contractual requirements are not being delivered including fulfilling the mandatory elements of the contract

- CWA has robust embedded processes are embedded to ensure MSLs, contractual requirements and contract updates are communicated to staff on a regular basis through various mediums. All staff interviewed were fully aware of guidance available to them.

Customers do not have sufficient opportunities to progress into employment

- CWA have a fit for purpose soft marketing strategy which is relevant to the source of referrals. Staff are aware of their responsibility for maintaining and creating employer relationship and avenues are available through forums for supply chain to share vacancies across the board. Supported Business vacancies may be filled from suitable module one customers who will undertake a two week working interview to check suitability of customer to job and vice versa
- CWA and supply chain have robust processes in place to arrange and monitor work placements for customers.

Leavers are not identified and appropriate action is not taken

- Documented leaver process in place which includes details of documentation to

complete.

- CWA spread sheets enable reports to be run to identify customers approaching the end of provision.
- CWA has robust processes in place to complete and check all exit paperwork has been completed. Spread sheets maintained to ensure all due leavers have had exit reports completed to send to JCP in all instances and SROs when requested.

Customers are not adequately supported when they move into employment or exit provision.

- CWA has an effective and embedded In Work Support regime in place for their customers.
- IWS advisors undertake a warm handover from the Work Choice Employment Advisor to help customers in their transition to the next stage of their journey.

Claims and Payment Procedures - PAT assure against the risk that:

Outcome criteria is not satisfied before being submitted for a claim

- CWA has clear documented guidance and procedures to ensure staff are aware of the evidence required to support each outcome.
- Fully embedded and effective procedures are in place to ensure supporting evidence meets requirements before submitting a claim.

Inaccurate or invalid claims are submitted for payment

- CWA have an embedded process in place in respect of obtaining customer consent.
- CWA has adequate segregation of duties within their 'collect, check, pay' process.
- Validation checks by the Quality Manager with employers on both legacy and extension contracts are in line with DWP expectations of independent checking.
- Comprehensive checklists are in operation which provides assurance that evidence has been correctly assessed before send in for claiming.

Failed claims are not investigated to ensure validity before resubmission

- CWA has effective and embedded processes to deal with invalid claims. Rejected claims are entered on to an error log which is effective in tracking position of rejected claim and for trend analysis and training purposes.

Travel, childcare or additional support payments are not made appropriately to customers.

- CWA has effective systems in operation to advise customers of their entitlement to travel, childcare and additional support. Checked for compliance by Quality Manager.
- CWA has established and embedded processes relating to making customers aware of payments that impact HMRC/NI what they didn't have in place was a mechanism to check/assure that the supply chain are carrying out the necessary action when payments are made.

Provider fails to make appropriate payments for outcomes/service delivery to suppliers, other

- Embedded processes in place for paying supply chain including Supported Businesses.
- A year to date rolling forecast report is sent to supply chain to enable them to reconcile their payments.
- Embedded processes in place to monitor the position of Supported Businesses protected places.
- Governance Auditor checks compliance during his audit and feeds back to the Board.

Data Security – Summary of Findings

- CWA has in place a comprehensive Security Policy which reflects solid information security practices and Data Protection principles. The overarching policy is supported by a number of other linked policies, spearheaded by a Security Champion.
- CWA have an effective system in place for communicating security information through regular meeting and email communication, display of policy information and checking understanding and compliance with a clear process for the storage, transfer and destruction of information and equipment.
- Data security is prioritised. A dedicated server, encrypted emails for customer information and risk assessments for taking information off site all contribute towards their robust policies. ID checks on participants have also recently been amended to boost security and Security classification of data has also been recently amended to reflect Government policy.
- CWA robust physical security procedures, with digi-locks on doors and a visitor register.
- CWA has a clear Security Incident reporting process which has been tested recently as a result of a Trojan-horse attack. Procedures were followed and there has been no evidence of data-loss.

Review context.

Introduction

1) Assurance Managers Gillian Hughes and Gemma Dorgan from the Provider Assurance Team recently conducted a review at the Provider under the direction of Heather Rawcliffe Senior Assurance Manager.

The review covered Work Choice a DWP CEP Contracted employment programme.

Background

2) The purpose of the review was to provide an assurance to the Contracted Employment Provision Director that payments made to CDG Wise Ability (*referred to as CWA throughout the report*) are in accordance with DWP and Treasury requirements; that public funds and data are protected and that value for money has been obtained. The review process is covered within DWP Provider Guidance, Chapter 6 <https://www.gov.uk/government/publications/framework-generic-guidance-provider-guidance>

Scope

3) The review looked to ensure that key risks were being managed across four scope areas:

- Governance Arrangements
- Service Delivery
- Claims and Payment Procedures
- Data Security

Approach

4) The review was conducted in key stages and these included:

- Issuing a self-assessment questionnaire (Provider Systems Questionnaire) for completion by CWA;
- Obtaining internal feedback from DWP stakeholders and external sources;
- Interviewing CWA management and staff;
- Conducting a walkthrough of CWA systems and processes to establish understanding and assurance that they are operating as described;
- Reviewing of paperwork, documentation and transactions.

Security & Business Continuity Team Approach

5) The Data Security controls have been assessed by Karen Hampson from the Security & Business Continuity Team, their assessment included:

- Issuing a self-assessment questionnaire (Provider Systems Questionnaire) for completion by CDG Wise Ability
- Obtaining internal feedback from DWP stakeholders and external sources;
- Interviewing CWA management and staff; to establish understanding and assurance that systems and processes are operating as described;
- Reviewing of paperwork, documentation and transactions.

Detailed Findings

1. Governance

- 1.1 CDG Wise Ability (CWA) was created as a special purpose vehicle (SPV) by Careers Development Group (now merged with Shaw Trust) and WISE Employment in 2009. It delivers the Work Choice contract in Hampshire and the Isle of Wight (CPA 24).
- 1.2 CWA is supported by the infrastructure of Shaw Trust covering accounts, human resources, marketing, security and IT. CWA has carried out the role of managing agent for the Work Choice contract but in October 2015 with one of its supply chain leaving CWA made the decision to direct deliver for this part of CPA 24 (currently 10% of delivery).
- 1.3 PAT found CWA has strong and effective embedded controls in place to ensure the management, delivery and direction of the Work Choice contract. A well-defined management structure with clear responsibilities and accountabilities was seen to be in place. The Partnership Director has responsibility for the day to day running of the contract. Interviews with staff confirmed this structure and that clear direction is given from CWA during contract reviews, practitioner forums and provider engagement meetings.
- 1.4 CWA is effectively governed by a Board of Trustees including a Trustee acting in a Non-Executive role in line with governance best practice. PAT found that the Board meets on a quarterly basis and receives communications on finance and performance from the Partnership Director. The Board has responsibility for setting direction and strategies, confirming policies and procedures, reviewing risk registers and complaints received as well as monitoring performance.
- 1.5 Communications at Board level are included in Board minutes and are fed to the Partnership Director who disseminates the messages to CWA staff and its supply chain in the most appropriate manner. Interviews confirmed that staff felt communications within CWA were very effective with key messages being reinforced during various meetings.
- 1.6 PAT established that CWA has an effective contract management regime in place for all its supply chain including Supported Businesses. This was seen to be supported by an embedded contract management framework. Interviews with staff confirmed that contract reviews, quality audits and local management checking regimes are fully embedded and conducted on a regular basis. Advisor staff confirmed line managers hold monthly in depth caseload reviews which discuss the customer's progress and also provide the opportunity for feedback and discussions regarding next steps.
- 1.7 Since the last PAT review CWA has employed a Quality Manager and implemented a Quality and compliance function and audit regime. PAT recognises that this strengthens the quality and compliance regimes within CWA as there was previously an audit role which was undertaken by an External Auditor.
- 1.8 Interviews with staff established that all CWA processes and procedures are underpinned by the quality audit role that provides feedback on its activities. PAT evidenced this to be working well with staff reporting a rigorous three part audit regime in operation. The audit comprises of site visits, observations and file checks.
- 1.9 In October 2015 CWA took steps to further improve their Quality audit role and introduced risk based auditing. Results from Quality Manager's file checks and observations on the supply chain feed in to the risk management framework and ascertain whether future audits will be six monthly, quarterly or monthly dependant on their rating. Site visits were seen to remain on a quarterly basis to ensure CWA have visibility in its supply chain.

- 1.10 PAT evidenced that feedback is given on audits to help inform continuous improvement. All staff interviewed were aware of the audits being undertaken and the results. Any improvements or action needed to be done were seen to be tracked and any learning and development needs identified.
- 1.11 Through interviews with staff PAT also established that CWA has an effective and comprehensive local management checking regime in place. These were seen to be conducted in a consistent manner. The Quality Manager checks compliance with these during her audits and will feedback any concerns.
- 1.12 To further strengthen their audit and governance regime CWA employs a Governance Auditor to carry out independent audits twice a year. PAT found that directions for these audits are taken from Board and findings are reported back to the Board before being given to the Partnership Manager. This ensures the independence of these audits.
- 1.13 Interviews confirmed that CWA has established and embedded processes relating to making customers aware of their responsibilities and payments that impact HMRC/NI at the start of their programme. CWA Supplier Guidance has a comprehensive section for the supply chain to follow. The supply chain record payments and provide a statement to the customer detailing payments and deductions made.
- 1.14 Whilst it was found that this process is embedded what CWA didn't have in place was a mechanism to check the supply chain is carrying out the necessary action when payments are made. This was raised during the visit feedback and CWA made an immediate change and it is now included in the Quality Managers audits. The next PAT review will confirm if it is embedded and establish its effectiveness. (AP 1)
- 1.15 PAT confirmed that CWA has effective and embedded systems and controls in place to monitor contractual performance on a continuous basis. White boards in the admin office were seen to visually show performance on a daily basis which helps to identify areas that need improving. This is also captured electronically via their spread sheets. These spread sheets are detailed and contain all the data pertinent to every customer and where they are on their journey so that performance can be tracked
- 1.16 An effective system is in place for the reconciliation of performance MI to ensure its accuracy before being reported to the Board. The Customer Support Advisor triangulates data with the Partnership Director from the white boards, PRAP and excel spread sheets to cross check the accuracy of performance MI. To further strengthen the controls the Governance Auditor also checks that Performance MI has been accurately reported, recorded and corresponding payments have been made to the supply chain.
- 1.17 PAT established through interviews that there is clear segregation in operation between those achieving and those reporting performance with robust controls around reporting, validating and claiming outcomes. This was seen to be supported by a clear documented process and strengthened by the Quality Manager undertaking independent employer validation checks. (See para 3.6 in claims and payments).
- 1.18 PAT confirmed that team targets are in operation across the whole CPA with individuals monitored to ensure they are playing their part. Staff interviewed confirmed that their targets were realistic and are driven from the monthly caseload reviews undertaken by CWA. Targets and objectives were seen to be discussed consistently through 1-2-1s and monthly caseload reviews.
- 1.19 PAT found that CWA has effective and comprehensive processes in place for the consideration of risk throughout the organisation. A risk management register was seen to be in place which is reviewed on a six monthly basis with the Board informed of any changes. PAT confirmed that the supply chains are required to have their own organisational risk registers and to report concerns to CWA during the monthly contract reviews. Risk management was seen to be completed as a whole CPA and is inclusive of all the supply chain.

- 1.20 To further strengthen their risk management process CWA also has a contract management framework risk register in operation. The Quality Manager checks risk reports during her quality audit checks, the results of which feed in to the risk management framework. All supply chain staff interviewed confirmed risk management is discussed at steering group meetings, advisor meetings and PEMS ensuring consistency of approach across the whole business.
- 1.21 CWA's Self-Assessment Review (SAR) process follows the statements laid out in DWP guidance. All staff interviewed confirmed that CWA hold an annual workshop that is fully inclusive of all staff, employers and customers. Customer feedback, complaints and outcomes from Quality audits are discussed and fed into the SAR process. Areas for improvement are identified and the supply chain is encouraged to share good practice demonstrating CWA's full commitment to continuous improvement.
- 1.22 PAT found that CWA have an embedded and effective communications strategy in operation. Notification of any change to policy or procedure is sent out via e-mail from the Quality Manager to be cascaded to all staff. In respect of larger or complex changes a sign off sheet is used to record staff have read and understood what needs to be implemented.
- 1.23 To further strengthen their communication strategy PAT found that CWA reiterated and check staff understanding of any changes during workshops, site visit forums, bulletins and contract reviews. This process was consistently confirmed during interviews with staff as a mechanism of ensuring consistency of approach.
- 1.24 Interviews from staff gave consistent messages that a range of robust policies and procedures exist which relate to contract delivery and staff procedures. They all made reference to the comprehensive CWA supplier guidance which they classed as 'their bible'. All staff interviewed confirmed that the updating of policies and procedures is the responsibility of the Partnership Director and Quality Manager. PAT found an effective version control in operation and all staff quoted the current version in use.
- 1.25 PAT confirmed via interviews staff awareness of CWAs Mission Statement and Values. All staff interviewed including the Supply Chain and Supported Businesses confirmed they had access to them and were seen to be consistently reinforced and considered during the SAR process and during staff annual appraisals.
- 1.26 PAT found that CWA have embedded and effective processes in place to gather and analyse feedback from both customers and staff. Customers have the opportunity to give feedback at several points during their customer journey including verbally to the Quality Manager after she has completed an observation. Annual staff and customer surveys are undertaken which are inclusive of employers and DWP staff. PAT evidenced that all feedback received is collated on spread sheets, analysed for trends and fed back to staff, in to the SAR and the continuous improvement cycle.
- 1.27 CWA has effective controls in place to deal with customer complaints. PAT found that customers are issued with the complaints procedure booklet at the beginning of their journey to make them aware of the escalation route. All complaints received are logged on a spread sheet to record actions taken ensuring that the complaint is dealt with in the correct manner. To further strengthen this control the Governance Auditor conducts a check and gives an assurance to the Board that any received have been dealt with appropriately.
- 1.28 The opportunity to meet and share good practice is encouraged by CWA. All staff interviewed across the supply chain confirmed that there are quarterly practitioner forums and regular workshops organised by CWA. All staff interviewed emphasised that they are encouraged to work as a team providing the full range of help to customers. An example of cross provider working was seen where customers employed by a Supported Business are being supported by a Work Choice advisor with job search support to aid their progression in to unsupported work.

- 1.29 PAT confirmed via interviews that all staff received training to carry out their role by either CWA or the supply chain organisations themselves. Quarterly workshops are used by CWA to reinforce training and all staff interviewed reported that development training opportunities are available and shadowing is widely used and encouraged across the whole of the supply chain for both advisors and managers.
- 1.30 CWA have taken steps to further strengthen the support that they provide to their supply chain and supported business with regard to training and guidance by asking for volunteers to be 'champions' who are experts on different parts of the business. They cover for example areas such as Security, Access to Work and Equality and Diversity. PAT found that sessions were undertaken during workshops to reinforce the training and answer queries and that 'champions' were available to support all staff via e-mail or telephone.
- 1.31 PAT confirmed effective controls to manage the risk of incentive schemes driving perverse behaviour. Interviews across the organisation and supply chain confirmed a lack of incentive schemes in operation. Embedded procedures were seen to be in place to notify CWA should any be introduced and this checked by the Quality Manager during site visits. This gives assurance that should any schemes be introduced in the future they would be fully assessed to ensure they do not drive perverse or inappropriate behaviour.
- 1.32 PAT established that CWA uses a range of activities to inform trend analysis and continuous improvement. Trend analysis is undertaken as a result of file audits, site visits, observations, feedback received and paperwork checks. CWA provided an example of where a change to process had been made as a result of trend analysis – Initial Assessment form renamed Invitation to Talk to make advisors aware that this is not a tick list but a fact finding exercise.
- 1.33 PAT established that CWA has effective and embedded Business Continuity processes in place with comprehensive guidance. Evidence was provided of CWA's business continuity plan being fully tested in April 2015. Supply chain staff interviewed confirmed that they have responsibility for their own plans which are checked by the Quality Manager to ensure that they have been tested, updated and the reason why during her audits.
- 1.34 PAT confirmed that CWA have effective and embedded processes and policies in place in respect of Whistle Blowing, Anti-Fraud and Code of Conduct. The Quality Manager conducts checks that the supply chain has all relevant policies in place. Interviews with staff gave consistent messages in respect of escalation routes for reporting concerns. These concerns will be investigated by the Partnership Director unless the concern is against her in which case staff can report to HR or direct to any the Board of Trustees ensuring confidentiality and discretion

2. Service Delivery

- 2.1 CWA Supplier Guidance fully details all stages of the customer journey and both Internal and supply chain staff interviewed demonstrated a consistent understanding of the contractual requirements and processes. This document was seen to be reviewed and changes made when appropriate with staff required to sign off that they have read and understood any of the changes made (see para 1.22 in governance).
- 2.2 PAT found that CWA has effective and embedded processes in place to confirm eligibility through Health Disability Work Coaches at JCP. This is also the same for customers referred through Statutory Referral Organisations with the Partnership Director signing to accept customers on provision. The initial interview uses further diagnostics to confirm eligibility, effectively managing the risk of ineligible customers being accepted onto programme.

- 2.3 This forms part of the quality checking regime further strengthening the controls to manage the risk. CWA have had no ineligible customers on programme which supports the effectiveness of the processes in place.
- 2.4 Through interviews and a walkthrough of the process PAT established that CWA has strong controls in place to effectively diagnose and capture the needs of customers through the Invitation to Talk appointment. Customers are made aware of minimum service standard, expected behaviours and additional support available to them.
- 2.5 File testing confirmed that 100% of customers file checked had signed their initial interview documentation to confirm their understanding of the programme offer. Quality manager checks are completed to assure the work that is completed by delivery staff at the start of provision.
- 2.6 PAT found that CWA has effective controls in place to ensure that travel, childcare and additional support is offered where necessary to customers and details of this are documented on the customer files. This forms part of the Quality Manager checks to assure compliance with processes.
- 2.7 PAT file testing confirmed that this was discussed with 100 % of the customers checked at the outset on programme however, as customer appointments are made at a place of convenience for the customer, payment of travel was seen to be not always necessary but was seen to be discussed in each case.
- 2.8 Interviews with supply chain staff showed awareness of the Quality Manager checks being completed. PAT found this to be a strong and effective control in ensuring that customers are receiving the support needed throughout their journey by ensuring the delivery model is being delivered as per the contract. The Quality Manager checks are inclusive of the Supported Businesses.
- 2.9 PAT confirmed through interviews that staff received individual feedback from the Quality Manager after each visit. An individual action plan where necessary is set up to ensure they are meeting the mandatory elements of the programme. (See governance para 1.10)
- 2.10 PAT found through checking documentation and interviews with internal and supply chain staff that CWA has an embedded process in place to ensure that customers are made aware of their obligations with regards HMRC and NI contributions at the outset of the programme. This is documented on the customers' assessment paperwork and 100% of files showed evidence of this happening
- 2.11 However PAT found that there was no specific check done to ensure that this was happening and that it did not form part of the Quality Manager's checks. This was discussed with CWA as part of the feedback during the testing phase and immediate steps were taken by CWA to include this check. (See para1.13 /1.14 in governance and para 3.16/3.17 in claims and payments)
- 2.12 PAT confirmed that customers receive an induction as part of the start process and evidence of this was seen on 100% of files tested with processes being confirmed by both internal and supply chain delivery staff in interviews. Supported Business staff interviewed stated their induction process for customers referred to Supported Business is the same as any Supported Business employee as customers has been referred to a specific job and not training..
- 2.13 CWA have embedded processes in place to ensure that referrals are dealt with within timescales and that customers are started on programme after initial discussions. CWA admin staff maintains a tracking spread sheet which details deadlines for start activity and it also forms part of the Quality Managers checks. This provides an additional control to manage the risk of customers not completing start activity.
- 2.14 In addition to the above PAT found that CWA admin staff also complete a full check of completed start paperwork before processing onto PRAP and errors are sent back for

- immediate correction. This ensures that only valid starts are input onto PRAP and that correct paper work is used.
- 2.15 PAT found effective and robust controls are in place to ensure customers receive an initial assessment. Customers complete an Employment Development Plan (EDP) at the start of programme using information fed through from the Invitation to Talk assessment. Although file testing showed two files did not have this completed, PAT was fully assured the reasons for this were not as a result of system weakness and that actions to address this had been undertaken by CWA.
 - 2.16 Supported Business advisors will have interaction with Work Choice Module 1 advisors during the handover. The customer's Invitation to Talk will feed in to the Supported Business EDP. Other Supported Business customers will have the Invitation to Talk and EDP completed by the Supported Business Work Choice Advisor.
 - 2.17 Strong controls are in place to manage risk of on-going needs not being assessed and customers not progressing through the programme through a substantive quality checking regime. Monthly visit records are completed after each visit and quarterly reviews are completed of the EDP. This occurs throughout the customer's time on programme and includes checks on the required Guided Support Hours. This process is the same for those customers employed by Supported Businesses. 100% of files tested on the customer journey confirmed that the process was being adhered to, actions were being reviewed and that these were being agreed and signed, with distance travelled included.
 - 2.18 Staff interviews made PAT aware end to end Work Choice Advisors were visiting Supported Business to provide job search support and advice to those customers wishing to progress to jobs outside of the Supported Business environment. This further demonstrates CWAs commitment to customer progression.
 - 2.19 PAT found strong controls in place to monitor customer attendance through advisor caseload reviews with clear documentation on the appropriate visitor records. Although a voluntary programme, evidence through file testing showed all effort is made to encourage participation, with contact logs being kept for reference.
 - 2.20 Supported Business follow their normal employee rules for the Work Choice customers. The customer will be removed from programme after 26 weeks of absence. Re-referrals will only be accepted back in to a Supported Business if there is a vacancy available for them.
 - 2.21 Examination of customer files confirmed that frequent interventions were taking place as stipulated in the contract with 100% of files showing a minimum of monthly contact which were supported by quarterly updates of the EDP. Many of the files showed more than monthly contact.
 - 2.22 The Quality Manager checks undertaken further strengthen the processes in place and feedback is given on any areas of concern to enable continuous improvement and to assure the delivery model is being adhered to.
 - 2.23 PAT found CWA has robust controls in place to provide avenues in which customers can feedback any complaints. PAT established through file testing that customers are notified of the complaints process at the Invitation to Talk meetings at the start of the programme. Internal and Supply chain staff interviewed were aware of the complaint escalation process and guidance available to them. The Quality Manager checks further strengthens the processes in place and provides feedback both up and down the reporting lines.
 - 2.24 PAT found that CWA have a number of additional avenues where customers can feedback to CWA, such as, informally through the monthly reviews and through completion of customer feedback forms which are disseminated at the start of programme, at the end of work placements and at monthly reviews.

- 2.25 Customer feedback and complaints were seen to feed into the SAR process ensuring continuous improvement.
- 2.26 PAT established through interviews with both internal and supply chain staff and through a walkthrough that effective processes are in place and are embedded to ensure contract updates are communicated to staff on a regular basis. This is done through various mediums such as 121s, bulletins and staff forums attended by internal delivery and supply chain and where arranged, allocated champions present and discuss updates.
- 2.27 Evidence through interviews showed consistency of awareness of the guidance available to both internal and supply chain staff. PAT found strong controls in place to assure that the correct paperwork is used through admin checks and this is further supported in the Quality Manager checking regime.
- 2.28 PAT found that CWA have a robust fit for purpose soft marketing strategy which is relevant to the source of referrals. Staff confirmed awareness of their responsibility for maintaining and creating employer relationship and PAT found that CWA facilitate forums and actually support the sharing of vacancies across the whole supply chain.
- 2.29 PAT established that CWA have effective processes in place to arrange and monitor work placements for customers. Places are assessed to ensure suitability and reviews take place to document benefits and skills learnt. Customers are placed in work placements only if they suit the goals set in the action plan and if it will benefit their development. Interviews with staff confirmed their understanding of this process and where to reference this in the Supplier Guidance where necessary. This is cascaded down through the supply chain and assurances that processes are followed are given through the additional Quality Manager checks.
- 2.30 PAT found CWA have effective and embedded processes in place to exit and track any leavers from the programme. Spread sheets are maintained to track all due leavers to ensure they have had exit reports and where this has not been completed, these are highlighted to the relevant supplier. Exit interviews are completed over the phone with customers if they cannot be seen face to face. The exit plan requires a section to be completed on what support the customer requires going forward.
- 2.31 Checks on all exit paperwork are completed by the admin team before inputting the information onto PRAP. Errors are picked up and sent back for immediate rectification. File testing showed eight of eleven files checks had exit paperwork completed however PAT were assured that the remaining three files had a valid reason for this not being completed at the time of testing. To further strengthen the process all exit paper work is checked by the Quality Manager and any omissions or errors identified are fed back to the relevant member of staff.
- 2.32 PAT found CWA have strong controls in place to manage the risk of customers not being adequately supported after leaving provision through employment or exit. Where a customer leaves Module 1 without going in to a job then the customer will be tracked for six weeks by their advisor this also helps capture any unsupported job outcomes.
- 2.33 Although this is not a requirement of the contract CWA has strong processes in place to support customers post programme. Advisors have to maintain a minimum of monthly contact with the customer and employer for a period of 26 weeks. This is achieved either face to face or over the telephone and is recorded on the tracking form held in the customer file. The EDP now becomes the In-work support development plan. Evidence of this tracking was evidenced in the file testing. Processes are documented within the supplier guidance and staff interviewed were aware of where to find this. This also forms part of the Quality Managers checks.

3. Claims and Payment Procedures

- 3.1 PAT found that CWA has an effective and clearly documented claims process in place for both supply chain and direct delivery. The CWA supplier guidance has dedicated chapters which documents the claim process in operation including the evidence requirements. All staff interviewed confirmed their awareness of and ease of access to this.
- 3.2 PAT interviews across the organisation and the earlier PAT walkthrough of the claims process demonstrated that there is clear segregation between those achieving and those reporting outcomes. CWA operates a collect, check and pay process. Each step is completed by a different member of staff which is effective in maintaining segregation within the process.
- 3.3 CWA confirmed that EVT's remain in operation and are used for both legacy and extension contracts. EVT's are used to claim all outcome types. Advisors are responsible for the collect stage as they are working closely with the employer or customer if self-employed. On receipt of the completed EVT the advisor's line manager checks the EVT for completeness using an EVT checklist before sending it to CWA Admin Team.
- 3.4 The CWA administrator will use the completed checklist to check for accuracy, completeness and validity of the evidence supplied. The checklist covers all the types of outcomes claimed. PAT confirmed that this checklist was very comprehensive, effective and covered all aspects including checking that customer consent had been agreed.
- 3.5 Full and effective tracking of all outcomes is done by CWA. All outcomes are entered by the administrator on to one of three spread sheets held by CWA. These spread sheets are password protected and contain specific data that relates to the individual customer experience such as start date and outcomes claimed. This effectively manages the risk of duplicate claims being claimed. This is the check stage of the process.
- 3.6 Since the changes to the work choice contact in Oct 2015 CWA now operate a risk based independent validation regime. The Quality Manager undertakes validation telephone calls with the employer (or customer if self-employed) to confirm the customer is working and the accuracy of the evidence supplied. This can vary between a percentage check for the customers on the legacy contract to 100% checking on outcomes claimed under the extension contract. PAT was shown copies of completed templates for these validation calls as evidence.
- 3.7 The Customer Support advisor (independent of the Quality Manger) is responsible for entering outcomes on to PRAP and for the reconciliation against the supply chain's monthly claim summary. The Partnership Director completes a financial check on the direct delivery monthly claim summary and authorises the claim for payment. Admin team interviews confirmed the Partnership Director checks their work on a monthly basis. The Governance Auditor adds another layer of assurance as he has responsibility for checking the collect, check and pay process during his audits.
- 3.8 During file testing PAT examined outcomes in 11 customer files. Testing showed that for the 11 files 100% of outcomes claimed were fully supported by a completed EVT and the supporting checklist. Evidence was also provided of the Quality Manager validation calls for six of these customers. This gives assurance that the processes in place are working effectively.
- 3.9 Through interviews PAT confirmed that CWA have an embedded and effective process in place to obtain customer consent during the Initial Interview. This action is checked during auditing of records by both local managers and the Quality Manager. The EVT template refers to the consent form as a double check. Staff stated that the publishing of good news stories usually requires an additional consent form. Interviews established that a process exists if a customer refused to sign the consent form. During file testing PAT examined 11 customer files checking for evidence of a completed consent form. Testing showed 100% compliance.

- 3.10 Effective contingency arrangements exist within the Admin team with the Administrator and Customer Support advisor being trained to cover for each other. The Quality Manager will step in to cover the Administrator role during absences.
- 3.11 Interviews confirmed that CWA has effective and embedded processes in place to deal with invalid claims. Invalid claims are flagged after checking documentation from the supply chain, from PRAP rejections or from Quality Manager validation calls and these are then raised with the Partnership Director to take forward as part of the monthly provider meetings. Admin will look at all the available information to ensure it is not a CWA error before going back to the supply chain for corrective action.
- 3.12 Rejected claims are entered on to error logs which detail the error found and are returned to the individual supply chain for remedial action. Once the error has been rectified the evidence is resubmitted to CWA Admin team for rechecking before resubmission and the error log is updated. This system is effective for tracking the position of the rejection, for trend analysis and for training purposes and rejections will be discussed in contract reviews.
- 3.13 PAT established that CWA uses a range of activities to effectively inform trend analysis and continuous improvement. CWA were able to provide examples of where a change to process had been made as a result of trend analysis – outcome evidence now collected at 14 weeks rather than 13 weeks for extension customers due to claim rejections when customers start employment mid-week.
- 3.14 Whilst full extrapolation on the Work Choice contract for CWA had not been completed by DWP and the dry run had just finished, PAT evidenced that trend analysis of extrapolation was being planned by CWA to inform improvements to their current collect, check and pay system. Supply chain staff confirmed awareness of extrapolation and financial agreements are in place as their contracts mirror CWAs.
- 3.15 Interviews confirmed effective systems operate to advise customers of their entitlement to travel, childcare and additional support during their referral/start interview. The Quality Manager checks the supply chain's records during her audits. CWA internal delivery pays customers themselves and then claim back through expenses the Partnership Director checks these cases.
- 3.16 PAT confirmed via interviews that CWA has established and embedded processes relating to making customers aware of their responsibilities and payments that impact HMRC/NI at the start of their programme. CWA Supplier Guidance has a comprehensive section for the supply chain to follow. The supply chain record payments and provide a statement to the customer detailing payments and deductions made.
- 3.17 Whilst it was found that this process is embedded what CWA didn't have in place was a mechanism to check the supply chain is carrying out the necessary action when payments are made. This was raised during the visit feedback and CWA made an immediate change and it is now included in the Quality Managers audits. The next PAT review will confirm if it is embedded and establish its effectiveness.
- 3.18 PAT confirmed via interviews that CWA has effective and embedded processes in place for paying their supply chain including their Supported Businesses. Claims are checked before payments are triggered. The supply chain receives a year to date rolling forecast so they can reconcile against their payments. Additional assurance is provided by the Governance Auditor who checks that this process is operating effectively as part of his audit remit.

Results of substantive testing

Work Choice:

Referral and Start:

A total of 22 files were checked.

- 100% of SRO referrals had form WCSRO1 completed by provider confirming eligibility and suitability.
- 95% were contacted and interviewed within 10 working days.
- 95% started within 10 working days of the initial interview.
- 100% of retention cases started as soon as possible from initial interview.
- 100% of customer files had evidence of being informed about benefits of programme and support on offer e.g. travel and childcare.
- 91% demonstrated an agreement of goals and an action plan being initiated. Two customers didn't have initial planning and next steps identified – neither indicates a problem with CWA systems in place. Evidence was on file in both cases to show why. One had ITT started but not yet completed (customer had only just started) therefore EDP not started. The second customer has been a problem for CWA – they have not been able to contact the person and when they have the customer doesn't attend the appointment. ITT has been completed and still working on getting EDP started.
- 95% had an employment assessment conducted.
- 91% had a development plan with a distance travel plan initiated.

Customer Journey

A total of 12 files were checked.

- 100% of customer files checked had not exceeded their time on Module 1
- 100% were found to have received tailored support to gain employment.
- 75% (9) moved onto Module 2 – Supported Employment.
- 100% of Module 2 customer files had minimum support requirements documented and agreed.
- 100% had agreed development plan when entered supported employment that includes how in-work support will taper off.
- 100% were found to have a minimum of 8 hours support per month.
- 100% of Module 2 customer files demonstrated evidence of regular reviews, being undertaken at least quarterly. There was one customer file that although showed regular reviews were occurring didn't show the employer involvement.
- 100% of Module 2 customer files were under the 2 year maximum.
- 0% of files checks moved onto Module 3.

Leavers

11 files checked - one customer has left provision but CWA support them until they either sustain or are a negative leaver where they then complete the exit plan. Customer is currently still under his tracking period and getting support. Results marked * are for 10 files.

- 100% of files evidenced the leave date being the same as held on PRAP.
- 100%* of files had an Exit report completed these were of a good quality.

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- 80% of exit reports were stated to be sent to the DEA (or equivalent) or SRO. Of the two not sent neither indicates a problem with CWA systems in place. One file was for an old transitional customer so there was nowhere to send the report to and the other was an SRO referral case and CWA only send out exit reports if the SRO requests it.

Short Job Outcomes

7 files checked.

- 100% had evidence of outcomes meeting requirements (EVT) and obtained before claim submitted.
- 86% of short JO were Supported, 14% Unsupported.
- 100% had evidence of customer consent being given

Sustained Job Outcomes

4 files checked.

- 100% had had evidence of outcomes meeting requirements (EVT) and obtained before claim submitted.
- 100% Unsupported Outcomes.
- 100% had evidence of customer consent being given
-
- 100% of files had an Exit report completed and scanned for checking. These were of a very good quality.
- 100% of unsupported outcomes had an Exit Report in place agreeing no further support.

On holds

4 customer files checked

Of the four two were on hold for invoice sampling – both have now been paid. The third was part of a PRAP issue – letter seen and the fourth was in respect of the evidence supplied - a Certificate of employers insurance which didn't have the same company name as the employer details on the original job start. CWA provided evidence of companies that fall under the parent company to PPVT. This was in response to an e-mail from POST.

Security & Business Continuity Team

Data Security Assessment - Detailed Findings

- 4.1 CWA have appointed a Security Champion who spearheads for the whole supply chain. He runs workshops and provides expert advice in planning meetings. He is a point of contact for staff with security related questions and is accessible to staff via phone or email directly.
- 4.2 CWA were able to demonstrate that controls exist to ensure sensitive DWP data is managed effectively. Provider Assurance Testing (PAT) established that CWA have in place a comprehensive Security Policy. The Information Security Policy is discussed at quarterly workshops and ad hoc changes are notified as they happen.
- 4.3 The overarching Information Security Policy is supported by a series of additional policies including Data Protection, Data Movement, Clear Desk and Key Storage. CWA provided evidence and was observed implementing these policies. Staff are issued with, and sign for, copies of the policies, a copy of which is held in their personal file. All staff receive regular Security Refresher training and records are kept to satisfy requirement for ISO 27001 accreditation under the Shaw Trust banner.
- 4.4 Sub-contractors are included in Security awareness and requirements and regular checks are conducted with to ensure their compliance with standards.
- 4.5 CWA demonstrated they have an effective system in place for communicating data security requirements to all staff including their Supply Chain. The relevant policies are made available to all staff through emails and posters on display in their office.
- 4.6 All data is held on a dedicated server, accessed by encrypted PCs or Laptops. Encryption is used for any email exchange containing participant sensitive or personal information outside of PRAP.
- 4.7 Physical ID checks on candidates are robust, with ID being requested during the initial meeting. Completion of the ID check is recorded on the assessment paperwork. Subsequent Identification questions are personalised to the participant.
- 4.8 CWA have in place an Information classification matrix which identifies the levels of protective markings in use by the organisation. At the time of the visit this was under review to align the classifications to the current Government Security Classifications.
- 4.9 CWA have controls in place to manage physical security. Access to their office is controlled via a digi-lock. Visitors are required to sign a visitor's register and wear a visitors badge whilst on site. The digi-lock combination is changed when/if staffs employment is ended (for whatever reason). Visitors are accompanied at all times and business is conducted away from customer information unless the reason for the visit requires access to the more secure office. Access to the server room is further controlled.
- 4.10 CWA have effective procedures in place for the secure transfer of hard copy. A spread sheet is kept and updated whenever hard copies of data are received or dispatched.
- 4.11 CWA have effective processes in place for the destruction of data. There is a cross-shredder on site for the destruction of paper records.
- 4.12 Hard copy paperwork is stored in locked cabinets with strong key management. Observations confirmed that there is suitable and sufficient storage available.
- 4.13 There is a documented Clear Desk policy in place with reminder poster on view in the office.

- 4.14 CWA have a documented Security Incident process in place to facilitate dealing with Security incidents. A recent incident occurred which was dealt with in accordance with the policy. As DWP remains the Data Controller for the information handled by CWA the incident must be (and was) reported to the DWP SPOC as soon as it is identified. CWA colleagues clearly understand and take seriously their roles and responsibilities in maintaining a strong security ethic within the business and report issues immediately.
- 4.15 CWA have a clear process to follow when a member of staff leaves. This ensures they no longer have access to premises, equipment or data.
- 4.16 Risk assessments are conducted when taking equipment or documentation off-site to determine the safest method of transportation and storage.

Provider Assurance Team Action Plan

Provider	CDG Wise Ability
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Key Risk Rating

 Red /Serious  Amber/ Medium	 Light Green /Moderate  Solid Green/ Low Risk
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Date Report Issued	7 July 2016
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Response Due Date	21 July 2016
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Risk Ref. (in order of priority)	Para no.	Findings	Agreed actions	Provider response	Date action to be completed
AP1 Solid Green	1.13 / 1.14	Whilst it was confirmed that CWA has established and embedded processes relating to making customers aware of their responsibilities and payments that impact HMRC/NI, what CWA didn't have in place was a mechanism to check the supply chain is carrying out the necessary action when payments are made.	CWA to consider how to check supply chain has carried out the correct action	This was raised during the visit feedback and CWA made an immediate change to include a check in the Quality Managers audits. Audit template updated to record this.	Cleared

Data Security Action Plan

Provider	CDG Wise Ability
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Date Action Plan issued	7 July 2016
Response Due Date	21 July 2016

Risk Ref. (in order of priority)	Findings	Agreed actions	Provider response	Date action to be completed
<p>AP1 Light Green</p>	<p>It was noted that staff who live in shared houses may conclude that storing equipment/data in their car boot overnight is safer than being stored in their room which may be unlocked. I noted that in documentation provided by Wise Ability alluded to the fact that employees could be provided with a lockable cabinet for home use where this is an issue.</p>	<p>Risk Assessment to be conducted on each occasion when equipment/information is taken off site. This should include where items are stored overnight and the reasons for the decisions.</p>		<p>On-going.</p>
<p>AP2 Solid Green</p>	<p>Participant ID checks had consisted of name/address/NINo checks. More robust questions could include information gathered by Wise Ability during their dealings with the participant.</p>	<p>Implementation of a wider range of security questions. At time of final feedback meeting I understand that new security questions are being used.</p>		<p>Cleared.</p>
<p>AP3 Solid Green</p>	<p>Wise Ability were using an out-dated version of Government Security Classification (GSC) for data. This could cause confusion with DWP staff when data is transferred between</p>	<p>New Government Security Classification system to be introduced. At time of initial data gather work was underway to align with GSC</p>		<p>Cleared.</p>

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	provider and DWP.	and at final feedback meeting I understand that this has been completed.		

Annex 6

Key stakeholders:

Author(s)	Gillian Hughes
Senior Assurance Manager or Head of Provider Assurance Team sign-off	Heather Rawcliffe
Security & Business Continuity Team	Karen Hampson
Provider Contact	Linda Matthews
Copy Recipients	
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Head of Provisions Control	Ismay MacDonald
Supplier Manager	Carl Moruzzi
Category Team	Polly Fortune
Commercial Directorate	Lisa Holden
Head of Work Programme Division	Andrew Thomas
Head of Change, Policy & Planning Division	Victoria Hughes
Provision Group Central Performance Team	Carole McDonough
Head of Provision Group Management for Work Programme	Liam Murray
Head of Provision Group Management for Disadvantaged	John Tiplady
Business Management Office	James Renals
Supply Chain Information Assurance Team	Claire Francis
Business Senior Information Risk Owner for Finance Group	Steve Buckingham / Tara Wilson
PRaP Operation Support Team	Andrew Evans