



Office of the Commissioner for  
Public Appointments in Scotland

# **Office of the Commissioner for Public Appointments in Scotland**

## **Annual Accounts**

**Year Ended 31 March 2008**

**Contents**

	<b><u>Page Number</u></b>
Management Commentary	1 - 4
Remuneration Report	5 - 6
Statement of Accountable Officer's Responsibilities	7
Statement on Internal Control	8 - 9
Auditor's Report	10 - 12
Operating Cost Statement	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Accounts	16- 22
Appendix 1: Accounts Direction	23

## **MANAGEMENT COMMENTARY**

The accounts for the financial year ended 31 March 2008 are presented in accordance with paragraph 13(1) of Schedule 1 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003, and prepared in accordance with an Accounts Direction given by the Scottish Ministers.

### **Background Information**

1. The Commissioner for Public Appointments in Scotland (the Commissioner) was constituted under Section 1 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003 which was passed by Parliament on 5 February 2003 and received Royal Assent on 11 March 2003.

2. On her appointment the Commissioner established an office to assist her in the exercise of her duties. This is known as the Office of the Commissioner for Public Appointments in Scotland (OCPAS).

### **Statutory Powers and Responsibilities**

3. The statutory functions of the Commissioner for Public Appointments in Scotland are to:

- prepare and publish a code of practice in respect of the making by the Scottish Ministers of any appointment or recommendation for appointment of a person to an office or as a member of a body specified in schedule 2 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003
- examine the methods and practices employed by the Scottish Ministers in the making of appointments and recommendation for appointment to the specified authorities
- investigate complaints arising from the making by the Scottish Ministers of any appointment, or recommendation for appointment to the specified authorities
- report to the Scottish Parliament material non-compliance with the code of practice and if the appointment or recommendation for appointment in question has not been made, direct the Scottish Ministers to delay making the appointment or recommendation until the Parliament has considered the case
- ensure that appointments and recommendations for appointment to the specified authorities are made fairly and openly and that as far as reasonably practicable all categories of person are afforded an opportunity to be considered for appointment
- prepare and publish a strategy for ensuring that appointments and recommendations for appointment to the specified authorities are made by the Scottish Ministers in a way which encourages equal opportunities.

## **Financial Position**

4. The Commissioner's expenditure on operating activities for the year ended 31 March 2008 totalled £414,000 (2006-07 £399,000). This was on staffing costs £184,000 (2006-07 £192,000), other operating expenditure £227,000 (2006-07 £203,000), and depreciation £3,000 (2006-07 £4,000). Details of other operating expenditure are shown in note 6 to the accounts.

5. The Commissioner earned income of £1,000 (2006-07 £2,000), resulting in net expenditure on operating activities for the year of £413,000 (2006-07 £397,000). This will be charged to the general fund and will be carried forward to 2008-09.

6. There was no expenditure on the purchase of tangible fixed assets during the financial year as detailed in note 7 to the Accounts (2006-07 £2,000).

7. The Scottish Parliament awarded OCPAS a cash budget of £410,000 for financial year 2007-08. The Commissioner's cash expenditure, at £410,000 (2006-07 £397,000) matched this budget. Including cost of depreciation and notional cost of capital (£3,000) the Commissioner's net expenditure during the year was £413,000 (2006-07 £397,000). Details of expenditure against budget are shown in note 2 to the accounts.

8. The Commissioner's accounts record a small net deficit position in the balance sheet resulting mainly from a timing issue in relation to the receipt of cash funding from the Scottish Parliamentary Corporate Body (SPCB).

## **Payment of Creditors**

9. Invoices were processed by OCPAS. OCPAS is committed to the CBI Prompt Payment Code for the payment of bills for goods and services received. Payments are normally made as specified in the agreed contract conditions. Where there is no contractual position or other understanding, they are due to be paid within 30 days of receipt of the goods or services. OCPAS payment performance for 2007-08 was 90% (2006-07 90%).

## **Review of 2007-08**

10. During this year of operation OCPAS:

- issued a draft Equal Opportunities Strategy for consultation
  - carried out detailed research into the perceived barriers to applying for public appointments
  - produced a consultation draft of the strategy
  - undertook a full, public consultation on the draft and analysed responses
  - held consultation events across Scotland with interested parties.
- undertook its first audit of the public appointments process and published the findings
- made its first report to Parliament describing material non-compliance with the code of practice
- published the Commissioner's third Annual Report
- recruited five new OCPAS Assessors

- held four training days for OCPAS Assessors
- allocated Assessors to 58 appointment rounds (2006/7 – 44)
- worked with the Scottish Government to revise the administration of the public appointments process
- developed a communications strategy
- tendered for print, design and website services, following a review of the structure and content of the OCPAS website
- researched a revised records management systems
- attended and spoke at a number of events to promote OCPAS and the public appointments process
- attended and hosted meetings with various bodies to share best practice and services.

### **Future Development**

11. Priorities in the coming year for the Commissioner are to:

- finalise and publish an equal opportunities strategy for the public appointments process in Scotland. Establish an implementation group to drive forward the recommendations outlined in the strategy.
- redevelop the OCPAS website to ensure greater accessibility to OCPAS publications and information
- investigate use of plain English in OCPAS publications
- tender for legal services
- implement a new records management system
- review OCPAS pensions' administration system
- induct and train new OCPAS Assessors. Maintain guidance and training for current OCPAS Assessors
- introduce a revised form of audit for the public appointments process
- work with the newly established Scottish Government: Resourcing Public Appointments team to improve the public appointments process
- research principle-based and other forms of regulation in preparation for revision of the Code of Practice for Ministerial Appointments to Public Bodies in Scotland
- identify further opportunities to promote OCPAS and the public appointments process.

**The Commissioner for Public Appointments in Scotland**

12. ***The Commissioner is:*** Karen Carlton  
***Appointed:*** 1 June 2004

The Commissioner's appointment is for a period of 5 years.

**Equal Opportunities**

13. The Commissioner supports the principle of equal opportunities in carrying out her operational functions and employment practices. This means she is committed to pursuing positive action in her organisation's policies and practices to ensure that no individual is discriminated against, either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to race, ethnic or national origin, religion, age, gender, sexual or marital status or disability.

**Provision of Information to Employees**

14. The office of the Commissioner has adopted the principles of openness and participation in its organisation and places a high level of importance on both informing and consulting staff. It does so by providing access to all documents, through oral and written briefings, by staff meetings and events. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party.

**Disclosure of Information to Auditors**

15. As Accountable Officer, I am not aware of any relevant information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant information and to establish that the auditors are also aware of this information.

**Audit**

16. The accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 13 (2) of Schedule 1 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003.

**Register of Interests**

17. OCPAS maintains a register of company directorships and other significant interests held by the Commissioner and OCPAS staff. This is available on our website at [www.publicappointments.org/publications](http://www.publicappointments.org/publications).



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 29 July 2008

## REMUNERATION REPORT

The Commissioner's appointment is for a period of 5 years and remuneration of the Commissioner is set by the Scottish Parliamentary Corporate Body. Following nomination by the Scottish Parliament the Commissioner is appointed by Her Majesty the Queen.

The Commissioner's salary and pension entitlement are set out below. The Commissioner is employed on a part-time basis, working three days per week. This was increased to three and a half days per week between October 2007 and March 2008, a period of increased workload, and has reverted to three days per week in April 2008. The salary given below is based on this part-time employment.

<b>Remuneration</b>	<b>2007-08 £'000</b>	<b>2006-07 £'000</b>
Salary	45-50	40-45
Benefits in kind	Nil	Nil

Salary includes basic salary and does not include employer National Insurance or pension contributions.

### **Pension Benefits**

	<b>Real increase in pension and related lump sum at age 60 £'000</b>	<b>Total accrued pension at age 60 as at 31 March 2008 and related lump sum £'000</b>	<b>CETV at 31 March 2007 £'000</b>	<b>CETV at 31 March 2008 £'000</b>	<b>Value of CETV increa se over year £'000</b>
<b>Commissioner</b>					
Karen Carlton	0-2.5	0 - 5	37	58	14
	Lump sum 0-2.5	Lump sum 0-2.5			

### **The Cash Equivalent Transfer Value (CETV)**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

**The real increase in the value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 29 July 2008

**STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

The Scottish Parliamentary Corporate Body designated the Commissioner as the Accountable Officer for the Office of the Commissioner for Public Appointments in Scotland. The relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Memorandum to Accountable Officers of Other Public Bodies issued by the Scottish Executive and published in the Scottish Public Finance Manual.

Under paragraph 13(1) of Schedule 1 to the Public Appointments and Public Bodies etc. (Scotland) Act 2003 the Commissioner is required to prepare a statement of accounts for each financial year in the form as directed by the Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner's affairs at the year end and of the financial activities of her office during the year.

In preparing the accounts, the Commissioner is required to:

- (i) Observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- (ii) Make judgements and estimates on a reasonable basis.
- (iii) State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.
- (iv) Prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the Commissioner will continue in operation.

## **STATEMENT ON INTERNAL CONTROL**

### **Scope of Responsibility**

As Accountable Officer, I am responsible for ensuring that appropriate and adequate internal controls are in place to support my Office in successfully accomplishing its objectives and to safeguard the public funds under my control.

The Public Appointments and Public Bodies etc. (Scotland) Act 2003 provides that the Commissioner is an independent Officeholder in the exercise of her functions and is not subject to the control or direction of the Scottish Parliament, including the Scottish Parliamentary Corporate Body (SPCB) or the Scottish Government unless where otherwise indicated (see paragraph below).

The Public Appointments and Public Bodies etc. (Scotland) Act 2003 provides that the SPCB shall pay the salaries, allowances and any expenses incurred by the Commissioner in the exercise of her functions. It also provides that the terms and conditions of staff and the arrangements for pensions, allowances and gratuities all require the approval of the SPCB.

In practice, I submit an annual budget bid to the SPCB along with a business plan and the rationale behind each item of expenditure. These details are discussed with the SPCB and form part of their own budget submission to the Scottish Parliament.

### **Purpose of the System of Internal Control**

A system of internal control is an ongoing process designed to identify the principal risks to achieving our objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system is made up of a number of operating procedures intended to provide reasonable assurance that objectives will be achieved and funds properly managed. It is designed to manage these risks not eliminate them and must be regularly reviewed and amended.

The detail of OCPAS current system of internal control has been outlined in previous annual accounts and includes a business plan linked to our budget and risk register, a full staff performance management system and internal operating procedures and policies. These various elements of the system of internal control are reviewed annually.

### **Risk and Control Framework**

We operate a risk management strategy in accordance with best practice. The key strand is identifying and regularly reviewing the risks which may deflect OCPAS from achieving its objectives. All risks identified are logged in a register. The register was created by and is maintained with input from all OCPAS staff.

This register is reviewed twice a year to ensure that actions to eliminate or reduce risks are underway and that new or changing risks are identified. These risks are assigned to specific objectives in the business plan.

We have identified the following areas which will be addressed in the coming year:

- carry out an external review of OCPAS pensions' administration to seek assurance this meets Civil Service Pension Scheme requirements.
- review the payment structure for OCPAS Assessors to ensure that OCPAS is fully aware of the current financial resources committed to each appointment round.

### **Review of Effectiveness**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. These measures are reviewed regularly to take into account changing legislation, the advice of my staff and advisors and the results of our external audit.

Recommendations from external audit and the Advisory Audit Board are added to the business plan and to staff personal objectives to ensure they are acted upon.

More generally, the organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice in this area. OCPAS will continue to be guided by the Scottish Public Finance Manual in reviewing its systems.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 29 July 2008

**Independent auditor's report to the Commissioner for Public Appointments in Scotland, the Auditor General for Scotland and the Scottish Parliament**

We have audited the financial statements of the Commissioner for Public Appointments in Scotland for the year ended 31 March 2008 under the Public Appointments and Public Bodies etc (Scotland) Act 2003. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in the Government Financial Reporting Manual as having been audited.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Respective responsibilities of the Commissioner for Public Appointments in Scotland and auditor**

The Commissioner is responsible for preparing the Annual Accounts, which includes the Remuneration Report, and the financial statements in accordance with the Public Appointments and Public Bodies etc (Scotland) Act 2003, the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. The Commissioner is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

Our responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the management commentary included in the Annual Report, is consistent with the financial statements. We also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, we report to you if, in our opinion, any information contained in the statement of accounts is inconsistent with the Annual Report, the Commissioner has not kept proper accounting records, if we have not received all the information and explanations we require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the Commissioner's compliance with the Scottish Government's guidance, and we report if, in our opinion, it does not. We are not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of corporate governance procedures or risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only Management Commentary and Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Commissioner in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Commissioner's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinions**

#### *Financial statements*

In our opinion

- the financial statements give a true and fair view, in accordance with Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Commissioner for Public Appointments in Scotland as at 31 March 2008 and of the net operating cost and cash flows for the year then ended;

- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Appointments and Public Bodies etc (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers and; and
- information which comprises the management commentary included with the Annual Report is consistent with the financial statements.

*Regularity*

In our opinion in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**  
**1-4 Atholl Crescent**  
**Edinburgh**  
**EH3 8LQ**

**29 July 2008**

**Operating Cost Statement for the year ended 31 March 2008**

	<b><u>Notes</u></b>	<b><u>2007-08</u></b>	<b><u>2006-07</u></b>
		<b>£'000</b>	<b>£'000</b>
<b><u>Income</u></b>			
Income from all Sources	3	1	2
		<hr/>	<hr/>
		<b>1</b>	<b>2</b>
<b><u>Expenditure</u></b>			
Staff Costs	4,5	184	192
Other Operating Costs	6	227	203
Depreciation	7,8	3	4
		<hr/>	<hr/>
<b><u>Total Expenditure</u></b>		<b>414</b>	<b>399</b>
		<hr/>	<hr/>
<b><u>Net Expenditure for the Year</u></b>		<b>413</b>	<b>397</b>
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities. There have been no gains or losses other than those recognised in the Operating Cost Statement.

The accompanying notes on pages 16 to 22 form an integral part of these accounts.

**Balance Sheet as at 31 March 2008**

	<u>Notes</u>	<u>2007-08</u> £'000	<u>2006-07</u> £'000
<b><u>Fixed Assets</u></b>			
Tangible Assets	7	1	3
Intangible Assets	8	0	1
		<u>1</u>	<u>4</u>
<b>Total Fixed Assets</b>			
<b><u>Current Assets</u></b>			
Debtors	9	9	9
Cash at bank and in hand	10	39	31
		<u>48</u>	<u>40</u>
Creditors - amounts falling due within one year	11	(53)	(45)
		<u>(5)</u>	<u>(5)</u>
<b>Net Current Liabilities</b>			
		<u>(4)</u>	<u>(1)</u>
<b>Total Net Liabilities</b>			
		<u>(4)</u>	<u>(1)</u>
<b><u>Financed by:</u></b>			
<b>Capital and Reserves</b>			
General Fund	12	(4)	(1)
		<u>(4)</u>	<u>(1)</u>

The accompanying notes on pages 16 to 22 form an integral part of these accounts.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 29 July 2008

**Cash Flow Statement for Year Ended 31 March 2008**

		<u>2007-08</u> £'000	<u>2006-07</u> £'000
<b><u>Operating Activities</u></b>			
Net Cash Outflow from Operating Activities	(i)	(402)	(372)
<b><u>Capital Expenditure</u></b>			
Purchase of Tangible Fixed Assets		0	(2)
		<u>(402)</u>	<u>(374)</u>
<b><u>Financing</u></b>			
Financing from the Scottish Parliamentary Corporate Body		410	397
Increase in Cash	(ii)	<u>8</u>	<u>23</u>

(i) **Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities**

		<u>2007-08</u> £'000	<u>2006-07</u> £'000
Net Expenditure for the Year		(413)	(397)
Decrease/(Increase) in Debtors		0	(1)
Increase in Creditors		8	22
Depreciation		3	4
Disposal of fixed assets		0	0
Notional costs		0	0
<b>Net Cash Outflow from Operating Activities</b>		<u><b>(402)</b></u>	<u><b>(372)</b></u>

(ii) **Analysis of Changes in Cash & Bank**

	At 1 April 2007 £'000	Cash Flow £'000	At 31 March 2008 £'000
Cash at Bank and in Hand	<u>31</u>	<u>8</u>	<u>39</u>

## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

#### **1.1 Basis of Accounting**

These accounts cover the year to 31 March 2008. The financial statements have been prepared under the historic cost convention, modified to account for the revaluation of fixed assets where material, at their value to the business by reference to their current costs, and in accordance with the Accounts Direction issued by the Scottish Ministers. They meet the requirements of the Government Financial Reporting Manual, and of the Statements of Standard Accounting Practice / Financial Reporting Standards issued and adopted by the Accounting Standards Board, so far as these requirements are appropriate.

#### **1.2 Tangible Fixed Assets**

##### **1.2.1 *Capitalisation***

Purchases of assets for a value exceeding £500 inclusive of irrecoverable VAT are treated as capital with the exception of land and buildings where the threshold is set at £10,000 and IT equipment where the group value exceeds £500.

##### **1.2.2 *Valuation***

As appropriate, assets are reflected at their value to the organisation by reference to current cost.

##### **1.2.3 *Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Furniture and equipment	5 years
Fixtures & Fittings	5 years
IT Equipment	3 years

#### **1.3 Intangible Fixed Assets**

Software and licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the asset (3 years).

#### **1.4 Funding**

Funding received from the SPCB is credited directly to the general fund in the period to which it relates.

## 1.5 Leases

The Commissioner holds no material finance or operating leases. The property lease is renewed annually.

## 1.6 Notional Costs

In line with HM Treasury's Fees and Charges Guide and DAO letter 8/96, The Commissioner includes notional costs for cost of capital at the rate approved by HM Treasury of 3.5% in real terms on all assets and liabilities.

## 1.7 Pension Costs

### *The Commissioner*

The Commissioner is a member of the Principal Civil Service Pension Scheme (PCSPS).

### *Employees*

The staff of OCPAS are also members of the PCSPS. This is an unfunded multi-employer defined benefit scheme. OCPAS is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

## 1.8 Value Added Tax

OCPAS is not VAT registered. All VAT is charged to the income and expenditure account.

## 2 Performance Against Budget

OCPAS is funded through the SPCB. For financial year 2007-08 OCPAS was allocated a budget of £410,000. Total net expenditure, after adjusting for non-cash items was in line with budget.

	2007-08 Budget £'000	2007-08 Expenditure £'000	Variance £'000	2006-07 Expenditure £'000
Net Operating Cost	410	413	3	397
Capital Expenditure	0	0	0	2
<b>Total Expenditure</b>	<b>410</b>	<b>413</b>	<b>3</b>	<b>399</b>
<b>Accruals adjustments:</b>				
Non cash items	0	(3)	(3)	(4)
Working capital (including cash)	0	0	0	2
<b>Cash Funding from SPCB</b>	<b>410</b>	<b>410</b>	<b>0</b>	<b>397</b>

### 3 Income

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
<b><i>Income from all Sources</i></b>		
Bank Interest	1	1
HM Revenue & Customs	0	1
	<u>1</u>	<u>2</u>

### 4 Staff Numbers and Costs

#### 4.1 *Average Staff Employed (Full Time Equivalent)*

The average number of full time equivalent (FTE) persons employed by OCPAS during the period was as follows:

	<u>2007-08</u> FTE	<u>2006-07</u> FTE
Commissioner	0.65	0.6
Staff	2.95	3.9
	<u>3.6</u>	<u>4.5</u>

#### 4.2 *Breakdown of Staff Costs*

	<u>Total</u> <u>2007-08</u> £'000	<u>Commissioner</u> <u>2007-08</u> £'000	<u>Staff</u> <u>2007-08</u> £'000	<u>Total</u> <u>2006-07</u> £'000
Salaries / wages	142	50	92	156
Social security costs	11	4	7	11
Pension costs	31	13	18	25
	<u>184</u>	<u>67</u>	<u>117</u>	<u>192</u>

OCPAS has a small permanent staff. In addition, the Commissioner contracts for the services of OCPAS Assessors who participate in each appointment round.

### 5 Pension Costs

For 2007-08 the employer's contributions of £17,871 were payable to the PCSPS at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. This compares to contributions of £14,075 in 2006-07 with the four rates also falling between 17.1% and 25.5%.

The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2006-07, the salary bands were revised and the rates will be in a range between 17.1% and 25.5%.

The contribution rates reflect benefits as they are accrued, not when the

costs are actually incurred, and reflect past experience of the scheme.

Outstanding scheme contributions at 31 March 2008 amounted to £1,840 (2007 - £1,644).

On death, pensions are payable to the surviving spouse at the rate of half of the member's pension. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, depending on scheme joined within PCSPS, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

## **6 Analysis of Operating Expenditure**

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
Property Costs	37	38
Marketing and Public Relations	5	1
Annual Report	7	7
Legal Advice	11	3
Financial Advice	8	7
OCPAS Assessors' Costs	117	79
Code of Practice	0	6
Equal Opportunities Strategy	24	47
General Office Running Costs	12	8
Staff Training & Recruitment	2	2
Other Professional Fees	1	2
Website Creation & Maintenance	1	0
Travel and Expenses and Hospitality	2	3
Notional Cost of Capital	0	0
	<b><u>227</u></b>	<b><u>203</u></b>

The above total includes £6,900 for external auditor's remuneration. External audit received no fees in relation to non-audit work.

OCPAS has a small permanent staff. In addition, the Commissioner contracts for the services of OCPAS Assessors who participate in each appointment round to the boards of public bodies under her remit and provide her with assurance that the processes used conform to the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

**7 Tangible Fixed Assets**

	<b>Fixtures &amp; Fittings and Equipment £'000</b>	<b>IT Equipment £'000</b>	<b>Total £'000</b>
<b><u>Cost</u></b>			
At 1 April 2007	1	10	11
Additions	0	0	0
Disposals	0	(1)	(1)
At 31 March 2008	<u>1</u>	<u>9</u>	<u>10</u>
<b><u>Depreciation</u></b>			
At 1 April 2007	0	8	8
Charge for Year	1	1	2
Disposals	0	(1)	(1)
At 31 March 2008	<u>1</u>	<u>8</u>	<u>9</u>
<b><u>Net Book Value at 31 March 2008</u></b>	<b><u>0</u></b>	<b><u>1</u></b>	<b><u>1</u></b>
<b><u>Net Book Value at 31 March 2007</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>

**8 Intangible Fixed Assets**

	<b>IT Software &amp; Licenses £'000</b>	<b>Total £'000</b>
<b><u>Cost</u></b>		
At 1 April 2007	3	3
Additions	0	0
Disposals	0	0
At 31 March 2008	<u>3</u>	<u>3</u>
<b><u>Depreciation</u></b>		
At 1 April 2007	2	2
Charge for Year	1	1
Disposals	0	0
At 31 March 2008	<u>3</u>	<u>3</u>
<b><u>Net Book Value at 31 March 2008</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Net Book Value at 31 March 2007</u></b>	<b><u>1</u></b>	<b><u>1</u></b>

**9 Sundry Debtors**

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
Prepayments	9	9

**10 Cash at Bank and in Hand**

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
Cash Held at Commercial Banks	39	31
	<u>39</u>	<u>31</u>

**11 Creditors: amounts falling due within one year**

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
Trade Creditors	42	32
PAYE and National Insurance	3	4
Pension Contributions	2	2
Accruals	6	7
	<u>53</u>	<u>45</u>

**12 General Fund**

	<u>2007-08</u> £'000	<u>2006-07</u> £'000
Balance at 1 April 2007	(1)	(1)
Net Expenditure for the Year	(413)	(397)
Funding from the SPCB	410	397
Notional Cost of Capital	0	0
At 31 March 2008	<u>(4)</u>	<u>(1)</u>

There is no reason to believe that OCPAS will not continue to be funded through the SPCB. The accounts are therefore prepared on a going concern basis.

**13 Capital Commitments**

There were no contracted capital commitments as at 31 March 2008 (2007 – Nil).

**14 Contingent Liabilities**

There were no contingent liabilities as at 31 March 2008 (2007 – Nil).

**15 Related Party Transactions**

The Office of the Commissioner for Public Appointments in Scotland was constituted by the Scottish Parliament which provides funding via the Scottish Parliamentary Corporate Body (SPCB). The SPCB is regarded as a related body. Neither the Commissioner, her staff or related parties has undertaken material transactions with SPCB during the year.

**16 Post Balance Sheet Events**

No event has occurred since the date of the balance sheet which materially affects the financial statements.



## COMMISSIONER FOR PUBLIC APPOINTMENTS IN SCOTLAND

### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 13 of Schedule 1 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 1 December 2004 is hereby revoked.

  
1 September 2006

Signed by the authority of the Scottish Ministers

Dated