

**Commissioner for Public  
Appointments in Scotland**

**Annual Accounts**

**Year Ended 31 March 2006**

**Contents**

	<b><u>Page Number</u></b>
Foreword and Operational Review	1 - 5
Remuneration Report	6
Statement of Accountable Officer's Responsibilities	7
Statement on Internal Control	8 - 9
Auditors Report	10 - 11
Operating Cost Statement	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounts	15- 20
Appendix 1: Accounts Direction	21

## **FOREWORD AND OPERATIONAL REVIEW**

The accounts for the financial year ended 31 March 2006 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 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.

### **Statutory Powers and Responsibilities**

2. 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 Act
- 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 Parliament material non-compliance with the code of practice and if the appointment or recommendation for appointment in question has not been made, direct 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**

3. The Commissioner's expenditure on operating activities for the year ended 31 March 2006 totalled £416,000 (2004-05 £205,000). This was on staffing costs £146,000 (2004-05 £82,000), other operating expenditure £266,000 (2004-05 £121,000), and depreciation £4,000 (2004-05 £2,000). Details of operating expenditure are shown in note 6 to the accounts. OCPAS expenditure in 2004-05, its first year of operation, was considerably lower than in 2005-06 as this was a part year, running from 1 June 2004 to 31 March 2005 with a 46% staffing level.

4. The Commissioner earned income of £1,000 (2004-05 £1,000), resulting in net expenditure on operating activities for the year of £415,000. This will be charged to the general fund and will be carried forward to 2006-07.

5. A further £1,000 (2004-05 £12,000) was spent on the purchase of tangible fixed assets during the financial year as detailed in note 7 to the Accounts. Expenditure in 2004-05 was considerably higher as OCPAS was establishing its office purchasing IT and office equipment.

6. The Scottish Parliament awarded OCPAS a budget of £400,000 for financial year 2005-06 with a further £16,000 towards start-up costs. The Commissioner's total expenditure, at £412,000 (2004-05 £213,000) excluding cost of depreciation and notional cost of capital (£4,000), was 1% under budget. Details of expenditure against budget are shown in note 2 to the accounts.

### **Payment of Creditors**

7. 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 either receipt of the goods or services. OCPAS payment performance for 2005-06 was 91.5%.

### **Review of 2005-06**

8. During this first full year of operation:

#### *Adoption of the new Code of Practice in Scotland*

- consultation with the Scottish Parliament, Scottish Ministers and others on the proposed new Code of Practice
- analysis of the responses to the consultation against the Act and requirements of an effective public appointments process
- introduction of the principles of the new Code to the Executive's Senior Civil Service at a question time-event in Edinburgh, chaired by Kit Fraser, political correspondent at the BBC, with the Commissioner, Sir John Elvidge, Permanent Secretary at the Executive, Sir Alastair Graham, Chair of the

Committee on Standards in Public Life, and Peter Lederer, Chair of VisitScotland, on the Panel.

- launch of the new Code in April 2006

*Creation of an equal opportunities strategy for public appointments*

- production of an equal opportunities policy for public appointments
- analysis of applicant and appointee statistics to ascertain the diversity of those applying for and those succeeding in public appointments
- tendering for and appointment of consultants
- research for stage one of the strategy

*Enhancing procedures to regulate the public appointments process in Scotland*

- monitoring level of OCPAS Assessor activity against Scottish Executive predictions
- establishing Service Level Agreements with the OCPAS Assessors and working with the Scottish Executive on a Memorandum of Understanding
- publication of guidance for OCPAS Assessors on the operation of the new Code of Practice
- increased training activity for OCPAS Assessors
- introduction of appraisal process for OCPAS Assessors
- appointment of seven new OCPAS Assessors
- introduction of mystery shopping

*Embedding the Commissioner's office*

- recruitment of a new member of staff to lead on quality assurance matters and assessment manager to lead Assessor activity
- production of our first Annual Report and audited accounts
- roll-out of a three-year Business Plan and budget for forthcoming activities
- production and adoption of office procedures manual and policies, including risk assessment

*Developing relationships*

- participation in the appointments process for a new Commissioner for Public Appointments in Northern Ireland and agreeing procedures with her and the new Commissioner for England and Wales
- meetings with equalities bodies as precursor to equal opportunities strategy work
- meetings with chairs of public bodies to discuss issues relating to the appointments process

*Promoting the public appointments process in Scotland*

- presentations by the Commissioner at events to promote the process and work of the office

- involving NDPB board members and Chairs in the work of OCPAS and the development of the “champion” role

### **Future Development**

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

- establish an Advisory Audit Board
- develop an effective office contingency plan
- review OCPAS staffing and assessor structure
- review OCPAS accommodation
- establish additional methods to monitor the impact of new Code of Practice
- appoint auditors to audit the public appointments process
- develop an appointment “hallmark” to evaluate implementation of the public appointments process
- review the Service Level Agreement between OCPAS and its assessors
- recruit and induct an Assessment Manager
- appoint and induct new OCPAS assessors and develop individual training plans
- produce accreditation programme for OCPAS assessors
- publish the Commissioner’s annual report
- establish a Memorandum of Understanding for appointment rounds between the Commissioner’s office and the Scottish Executive
- in conjunction with the Scottish Executive, develop a training programme for Scottish Executive teams involved in the public appointments process
- create a team of OCPAS Champions to promote the public appointments process
- hold event at Festival of Politics to further public’s knowledge of the public appointments process
- consult on and publish results for Stage One of Diversity and Equal Opportunities Strategy and develop second phase of this work

- continue to raise awareness of the existence and rigour of the regulated process for public appointments in Scotland

### **The Commissioner for Public Appointments in Scotland**

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

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

### **Equal Opportunities**

11. 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**

12. 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 management papers, 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.

### **Audit**

13. 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**

14. 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: 9 October 2006

## 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 is set out below. The Commissioner is employed on a part-time basis, working three days per week. The salary given below is based on part-time employment (three days per week).

<b>Remuneration</b>	<b>2005-06 £'000</b>	<b>2004-05 £'000</b>
Salary	40-45	35-40
Benefits in kind	Nil	Nil

Salaries include basic salaries, and where appropriate performance bonuses payable, reserved rights, recruitment and retention allowances. They do not include employer National Insurance or Superannuation 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 2006 and related lump sum £'000</b>	<b>CETV at 31 March 2005 £'000</b>	<b>CETV at 31 March 2006 £'000</b>	<b>Value of CETV increase over year £'000</b>
<b>Commissioner</b>					
Karen Carlton	0 – 2.5	0 - 5	8	23	15
	Lump sum	Lump sum			
	0 – 2.5	0 - 5			

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

This 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. It 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 pension benefits they have 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 scheme, not just their service in the senior capacity to which the disclosure applies. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### **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: 9 October 2006

## **STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

The SPCB 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 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 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**

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

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 comprises a network 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.

This system of internal control now includes:

- a business plan detailing OCPAS objectives. This plan is developed in conjunction with staff and their personal objectives flow from it. Both individual and organisational objectives are regularly reviewed. These reviews track the progress of our objectives and highlight any obstacles. This is a key element in managing risk
- a risk register. The register was created by and is maintained with input from all OCPAS staff. It is reviewed annually and risks are assigned to specific objectives in the business plan
- job descriptions for all staff members based on OCPAS overall aims and objectives
- staff regularly reviewed against their personal objectives and training requirements identified and addressed
- a scheme of delegation
- a Financial Memorandum between my office and the Scottish Parliamentary Corporate Body drawn up and approved, clearly delineating responsibilities
- the Scottish Parliament's procurement procedures adopted
- maintenance of a full electronic accounting system along with written guidelines for financial procedures
- a detailed annual budget prepared and reviewed on a monthly basis
- an electronic system for the fair and equitable allocation of OCPAS Assessors
- methods for sharing and cascading information to OCPAS staff are in place.

We have identified a number of areas which will be addressed in the coming year:

- establishing an Advisory Audit Board
- reviewing our Internal Audit requirements
- develop policy and guidelines on the prevention and detection of fraud
- developing a register of interests for OCPAS assessors
- finalising staff terms and conditions

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.

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: 9 October 2006

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Commissioner for Public Appointments in Scotland for the year ended 31 March 2006 under the Public Appointments and Public Bodies etc (Scotland) Act 2003. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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 the Code of Audit Practice approved by the Auditor General for Scotland and for no other purpose as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

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

The Commissioner for Public Appointments in Scotland (Commissioner) is responsible for preparing the annual report and the financial statements in accordance with the Public Appointments and Public Bodies etc (Scotland) Act 2003 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.

My responsibility is to audit the financial statements 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.

I report my 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 Appointments and Public Bodies etc (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers. I 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. I also report if, in my opinion, the annual report is not consistent with the financial statements, if the Commissioner has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Commissioner's compliance with the Scottish Executive's guidance. I report if, in my opinion, it does not comply with the guidance or if it is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Commissioner's corporate governance procedures or its risk and control procedures.

I 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 the Foreword and Operational Review and the Remuneration Report except the section on Remuneration and Pension Benefits. I consider the implications for my report if I become

aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my 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. An 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. 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 appropriate to the Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinion**

#### *Financial statements*

In my opinion:

- the financial statements give a true and fair view, in accordance with the Public Appointments and Public Bodies etc (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Commissioner as at 31 March 2006 and of its net expenditure, recognised gains and losses and cash flows for the year then ended; and
- 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.

#### *Regularity*

In my 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.



Murdoch McCamley CA  
Senior Audit Manager  
Audit Scotland, Osborne House  
1-5 Osborne Terrace, Edinburgh EH12 5HG

Date: 12 October 2006

**Operating Cost Statement for the year ended 31 March 2006**

	<u>Notes</u>	<u>2005-06</u>	<u>2004-05</u>
		£'000	£'000
<b><u>Income</u></b>			
Income from all Sources	3	(1)	(1)
		<hr/>	<hr/>
		(1)	(1)
<b><u>Expenditure</u></b>			
Staff Costs	4,5	146	82
Other Operating Costs	6	266	121
Depreciation	7	4	2
		<hr/>	<hr/>
<b><u>Total Expenditure</u></b>		<b>416</b>	<b>205</b>
		<hr/>	<hr/>
<b><u>Net Expenditure for the Year</u></b>		<b>415</b>	<b>204</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 15 to 20 form an integral part of these accounts.

**Balance Sheet as at 31 March 2006**

	<u>Notes</u>	<u>2005-06</u> £'000	<u>2004-05</u> £'000
<b><u>Fixed Assets</u></b>			
Tangible Assets	7	6	10
<b>Total Fixed Assets</b>		<b>6</b>	<b>10</b>
<b><u>Current Assets</u></b>			
Debtors	8	8	5
Cash at bank and in hand	9	8	5
		<b>16</b>	<b>10</b>
Creditors - amounts falling due within one year	10	(23)	(23)
<b>Net Current Liabilities</b>		<b>(7)</b>	<b>(13)</b>
<b>Total Net Liabilities</b>		<b>(1)</b>	<b>(3)</b>
<b><u>Financed by:</u></b>			
<b>Capital and Reserves</b>			
General Fund	11	(1)	(3)
		<b>(1)</b>	<b>(3)</b>

The accompanying notes on pages 15 to 20 form an integral part of these accounts.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 9 October 2006

**Cash Flow Statement for Year Ended 31 March 2006**

<b><u>Operating Activities</u></b>	<b><u>2005-06</u></b>	<b><u>2004-05</u></b>
	<b>£'000</b>	<b>£'000</b>
Net Cash Outflow from Operating Activities (i)	(413)	(183)
 <b><u>Capital Expenditure</u></b>		
Purchase of Tangible Fixed Assets	(1)	(12)
	<u>(414)</u>	<u>(195)</u>
 <b><u>Financing from the SPCB</u></b>		
From the SPCB	417	200
Increase in Cash (ii)	<u><u>3</u></u>	<u><u>5</u></u>

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

	<b><u>2005-06</u></b>	<b><u>2004-05</u></b>
	<b>£'000</b>	<b>£'000</b>
Net Expenditure for the Year	(415)	(204)
Increase in Debtors	(3)	(5)
Increase in Creditors	0	23
Depreciation	4	2
Disposal of fixed assets	1	0
Notional costs	0	1
 <b>Net Cash Outflow from Operating Activities</b>	 <u><u>(413)</u></u>	 <u><u>(183)</u></u>

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

	<b>At</b>	<b>Cash Flow</b>	<b>At</b>
	<b>1 April 2005</b>	<b>£'000</b>	<b>31 March 2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at Bank and in Hand	<u>5</u>	<u>3</u>	<u>8</u>

## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

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

These accounts cover the year to 31 March 2006. The financial statements have been prepared under the historical cost convention, and in accordance with the Accounts Direction issued by Scottish Ministers. They meet the requirements of the Companies Act 1985, 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 Fixed Assets**

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

Capital purchases for a value exceeding £500 inclusive of irrecoverable VAT are treated as capital. However, the threshold for land and buildings is set at £10,000 and the IT equipment threshold is 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 Funding Receivable**

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

#### **1.4 Leases**

The Commissioner holds no material finance or operating leases.

## 1.5 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.

## 1.6 Pension Costs

### *The Commissioner*

The Commissioner is paid through the Scottish Parliamentary Corporate Body's payroll. 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, but the 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))

## 1.7 Value Added Tax

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

## 2 Performance Against Budget

The OCPAS is funded through the SPCB. For financial year 2005-06 the OCPAS was allocated a budget of £400,000 with a further £16,000 awarded to cover start up costs. Net expenditure, at £416,000, was on budget.

	2005-06 Budget £'000	2005-06 Expenditure £'000	Variance £'000	2004-05 Expenditure £'000
<b>Net Operating Cost</b>	416	415	1	204
<b>Capital Expenditure</b>	0	1	(1)	12
<b>Total Expenditure</b>	416	416	0	216
<b>Accruals adjustments:</b>				
<b>Non cash items</b>	(4)	(5)	1	(3)
<b>Working capital (including cash)</b>	4	6	(2)	(13)
<b>Cash Funding from SPCB</b>	416	417	(1)	200

**3 Income**

	<u>2005-06</u> £'000	<u>2004-05</u> £'000
<b><i>Funding from all Sources</i></b>		
Other Income	1	1
	<u>1</u>	<u>1</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>2005-06</u> FTE	<u>2004-05</u> FTE
Commissioner	0.6	0.6
Staff (including seconded staff)	2.7	1.4
	<u>3.3</u>	<u>2.0</u>

**4.2 *Breakdown of Staff Costs***

	<u>Total</u> <u>2005-06</u> £'000	<u>Commissioner</u> <u>2005-06</u> £'000	<u>Staff</u> <u>2005-06</u> £'000
Salaries / wages	119	43	76
Social security costs	8	4	4
Pension costs	19	11	8
	<u>146</u>	<u>58</u>	<u>88</u>

**5 Pension Costs**

For 2005-06 employers contributions of £8119 were payable to the PCSPS at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands. This compares to contributions of £7098 in 2004-05 with the four rates falling between 12% and 18.5%.

The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2006-07, the salary bands will be 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 2006 amounted to £985 (2005 - Nil).

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**

	<b>2005-06</b>	<b>2004-05</b>
	<b>£'000</b>	<b>£'000</b>
Property Costs	44	25
Marketing and Public Relations	20	21
Annual Report	8	0
Legal Advice	23	16
Financial Advice	9	6
OCPAS Assessors' Costs	63	12
Development of Code of Practice	27	0
Equal Opportunities Strategy	45	0
General Office Running Costs	9	16
Contribution to MORI Report	0	9
Staff Training & Recruitment	10	7
Other Professional Fees	2	0
Website Creation & Maintenance	2	6
Travel and Expenses and Hospitality	4	2
Notional Cost of Capital	0	1
	<b>266</b>	<b>121</b>

The above total includes £6,769 for external auditor's remuneration. External audit received no fees in relation to non audit work.

OCPAS has a small permanent staff. The Commissioner uses OCPAS Assessors who provide her with advice on public appointments.

Two changes have been made to the 2004-05 figures to ease comparison between the years. Our accounts for 2004-05 recorded £6,000 to Other Professional Fees; this has been re-assigned to Financial Advice. General Office Running Costs in 2004-05 have been revised to £16,000, by combining Stationery & Printing (£5,000), Telephones & Postage (£1,000) and Publications (£1,000) with the original £9,000.

**7 Fixed Assets**

	<b>Fixtures &amp; Fittings and Equipment <u>£'000</u></b>	<b>IT Systems <u>£'000</u></b>	<b>Total <u>£'000</u></b>
<b><u>Cost</u></b>			
At 1 April 2005	1	11	12
Additions	0	1	1
Disposals	0	(1)	(1)
At 31 March 2006	<u>1</u>	<u>11</u>	<u>12</u>
<b><u>Depreciation</u></b>			
At 1 April 2005	0	2	2
Charge for Year	0	4	4
Disposals	0	0	0
At 31 March 2006	<u>0</u>	<u>6</u>	<u>6</u>
<b><u>Net Book Value at 31 March 2006</u></b>	<u>1</u>	<u>5</u>	<u>6</u>
<b><u>Net Book Value at 31 March 2005</u></b>	<u>1</u>	<u>9</u>	<u>10</u>

**8 Sundry Debtors**

	<b><u>2005-06</u> <u>£'000</u></b>	<b><u>2004-05</u> <u>£'000</u></b>
Sundry debtor	1	0
Prepayments	7	5
	<u>8</u>	<u>5</u>

**9 Cash at Bank and in Hand**

	<b><u>2005-06</u> <u>£'000</u></b>	<b><u>2004-05</u> <u>£'000</u></b>
Cash Held at Commercial Banks	8	5
	<u>8</u>	<u>5</u>

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

	<b><u>2005-06</u> <u>£'000</u></b>	<b><u>2004-05</u> <u>£'000</u></b>
Trade Creditors	17	1
PAYE and National Insurance	1	0
Pension Contributions	1	0
Accruals	4	22
	<u>23</u>	<u>23</u>

**11 General Fund**

	<u>2005-06</u> £'000	<u>2004-05</u> £'000
Balance at 1 April 2005	(3)	0
Net Expenditure for the Year	(415)	(204)
Funding from the SPCB	417	200
Notional Cost of Capital	0	1
At 31 March 2006	(1)	(3)

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.

**12 Capital Commitments**

There were no contracted capital commitments as at 31 March 2006 (2005 – Nil).

**13 Contingent Liabilities**

There were no contingent liabilities as at 31 March 2006 (2005 – Nil).

**14 Related Party Transactions**

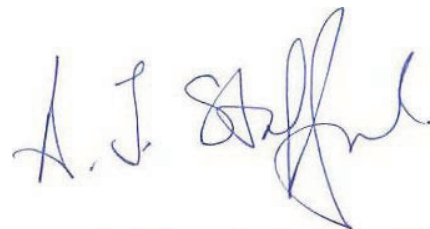
The Office of the Commissioner for Public Appointments in Scotland was constituted by the Scottish Parliament which provides funding via the Scottish Parliamentary Corporate Body (SPCB). The SPCB is regarded as a related body. Neither the Commissioner, other staff or related parties has undertaken material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



## 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 (FRoM) 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