



OIFIG AN ARD-RUNAÍ, AN RIONN DLÍ AGUS CIRT AGUS COMHIONANNAIS
OFFICE OF THE SECRETARY GENERAL, DEPARTMENT OF JUSTICE AND EQUALITY

Mr. Ted McEnery
Clerk to the Committee of Public Accounts
Leinster House
Dublin 2

Re: Payments made to the Rehab Group

Dear Mr McEnery,

I refer to your letter of 24th January 2014 in relation to payments made from subhead H3 of the Vote of the Department of Justice and Equality, under the Charitable Lotteries Scheme. The Department of Justice and Equality assumed responsibility for the administration of this Scheme in mid-2011.

Please find enclosed the following information, as sought by the Committee:

1. A note on the funding mechanism – the Charitable Lotteries Scheme;
2. A table showing amounts paid to Rehab Group in each of the last five years;
3. Excerpts from Rehab's applications for funding under the Charitable Lottery Scheme for each of the years 2011, 2012 and 2013 relating to the expenditure of funding received in the previous year (i.e. 2010, 2011 and 2012);
4. A letter to Rehab from the Department of Justice and Equality, dated 27th November 2013 which outlines the oversight arrangements by that Department of the payments made to Rehab under the Scheme;
5. A copy of the report by the Department of Justice and Equality Internal Audit Unit prepared following an audit of funding given to the Rehab Group under the Charitable Lotteries Scheme and a copy of a letter dated 23rd August 2012 from Rehab CEO, Ms. Angela Kerins to Head of Internal Audit at the Department of Justice and Equality, Mr. Walter Johnston.

In respect of the Audit Report, it should be noted that it was not possible to fully conclude the Internal Audit process as the management response to the audit findings and recommendations sought from Rehab as a routine element of the audit process was not received.

In addition to the funding provided to Rehab under the Charitable Lotteries Scheme, the Department and the National Disability Authority also awarded payments to

Cuirfeair fáilte roimh chomhfhreagras i nGaeilge

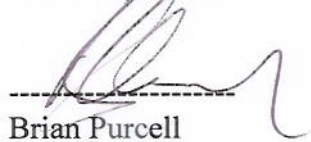
94 FAICHE STIABHNA, BAILE ÁTHA CLIATH 2 / 94 ST. STEPHEN'S GREEN, DUBLIN 2

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Rehab over the period. A note on these payments is also enclosed for the information of the Committee.

Please let me know if I can assist you further.

Yours sincerely,



Brian Purcell
Secretary General
Department of Justice and Equality

29 January, 2014

Encl.

- 1. Note on the Charitable Lotteries Scheme, including Application Form for 2013*
- 2. Table showing payments to Rehab under the Scheme 2009-2013 incl.*
- 3. Excerpts from Rehab's applications for years 2011, 2012 and 2013 showing the uses of funding received under the Scheme in 2010, 2011 and 2012 (5 documents)*
- 4. Letter from Department of Justice to Rehab dated 27th November 2013 outlining oversight arrangements for Scheme*
- 5. Department of Justice and Equality Internal Audit Report on Charitable Lotteries Scheme funding to Rehab*
- 6. Letter from Rehab to Internal Audit, 23rd August 2012*
- 7. Note on payments to Rehab unconnected with the Charitable Lotteries Scheme*

The Charitable Lotteries Scheme

Background

The Charitable Lotteries Scheme was established in 1997 by the Minister for Finance for the purposes of supplementing the income of the promoters of private charitable lotteries whose products were in direct competition with similar products available under the National Lottery.

Since 1997, applications have been invited from the promoters of private charitable lotteries conducted under the provisions of existing Gaming and Lotteries legislation (the 1956 Gaming and Lotteries Act, as amended), *which were in operation in 1997*.

The Department of Justice and Equality assumed responsibility for the administration of the Scheme in mid-2011. Before that, responsibility for the Scheme rested with the Department of Finance.

Administration of the Charitable Lotteries Scheme

The Charitable Lotteries Scheme is currently administered by staff in the Charities Regulation Unit of the Department of Justice and Equality. Applications are invited from eligible charities that have been operating a charitable lottery since at least 1 January 1997, and where the lottery has products similar to products sold by the National Lottery. The Scheme and Application form for 2013 are enclosed with this note for the information of the Committee.

Following processing of applications, the total available fund for the year is divided among successful applicants on the basis of their gross sales of eligible lottery products averaged over the previous three years. This criterion ensures that charities whose lotteries have the highest proportion of gross ticket sales secure the highest proportion of the overall fund. A single payment is made to each successful applicant, typically in late November or early December in respect of that year.

The Scheme was initially financed entirely from the National Lottery surplus but, since 2005, has been financed jointly by the National Lottery surplus and by the Exchequer (73:27 NLBF:Exchequer in 2013)

Decision taken to phase out the CLF

Beneficiaries of the Charitable Lotteries Scheme were advised in October 2012 that the Scheme would be phased out over a 3 year period beginning in late 2013. This was necessitated by the urgent need to make savings in Government expenditure across many programmes and the decision was further informed by a concern that the Scheme did not represent an efficient use of funds and did not incentivise effective fundraising practices by the charities benefitting from the Scheme.

It was decided to phase out the Scheme on a gradual basis in order to give affected organisations as much time as possible to adjust to the change and to consider

alternative methods of charitable fundraising. The planned timeframe for winding down the Scheme is as follows:

- 2012: total available - €6 million (unchanged from 2011)
- 2013: total available - €4 million
- 2014: total available - €2 million
- 2015: total available - €1 million – final year of Scheme

Department of Justice and Equality

**SCHEME TO ASSIST PRIVATE CHARITABLE LOTTERIES WHOSE
PRODUCTS ARE IN DIRECT COMPETITION WITH SIMILAR PRODUCTS
BEING SOLD BY THE NATIONAL LOTTERY, 2013**

**CONDITIONS OF THE SCHEME – PLEASE READ THESE CAREFULLY
BEFORE COMPLETING YOUR APPLICATION FORM**

- 1) The Scheme is confined to private charitable lotteries whose lottery products are in direct competition with comparable National Lottery products.
- 2) Applications for assistance under the Scheme will be evaluated by the Department of Justice & Equality. The following are regarded as comparable with National Lottery products:
 - (a) scratch cards;
 - (b) lines or draws where the draw takes place with a weekly or higher frequency operated on an annual basis.
- 3) Subject to the availability of funds and to the other conditions of the scheme being met, it is intended that eligible charities would be assisted in proportion to the volume of their average annual gross lottery turnover in the three most recent years of account as certified by the organisation's auditors.
- 4) The lottery promoter must be an organisation independently established for charitable purposes. Documentary evidence, such as proof of having received charitable tax exemption from the Revenue Commissioners, will be required.
- 5) The organisation must have a constitution, or a set of rules, defining its aims, objectives and operational procedures.
- 6) The organisation must have a bank or building society account with at least two joint signatories and be able to provide copies of its audited accounts.
- 7) The lottery tickets must be generally available to members of the public, within the area of their circulation, on a comparable basis to National Lottery products.
- 8) A full description of the lottery operation including prize structure and circulation network must be provided.
- 9) The fund-raising purpose, and the final use of financial support provided under the scheme must be clearly stated. Please note that any funding provided under the scheme must be *applied to* the charitable activities of the organisation. **It cannot be used for administrative purposes (please see explanation note at appendix 1).**
- 10) Details of audited accounts for the three most recent accounting years should be provided which should show, at the very least, lottery turnover and how the receipts there from are allocated between (a) prizes (b) benefiting activities

and (c) other costs (including administration). Also, that the letter supplied by the applicant's auditor indicating the value of lottery sales, and how the funds received under the Scheme in the previous year were applied, **must be based on audit tests performed by the auditor.**

- 11) Funding recipients will be required to supply a report to the Department of Justice and Equality not more than 12 months following receipt of the funding detailing the uses to which the funding has been put and the outputs achieved. Documentary evidence will be required to ensure that all the funds have been spent on the purposes indicated and that all the conditions of the scheme have been complied with. Monies received from the Fund must be shown separately in the audited accounts of the organisation.
- 12) Programmes supported by Charitable Lotteries Funding may be monitored and inspected by the Department of Justice and Equality. Recipients of Charitable Lotteries Funding must permit full and free access to persons authorised by the Charities Regulation Unit and/or the Minister for Justice and Equality
 - to relevant premises;
 - to personnel, financial and other records;
 - to undertake evaluative or other tasks in respect of the services funded; and/or
 - to examine other aspects of governance likely to have a material impact on these services.
- 13) The Charities Regulation Unit and/or the Minister for Justice and Equality may at reasonable intervals carry out such audits and spot checks as the Charities Regulation Unit or the Minister for Justice and Equality may deem appropriate. A report of relevant issues arising from such audits and spot checks will be furnished to your organisation and any recommendations from such inspection shall be implemented by your organisation without undue delay.
- 14) Recipients of Charitable Lotteries Funding must comply promptly with any monitoring queries in respect of programmes funded from the Department of Justice and Equality, during the course of the year.
- 15) To be eligible under the Scheme relevant charities must have been operating a lottery under the provisions of the Gaming and Lottery legislation, on or before 1st January, 1997. In cases where charities have established another organisation to conduct their lottery or have a contract with another organisation to conduct their lottery, please note that it is the responsibility of the holder of the lottery licence to ensure that the lottery is conducted in accordance with the terms of the licence.

Department of Justice and Equality
August 2013

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(c) Name and address of Treasurer:.....

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(d) Name and address of Secretary:

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(e) Name and address of Chief Executive:

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(f) Name and address of Financial Officer:.....

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3. (a) Corporate Status of Organisation (Limited Company, etc.):

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(b) Total employment provided by Organisation - (of which -
voluntary):
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4. (a) Please specify the objectives of the Organisation:.....

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(b) Attach a copy of the Organisation's Constitution/Rules and Memorandum and Articles of Association (as appropriate), unless previously submitted.

Applicants that have previously submitted a copy of their Constitution/Rules and Memorandum and Articles of Association must certify that there has been no change in these documents since submitted, or else submit fresh documents.

5. Has the Organisation been granted Charitable Tax Exemption by the Revenue Commissioners: YES/NO

If YES please state Charity (CHY) Number:

6. (a) Describe the periodical lotteries promoted by your Organisation:

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(b) Has your Organisation set up a separate company/organisation to conduct these lotteries.

YES/NO

If YES:

- (i) Please provide a copy of its Constitution/Rules and Memorandum and Articles of Association (as appropriate) and
- (ii) its Tax Clearance Certificate.

(c) Does your Organisation employ another company/organisation to conduct lotteries on your behalf

YES/NO

If YES:

- (i) Please name the company/organisation
-
- (ii) Indicate the nature of the contractual arrangement you have with the organisation and the fee being paid to it
-
- (iii) Provide a copy of its Tax Clearance Certificate

(d) Please provide details of each lottery product that you sell (each scratch card(s) and / or each line(s) or draw(s) where the draw takes place with a weekly or higher frequency) and enclose specimens of each:.....

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Bank/ Building Society, Sort Code:.....

Account Number:.....

Account Holder:.....

Names of Joint Signatories:

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11. We certify that we have read, understood and agreed to the conditions attached to this Scheme and that, should our application be successful, the Charitable Lotteries Funding received by our organisation will be used in compliance with the conditions of the Scheme. We further certify that all of the information provided in this application form and supporting documentation is accurate to the best of our knowledge and belief,

We further certify that the figures for Gross Lottery Sales in 2010, 2011 and 2012 represent only the amounts derived from the sale of scratch cards and/or lines or other draws with a weekly or higher frequency, at the price displayed on the product. The figures do not include amounts received by way of donations or amounts given by members of the public to the sellers which are not given in payment for scratch cards and/or lines or other draws with a weekly or higher frequency.

(TO BE SIGNED BY THE *CHAIRPERSON OF THE BOARD OF DIRECTORS OR A TRUSTEE AND BY THE TREASURER OR FINANCIAL OFFICER*)

Signed.:

(*Chairperson of the Board of Directors / A Trustee*)

Date:

Signed.:

(*Treasurer / Financial Officer*)

Date:

Completed application forms should be returned to:

**Charitable Lotteries Fund
Charities Regulation Unit
Department of Justice & Equality
51 St. Stephen's Green
Dublin 2**

Not later than 5 p.m. on 20 September 2013

Further information may be obtained by phone from 01 6028264/6028263

APPENDIX 1

INDICATIVE LIST OF ADMINISTRATION COSTS EXCLUDED FOR CLF PURPOSES:

1. SALARIES, WAGES, OVERTIME, ALLOWANCES, AGENCY STAFFING COSTS
2. TRAVEL, SUBSISTENCE AND COSTS FOR LEASES, MAINTENANCE AND PURCHASE OF STAFF CARS
3. TRAINING, DEVELOPMENT AND INCIDENTAL EXPENSES
4. POSTAL, STATIONERY, PRINTING AND TELECOMMUNICATIONS SERVICES
5. OFFICE EQUIPMENT
6. IT EQUIPMENT & SUPPLY, MAINTENANCE AND HELPDESK SERVICES
7. OFFICE PREMISES EXPENSES, REFURBISHMENT AND ALTERATIONS
8. CONSULTANCY SERVICES, PROFESSIONAL FEES AND SUBSCRIPTION
9. RESEARCH
10. FINANCIAL SERVICES AND BANK CHARGES
11. PR AND ADVERTISING

The above costs are not eligible for Charitable Lotteries Funding unless they are incurred directly in frontline service provision or charitable activity. You are reminded that an application for Charitable Lotteries funding must include an undertaking to comply with the conditions of the Scheme, including the condition that any funding received will not be used to meet administration costs.

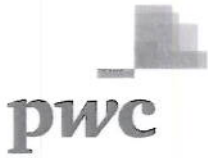
The above list is indicative and should not be regarded as including all ineligible costs. If you have any queries about this or any other condition of the Scheme, please contact the Department of Justice and Equality Charities Regulation Unit.

Rehab Lotteries - Charitable Lotteries Fund 2009-2013

Year	Amount Paid
2013	€2,581,293.36
2012	€3,923,659.43
2011	€3,905,661.42
2010	€5,625,488.26
2009	€5,644,928.91
Total:	€21,681,031.38

Application of Funds

Description	€'000
Charitable Lotteries Funding received 2010	5,625
Over-application at 31.08.2010	(72)
Application of funding	
Expenditure into research and development of service delivery	(299)
Building and other capital expenditure costs for the provision of new and enhanced services	(2,909)
Development and upgrade of service delivery technology	(1,896)
Promoting, marketing and creating awareness of Rehab's services	<u>(697)</u>
Over application as at 31.08.2011	(248)



Appendix 1

The Rehab Group

Application of Funds

Description	€'000
Charitable Lotteries Funding received 2011	3,906
Over-application at 31.08.2011	(248)
Application of funding	
Expenditure into the development of service delivery	(208)
Building and other capital expenditure costs for the provision of new and enhanced services	(3,869)
Provision of IT infrastructure and services directly in support of frontline services	(735)
Promoting and creating awareness of Rehab's services and disability issues	(411)
Over application as at 31.08.2012	(1,565)

Charitable Lottery Fund 2011 - 2012

The table below summarises the spend as outlined in the application and confirmed in the letter from PricewaterhouseCoopers under section 9 of the application.

Ref	Description	€000's
1	Building and other capital expenditure costs for the provision of new and enhanced services	3,869
2	Information technology used directly in frontline services	735
3	Promoting and creating awareness of Rehab's services and disability issues	411
4	Expenditure into the development of service delivery	208
5	Carry forward prior year's application	248
	Total expenditure	5,471
	Fund received 30. 11. 2011	(3,906)
	Over application at 31.08.2012	(1,565)

1. Building and capital expenditure costs

Various capital expenditure costs on buildings and equipment across the Rehab Group's frontline services in Ireland and the major projects are detailed below:

Newgrove Housing Association (Newgrove)

€1.15 Million was donated to Newgrove Housing Association to cover the shortfall in capital funding.

Newgrove Housing Association provides community-based accommodation facilities in locations throughout the country for people with disabilities and those from other marginalised groups in society. It currently provides accommodation for 161 such people. This model of accommodation provides housing and apartments in a safe homely environment for its residents and it gives support / respite for their families. As a registered voluntary housing association, Newgrove accesses capital funding from the Department of Environment, Community and Local Government through the Capital Assistance Scheme (CAS) to provide both supported accommodation and independent accommodation for people with disabilities. The donation was made to cover historical shortfall in capital funding received through the CAS.

Newgrove Housing Association works in strategic partnership with RehabCare throughout the Country, whereby Newgrove provides the accommodation and RehabCare provides on-site and remote supports to the tenants who live in the accommodation. Newgrove and RehabCare have operated this highly successful strategic partnership for the past thirteen years.

Rehab Recycle, Tallaght

€868,000 of Capital expenditure was spent on the Rehab Recycle facility in Tallaght.

Rehab Recycle Tallaght is a state-of-the-art reuse facility which focuses on the reuse of electronic equipment and employs some 43 people, 22 of whom have a disability. **Promise it to Rehab Recycle**

promotes reuse through a comprehensive donation scheme, whereby companies can pass on their surplus IT equipment to schools, charities and community groups for a significantly reduced or zero cost.

Stradavoher, Thurles, Co. Tipperary

€730,000 of capital expenditure was spent on the Stradavoher project. This development is purpose built to deliver services for people with disabilities within the Thurles and Tipperary area. The project consists of 11 units of supported accommodation for Newgrove Housing Association and a resource centre for RehabCare. The services are outlined below:

- Residential accommodation for adults with autism, intellectual disabilities and enhanced support needs.
- Supported accommodation for four adults with intellectual disabilities and a self contained apartment to provide independent living for one person with a disability.
- A resource centre providing day services for adults.

Portlaoise Learning Centre

€348,000 of capital expenditure was spent on the upgrade of this facility which is over twenty five years old. The training centre now accommodates over 70 whole time equivalent service users with special needs. In addition to renovating the centre three additional classrooms were provided.

Various other small capital works

€261,000 was spent on various other small capital projects across the country.

Interest on long-term borrowings

€512,000 of bank interest repayments in respect of long-term borrowings to finance the building of frontline services.

2. Information Technology (IT) expenditure

€735,000

IT is a key driver of all of Rehab Groups frontline services both in our training centers and our resource centers. However, we do accept that a significant proportion of IT costs could be classified as administration and accordingly we have developed a matrix to allocate IT costs between "Frontline Users" and "Administration". We have separated IT users into frontline and administration and have used a weighting system to give the administration users a higher weighting (based on IT usage) within the matrix. This means that while we have 6,084 users and 5,415 are frontline training and resource centre staff and service users, they only represent 42% of the total IT spend. (i.e. €735,000 of IT spend relates to frontline services and €1,013,000 relates to administration costs).

The IT Department consists of three main functions.

1. IT Management
2. Projects Team
3. IT Service Desk

IT Management provides strategic and operational management of IT resources in support of Rehab Group Divisions and ensures that IT Strategy is aligned to Business Strategy.

IT Projects Team works on the introduction of new systems and solutions.

IT Service Desk provides technical support and advice to on the ground staff who deliver services through the 50 training centers (with IT training suites) in National Learning Network and 42 resource (daycare) centers (with IT suites) in Rehab Care in Ireland together with the 19 Rehab Enterprises locations. The service desk also centrally procures all approved IT capital expenditure.

BT Managed Services

BT managed services provides the core architecture used in the delivery of IT services, to students, services users and staff. It is centralized within a purpose built Data Centre in City West, Dublin, thus ensuring maximum availability of all key operating systems and minimizing downtime.

The extent of these services and the importance of same to Rehab Group operations mandates that such services (and associated data) be hosted in a suitable environment (Data centre) and managed by suitable qualified staff, using a recognized quality standard of service delivery (ITIL) and security (ISO 27001).

COMPASS

The COMPASS (client oriented management, programmes and services system) is a windows based system that provides support for all key student/service user management stages including admissions, exits, and certification management.

Information regarding training days, outcomes, active clients, whole time equivalents and Individual Action Plans (IAP's) for service users are used at centre, regional and national level and is relied on for the day-to-day management of the operations of our services, as well as being used to validate outcomes with all our stakeholders.

Using the Citrix platform this system is made available to all relevant staff across the country be they instructors, programme development officers, centre managers or regional management.

Carefree

Carefree is absolutely essential to the operation of domiciliary care provision in RehabCare and it's introduction has been a real success story. It is used to automatically allocate carers to services users based on the service user needs, preferences and other criteria.

It helps us to ensure that service users receive their time dependent care services and alerts us when a carer is running late for a visit. This reduces the anxiety for elderly service users.

Raisers Edge

Fundraising is a key source of revenue for Rehab Group. This is a customer relationship management (CRM) system which we have introduced to improve our ability to track our supporters and corporate donors. Fundraising is performed at both a local and national level and the management of these fundraising activities has been centralized using the Raisers Edge application.

Security Services & Data Protection

Fundamentally, security is all about the confidentiality, integrity and availability of data.

Confidentiality: healthcare/disability information and educational needs information of service users is extremely sensitive and confidentiality is paramount.

Integrity: It is crucial that Rehab Group staff trust in the data they use for the day-to-day management of services and individual service users. Integrity of data is fundamental.

Availability: Rehab Group operates services across the entire week (including 24/7). Key information e.g. service user needs, staff availability, service histories, medication details must be available to carers when required. Downtime is not an option.

Security wraps around and influences all IT Services. We must protect our information and service user data from either willful or inadvertent destruction, corruption or deletion. In 2010 all laptop and mobile devices were encrypted.

Maintenance Contracts

All software and infrastructure services in operation require maintenance for a number of reasons, this include:

- Provision of updates to reflect new legislation
- Bug Fixes and Technical Support
- Enhancements/New Features
- Availability of onsite resources
- Continuity of subscription

Maintenance contracts are used in support of key business systems and services which were procured on the basis that they would directly or indirectly optimize/improve service provision, enhancement to management of service provision etc.

Licensing

Rehab Group is standardized on Citrix and Microsoft Platforms. These are used by students and service users as part of the delivery of education services and programmes and also by staff in the

management of these services. Adequate licensing is a key governance and compliance issue – Rehab Group has a strong policy against the illegal use of software.

In 2010 the Rehab Group IT department secured a Campus Agreement with Microsoft Corporation for the provision of Microsoft Licensed software for the National Learning Network.

The benefits of the Campus Agreement are:

- No cost to National Learning Network for included software to be used on (NLN owned) student computers
- Lower overall cost to National Learning Network. Pricing under the Campus Agreement is the lowest possible for Microsoft products.
- 24x7 access to the latest version of the software covered under the agreement
- Predictable budget planning, no spending spikes when a new version of software is released.
- Instant compliance to copyright legislation. Every NLN-owned learner computer is covered.
- Software Assurance Program, management tools, e-learning courses, legacy PC transition software

Virtual Desktop Infrastructure (VDI) -Winner of ICT Excellence Award 2012: Best use of Technology in Education and Training

In conjunction with operational staff and an external partner the IT department has developed the VDI. The National Learning Network works closely with thousands of employers, to ensure that the skills learned during the courses it provides are relevant, industry specific, and current. The VDI environment supports this by providing a centralised means of quickly applying changes to reflect updated curricula through the provision of new software, updating of existing software and removal of obsolete software.

In summary, there are three key benefits:

- The learner experience is no longer dependent on having the latest hardware. This is particularly beneficial as it allows NLN to run the latest software titles and intensive applications e.g. Photoshop, on existing legacy hardware.
- Deployment of updated software catalogs in support of revised curricula can now be managed centrally. These curriculum updates reflect the market (employers) and students' needs and this central management provides NLN with the ability to provision updates in days rather than months.
- Failure of end user hardware has much less impact. User data and specific settings no longer depend on the end point and the provision of a stock of replacement terminals in each training centre ensures that learners can be back up and running within 15 minutes.

SharePoint Intranet

Our SharePoint Intranet and other collaboration tools are used to allow staff to share information about techniques and issue resolutions for specific service delivery problems. Team sites are used in the day-to-day management of services and provides access to key documents such as policies,

standard operating procedures etc. In addition in 2010/2011 the IT department developed and implemented a web based Key Performance Indicator (KPI) system for RehabCare which is hosted on the Sharepoint Intranet,

GoToMeeting

Our GoToMeeting tele/video conferencing system allows more frequent team meetings by removing geography as a barrier to communication. This web-based technology allows voice and video based meetings along with document sharing for online presentations and document review. This solution also provides for cost reduction in terms of reduced travel expenses.

Moodle and eLearning

Our Moodle eLearning platform provides a web-based portal for our learners to collaborate with each other and with instructors. The service provides course material, project and exam information as well as rich, multi-media training materials such as video and interactive Flash-based applications.

This environment will also provide a better learning experience to our distance learners who access their training programmes remotely.

3. Promoting and creating awareness of Rehab's services and disability issues €411,000

The Rehab Group advocacy, diversity, communications/marketing and public affairs team support all of the Rehab Group divisions in the areas of advocacy, client engagement, communications, public affairs, and marketing. It also has responsibility for coordinating certain Rehab Group activities such as the Rehab Group Innovation Awards, conferences, special projects, etc.

Advocacy & public affairs

Part of the Rehab Group's mission is to strive for improvements in the factors impacting on the lives of people with disabilities and others who are marginalised. Rehab Group interacts with government agencies and bodies, international organisations and other relevant parties on issues of relevance to this.

The department regularly prepares submissions for the Rehab Group on issues of importance. These have included feedback to: the Department of Health in respect of its Review of Disability Policy; the consultation on the implementation of SOLAS; the consultation on the Equality Authority's Strategic Plan; the Neurological Alliance of Ireland's response to the National Rehabilitation Strategy; the Department of Education in relation to the Forum on Patronage and Pluralism in the Primary Sector; the Steering Group on the Governance Code for the Community and Voluntary Sector in Ireland; the Department of Health on the Review of the Mental Health Act 2001; the Department of Health on the Review of the Disability Act 2005. The Rehab Group has also actively participated in reviews in relation to schemes which are relevant to people with disabilities such as the Disability Allowance, the Wage Subsidy Scheme and supports for carers.

The department also actively participates in membership organisations which represent people with disabilities and the organisations which work with them.

The Rehab Group also contributes to international developments in relation to disability and human rights and has consultative status as a non-Governmental organisation at the Economic and Social Council of the United Nations. It contributed to the Irish Government's preparation of its report under the Universal Periodic Review of the United Nations as well as submitting an independent shadow report, similarly with the International Conventions on Cultural and Political Rights and on Economic, Social and Cultural Rights.

Client Advocacy and Engagement

The department undertakes the management of client advocacy and engagement services within Rehab Group. This includes the client representative bodies the National Representative Council (NRC) in National Learning Network and the National RehabCare Advocacy Council (NRAC), which work at local level with management to ensure that services are run with client involvement, and at regional and national level, to ensure that clients have a voice in the running of the organisations supporting them.

In the case of harder to reach clients, the team supports those involved in service delivery by devising and implementing plans to communicate with clients, garner feedback and ensure involvement in service direction.

Under the Partners in Policy making programme, parents of children and adults with a disability and persons with a disability themselves are supported to become partners in policy formation with the supports they interact with. This is an advocacy development and policy awareness training course.

The citizenship awareness programme is run partly as a train the trainer course with staff delivering services directly to clients and partly directly with the services. Its purpose is to inform clients of their democratic rights and ensure that any obstacles to their participation in democracy are removed.

Diversity Work

Often, changes in the world around them can be confusing to people with disabilities. As the population of Ireland has changed and become less monocultural, a need has arisen for people who use the services of the Rehab Group to have access to supports to understand these changes. The delivery of a diversity awareness programme, development of a policy and ongoing activity in this area coordinated by the Department supports this activity.

Innovation

The Department runs the innovation awards, which encourage the development of new ideas and the promotion of client involvement in the development of new services and new ways of doing things within the organisation.

Communications and Marketing

The team supports the services of the organisation to promote the work that it does, both in its local communities and nationally. It is essential that people with disability and others who require the services Rehab provides are able to access them in a timely fashion. In line with our mission and with

equality legislation, information must be provided in a format that is accessible and in multiple media, to allow for differences of access need; this includes hard copy, video, subtitled video, text only, easy read, digital online, etc.

Publicising the work of Rehab and the achievements of our clients has two purposes – one, to demonstrate the support the organisation provides to people and the outcomes they achieve, so that the general public is aware of the possibilities and the services Rehab provides should they need them; and two, to portray positive messages about people with a disability in the media. This in turn has an impact on public perception of people with a disability, and on the treatment of people with disabilities in society in relation to inclusion.

4. Expenditure into the development of services

€208,000

HeadsUp

HeadsUp is an innovative national suicide prevention project undertaken by the Rehab Group that targets 15-24 year olds using a mental health promotion approach. Due to the unique nature of this service it is managed by this department. The project aims to help reduce youth suicides in Ireland. Over 500 people die by suicide in Ireland every year, a significant proportion of these being young adults.

By using a mental health promotion approach, HeadsUp seeks to interact with young people before they reach a point of perceived helplessness. Launched in 2005, HeadsUp aims to help prevent youth suicides by intervening with our target group before they get to a point of crisis and enhance their resilience by teaching them essential life skills, highlighting where to go for help and advice, and destigmatising mental health issues.

In order to ensure the project is in line with the priorities of our target group, HeadsUp youth advisors around the country advise and steer the project to ensure there is a correct fit between issues of concern to this age group and the initiatives delivered.

HeadsUp initiatives

HeadsUp run a number of campaigns to actively engage with our target group at key youth focused settings. These campaigns aim to raise awareness of HeadsUp, destigmatise mental health and wellbeing and actively engage our target group in our project.

In 2011 HeadsUp Text, the 24 hour automated text service that provides the telephone number and opening hours of over 25 different helplines, saw an increase of 68 per cent in the number of people using the service since December 2010. The HeadsUp website also saw an increase in its usage with approx 17,000 people visiting the site in 2011.

The HeadsUp project was promoted in colleges and youth venues through an innovative 'Know Your Emotions' campaign introduced by HeadsUp in third level colleges. HeadsUp continued to work in partnership with other groups to promote mental health messages to young people throughout Ireland. Other initiatives included the HeadsUp movie awards in conjunction with the National Office for Suicide Prevention and RTÉ. In November 2011, HeadsUp was awarded the European Platform

for Rehabilitation's prestigious Innovation Award.

Clinical risk specialist

The clinical risk specialist provides an overview of all service users related incidents reported within the Rehab Group. He engages with service managers and other staff to provide clear guidance on any clinical issues affecting them.

Continuous Development (quality & accreditation)

This function works with operational management teams on a range of quality standards and frameworks applicable to the services of the divisions (EFQM – Business Excellence Model, European Quality in Social Services EQUASS and ISO). It supports teams in the development of their continuous development plans and in advance of assessments against the defined standards. This often involves defining service measurements in the absence of same, benchmarking outcome performance against service standards and devising mechanisms by which customer and employee feedback can be sourced and analyzed.

Currently, the function is most active with National Learning Network and RehabCare who both hold EFQM and EQUASS accreditation. The function supports Rehab Enterprises where the centres have ISO accreditation. In addition there are a number of specific standards held in respective locations e.g. the PAS 141 for "re-use" in Tallaght and the BS EN 15713 standard for the secure destruction of confidential material. The re-accreditation processes require pre-planning, self assessment and action plans. The function also delivers a degree of management training on quality systems and attends European Platform for Rehabilitation events on quality management and represents the Group with the Centre for Competitiveness who is the accrediting body for the EFQM Business Excellence standard in Ireland.

5. Carry forward prior year's application

€248,000

Excess of expenditure over Charitable Lottery Funding received in the previous year's application.

In response to question 7 the table below summarises the proposed use of the funds in 2013. This may be subject to change based on board approval for certain capital projects etc. and changing circumstances.

Description	€000's
Buildings and other capital expenditure for the provision of new and enhanced services;	
Sexton street, Limerick (underway)	669
Breaffy Road, Castlebar (ready to go to tender)	885
Other estimated capital expenditure	800
Information technology used directly in frontline services	750
Promoting & creating awareness of Rehab Services and disability issues	400
Development of service delivery	200
Carry forward from 2012	1,565
Total	5,269

Limerick Sexton Street €669K

This is a significant project for the Rehab group on a one acre site in Limerick which will provide 35 units of accommodation and a new resource centre catering for up to 50 day places for RehabCare in Limerick. The project has been part funded by the JP McManus fund, the CAS with a shortfall of €669k.

Breaffy Road, Castlebar €885K

This development in Castlebar will house both training and day care services. The section of the building to be renovated historically housed box making, engineering and other trade related activities which were appropriate to the training activities of the time. As training delivery has evolved to more classroom based activities this space was no longer appropriate. With increased demand it is now proposed to renovate this location and bring all training activity together into the one location. The new facility will provide for 102 whole time equivalent training places. The centre also provides care services to 63 clients.

Appendix 1

The Rehab Group

Application of Funds

Description	€'000
Charitable Lotteries Funding received 2012	3,924
Over-application at 31.08.2012	(1,565)
Application of funding	
Expenditure into the development of service delivery	(207)
Building and other capital expenditure costs for the provision of new and enhanced services	(2,596)
Provision of IT infrastructure and services directly in support of frontline services	(791)
Promoting and creating awareness of Rehab's services and disability issues	<u>(560)</u>
Over application as at 31.08.2013	(1,795)

Charitable Lottery Fund 2012 - 2013

The table below summarises the spend as outlined in the application and confirmed in the letter from PricewaterhouseCoopers under section 9 of the application.

Ref	Description	€000's
1	Building and other capital expenditure costs for the provision of new and enhanced services	2,596
2	Information technology used directly in frontline services	791
3	Promoting and creating awareness of Rehab's services and disability issues	560
4	Expenditure into the development of service delivery	207
5	Carry forward prior year's application	1,565
	Total expenditure	5,719
	Fund received 28. 11. 2012	(3,924)
	Over application at 31.08.2013	(1,795)

1. Building and capital expenditure costs

Various capital expenditure costs on buildings and equipment across the Rehab Group's frontline services in Ireland and the major projects are detailed below:

Sexton Street, Limerick

€432,000 of net capital expenditure was spent on the Sexton Street facility in Limerick.

This is a significant project for the Rehab group on a one acre site in Limerick which will provide 35 units of accommodation and a new resource centre catering for up to 50 day places for RehabCare in Limerick.

Breaffy Road, Castlebar

€242,000 of capital expenditure was spent on the upgrade works for this facility which is in need of modernisation.

This development in Castlebar will house both training and day care services. The section of the building to be renovated historically housed box making, engineering and other trade related activities which were appropriate to the training activities of the time. As training delivery has evolved to more classroom based activities this space was no longer appropriate. With increased demand it is now proposed to renovate this location and bring all training activity together into the one location. The new facility will provide capacity for 102 training places. The centre also provides care services to 63 clients.

Redhill School, Patrickswell, Limerick

€238,000 of net capital expenditure was spent by Rehab Group on the Redhill school facility in Limerick.

Red Hill School ("the School"), under the Patronage of the Rehab Group is a school for children with autistic spectrum disorder. The School welcomes with openness any referrals for enrolment to the school, and any student aged between 3 and 18 years who has a confirmed diagnosis of autistic spectrum disorder will be considered for enrolment.

There are currently 50 pupils, 9 teachers and 18 Special Needs Assistants in the school.

Rehab Recycle, Tallaght

€114,000 of additional Capital expenditure was spent on the recycling and training facility in Tallaght.

Rehab Recycle Tallaght is a state-of-the-art reuse facility which focuses on the reuse of electronic equipment and employs some 43 people, 22 of whom have a disability. **Promise it** to Rehab Recycle promotes reuse through a comprehensive donation scheme, whereby companies can pass on their surplus IT equipment to schools, charities and community groups for a significantly reduced or zero cost.

Stradavoher, Thurles, Co. Tipperary

€63,000 of additional capital expenditure was spent on the Stradavoher project. This development is purpose built to deliver services for people with disabilities within the Thurles and Tipperary area. The project consists of 11 units of supported accommodation for Newgrove Housing Association and a resource centre for RehabCare. The services are outlined below:

- Residential accommodation for adults with autism, intellectual disabilities and enhanced support needs.
- Supported accommodation for four adults with intellectual disabilities and a self contained apartment to provide independent living for one person with a disability.
- A resource centre providing day services for adults.

Various other small capital works

€282,000 was spent on various other small capital projects across the country.

Interest and capital on long-term borrowings

€1,225,000 of capital and bank interest was paid in respect of long-term borrowings to finance the building of frontline services.

2. Information Technology (IT) expenditure

€791,000

IT is a key driver of all of Rehab Groups frontline services both in our training centers and our resource centers. However, we do accept that a significant proportion of IT costs could be classified as administration and accordingly we have developed a matrix to allocate IT costs between "Frontline Users" and "Administration". We have separated IT users into frontline and administration and have used a weighting system to give the administration users a higher weighting (based on IT usage) within the matrix. This means that while we have 6,084 users and 5,415 are frontline training and resource centre staff and service users, they only represent 42% of the total IT spend. (i.e. €791,000 of IT spend relates to frontline services and €1,090,000 relates to administration costs).

The IT Department consists of three main functions.

1. IT Management
2. Projects Team
3. IT Service Desk

IT Management provides strategic and operational management of IT resources in support of Rehab Group Divisions and ensures that IT Strategy is aligned to Business Strategy.

IT Projects Team works on the introduction of new systems and solutions.

IT Service Desk provides technical support and advice to on the ground staff who deliver services through the 50 training centers (with IT training suites) in National Learning Network and 42 resource (daycare) centers (with IT suites) in Rehab Care in Ireland together with the 19 Rehab Enterprises locations. The service desk also centrally procures all approved IT capital expenditure.

BT Managed Services

BT managed services provides the core architecture used in the delivery of IT services, to students, services users and staff. It is centralized within a purpose built Data Centre in City West, Dublin, thus ensuring maximum availability of all key operating systems and minimizing downtime.

The extent of these services and the importance of same to Rehab Group operations mandates that such services (and associated data) be hosted in a suitable environment (Data centre) and managed by suitable qualified staff, using a recognized quality standard of service delivery (ITIL) and security (ISO 27001).

COMPASS

The COMPASS (client oriented management, programmes and services system) is a windows based system that provides support for all key student/service user management stages including admissions, exits, and certification management.

Information regarding training days, outcomes, active clients, whole time equivalents and Individual Action Plans (IAP's) for service users are used at centre, regional and national level and is relied on for the day-to-day management of the operations of our services, as well as being used to validate outcomes with all our stakeholders.

Using the Citrix platform this system is made available to all relevant staff across the country be they instructors, programme development officers, centre managers or regional management.

Carefree

Carefree is absolutely essential to the operation of domiciliary care provision in RehabCare and it's introduction has been a real success story. It is used to automatically allocate carers to services users based on the service user needs, preferences and other criteria.

It helps us to ensure that service users receive their time dependent care services and alerts us when a carer is running late for a visit. This reduces the anxiety for elderly service users.

Raisers Edge

Fundraising is a key source of revenue for Rehab Group. This is a customer relationship management (CRM) system which we have introduced to improve our ability to track our supporters and corporate donors. Fundraising is performed at both a local and national level and the management of these fundraising activities has been centralized using the Raisers Edge application.

Security Services & Data Protection

Fundamentally, security is all about the confidentiality, integrity and availability of data.

Confidentiality: healthcare/disability information and educational needs information of service users is extremely sensitive and confidentiality is paramount.

Integrity: It is crucial that Rehab Group staff trust in the data they use for the day-to-day management of services and individual service users. Integrity of data is fundamental.

Availability: Rehab Group operates services across the entire week (including 24/7). Key information e.g. service user needs, staff availability, service histories, medication details must be available to carers when required. Downtime is not an option.

Security wraps around and influences all IT Services. We must protect our information and service user data from either willful or inadvertent destruction, corruption or deletion. In 2010 all laptop and mobile devices were encrypted.

Maintenance Contracts

All software and infrastructure services in operation require maintenance for a number of reasons, this include:

- Provision of updates to reflect new legislation
- Bug Fixes and Technical Support

- Enhancements/New Features
- Availability of onsite resources
- Continuity of subscription

Maintenance contracts are used in support of key business systems and services which were procured on the basis that they would directly or indirectly optimize/improve service provision, enhancement to management of service provision etc.

Licensing

Rehab Group is standardized on Citrix and Microsoft Platforms. These are used by students and service users as part of the delivery of education services and programmes and also by staff in the management of these services. Adequate licensing is a key governance and compliance issue – Rehab Group has a strong policy against the illegal use of software.

In 2010 the Rehab Group IT department secured a Campus Agreement with Microsoft Corporation for the provision of Microsoft Licensed software for the National Learning Network.

The benefits of the Campus Agreement are:

- No cost to National Learning Network for included software to be used on (NLN owned) student computers
- Lower overall cost to National Learning Network. Pricing under the Campus Agreement is the lowest possible for Microsoft products.
- 24x7 access to the latest version of the software covered under the agreement
- Predictable budget planning, no spending spikes when a new version of software is released.
- Instant compliance to copyright legislation. Every NLN-owned learner computer is covered.
- Software Assurance Program, management tools, e-learning courses, legacy PC transition software

Virtual Desktop Infrastructure (VDI) -Winner of ICT Excellence Award 2012: Best use of Technology in Education and Training

In conjunction with operational staff and an external partner the IT department has developed the VDI. The National Learning Network works closely with thousands of employers, to ensure that the skills learned during the courses it provides are relevant, industry specific, and current. The VDI environment supports this by providing a centralised means of quickly applying changes to reflect updated curricula through the provision of new software, updating of existing software and removal of obsolete software.

In summary, there are three key benefits:

- The learner experience is no longer dependent on having the latest hardware. This is particularly beneficial as it allows NLN to run the latest software titles and intensive applications e.g. Photoshop, on existing legacy hardware.
- Deployment of updated software catalogs in support of revised curricula can now be managed centrally. These curriculum updates reflect the market (employers) and students'

needs and this central management provides NLN with the ability to provision updates in days rather than months.

- Failure of end user hardware has much less impact. User data and specific settings no longer depend on the end point and the provision of a stock of replacement terminals in each training centre ensures that learners can be back up and running within 15 minutes.

SharePoint Intranet

Our SharePoint Intranet and other collaboration tools are used to allow staff to share information about techniques and issue resolutions for specific service delivery problems. Team sites are used in the day-to-day management of services and provides access to key documents such as policies, standard operating procedures etc. In addition in 2010/2011 the IT department developed and implemented a web based Key Performance Indicator (KPI) system for RehabCare which is hosted on the Sharepoint Intranet,

GoToMeeting

Our GoToMeeting tele/video conferencing system allows more frequent team meetings by removing geography as a barrier to communication. This web-based technology allows voice and video based meetings along with document sharing for online presentations and document review. This solution also provides for cost reduction in terms of reduced travel expenses.

Moodle and eLearning

Our Moodle eLearning platform provides a web-based portal for our learners to collaborate with each other and with instructors. The service provides course material, project and exam information as well as rich, multi-media training materials such as video and interactive Flash-based applications.

This environment will also provide a better learning experience to our distance learners who access their training programmes remotely.

3. Promoting and creating awareness of Rehab's services and disability issues €560,000

The Rehab Group advocacy, diversity, communications/marketing and public affairs team support all of the Rehab Group divisions in the areas of advocacy, client engagement, communications, public affairs, and marketing. It also has responsibility for coordinating certain Rehab Group activities such as the Rehab Group Innovation Awards, conferences, special projects, etc.

Advocacy & public affairs

Part of the Rehab Group's mission is to strive for improvements in the factors impacting on the lives of people with disabilities and others who are marginalised. Rehab Group interacts with government

agencies and bodies, international organisations and other relevant parties on issues of relevance to this.

The department regularly prepares submissions for the Rehab Group on issues of importance. These have included feedback to: the Department of Health in respect of its Review of Disability Policy; the consultation on the implementation of SOLAS; the consultation on the Equality Authority's Strategic Plan; the Neurological Alliance of Ireland's response to the National Rehabilitation Strategy; the Department of Education in relation to the Forum on Patronage and Pluralism in the Primary Sector; the Steering Group on the Governance Code for the Community and Voluntary Sector in Ireland; the Department of Health on the Review of the Mental Health Act 2001; the Department of Health on the Review of the Disability Act 2005. The Rehab Group has also actively participated in reviews in relation to schemes which are relevant to people with disabilities such as the Disability Allowance, the Wage Subsidy Scheme and supports for carers.

The department also actively participates in membership organisations which represent people with disabilities and the organisations which work with them.

The Rehab Group also contributes to international developments in relation to disability and human rights and has consultative status as a non-Governmental organisation at the Economic and Social Council of the United Nations. It contributed to the Irish Government's preparation of its report under the Universal Periodic Review of the United Nations as well as submitting an independent shadow report, similarly with the International Conventions on Cultural and Political Rights and on Economic, Social and Cultural Rights.

Client Advocacy and Engagement

The department undertakes the management of client advocacy and engagement services within Rehab Group. This includes the client representative bodies the National Representative Council (NRC) in National Learning Network and the National RehabCare Advocacy Council (NRAC), which work at local level with management to ensure that services are run with client involvement, and at regional and national level, to ensure that clients have a voice in the running of the organisations supporting them.

In the case of harder to reach clients, the team supports those involved in service delivery by devising and implementing plans to communicate with clients, garner feedback and ensure involvement in service direction.

Under the Partners in Policy making programme, parents of children and adults with a disability and persons with a disability themselves are supported to become partners in policy formation with the supports they interact with. This is an advocacy development and policy awareness training course.

The citizenship awareness programme is run partly as a train the trainer course with staff delivering services directly to clients and partly directly with the services. Its purpose is to inform clients of their democratic rights and ensure that any obstacles to their participation in democracy are removed.

Diversity Work

Often, changes in the world around them can be confusing to people with disabilities. As the population of Ireland has changed and become less monocultural, a need has arisen for people who

use the services of the Rehab Group to have access to supports to understand these changes. The delivery of a diversity awareness programme, development of a policy and ongoing activity in this area coordinated by the Department supports this activity.

Innovation

The Department runs the innovation awards, which encourage the development of new ideas and the promotion of client involvement in the development of new services and new ways of doing things within the organisation.

Communications and Marketing

The team supports the services of the organisation to promote the work that it does, both in its local communities and nationally. It is essential that people with disability and others who require the services Rehab provides are able to access them in a timely fashion. In line with our mission and with equality legislation, information must be provided in a format that is accessible and in multiple media, to allow for differences of access need; this includes hard copy, video, subtitled video, text only, easy read, digital online, etc.

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5. Carry forward prior year's application

€1,795,000

Excess of expenditure over Charitable Lottery Funding received in the previous year's application.



AN ROINN DLÍ AGUS CIRT AGUS ATHCHÓIRITHE DLÍ
DEPARTMENT OF JUSTICE AND LAW REFORM

27 November 2013

Ms. Angela Kerins
RehabGroup
Roslyn Park
Sandymount
Dublin 4

Dear Ms.Kerins,

I am directed by the Minister for Justice and Equality to refer to your organisation's application for assistance under the 2013 scheme to assist Private Charitable Lotteries whose products are being sold in direct competition with similar products being sold by the National Lottery.

I am pleased to inform you that, in accordance with the criteria of the scheme, your organisation has been deemed eligible for assistance in the amount of € 2,581,293.36 in 2013. The amount has been issued to your organisation's bank account: [REDACTED]

I am to remind you that assistance under this scheme is granted subject to all conditions of the scheme being met. In this connection, you are reminded that your organisation has certified in its application form that, in the event of your application being successful, all funding received under this scheme by your organisation will be used in compliance with the conditions of the scheme. In particular you are reminded of the condition that funding received under the scheme must be spent on the charitable activities of your organisation and cannot be spent on administration (see appendix for further detail).

Your organisation has also detailed in its application the specific charitable activities on which any funding received will be spent. Funding recipients will be required to supply a written report to the Department of Justice and Equality not more than 12 months following receipt of the funding detailing the uses to which the funding has been put and the outputs achieved. Documentary evidence will be required to ensure that all funds have been spent on the purposes indicated and that all conditions of the

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

94 FAICHE STIABHNA, BAILE ÁTHA CLIATH 2 / 94 ST. STEPHEN'S GREEN, DUBLIN 2

TELEFÓN / TELEPHONE: (01) 602 8202 ÍOSGHILAO / LO-CALL: 1890 221 227 FAICS / FAX: (01) 661 5461 RÍOMHPHOST / EMAIL: info@justice.ie

scheme have been complied with. Monies received under the scheme must be shown separately in the audited accounts of your organisation.

Payments under the scheme may also be subject to audit or review by the Comptroller and Auditor General and/or the Internal Audit Division of this Department, as well as monitoring requirements of the Charities Regulation Unit.

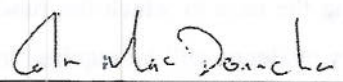
Programmes supported by the Charitable Lotteries Scheme may be monitored and inspected by the Department of Justice and Equality. Recipients of funding under the scheme must permit full and free access to persons authorised by the Charities Regulation Unit and/or the Minister for Justice and Equality

- to relevant premises;
- to personnel, financial and other records;
- to undertake evaluative or other tasks in respect of the services funded; and/or
- to examine other aspects of governance likely to have a material impact on these services.

The Charities Regulation Unit and/or the Minister for Justice and Equality may at reasonable intervals carry out such audits and spot checks as the Charities Regulation Unit or the Minister for Justice and Equality may deem appropriate. A report of relevant issues arising from such audits and spot checks will be furnished to your organisation and any recommendations from such inspection shall be implemented by your organisation without undue delay.

Recipients of funding under the Charitable Lotteries Scheme must comply promptly with any monitoring queries in respect of programmes funded by the Department of Justice and Equality during the course of the year.

Yours sincerely,



Charities Regulation Unit



**AN ROINN DLÍ AGUS CIRT AGUS COMHIONANNAIS
DEPARTMENT OF JUSTICE AND EQUALITY**

Internal Audit Unit

**Charitable Lotteries Fund
Rehab**

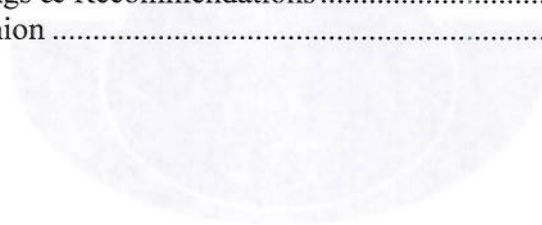
Audited by

Siobhán Steele

June 2012

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1.3	Key Findings & Recommendations.....	4
1.4	Audit Opinion.....	12



AN ROINN Dlí AGUS Cúirt FÓIR COIMHIONANNAS
DEPARTMENT OF JUSTICE AND EQUALITY

Internal Audit Unit

Charitable Lotteries Fund
Report

Audited by

Shobha Steele

June 2012

1.1 Introduction

This report presents the findings and recommendations of an audit that was carried out on the Charitable Lotteries Fund in May 2012. The scope of the audit was limited to an examination of the system of internal controls, business processes and procedures in place for the two year period 1 January 2010 to 31 December 2011. The work was designed to offer reasonable assurance that;

1. The funding has signed agreements in place that indicate the funding to be provided, the timeframe and deliverables,
2. The organisation receiving funding provides periodic reports on the use of funding and what is being delivered,
3. There is an audit trail on Lottery sales figures,
4. There is an audit trail on the costs associated with the generation of Lottery sales.
5. There is an audit trail on the use of funding and audited accounts to support this,
6. The services being provided by Rehab are reasonable and are aimed at front line services and
7. The organisation in receipt of funds has effective governance and financial controls in place and an external audit carried out annually.

The audit was included as part of the Internal Audit Unit's 2012 work programme.

1.2 Background

The Charitable Lotteries Fund was established in 1997 by the Minister for Finance to provide extra funding to private charitable lotteries whose lottery products are in direct competition with National Lottery products. Rehab has received the following funding under the scheme, €25.86m in the 5 years 2007 to 2011. In 2011 they received €3.9m.

Overview of Rehab

Rehab is an independent not for profit organisation. The Rehab Group provides health and social care, training and education, rehabilitation, employment, residential and supported accommodation services for people with disabilities and others experiencing social and economic exclusion in Ireland. The Rehab services are provided to young people and adults with physical, sensory and intellectual disabilities, people with mental health difficulties and also to people with autism and to people with acquired brain injury. Services are also provided to older people, carers and others who are marginalised.

Acknowledgement

Internal Audit would like to acknowledge the assistance and co-operation that was received during the course of the audit from management and staff in Rehab.

1.3 Key Findings & Recommendations

Table of Recommendations				
	Recommendations	High (H)	Medium (M)	Low (L)
	4	3	1	0

1 Signed agreements, timeframes and deliverables are in place.

Test 1

Audit checked the existence of a signed agreement for Rehab.

Findings

There is no signed agreement between the provider of funds and the recipient.

Recommendation 1 (High)

An agreement between both parties should be drawn up in advance of the funds being provided. The agreement should detail the terms and conditions of the grant and be signed by both parties. The details of the agreement should include the following:

- General terms and conditions,
- Payment terms,
- Access and Reporting Requirements,
- Deliverables clearly agreed
- Definition of administrative expenditure and what is allowable (if any)
- Right of Verification and Audit,
- Retention of Records,
- Publicity and Advertising.
- Conditions to end the funding

2 The Organisation receiving funding provides periodic reports on the use of funding and what is being delivered.

Test 2

Audit checked that periodic reports on the use of funding are provided to the Charities Regulation Unit for monitoring.

Findings

No interim or periodic reports are requested by the Charities Regulation Unit or provided by the recipient organisation. An annual report on how Charitable Lottery Funds allocated were actually spent is only provided as part of the following year's application process. This detail is provided on the Auditor's Certificate.

Recommendation 2 (Medium)

A system of monitoring and reporting on how the Charitable Lottery Funds allocated are being spent should be introduced. This should include regular reporting throughout the year and periodic site visits to the Rehab projects funded by the Charitable Lotteries Funds.

3 There is an audit trail on the generation of Lottery Sales.

Audit visited the premises of Rehab to review the accounting systems and procedures and to verify accounting details in relation to Lottery sales and expenditure

Test 3

Work was carried out to verify the existence of an audit trail on lottery products sales within Rehab. In 2010 Rehab reported Lottery products sales of €7,159,174. This was made up of €3,968,773 of Scratch Cards sales and €3,190,401 on Bingo Lottery Sales. Both the scratch cards and Bingo books are issued through a network of retail outlets. The Bingo games are played via the following local radio stations: KCFM, Kerry FM, South East, LMF, Ocean, Highland, Tipp FM, WLR FM, Kildare, Shannonside, Cork, Midlands, East Coast, Clare FM and Galway Bay FM.

Findings

For Scratch Cards Audit verified the figures for each product against an annual sales transaction report. All were correct.

For Bingo Sales Audit verified the figures for each radio station against an annual sales transactions report. All were correct.

From the annual sales transaction reports audit checked a sample of transactions to the value of €109,745 (1.5%). All sales were correctly calculated and recorded.

Audit is satisfied that the Lottery Sales figures submitted as part of the Application Process for Rehab are correct.

No Recommendations

4 There is an audit trail on the costs associated with the generation of the Lottery Sales.

Costs associated with the generation of lottery sales were analysed to ensure that they were relevant and reasonable. Work was carried out to verify the existence of an audit trail on the costs within Rehab.

Test 4

	Sales value	Costs Prizes	Other costs	Total costs	Surplus	% surplus	Costs verified	% Costs verified
Gross Bingo sales	7,159k	€3,861k	€2,740k	€6,601k	€558k	8%	825k	12.50%

Bingo sales review of costs

Gross Bingo sales of €3,190k incurred prizes of €1,250 k and other costs of €1,392k giving a net surplus of €548k.

Lottery Scratch sales review of costs

Gross Lottery Scratch Sales of €3,969k incurred prizes of €2,611k and other costs of €1,348k giving a net surplus of €10k.

The sales and costs of both games are combined in the table above.

Audit verified all costs for the five radio stations, South East, Midlands, LMR, Cork and Tipperary. Total combined costs for the five radio stations were €537,900 (43%) in prizes and €287,972 (21%) in other costs.

Prizes costs were traced to a reconciliation detailing daily and jackpot prizes

Other costs included commission, distribution and printing and were calculated as follows and traced to a monthly reconciliation.

Commission for retailers and reps was calculated at 10%

Distribution was calculated at 50% of gross profits

Printing was charged at 14.7 cents per book.

Lottery Scratch sales other costs were made up as follows:

Commission retail €413k

Payroll costs totalled €230k

Ticket printing costs were €90k

Agents' commission totalled €85k

Storage €32k

Post €23k

Legal €30k

Premises €39k

Audit €24k

It €26k

Depreciation €18k

Others €338k

Audit finds that while the *nature* of all costs associated with the generation of Lottery Sales in Rehab is relevant, the *amount* of costs however represent a significant percentage of overall sales revenue leading to a low profit margin.

Recommendation 3 (High)

Internal Audit recommends that Rehab review all aspects of the fundraising scheme to determine its viability and to address the level of costs. Rehab must seek to increase the surplus on lottery sales through a reduction in the associated costs.

5 There is an audit trail and supporting audited accounts detailing the use of funding.

Costs incurred by Rehab in the provision of services were analysed to ensure that they were relevant and reasonable. Work was carried out to verify the existence of an audit trail on the costs. Work was also carried out to ensure that grant received from the Charitable Lotteries Fund was used to provide direct services and not used for administrative purposes. Paragraph 9 of the introduction to the Application Form states the following;

“Please note that any funding provided under the scheme must be applied to the charitable activities of the organisation. It cannot be used for administrative purposes.”

Test 5

Audit verified the existence of audited accounts for the year 2010 which confirmed receipt of an amount of €5.62m from the Charitable Lotteries Fund in 2010.

Work was carried out to verify the existence of an audit trail in relation to the use of Charitable Lotteries Fund of €5.62m within Rehab.

Findings

Expenditure was incurred as follows:

<u>Ref</u>	Description	€000's
1	Building and other capital expenditure costs for the provision of new and enhanced services	2,909
2	Information technology	1,896
3	Advocacy, communications & marketing, public affairs	697
4	Research' compliance and continuous development	299
5	Carry forward prior year's application	72
	Total expenditure	5,873
	Fund received 24.12 2010	(5,625)
	Over application at 31.08.2011	(248)

Building and Capital Expenditure

Building and Capital expenditure of €2,909k included an amount of €566k interest on a loan. Details of the loan were verified against bank documents. Audit viewed a total of 7 building and capital expenditure invoices worth €511k (22%). All were processed and authorised correctly.

The 10 major items of buildings and other capital expenditure were as detailed below;

	Description	Expenditure 2011	Money used for:
	Alterations and refurbishment.	1,262,406 (6 invoices)	Alterations and refurbishment at Park House – Rehab offices and facilities
1	Bank Interest	565,648	Interest on loans of €16.5m
2	EFACS software	80,373 (2 invoices)	Financials software
3	Office machinery	29,746	Shredder upgrade
4	Machinery	31,525	Screw compactor
6	Property repairs - Ballymount	41,973	Drainage upgrade
7	Property repairs - Tallaght	43,584	Traffic Management works
8	Property repairs – Cork Mallow	17,727	Residential Care facility
9	Property repairs – Tullamore	24,693	Alterations and repairs
10	Property repairs - Portlaoise	27,123	Kitchen and repairs

Total Building and capital expenditure of €2,909k

Information Technology Expenditure

Information Technology expenditure of €1,896k included payroll costs of €540k. Audit viewed a total of 5 IT invoices worth €175k (24% of non pay expenditure). All were processed and authorised correctly.

The 5 major items of IT expenditure were as detailed below;

	Description	Expenditure 2011	Money used for:
1	Managed Platform	450,456	BT Communications
2	Supply and Maintenance licences	101,795	Annual support and maintenance of sun financial software
3	Professional fees	67,909	Broadband, cabling, Helpdesk
4	Office costs	72,152	Postage and stationery
5	Computer Hardware	13,473	Dell Computers

Total IT Costs excluding payroll €1,356k

Advocacy and Promotions expenditure

Advocacy and Promotions expenditure of €697k included payroll costs of €453k. Audit viewed a total of 2 invoices worth €27k (11% of non pay expenditure). All were processed and authorised correctly.

The 5 major advocacy costs were as detailed below;

	Description	Expenditure 2011	Money used for:
1	Professional Fees	23,655	Rehab News magazine
2	Professional Fees	13,609	Rehab Annual Report
3	Vehicle lease costs	12,529	Staff vehicles
4	Advertising	11,890	Kantar Media
5	Professional Subscriptions	8,493	Public Relations memberships

Total Advocacy and Promotions Costs excluding payroll €244k

Research and Development expenditure

Research and Development expenditure of €299k included payroll costs of €226k. Audit viewed a total of 8 invoices worth €10k (13% of non pay expenditure). All were processed and authorised correctly.

The distinction between administrative expenditure and front line service delivery is unclear. The building and capital costs covered bank interest, maintenance and refurbishment costs on a range of Rehab residential and care facilities. The IT costs include licences, infrastructure and maintenance contracts. Other costs include accreditation and professional subscriptions, professional fees, advertising and hospitality associated with advocacy and lobbying.

It is Internal Audit's opinion that some of the costs outlined in the details above are administrative costs and are not in line with the condition that the grant "cannot be used for administrative purposes"

Recommendation 4 (High)

There is a lack of clarity on what constitutes an administrative expense. Administrative costs must be clearly defined and agreed up front with the Charities Regulation Unit for each contract. The specific use of the funds should be clearly specified and agreed in the contract.

The use of the Charitable Lotteries funds should be separately identifiable in the accounts of the organisation.

6 The services being provided by Rehab are reasonable and are aimed at front line services.

Test 6

Audit visited the premises of Rehab. Work was carried out to ascertain the type of project / expenditure benefitting from the Charitable Lotteries Fund.

Findings

Rehab Group delivers a range of employment-focused training, vocational and rehabilitative, leading to nationally recognised qualifications. It has also developed social enterprises, providing sustainable employment for people with disabilities. The funding provided to Rehab in 2010 was €5,625k. This amount was applied across all business areas of Rehab as detailed in the table in Section 5 Test 5 above. As stated above, some of the costs to which the Charitable Lottery Funding has been applied appear to be of an administrative nature. The number of clients assisted throughout Ireland in 2011 was 16,510. The approximate regional split was as follows:

Leinster 8,255 (50%)
Munster 4,788 (29%)
Connaught 2,476 (15%)
Ulster 991 (6%)

A more detailed description of the services provided by Rehab in relation to the following categories is included in the Appendix 1. These are as outlined by

- **Information Technology Department**
- **Advocacy, diversity, communications & marketing and public affairs**
- **Research, compliance and continuous development**

While the services being delivered appear reasonable it would be preferable to have a specific set of deliverables agreed in advance of providing the funding as indicated at recommendation 1.

8 Organisation in receipt of funds have effective governance and financial controls in place.

Test 7

Audit visited the premises of Rehab to ascertain the level of Corporate Governance and Internal Controls in place.

Findings:

In Rehab there is a sound governance structure in place. The Rehab Group Board governs the organisation which comprises a number of separate subsidiary companies. The Board is comprised of voluntary members and meets 8 times per year. Audit viewed the minutes of meetings held on 24th October 2011 and 28th November 2011. A CEO report was presented and Management Accounts were discussed at both meetings. Plans and Budgets for 2012 were discussed at the November meeting. Key subsidiary boards also meet 3 times per year. Audit viewed the minutes of meetings for Rehab Care on 22nd March 2011, National Learning Network on 21st March and Rehab Enterprises on 24th March. The Board has a number of sub committees including audit remuneration and nominations which meet 3-4 times per year.

There is a Risk Management Framework in Rehab. Risk Management is formalised within the organisation. Rehab undertakes an annual review of Strategic and Business Plans at Group and Divisional level. Newly established objectives are reviewed and migrated to the relevant risk registers. Each month a Risk Management Attestation Form is completed by each Division and the Risk Register is updated accordingly. A Risk Register for strategic level risks is reviewed quarterly by the Group Management Team. Audit viewed the most recent Risk Register dated 22/05/12.

A Corporate Governance Manual is in place and covers the following topics:
Standing Orders including meetings, agenda items, Board Papers, quorum and voting.
Memorandum and Articles
Delegated Authority levels
Audit Committee and its roles and responsibilities
Remuneration Committee and
Code of Conduct for Board Members.

A Policies and Procedures document exists and covers the following areas:

Financial Reporting

Budgeting

Procurement

Cash Handling

Capital Expenditure Approval

Employee expenses and

Delegated Authorities.

Audit viewed the Financial Reports produced in April 2012. For each Division these include a P&L, Balance Sheet, Cash Movement, Forecast, Fixed Asset Movements and Debtor Days.

There is a sound Corporate Governance structure in Rehab.

No Recommendations

1.4 Audit Opinion

On the basis of the audit work carried out and evidence presented, Internal Audit is of the view that the systems of internal control operating within Rehab in respect of the fundraising information provide to the Charities Regulation Unit are adequate, and are being effectively applied. The report recommends that a funding contract specifically state the deliverables, the reporting and monitoring processes in place. The report also finds that some of the costs to which Charitable Lotteries Funding have been applied appear to be of an administrative nature and recommends that allowable costs and the specific use of the funds be clearly defined and agreed annually. The report notes that the Rehab lottery has high costs. Internal Audit recommends that the ongoing funding of this scheme requires the findings and recommendations outlined above to be taken into consideration.

Internal Audit has made a number of recommendations and these should be implemented as soon as possible.

Walter Johnston
Head of Internal Audit
June 2012

Summary of Recommendations

No	Recommendation	Risk	Management Comment	Date to Implement
1	<p>An agreement between both parties should be drawn up in advance of the funds being provided. The agreement should detail the terms and conditions of the grant and be signed by both parties. The details of the agreement should include the following:</p> <ul style="list-style-type: none"> • General terms and conditions, • Payment terms, • Access and Reporting Requirements, • Deliverables clearly agreed • Definition of administrative expenditure and what is allowable (if any) • Right of Verification and Audit, • Retention of Records, • Publicity and Advertising. • Conditions to end the funding <p>(High)</p>	<p>Without an agreement stipulating exact terms and conditions there is the potential for misinterpretation which could compromise the aims and objectives of both parties.</p>		
2	<p>A system of monitoring and reporting on how the Charitable Lottery Funds allocated are being spent should be introduced. This should include regular reporting throughout the year and periodic site visits to the Rehab projects funded by the Charitable Lotteries Funds (Medium)</p>	<p>Regular monitoring of expenditure will allow the recipient of funds to remain within budget and allow the Department to ensure that funds are being incurred in the pursuit of agreed targets and objectives. In the absence of monitoring budgets may</p>		

		be broken and key targets allowed to drift.		
3	Internal Audit recommends that Rehab review all aspects of the fundraising scheme to determine its viability and to address the level of costs. Rehab must seek to increase the surplus on lottery sales through a reduction in the associated costs. (High)	Without a review of the model there is no incentive to control the costs associated with the generation of sales.		
4	There is a lack of clarity on what constitutes an administrative expense. Administrative costs must be clearly defined and agreed up front with the Charities Regulation Unit for each contract. The specific use of the funds should be clearly specified and agreed in the contract. The use of the Charitable Lotteries funds should be separately identifiable in the accounts of the organisation. (High)	Without a clear definition of what constitutes an administrative expense there is a risk that funds may be applied to expenditure which does not fulfill the requirements of the grant conditions.		

Appendix 1 – Rehab description of activities to which Charitable Lottery Funding has been applied.

Information Technology Department

Various IT costs across the Rehab Group services in Ireland.

The IT Department consists of three main functions.

1. IT Management
2. Projects Team
3. IT Service Desk

IT Management provides strategic and operational management of IT resources in support of Rehab Group Divisions and ensures that IT Strategy is aligned to Business Strategy. There is 1.5 staff in this area with total costs of €124k
IT Projects Team works on the introduction of new systems and solutions. There is 3.5 staff in this area with total costs of €187k.
IT Service Desk provides technical support and advice to on the ground staff who deliver services through the 50 training centres (with IT training suites) in National Learning Network and 42 resource (day care) centres (with IT suites) in Rehab Care in Ireland together with the 19 Rehab Enterprises locations. The service desk also centrally procures all approved IT capital expenditure. There are 4 staff in this area with total costs of €151k.

Details of the services can be found below:

BT Managed Services

BT managed services provides the core architecture used in the delivery of IT services, to students, services users and staff. It is centralized within a purpose built Data Centre in City West, Dublin, thus ensuring maximum availability of all key operating systems and minimizing downtime.

The extent of these services and the importance of same to Rehab Group operations mandates that such services (and associated data) be hosted in a suitable environment (Data centre) and managed by suitable qualified staff, using a recognized quality standard of service delivery (ITIL) and security (ISO 27001).

COMPASS

The COMPASS (client oriented management, programmes and services system) is a windows based system that provides support for all key student/service user management stages including admissions, exits, and certification management. Information regarding training days, outcomes, active clients, whole time equivalents and Individual Action Plans (IAP's) for service users is relied on for the day-to-day management of the operations of rehab services, as well as being used to validate outcomes with all stakeholders.

Carefree

Carefree is essential to the operation of domiciliary care provision in RehabCare. It is used to automatically allocate Carers to services users based on the service user needs, preferences and other criteria.

Raisers Edge

Fundraising is a key source of revenue for Rehab Group. This is a customer relationship management (CRM) system which has been introduced to improve the ability to track rehab supporters and corporate donors.

Core

The primary component of the service delivery to end users is the staff of Rehab Group. Staff costs account for 80% of the service delivery divisional costs and it is of fundamental importance that these staff be deployed in the most efficient manner to meet the needs of each individual service in a timely and cost effective manner. Accordingly the Rehab Group decided to invest in CORE. The use of advanced rostering, skills matching, time & attendance, absence management, self service portals for management and staff, business intelligence reporting on operational staffing matters for management are key advantages of this Enterprise Class management system.

Security Services & Data Protection

Fundamentally, security is all about the confidentiality, integrity and availability of data. Confidentiality: healthcare/disability information and educational needs information of service users is extremely sensitive and confidentiality is paramount.

Integrity: It is crucial that Rehab Group staff trust in the data they use for the day-to-day management of services and individual service users. Integrity of data is fundamental.

Availability: Rehab Group operates services across the entire week (including 24/7). Key information e.g. service user needs, staff availability, service histories, medication details must be available to carers when required. Downtime is not an option.

Security wraps around and influences all IT Services. Information and service user data must be protected from either wilful or inadvertent destruction, corruption or deletion. In 2010 all laptop and mobile devices were encrypted.

Maintenance Contracts

All software and infrastructure services in operation require maintenance for a number of reasons, this include:

- Provision of updates to reflect new legislation
- Bug Fixes and Technical Support
- Enhancements/New Features
- Availability of onsite resources
- Continuity of subscription
-

Sun & Vision Systems

Effective budget and financial management is key for the organization. Sun & Vision supports the monitoring of financial performance.

Licensing

Rehab Group is standardized on Citrix and Microsoft Platforms. These are used by students and service users as part of the delivery of education services and programmes and also by staff in the management of these services. Adequate licensing is a key governance and compliance issue – Rehab Group has a strong policy against the illegal use of software.

In 2010 the Rehab Group IT department secured a Campus Agreement with Microsoft Corporation for the provision of Microsoft Licensed software for the National Learning Network.

The benefits of the Campus Agreement are:

- No cost to National Learning Network for included software to be used on (NLN owned) student computers
- Lower overall cost to National Learning Network. Pricing under the Campus Agreement is the lowest possible for Microsoft products.
- 24x7 access to the latest version of the software covered under the agreement

- Predictable budget planning, no spending spikes when a new version of software is released.
- Instant compliance to copyright legislation. Every NLN-owned learner computer is covered.
- Software Assurance Program, management tools, e-learning courses, legacy PC transition software

Virtual Desktop Infrastructure (VDI) - Winner of ICT Excellence Award 2012 : Best use of Technology in Education and Training

In conjunction with operational staff and an external partner the IT department has developed the VDI. The National Learning Network works closely with thousands of employers, to ensure that the skills learned during the courses it provides are relevant, industry specific, and current. The VDI environment supports this.

In summary, there are three key benefits:

- The learner experience is no longer dependent on having the latest hardware. This is particularly beneficial as it allows NLN to run the latest software titles and intensive applications e.g. Photoshop, on existing legacy hardware.
- Deployment of updated software catalogs in support of revised curricula can now be managed centrally. These curriculum updates reflect the market (employers) and students' needs and this central management provides NLN with the ability to provision updates in days rather than months.
- Failure of end user hardware has much less impact. User data and specific settings no longer depend on the end point and the provision of a stock of replacement terminals in each training centre ensures that learners can be back up and running within 15 minutes.

SharePoint Intranet

The SharePoint Intranet and other collaboration tools are used to allow staff to share information about techniques and issue resolutions for specific service delivery problems.

GoToMeeting

The GoToMeeting tele/video conferencing system allows more frequent team meetings by removing geography as a barrier to communication. This solution also provides for cost reduction in terms of reduced travel expenses.

Moodle and eLearning

The Moodle eLearning platform provides a web-based portal for our learners to collaborate with each other and with instructors. The service provides course material, project and exam information as well as rich, multi-media training materials such as video and interactive Flash-based applications. This environment will also provide a better learning experience to rehab distance learners who access their training programmes remotely.

Advocacy, diversity, communications & marketing and public affairs

The Rehab Group advocacy, diversity, communications/marketing and public affairs team support all of the Rehab Group divisions in the areas of advocacy, client engagement, communications, public affairs, and marketing. It also has responsibility for coordinating certain Rehab Group activities such as the Rehab Group Innovation Awards, conferences, special projects, etc.

Advocacy & public affairs

Part of the Rehab Group's mission is to strive for improvements in the factors impacting on the lives of people with disabilities and others who are marginalised. Rehab Group interacts with government agencies and bodies, international organisations and other relevant parties on issues of relevance to this.

The department regularly prepares submissions for the Rehab Group on issues of importance. These have included feedback to: the Department of Health in respect of its Review of Disability Policy; the consultation on the implementation of SOLAS; the consultation on the Equality Authority's Strategic Plan; the Neurological Alliance of Ireland's response to the National Rehabilitation Strategy; the Department of Education in relation to the Forum on Patronage and Pluralism in the Primary Sector; the Steering Group on the Governance Code for the Community and Voluntary Sector in Ireland; the Department of Health on the Review of the Mental Health Act 2001; the Department of Health on the Review of the Disability Act 2005.

The Rehab Group has also actively participated in reviews in relation to schemes which are relevant to people with disabilities such as the Disability Allowance, the Wage Subsidy Scheme and supports for carers.

The Rehab Group also contributes to international developments in relation to disability and human rights and has consultative status as a non-Governmental organisation at the Economic and Social Council of the United Nations. It contributed to the Irish Government's preparation of its report under the Universal Periodic Review of the United Nations as well as submitting an independent shadow report, similarly with the International Conventions on Cultural and Political Rights and on Economic, Social and Cultural Rights.

Client Advocacy and Engagement

The department undertakes the management of client advocacy and engagement services within Rehab Group. This includes the client representative bodies the National Representative Council (NRC) in National Learning Network and the National RehabCare Advocacy Council (NRAC), which work at local level with management to ensure that services are run with client involvement, and at regional and national level, to ensure that clients have a voice in the running of the organisations supporting them.

In the case of harder to reach clients, the team supports those involved in service delivery by devising and implementing plans to communicate with clients, garner feedback and ensure involvement in service direction.

Under the Partners in Policy making programme, parents of children and adults with a disability and persons with a disability themselves are supported to become partners in policy formation with the supports they interact with. This is an advocacy development and policy awareness training course.

The citizenship awareness programme is run partly as a train the trainer course with staff delivering services directly to clients and partly directly with the services. Its purpose is to inform clients of their democratic rights and ensure that any obstacles to their participation in democracy are removed.

Diversity Work

Often, changes in the world around them can be confusing to people with disabilities. As the population of Ireland has changed and become less monocultural, a need has arisen for people who use the services of the Rehab Group to have access to supports to understand these changes. The delivery of a diversity awareness programme, development of a policy and ongoing activity in this area coordinated by the Department supports this activity.

Innovation

The Department runs the innovation awards, which encourage the development of new ideas and the promotion of client involvement in the development of new services and new ways of doing things within the organisation.

Communications and Marketing

The team supports the services of the organisation to promote the work that it does, both in its local communities and nationally. It is essential that people with disability and others who require the services Rehab provides are able to access them in a timely fashion.

Publicising the work of Rehab and the achievements of clients has two purposes – one, to demonstrate the support the organisation provides to people and the outcomes they achieve, so that the general public is aware of the possibilities and the services Rehab provides should they need them; and two, to portray positive messages about people with a disability in the media. This in turn has an impact on public perception of people with a disability, and on the treatment of people with disabilities in society in relation to inclusion.

Research, compliance and continuous development

The Department has responsibility for the strategic development and operational oversight of the Rehab Group's Policy Framework, the health and safety management structure in each division, and the Group's service compliance and clinical governance infrastructure and practice. This remit includes a central focus on clinical governance risk management, service compliance and continuous improvement in all clinical and client activity, along with Research. The department also has responsibility for coordinating the Group's Risk Management System, and for the development and oversight of the Innovative HeadsUp suicide prevention service.

Group Policy Framework

The Group Policy Framework is now well established as a core element of the compliance and governance system within the organization, providing guidance to staff across the Group on areas of day to day service-delivery roles. A significant number of policies, supporting procedures and guidelines, impacting on a wide variety of services have been implemented, with further policies in research and development. These give clear guidance to staff, and to people using Rehab's services, in relation to appropriate practice in service delivery. These are available to staff in hard copy and on the Rehab Group's core internal communication platform, SharePoint, developed in conjunction with the Group IT department.

Examples of policy and procedures include

- Administration of Medication
- Personal Care
- Development of Accredited and Non Accredited Training Programmes
- Behaviours that Challenge
- Infection Prevention and control
- Diversity (service User policy)

Service Compliance

The Group aims to have a comprehensive Group-wide Service Compliance Framework that is practical, accessible and operational across divisions and functions. In 2011, the implementation of divisional service compliance fora, which have oversight of all service-related incidents and their management in each division, was rolled out on a phased basis. The fora are used to review systems and responses to previous incidents, consider audit information and incident trends across the Group, and provide a central focus on best practice approaches to all service-related matters.

Health and Safety

Health and Safety is an integral part of the Rehab Group strategic management system under the Department. The Institute of Occupational Safety and Health (IOSH) Managing Safety and Working Safely programmes continued to be rolled out to all management and staff. The new Rehab Group Health and Safety Statement (Management System) was implemented in all divisions in Ireland in June 2011, standardizing all health and safety processes, reports and audits where legislative jurisdiction allows. There is a clear need for an online health and safety reporting module to enable further analysis and improved service delivery, and research and specification into the model required is ongoing in conjunction with the IT department.

Research

In addition to the research undertaken by the department to support clinical developments, divisional staff conducting research are monitored centrally to ensure ethical standards are applied. External researchers seeking to engage with the organization for academic purposes also link in with this department. The Department is building an internal research network and collaboration site in conjunction with the IT department, to ensure collaborative research and sharing of learning across divisions.

HeadsUp

HeadsUp is an innovative national suicide prevention project undertaken by the Rehab Group that targets 15-24 year olds using a mental health promotion approach. Due to the unique nature of this service it is managed by this department. The project aims to help reduce youth suicides in Ireland.

HeadsUp initiatives

HeadsUp run a number of campaigns to actively engage with our target group at key youth focused settings. These campaigns aim to raise awareness of HeadsUp, destigmatise mental health and wellbeing and actively engage our target group in our project.

In 2011 HeadsUp Text, the 24 hour automated text service that provides the telephone number and opening hours of over 25 different helplines, saw an increase of 68 per cent in the number of people using the service since December 2010. The HeadsUp website also saw an increase in its usage with approx 17,000 people visiting the site in 2011.

Continuous Development (quality & accreditation)

This function works with management teams on a range of quality standards and frameworks applicable to the services of the divisions (EFQM – Business Excellence Model, European Quality in Social Services EQUASS and ISO). It supports teams in the development of their continuous development plans and in advance of assessments against the defined standards.

Currently, the function is most active with National Learning Network and RehabCare who both hold EFQM and EQUASS accreditation. The function supports Rehab Enterprises where the centres have ISO accreditation.

Mr. Walter Johnston
Head of Internal Audit
Department of Justice and Equality
Pinebrook House
71 – 74 Harcourt Street
Dublin 2

23 August, 2012

Re: Charitable Lottery Fund (“CLF”)

Dear Mr. Johnston,

I refer to your document “Internal Audit Unit, The Charity Lottery Fund, Rehab” and thank you for your positive comments regarding our governance.

With reference to the document and your request for response I need to inform you that the Report demonstrates serious and material misunderstanding of the Charity Lottery Compensation Fund. This fund is a commercial agreement between the Government as owners of the National Lottery and the owners of private charity lotteries. This commercial agreement was the result of the National Lottery operating under vastly more enabling legislation, thereby creating a very uneven commercial playing field. This agreement acknowledged the unequal legislative provisions pertaining to the charity lotteries. The basis for this mechanism of compensation was reiterated in the most recent comprehensive review of the scheme by the Department of Finance. It is generally accepted that the agreement constituted a very favourable arrangement for the Government’s lottery.

I would like to draw your attention to the following excerpts from the Department of Finance’s review document. For ease of reference I have highlighted some key points in bold italics within the text. Any underlining is part of the original document.

Page 6. Department of Finance Review of Charity Lotteries Scheme 2004

“2.2.2 In this context, it was felt that a well targeted initiative aimed at assisting those charitable lotteries who were *competing* directly with the National Lottery was justified. The concept of a compensation mechanism for the promoters of private lotteries was in fact anticipated during the Oireachtas debate on the 1986 Lottery Act ***when a commitment was made to provide compensation, if necessary, for any adverse impact of the Lottery on the fund-raising incomes of existing private lotteries.*** The then Minister of State at the Department of Finance referred to this commitment in the following terms:-

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"Only time will tell how, if at all, the national lottery will affect the situation of the bodies who hold existing periodical lotteries. However, I have already given an assurance that where such bodies can demonstrate satisfactorily that the lottery has adversely affected their receipts, the Government are prepared to take steps to make funding available to *them from the lottery's surplus.*"
-Second Stage Speech, Seanad, 3 July, 1986"

Page 16. Department of Finance Review of Charity Lotteries Scheme 2004

"3.5 Conclusions

On the whole, the Committee's view is that, notwithstanding the developments outlined in the preceding section 3.4, *the objectives of the Scheme are of continuing relevance* and are not incompatible with the Department's Statement of Strategy. The fact that the Minister for Finance has statutory responsibility for the National Lottery, and that the payments in relation to the Charitable Lotteries Scheme are *financed from the National Lottery surplus* through a Subhead on the Finance Vote reinforces this conclusion.

The Committee was of the view that to some extent there is a sense in which means and ends in the context of this Scheme merge and overlap. On the face of it the end sought is *compensation of certain purveyors of products analogous to those introduced by the National Lottery Company in 1987 in respect of sales income being diminished as a result of the Lottery's establishment. In addition, not only the Lottery per se affected sales and income, but the fact that legislation precluded the various product vendors from competing on an equal footing with the State company.*

If the provision of compensation for lost revenue (however calculated) was the end to be achieved, the means chosen to do so was the establishment of the Charitable Lotteries Fund, and the transfer of *compensatory payments* to the affected parties.

It could be argued that in the overall scheme of things this was not the ultimate end, as the recipients of the grants use the funds, together with income from other sources, to finance a range of charitable activities, notably Rehab and the Rehabilitation Institute. However, that was not the *aim of the Scheme*, although its termination would have significant repercussions for the end users of the Charities' payouts.

The Steering Committee, therefore, having considered the evidence available to it, believes that the objectives of the Charitable Lotteries Scheme, viz the provision of *compensation for charitable lotteries whose potential income has been adversely affected by the operations of the National Lottery and the restrictions imposed by gaming legislation*, remain as valid in 2004 as they did when the Scheme was introduced. Furthermore, the Committee believes that the objectives of the Scheme are fully in accord with the Department's Statement of Strategy set out above".

The funding of the CLF is a first charge on the profits of the National Lottery as it relates to its costs of doing business. It is not an Exchequer grant to organisations to provide services. It is therefore clearly not appropriate for the Department of Justice to seek to influence the operations of a private body by insisting that its earned income be applied to certain areas.

Indeed with respect, it might not be in the interest of the Department to do so, as it might be perceived in certain circumstances to be operating in a shadow director role, particularly in a situation where it is not funding services.

The CLF is a "cost of business" – an investment by Government to ensure the maximisation of profits from the National Lottery activity. If there had been a level playing field when the National Lottery started in 1987, it would not have been unreasonable for the charity lottery sector to have had a 10-20% market share in the intervening years. This is borne out in other European countries, particularly, the Netherlands, Sweden and Spain where there are very vibrant charity lottery sectors with very significant market shares. If the Irish charity lottery sector had a 15% market share today, that would mean an annual sales value of around €110m and a profit contribution of around €30m. Instead, because of inequalities of legislation, the charity lotteries have less than 2% market share and diminished income.

The dominant and profitable market position of the National Lottery today is due, in large measure, to the fact that it had legal protection from any possible real competition from the charitable lottery sector. In turn, the Government's ability to command a significant up-front payment from a new operator of the National Lottery is strengthened by the fact that the new operator is being presented with a relatively competition-free market environment in which to operate.

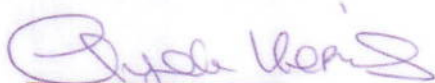
While we fully and openly cooperated with your audit to ensure our business was fully understood, we in no way agreed, or expected to find that any of our private commercially sensitive information would be made public in a government report. This is unacceptable to us, and cannot be allowed to occur.

On the specific comment on the cost base of our private lottery business, be assured that there are no non-essential costs in our system, the main cost being the prize fund. The legislative provisions and market dominance of the National Lottery inhibit growth and therefore our ability to reduce cost ratios.

We believe that the CLF, the long standing arrangement, agreed by both parties, should be documented in the clearest possible way, detailing the background and spirit of the establishment of the CLF and confirm its status as a *compensation fund* (rather than a grant scheme as suggested in the Internal Audit Unit Report). It is also our clear belief that any arrangement regarding the future of the National Lottery must contain provision for the CLF. This would provide clarity as to the purpose of the CLF for the guidance of whichever Government Department is administering the scheme, from time to time, and would maintain stability in the marketplace for both the private charity lotteries and the National Lottery.

I would very much welcome your response and an opportunity to meet with you, prior to any finalisation of your report.

Yours sincerely,



Angela Kerins
Chief Executive

Funding to Rehab 2009 – 2013

Disability Policy Division Department of Justice & Equality

In addition to the funding provided under Charitable Lotteries, the Department also awarded grant funding to the National Learning Network (Kerry), a subsidiary of the Rehab Group, in the amount of €149,860 in the period 2009 and 2010. This funding was granted under the Enhancing Disability Services programme which supported once-off voluntary projects which demonstrated an innovative cost-effective approach to service provision for people with disabilities and with the capacity to be mainstreamed in the future. The funding provided to the National Learning Network (Kerry) provided for a training initiative 'Sporting Chance' which assisted persons with disabilities to build careers in the sports and leisure industry.

Rehab also received payments from the National Disability Authority (NDA), the independent state agency funded by the Department to advise on disability policy and practice totalling €104,011 in the period 2009 to 2013. The largest proportion of the payments (€86,652) was for professional services provided by Rehab Enterprises Limited in relation to the NDA's Excellence through Accessibility Awards in the period 2009-2011.

The balance of the payments, totalling approximately €17,300 was for the main part in respect of research work undertaken by Rehab in relation to issues relevant to people with disabilities in the workplace.

