

DWP Provider Guidance Chapter 6
Chapter 6 - Provider Assurance

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Introduction and Background

1. The Provider Assurance Team (PAT) is part of the Employment Group (EG) Delivery Directorate and has been in operation since October 2009.
2. The purpose of PAT is to provide an assurance to the Permanent Secretary, via the EG Delivery Director, who is also the Contracted Employment Provision (CEP) budget holder, that:
3. Payments made to you are in accordance with DWP and Treasury requirements;
 - public funds and participant data are protected; and
 - value for money has been obtained.

The Team

4. Although the team adopts a national approach to assurance activities it is made up of five operational sub teams, covering across the country. There is also a policy side to the team which provides the tools, techniques and guidance to support operations..
5. Each of the five operational sub-teams is managed by a Senior Assurance Manager (SAM). Contact details for the team can be found at paragraph 39.

6. The main aim of the team is to review and test your internal control systems to establish how effective you are at managing risk to DWP in relation to CEP expenditure and data security. This includes the arrangements you have in place for your sub-contractors.
7. Operating at a national level enables the PAT to give all CEP Providers delivering across regions a uniform view of the robustness of their internal control systems.
8. The key scope areas covered by each review are:
 - Governance Arrangements – covers your governance arrangements, systems for tracking and reporting performance and their anti-fraud measures;
 - Service Delivery – covers your systems for starting, ending and moving participants through provision and generally looks to ensure that DWP is getting the service it is paying for (this section also looks at the Provider's arrangements for self-assessing the quality of their delivery);
 - Financial Procedures – covers your systems to ensure it supports your claims for payment, including appropriate segregation of duties; and
 - Data Security – covers your systems to ensure that DWP data is safeguarded whilst it is being stored and/or transmitted around your organisations.
9. On completion of each review, you are awarded an assurance rating relating to the effectiveness and adequacy of your systems from the following four categories – weak, limited, reasonable and strong (see paragraph 10 for description of assurance levels). You are also sent a formal report which details the review findings including key strengths and areas for improvement; where weaknesses have been identified you are asked to complete an action plan setting out appropriate steps for improvement and this is followed up at an agreed point.
10. The description of the four assurance levels are as follows:
 - Strong Assurance – your governance, risk management and control arrangements provide strong assurance that material risks are identified and managed effectively;
 - Reasonable Assurance – your governance, risk management and control arrangements provide reasonable assurance that material risks are identified and managed effectively. Moderate remedial action is required;

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- Limited Assurance – your governance, risk management and control arrangements provide limited assurance that material risks are identified and managed effectively. Remedial action is required; and
- Weak Assurance – your governance, risk management and control arrangements provide weak assurance that material risks are identified and managed effectively. Urgent and significant remedial action is required.

How we Plan

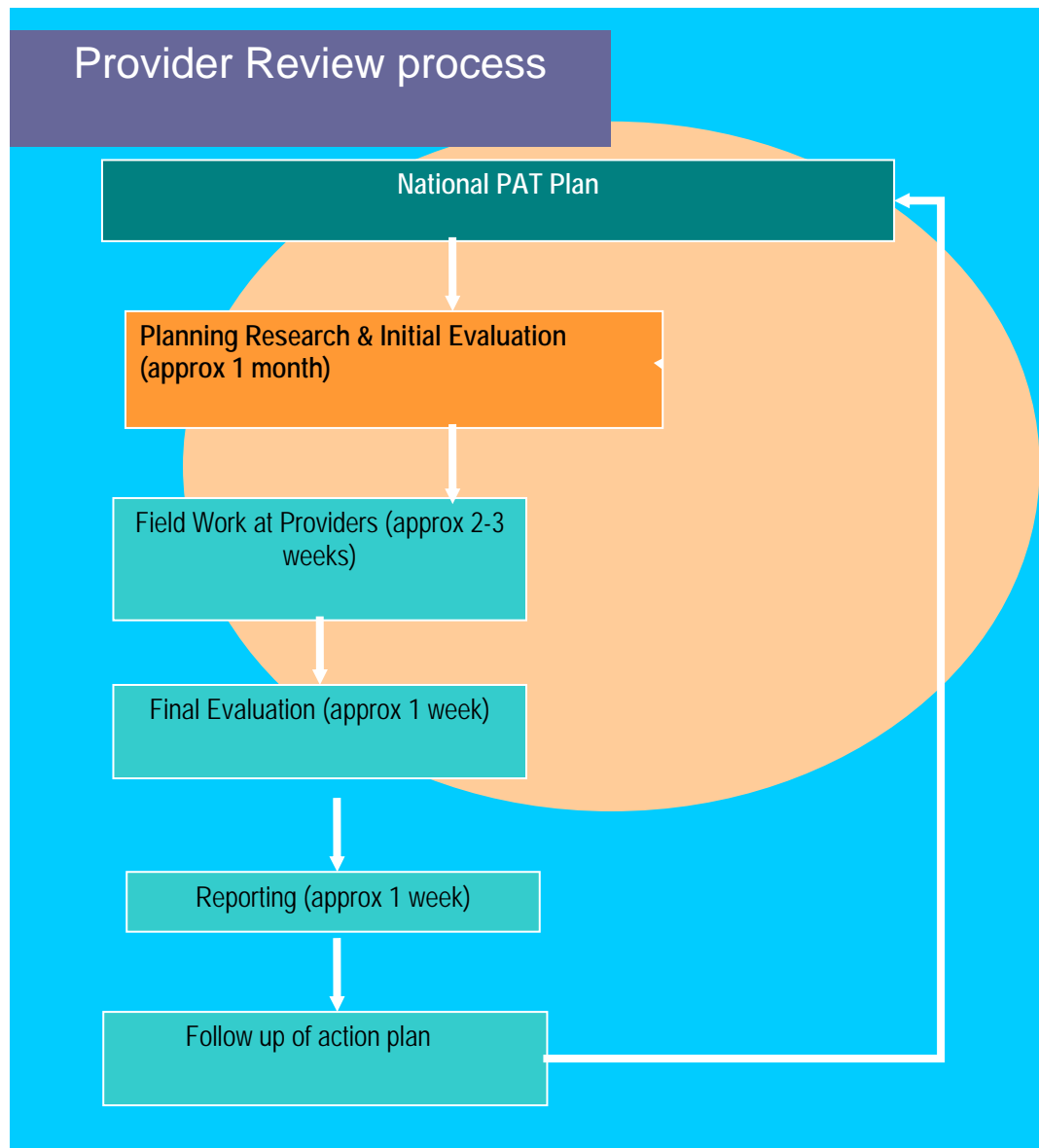
11. In order to manage PAT activities, the team has a national plan covering all CEP Providers. Whilst this plan operates on a rolling basis it is formally reviewed at the start of each operational year and the activities for that year are agreed with the EG Delivery Director. Any impacts/changes to the plan during the year are managed through monthly management meetings.
12. The plan operates on a risk-based approach and once you have undergone a PAT review, the assurance level awarded will determine the timescales for the next review as follows:
 - weak assurance should be reviewed within 3 months of the report being issued;
 - limited assurance should be reviewed within 4 – 6 months of the report being issued;
 - reasonable assurance should be reviewed within 6 – 12 months of the report being issued; and
 - strong assurance should be reviewed within 12 – 18 months of the report being issued.
13. However, there are a number of other factors that may influence/change the timing of PAT reviews as follows:
 - the EG Delivery Director may choose to direct his resource, e.g. if concerns about a particular Provider are identified;
 - providers who are new to CEP business or have not held a DWP contract for some time may take priority over another Provider already on the plan;
 - existing providers delivering a new area of provision may take priority over another Provider on the plan; and

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- intelligence received from other internal or external sources (which could indicate weaknesses/strengths in Provider systems) may mean that reviews are brought forward/pushed back on the plan.

The Review Process

14. Each review essentially looks for evidence that you have systems in place to manage key risks to DWP expenditure and data. To facilitate this process the key risks have been broken down across the four scope areas (see paragraph 8) and the process will examine the controls in place within your organisation to look at how effective they are in managing the risks identified.
15. There are five stages to the review process which normally takes around 2-3 months in total to complete. However, this may equate to a significantly longer period in terms of elapsed time due to the logistics of delivering a review and the requirement for management sign-off at key stages in the process. Reviews may also take longer depending on the complexity of your organisation and the extent of CEP delivery.



Planning Research and Initial Evaluation

16. The purpose of this stage is to pull together all relevant information about you, form a paper-based opinion about your systems and develop the testing strategy to be used at your premises.
17. During this period you will be sent three documents:
 - a Provider Systems Questionnaire (PSQ) which asks a series of questions about your systems across each of the 4 scope areas – [see Annex 1 for the PSQ](#);

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- a site information stencil to confirm information on the delivery sites for the programmes; and
 - a feedback stencil to be returned at the end of the review to help PAT continuously improve.
18. At the same time and in order to maximise the PAT resource, reliance is placed on feedback from other Departmental colleagues who also work closely with you. Intelligence is gathered from these sources during the planning process and used alongside the PSQ response from you when forming an initial view of your risk and development of the test strategy. See paragraph 32 for a list of the stakeholders consulted during this period.
 19. At the end of this process the initial evaluation and testing strategy is reviewed and signed off by PAT management.

Field Work at Providers

20. Commencement of the field work is signalled by a formal start-up meeting between you and PAT. The purpose of this meeting is to brief you on the upcoming review and agree the terms of engagement throughout including timescales for formal feedback and when all evidence has to be provided by.
21. Based on the planning, research and initial evaluation, visits are arranged at your premises to carry out any testing deemed necessary to form a judgement as to the effectiveness of the systems under review.
22. The fieldwork can be conducted at any of your premises across the country and choosing which premises to visit will be determined by a number of factors, e.g. the provisions and activities delivered at individual sites, any intelligence gathered during the planning stage which may indicate weaknesses in certain areas and availability of PAT resource.
23. The tests which will typically include reviewing key policy documents, examining participant files, interviewing staff and validating payments will be performed in sufficient quantities to allow the team to form an opinion across your systems as a whole. This may mean that testing has to be extended in some circumstances or that it may be cut short in others.
24. Throughout the testing period, you will be given the opportunity to provide any supporting documentation and/or missing evidence that has been requested by PAT but all evidence must be provided before the end of the testing period.

25. Evaluation of your systems is continuous throughout the end-to-end PAT process. However, once testing is complete all the findings are considered and an overall assurance level is awarded based on the assessment of the adequacy and effectiveness of your systems across all aspects of the provision delivered under your CEP contracts.
26. The final evaluation and assurance level is signed-off by PAT management and you will be invited to a formal feedback meeting at a time agreed in advance where the findings and the assurance level will be presented. The purpose of the meeting is to agree what actions are going to be taken to address any issues raised and timescales for delivery.

Review Outputs

27. Following the formal feedback a report is produced by the team and sent to you. The report will contain an executive summary with the assurance level awarded, and include the detailed findings supporting the conclusion given.
28. There will be an action plan at the back of the report covering all the issues raised at the feedback meeting. You are expected to return the action plan within 10 working days of receipt. Your response should contain any timescales for implementing any necessary improvements.
29. You are also asked to return to the Senior Assurance Manager a feedback stencil with the action plan. DWP is committed to providing an effective Provider Assurance function and in order to do that PAT need to constantly review the way in which they operate and their supporting policies and procedures. As a major stakeholder in this process, obtaining feedback from the Provider is critical.
30. The report is also sent to some other DWP stakeholders, these typically include (but not exclusively):
 - Account Managers;
 - Group Partnership Manager(s);
 - PRaP Operational Support Team (POST); and
 - Commercial Directorate.
31. Any issues found during the review are fed back to the appropriate stakeholders, for example concerns with data security are flagged with Supply Chain Information Assurance Team (SCIAT).

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32. Our DWP stakeholders include however is not exclusive to:

- Provision Management Division;
- Third Party Provision Teams;
- Risk Assurance Division;
- Payment Teams including PRaP Operational Support Team (POST);
- Supply Chain Information Assurance Team (SCIAT); and
- Commercial Directorate.

Follow Up of Action Plan

33. Depending on the actions agreed within the action plan, confirmation will be sought by PAT from the relevant Account Manager that all actions have been implemented. This follow up will take place according to the agreed timescales in which the actions will have been completed.

Other Potential Actions

34. There may be other actions required depending on the findings of the review. These could involve the following:

- Overpayment recovery – if overpayments are identified and evidence could not be produced during the review then you will be asked to sign overpayment recovery stencils which will be given to the appropriate Payment Teams including POST to make the necessary adjustments to the Payment Systems and reclaim the monies; and
- Backtracking – if any overpayments or errors identified during the review indicate they are as a result of systematic weaknesses then you may be asked to ‘back track’. In such cases you will be required to provide the applicable evidence for the relevant contracts/provision over a specified period of time and in doing so identify for yourselves any overpayments. The results of the backtracking will be verified by PAT before recovery action is taken.

35. In the instances that for payments where an error rate has already been extrapolated (job outcomes and sustained job outcomes) backtracking and recovery action will not be applicable.

Provider Assurance Team Reporting

36. Once a quarter PAT will report on activities conducted over the previous quarter to the EG Delivery Board. The report gives

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information on the number of reviews conducted and the assurance levels awarded. It will also include any trends identified across those reviewed.

37. Any major issues found during the reviews are reported to the Delivery Director along with the Provider Assurance Review Reports.

Contact details

38. The contact details for the Provider Assurance Team are listed below.

Contact details

Senior Assurance Manager Contact Details
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Sarah Owen (Policy) located in Sheffield Head Office Tel 0114 240 8642

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The Provider Assurance Team Leader is Jane Mcluckie-Townsend located in London Tel 020 7449 5558

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Annex 1



Provider Systems Questionnaire

Section A

Governance Arrangements

Name of Provider:	
Staff Member Completing Stencil:	
Date:	

PURPOSE:	To ensure the Provider's processes, systems and controls foster and embed a robust approach to the achievement, management and reporting of performance.
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A1	What governance arrangements are in place within your organisation including roles and responsibilities, accountabilities, Board structures, risk management and audit? Please provide a copy of your organisational chart, if you have not already done so.	
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A2	Describe your organisational structure, including current roles and if applicable describe the organisational structure and working relationships with your subcontractors.	
A3	Describe your performance management system, including performance targets, performance drivers and measures taken to improve performance where necessary. To include, if applicable interactions with sub contractors.	
A4	Describe the working relationships e.g. line manager structures between those achieving performance and those reporting it. How are any performance incentive schemes e.g. for staff and participants operated in your organisation and those of your sub contractors?	
A5	How and when do you check the effectiveness of your performance reporting procedures, including, if applicable, the procedures with sub contractors?	
A6	Describe the internal systems by which colleagues / staff / participants (including sub contractors) can report inappropriate behaviour in respect of performance claims (i.e. a "whistleblowers charter")	

A7	Does your organisation and if applicable any subcontractors have a code of conduct or other document that sets out the values of the company (including what constitutes potential fraudulent activities) and the behaviour it expects from all involved in the conduct of its business?	
A8	What steps are taken where staff members do not comply with the expected standards of behaviour in your organisation and if applicable at your subcontractors?	
A9	If applicable describe the arrangements to pay your subcontractors for the services delivered, e.g. monthly fixed figure; payment by results.	

Section B

Service Delivery

PURPOSE:	To ensure the Provider supplies a service which constitutes Value for Money and that participants receive a service that is specific to their individual needs.
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B1	Describe how you and your subcontractors ensure that both staff and participants are aware of the minimum delivery standards as defined in the delivery model for each contract.	
B2	Describe how you and your subcontractors ensure that the minimum delivery standards as defined in the delivery model for each contract are applied consistently.	
B3	How do you and your sub contractors ensure that you have all the necessary resources available to provide an effective service and to meet participants' needs?	
B4	How do you and your sub contractors ensure participants' meet the eligibility criteria for	

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Service Delivery

	specific provision?	
B5	How is the eligibility of participants established by yourselves and by your sub contractors for direct referrals?	
B6	How and where is data to confirm eligibility recorded?	
B7	What action is taken if a participant is found to be ineligible? (before and after starting the provision)	
B8	Describe how the Induction & Initial Assessment process including how participants are made aware of the contracts minimum delivery standards is managed including at your sub contractors to ensure it meets the participant's needs .	
B9	How do you ensure that participants and those at your sub contractors are made aware of the availability of childcare, travel and additional support whilst on provision?	
B10	Describe the systems in place including those at your sub	

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Service Delivery

	contractors to establish whether participants are entitled to support in respect of childcare, travel and any additional support.	
B11	How do you ensure that the childcare providers you and your sub contractors use are appropriately qualified, registered and regulated?	
B12	How do you and your subcontractors ensure participants are made aware of their responsibilities in terms of expected behaviour whilst on the programme?	
B13	What action is taken if participants do not comply with the expected behaviour including if applicable JSA client entitlement doubts?	
B14	Describe the processes in place in your organisation and at your subcontractors to raise participant compliance doubts when they fail to comply with a mandated activity including fail to attend requirements to ensure the appropriate sanction action is	

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Service Delivery

	taken.	
B15	Describe the systems in place to identify participants starting on provision and how you and your subcontractors ensure they start within any specified timescales?	
B16	What procedures are in place in your and your sub contractors organisation to ensure all participant starts are recorded and processed appropriately?	
B17	Describe the processes in place to identify and action re-referrals to provision.	
B18	Describe how you and your sub contractors ensure that work placement / work experience meet the participant's needs, and what process is in place should the participant feel this is not the case.	
B19	How do you ensure that your organisation and your sub contractors are aware of any contractual attendance requirements?	
B20	Describe the processes in place within your and your sub	

Section B

Service Delivery

	contractors organisation to record and monitor participant attendance / activities.	
B21	Describe the systems in place, including those at your sub contractors to ensure participants progress appropriately whilst on provision.	
B22	Describe how you and your sub contractors marketing and networking plans maximise opportunities for participants.	
B23	Describe how you and your sub contractors manage the exit process for participants who have either completed or leave provision?	
B24	How is information regarding completers and leavers recorded and reported?	
B25	What arrangements are in place and at your sub contractors for participants to raise concerns regarding any aspect of the provision being delivered?	
B26	What happens to the complaint if you and your subcontractors are	

Section B

Service Delivery

	not able to resolve it? What is the escalation route?	
B27	Describe your quality self assessment process and how you collect / record the applicable evidence for the relevant statements.	
B28	Describe how you identify what actions are necessary to rectify any weaknesses and plans for improving the overall quality of all provision.	
B29	How do you ensure that your improvement plans are implemented?	

Section C

..... **Financial Procedures**

PURPOSE:		To ensure claims for payment are valid and are submitted within agreed timescales.
C1	Describe the systems and at your subcontractors to obtain the required signed Customer Consent stencil.	
C2	Describe the administrative systems in place for the gathering and reporting of performance and claim information between yourselves and sub contractors.	
C3	Describe your systems to ensure all payments specific to your contract are supported by the necessary information, documents, records and evidence (if applicable) as detailed in Jobcentre Plus Provider Guidance (or other guidance as specified within the contract).	
C4	Describe the process for compiling the claims for payment,	

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..... **Financial Procedures**

	including how any data from sub contractors is included.	
C5	Describe the process for checking the validity and accuracy of claims for payment including the information received from sub contractors.	
C6	Describe the process for authorising and submitting claims for payment including non PRaP claims (if applicable).	
C7	Describe any segregation of duties within the claim process.	
C8	Describe the processes for dealing with invalid claims identified post claim / submission onto PRaP?	
C9	If a participant is eligible for travel costs describe how you and your sub contractors pay the participant?	

Section C

..... **Financial Procedures**

C10	If a participant is eligible for childcare costs describe how you and your sub contractors pay the childcare providers?	
C11	Describe your processes and your subcontractors for purchasing additional support if the participant is entitled to support.	

Section D

Data Security

PURPOSE:	To ensure the Provider has robust and effective controls to manage the storage and transfer of sensitive DWP data that comply with data security legislation and DWP security requirements
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D1	How do you ensure that management and your subcontractors are aware of their roles and responsibilities regarding data security?	
D2	How do you and your subcontractors ensure and verify that you are communicating with the correct customer, i.e. what identity checks are conducted?	
D3	How have security roles and responsibilities of employees, sub contractors and other third party users been defined and documented in accordance with your information security policy?	
D4	How and where is guidance on information security published and communicated to all employees and relevant external parties, including subcontractors?	

Section D

Data Security

	How is it reviewed and updated as risk levels or threats change?	
D5	Describe the chain of responsibility/accountability within your organisation for management of information security/incidents?	
D6	How do you ensure that your subcontractors implement and maintain equivalent information security measures service delivery agreements?	
D7	How do you classify and clearly label information assets in terms of value, legal requirements, sensitivity and criticality to the organisation?	
D8	How do you ensure that your subcontractors implement and maintain equivalent systems to classify and clearly label information assets?	
D9	How do you and your subcontractors apply protective markings to communications?	
D10	What steps do you take to ensure that employees are committed to ensuring security of DWP data whilst employed by you and your sub contractors?	

Section D

Data Security

D11	How do you ensure that all employees of your organisation and, where relevant, subcontractors and other third party users understand and receive appropriate awareness training and regular updates on organisational policies and procedures, as relevant for their job role?	
D12	How do you and your subcontractors ensure participants are made aware of their responsibilities in terms of expected behaviour whilst on the programme regarding data security?	
D13	<p>What happens to the organisational assets in the possession of all employees, subcontractors and other third party users upon termination of their employment, contract or agreement?</p> <p>How are the access rights of all employees, contractors and third party users of information and information processing facilities removed upon termination of their employment, contract or agreement, or are they adjusted upon change?</p>	

Section D

Data Security

D14	What are the controls in place to monitor access to DWP data, limit users to only those functions they need to perform their business and how does your organisation detect unauthorised access, misuse, loss of data?	
D15	What are the consequences for staff members if the above occurs and how is this communicated to staff?	
D16	How do you ensure that your subcontractors implement and maintain equivalent controls to monitor access to DWP data, limit users to only those functions they need to perform their business and how do you ensure they have processes to detect unauthorised access, misuse, loss of data?	
D17	How do you receive DWP personal/sensitive participant data and how is data then transferred within your organisation and to your suppliers/supply chain both electronic and paper documents?	
D18	What further participant personal data is likely to be generated by you or your subcontractor's organisations?	

Section D

Data Security

D19	Describe how DWP personal/sensitive participant data, both paper and electronic is stored, archived and destroyed during the live running of the contract by you and any subcontractors?	
D20	Describe how DWP personal/sensitive participant data, both paper and electronic is stored, archived and destroyed at the end of the contract by you and any subcontractors?	
D21	What are the policies / procedures for the destruction / removal of any sensitive data and licensed software from all items of equipment containing storage media prior to disposal? How is this done and by whom for your organisation and your subcontractors?	
D22	How do you ensure the correct and secure operation of information processing facilities for yourselves and your subcontractors? Describe how development, test and operational facilities are separated to reduce the risks of unauthorised access	

Section D

Data Security

	or changes to the operational system?	
D23	How are yours and your subcontractors networks adequately managed and controlled, in order to be protected from threats, and to maintain security for the systems and applications using the network, including information in transit?	
D24	How is data protected if personnel work outside your main premises and access DWP data via portable IT, media for your organisation and your subcontractors?	
D25	How do you manage and what policies are in place in your organisation and your subcontractors, for the removal of computer media (containing personal data), including any prior authorisation before Equipment, information or software are taken off site?	
D26	Describe how you and your subcontractors use encryption methods to protect the confidentiality, authenticity or integrity of information.	

Section D

Data Security