



Office of the Commissioner for  
Public Appointments in Scotland

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

## **Annual Accounts (IFRS)**

### **Year Ended 31 March 2010**

<b><u>Contents</u></b>	<b><u>Page Number</u></b>
Management Commentary	2-6
Remuneration Report	7-8
Statement of Accountable Officer's Responsibilities	9
Statement on Internal Control	10-11
Auditor's Report	12-14
Operating Cost Statement	15
Statement of Financial Position	16
Statement of Cash Flows	17
Statement of Changes in Taxpayers' Equity	18
Notes to the Accounts	19-28
Appendix 1: Accounts Direction	28

## **MANAGEMENT COMMENTARY**

The accounts for the financial year ended 31 March 2010 are presented in accordance with paragraph 13(1) of Schedule 1 of the Public Appointments and Public Bodies etc. (Scotland) Act 2003 (the Act), 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 Act 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 to be followed by the Scottish Ministers and their officials when making non-executive appointments to the boards of public bodies. Public bodies within the Commissioner's remit are listed in schedule 2 of the Act.
  - review and revise the code of practice as necessary. In preparing and revising the code the Commissioner must consult with the Scottish Parliament, the Scottish Government and a variety of other interested parties.
  - examine the practices used during appointment rounds to ensure they comply with the code of practice. The Commissioner may issue guidance on code compliance to the Scottish Ministers.
  - report to the Scottish Parliament instances of material non-compliance with the code of practice. If an appointment has not been made, the Commissioner may direct the Scottish Ministers to delay making the appointment until Parliament has considered the situation.
  - investigate complaints about the public appointments process.
  - ensure that appointments are made fairly and openly and that everyone who may be interested in an appointment has the opportunity to apply.
  - prepare and publish a strategy for ensuring that appointments are made by the Scottish Ministers in a way which encourages equal opportunities.
  - prepare an annual report and accounts and lay the annual report before the Scottish Parliament.

## Financial Position

4. The Commissioner's expenditure on administrative activities for the year ended 31 March 2010 totalled £408,000 (2008-09 £400,000). This was on staffing costs £197,000 (2008-09 £201,000), other administration costs £210,000 (2008-09 £200,000), and depreciation £1,000 (2008-09 £1,000). Details of other administrative costs are shown in note 6 to the accounts.

5. The Commissioner earned no income in 2009-10 (2008-09 £2,000).

6. A further £1,000 (2008-09 £1,000) was spent on the purchase of tangible non-current assets during the financial year as detailed in note 7 to the Accounts.

7. The Scottish Parliament awarded OCPAS a cash budget of £423,000 for financial year 2009-10 (2008-09 £419,000). The Commissioner's cash expenditure, at £408,000 (2008-09 £400,000) was £15,000 under budget (2008-09 £19,000 under budget). OCPAS secured funding from the Equality and Human Rights Commission to develop a one day course on public appointments, run three pilots and produce promotional material. This payment was used to offset the Commissioner's budget.

## Payment of Creditors

8. 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 2009-10 was 96% (2008-09 97%).

## Review of 2009-10

9. During this year of operation OCPAS:

- proposed revisions to the code of practice and a new method of monitoring code compliance
- held consultation events with OCPAS Assessors, the Chairs of public bodies and senior civil servants on the proposed revisions
- continued to implement the recommendations set out in ***Diversity Delivers***, including:
  - hosted an event for Chairs of public bodies, offering practical advice on implementing ***Diversity Delivers***' recommendations
  - developed and piloted an education programme to inform a wider range of people about public appointments
  - developed and implemented a mentoring scheme for those interested in applying for public appointments

- developed a leaflet describing public appointments and encouraging people to apply
- developed a team of OCPAS role models – board members keen to encourage a wider range of people to apply for public appointments.
- reviewed OCPAS pensions' administration system
- published the Commissioner's fifth Annual Report
- launched a new website to ensure greater accessibility to OCPAS publications and information
- allocated OCPAS Assessors to 46 appointment rounds (2008-09 48 appointment rounds)
- worked with the Scottish Government to improve the administration of the public appointments process
- 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**

10. The Commissioner's priorities in the coming year are to:

- formally consult and launch a new code of practice
- introduce new methods for monitoring compliance with the new code and produce detailed guidance on its implementation
- continue to implement the recommendations set out in ***Diversity Delivers***, including:
  - evaluating the education programme and investigating opportunities to run further programmes
  - continuing a mentoring programme
  - distribute the information leaflet on public appointments
  - run a series of workplace events with employers to encourage employees to apply for public appointments.
- prepare for the creation of the Commission for Ethical Standards In Public Life in Scotland on 1 April 2011. This is a merger of OCPAS with the Scottish Parliamentary Standards Commissioner and Chief Investigating Officer.

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

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

The Commissioner's initial appointment was for a period of 5 years. The Commissioner was reappointed on 1 June 2009 for a further 3 years.

### **Equal Opportunities**

12. The Commissioner supports the principle of equal opportunities in employment and operating 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**

13. OCPAS 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**

14. 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**

15. 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**

16. 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).

A handwritten signature in black ink that reads "Karen Carlton". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 4 August 2010

## **REMUNERATION REPORT**

This section is audited.

Following nomination by the Scottish Parliament the Commissioner is appointed by Her Majesty the Queen. The Commissioner's reappointment is for a period of 3 years and remuneration of the Commissioner is set by the Scottish Parliamentary Corporate Body.

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. The salary given below is based on this part-time employment.

<b>Remuneration</b>	<b>2009-10 £'000</b>	<b>2008-09 £'000</b>
Salary	45-50	45-50
Benefits in kind	Nil	Nil

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

<b>Pension Benefits</b>				
	<b>Real increase in pension and related lump sum at age 60</b>	<b>Total accrued pension at age 60 as at 31 March 2010 and related lump sum</b>	<b>CETV at 31 March 2009</b>	<b>CETV at 31 March 2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><i>Commissioner</i></b>				
Karen Carlton	0-2.5	15-20	280	321
	Lump Sum	Lump sum		
	0-2.5	0-5		

### **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**

There is a requirement to disclose each year the real increase in the CETV funded by the employer. In the year concerned there was, however, a decrease in the value of the CETV funded by the employer. The increase in the total CETV in the table above has been funded entirely by the employee.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 4 August 2010

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

The Scottish Parliamentary Corporate Body designated the Commissioner as the Accountable Officer for OCPAS. 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.

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 form part of the SPCB's 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
- evaluate the nature and extent of those risks, and
- 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 is regularly reviewed and amended.

The detail of OCPAS system of internal control includes a business plan, budget, risk register, full staff performance management system and internal operating policies and procedures. These various elements of the system of internal control are reviewed annually.

Governance issues are scrutinised by OCPAS's Advisory Audit Board prior to signing of the annual accounts.

### **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. 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 annually to ensure that actions to eliminate or reduce risks are underway and that new or changing risks are identified. These risks are linked to specific objectives in the business plan.

### **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.

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

- assess and manage the risks associated with the creation of the new Commission for Ethical Standards in Public Life in Scotland.
- assess and manage the risks associated with the introduction of a new code of practice.

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: 4 August 2010

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

We have audited the financial statements of the Office of the Commissioner for Public Appointments in Scotland for the year ended 31 March 2010 under the Public Finance and Accountability (Scotland) Act 2000. These comprise the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity 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 that report 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 third parties.

### **Respective responsibilities of the Commissioner and auditor**

The Commissioner is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with 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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000.

In addition, we report to you if, in our opinion, the Commissioner has not kept proper accounting records, if we have not received all the information and explanations we require for our 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 Scottish Government 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 to form an opinion on the effectiveness of the Commissioner's corporate governance procedures or its 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 the management commentary. 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. 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 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 the Public Finance and Accountability (Scotland) Act 2000 and the directions made thereunder by the Scottish Ministers, of the state of affairs of the Commissioner as at 31 March 2010 and the net operating cost, changes in taxpayers' equity 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 Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; 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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000.



**Grant Thornton UK LLP**  
**Chartered Accountants**  
**Edinburgh**  
**EH3 8LQ**

4 August 2010

**Operating Cost Statement for the year ended 31 March 2010**

	<b><u>Notes</u></b>	<b><u>2010</u></b> Restated for IFRS <b>£'000</b>	<b><u>2009</u></b> Restated for IFRS <b>£'000</b>
<b><u>Administrative Costs</u></b>			
Staff Costs	4,5	197	201
Other Administration Costs	6	210	200
Depreciation	7	1	1
Operating Income	3	0	(2)
<b><u>Net Administration Costs</u></b>		<b><u>408</u></b>	<b><u>400</u></b>
<b><u>Net Operating Costs</u></b>		<b><u>408</u></b>	<b><u>400</u></b>

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 19 to 28 form an integral part of these accounts.

**Statement of Financial Position as at 31 March 2010**

	<b>Notes</b>	<b>2010</b> £'000	<b>2009</b> Restated for IFRS £'000	<b>2008</b> Restated for IFRS £'000
<b><u>Non Current Assets</u></b>				
Property, Plant and Equipment	7	1	1	1
Intangible Assets	7	0	0	0
<b>Total Non Current Assets</b>		<b>1</b>	<b>1</b>	<b>1</b>
<b><u>Current Assets</u></b>				
Trade and Other Receivables	8	23	7	9
Cash and Cash Equivalents	9	11	23	39
<b>Total Current Assets</b>		<b>34</b>	<b>30</b>	<b>48</b>
<b>Total Assets</b>		<b>35</b>	<b>31</b>	<b>49</b>
<b><u>Current Liabilities</u></b>				
Trade and Other Payables	10	(24)	(20)	(57)
<b>Total Current Liabilities</b>		<b>(24)</b>	<b>(20)</b>	<b>(57)</b>
<b>Non Current Assets plus Net Current Assets</b>		<b>11</b>	<b>11</b>	<b>(8)</b>
<b><u>Non Current Liabilities</u></b>				
		-	-	-
<b>Assets less Liabilities</b>		<b>11</b>	<b>11</b>	<b>(8)</b>
<b><u>Taxpayers' Equity</u></b>				
General Fund		11	11	(8)
<b>Total Taxpayers' Equity</b>		<b>11</b>	<b>11</b>	<b>(8)</b>

The accompanying notes on pages 19 to 28 form an integral part of these accounts.



Karen Carlton  
Commissioner for Public Appointments in Scotland

Date: 4 August 2010

**Statement of Cash Flows for Year Ended 31 March 2010**

	<b><u>2010</u></b>	<b><u>2009</u></b>
	<b>£'000</b>	<b>£'000</b>
<b><u>Cash Flows From Operating Activities</u></b>		
Net Operating Cost	(408)	(400)
Adjustment for Non Cash Transactions:		
Depreciation	1	1
Notional Cost of Capital	0	0
Movements in Working Capital		
Decrease/(Increase) in Trade and Other Receivables	(16)	2
(Decrease)/Increase in Trade and Other Payables	4	(37)
<b>Net Cash Outflow from Operating Activities</b>	<b><u>(419)</u></b>	<b><u>(434)</u></b>
 <b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Property, Plant and Equipment	(1)	(1)
<b>Net Cash Outflow from Investing Activities</b>	<b><u>(1)</u></b>	<b><u>(1)</u></b>
 <b><u>Cash Flows From Financing Activities</u></b>		
Financing from the Scottish Parliamentary Corporate Body	408	419
<b>Net Cash Inflow from Financing Activities</b>	<b><u>408</u></b>	<b><u>419</u></b>
 <b><u>Net Increase/(Decrease) in Cash and Cash Equivalents</u></b>		
Cash and Cash Equivalents at the beginning of Period	<b>23</b>	<b>39</b>
Cash and Cash Equivalents at the end of Period	<b>11</b>	<b>23</b>

**Statement of Changes in Taxpayers' Equity**  
**For Year Ended 31 March 2010**

	<u>General</u> <u>Fund</u> £'000	<u>Total</u> <u>Reserves</u> £'000
<b>Balance at 31 March 2008</b>	(4)	(4)
Changes in Accounting Policy	(4)	(4)
<b>Restated balance at 1 April 2008</b>	(8)	(8)
Net Operating Costs for the Year	(400)	(400)
Funding From the SPCB	419	419
Notional Cost of Capital	0	0
<b>Balance at 1 April 2009</b>	11	11
Net Operating Costs for the Year	(408)	(408)
Funding From the SPCB	408	408
Notional Cost of Capital	0	0
<b>Balance at 31 March 2010</b>	<b>11</b>	<b>11</b>

## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

These financial statements have been prepared in accordance with the *Government Financial Reporting Manual (FReM)* in compliance with the accounts direction issued by Scottish Ministers. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context (see note 2). Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of OCPAS for the purpose of giving a true and fair view has been selected. The particular policies adopted by OCPAS are described below. They have been applied consistently in dealing with items that are considered material to the accounts

#### **1.1 Accounting Convention**

These accounts have been prepared under the historical cost convention.

#### **1.2 Change of Accounting Policy – Prior Year Adjustment**

In 2008-09 the Scottish Government implemented the three standards relating to financial instruments, International Accounting standards 37 and 39, and International Financial Reporting Standard 7 as modified by the Government Financial Reporting Manual (FReM). (See paragraph 1.10 for further detail). Prior year comparatives have been adjusted to reflect these changes. See Note 2.

#### **1.3 Property, Plant and Equipment**

##### **1.3.1 *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.

##### **1.3.2 *Valuation***

As appropriate, non-current assets are valued at depreciated historic cost (DHC) as a proxy for fair value.

### 1.3.3 ***Depreciation***

Depreciation is provided on all tangible non current 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

### 1.4 **Intangible Non Current Assets**

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

### 1.5 **Funding**

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

### 1.6 **Leases**

The Commissioner holds no material finance leases. Costs in respect of operating leases are charged to the Operating Cost Statement as they fall due. Details of operating leases are given in note 11.

### 1.7 **Notional Costs**

A notional charge, reflecting the cost of capital utilised by OCPAS, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities.

### 1.8 **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 2007. Details can be found in the resource accounts of the Cabinet office: Civil Superannuation (<http://www.civilservice.gov.uk/my-civil-service/pensions/>)

## 1.9 **Value Added Tax**

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

## 1.10 **Financial Instruments**

Financial assets are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the following assumptions:

- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

### 1.10.1 ***Credit risk***

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other third parties. OCPAS has formal treasury management procedures in place.

OCPAS now reviews the credit risk associated with financial institutions on a monthly basis and more regularly if market conditions are volatile or other information is made available on the financial security of UK banks and building societies.

### 1.10.2 ***Liquidity risk***

OCPAS does not have any external borrowings.

### 1.10.3 ***Market risk***

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. OCPAS does not rely on interest receivable as its key source of income.

**2 First Time Adoption of IFRS**

	<b>General Fund £000</b>
Taxpayers' equity at 31 March 2008 under UK GAAP	(4)
Adjustments for:	
IAS 19: Employee Benefits	(4)
Taxpayers' equity at 1 April 2008 under IFRS	<u>(8)</u>
Taxpayers' equity at 31 March 2009 under UK GAAP	14
Adjustments for:	
IAS 19: Employee Benefits	(3)
Taxpayers' equity at 1 April 2009 under IFRS	<u>11</u>

**3 Income**

	<u>2010</u> £'000	<u>2009</u> £'000
<b><i>Income from all Sources</i></b>		
Bank Interest	0	1
Other	0	1
	<u>0</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>2010</u> FTE	<u>2009</u> FTE
Commissioner	0.6	0.6
Staff	2.8	3.0
	<u>3.4</u>	<u>3.6</u>

#### 4.2 **Breakdown of Staff Costs - Administrative Costs**

	<b>Total 2010 £'000</b>	<b>Commissioner 2010 £'000</b>	<b>Staff 2010 £'000</b>	<b>Total 2009 £'000</b>
Salaries / wages	154	48	106	156
Social security costs	11	4	7	12
Pension costs	32	12	20	33
	<b>197</b>	<b>64</b>	<b>133</b>	<b>201</b>

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 2009-10 the employer's contributions of £19,943 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 £20,220 in 2008-9 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 are 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 2010 amounted to £1,371 (2009 - £2,024).

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 the 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 Other Administrative Costs**

	<u>2010</u> £'000	<u>2009</u> £'000
Property Costs	42	39
Marketing and Public Relations	1	0
Annual Report	7	14
Legal Advice	2	3
Financial Advice	9	9
OCPAS Assessors' Costs	93	96
Code of Practice	3	0
Equal Opportunities Strategy	17	15
General Office Running Costs	10	12
Staff Training & Recruitment	7	3
Other Professional Fees	2	1
Website Creation & Maintenance	14	4
Travel and Expenses and Hospitality	3	4
	<b>210</b>	<b>200</b>

The above total includes £7,600 for external auditor's remuneration.

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

7 **Property, Plant and Equipment**

***Tangible Non Current Assets***

	Fixtures & Fittings and Equipment <u>£'000</u>	IT Equipment <u>£'000</u>	Total <u>£'000</u>
<b><u>Cost</u></b>			
At 1 April 2009	1	9	10
Additions	1	0	1
Disposals	0	(1)	(1)
At 31 March 2010	<u>2</u>	<u>8</u>	<u>10</u>
<b><u>Depreciation</u></b>			
At 1 April 2009	1	8	9
Charge for Year	0	1	1
Disposals	0	(1)	(1)
At 31 March 2010	<u>1</u>	<u>8</u>	<u>9</u>
<b><u>Net Book Value at 31 March 2010</u></b>	<u>1</u>	<u>0</u>	<u>1</u>
<b><u>Net Book Value at 31 March 2009</u></b>	<u>0</u>	<u>1</u>	<u>1</u>

***Intangible Non Current Assets***

	IT Software & Licenses <u>£'000</u>	Total <u>£'000</u>
<b><u>Cost</u></b>		
At 1 April 2009	3	3
Additions	0	0
Disposals	0	0
At 31 March 2010	<u>3</u>	<u>3</u>
<b><u>Depreciation</u></b>		
At 1 April 2009	3	3
Charge for Year	0	0
Disposals	0	0
At 31 March 2010	<u>3</u>	<u>3</u>
<b><u>Net Book Value at 31 March 2010</u></b>	<u>0</u>	<u>0</u>
<b><u>Net Book Value at 31 March 2009</u></b>	<u>0</u>	<u>0</u>

7 **Property, Plant and Equipment - continued**

***Tangible Non Current Assets***

	Fixtures & Fittings and Equipment <u>£'000</u>	IT Equipment <u>£'000</u>	Total <u>£'000</u>
<b><u>Cost</u></b>			
At 1 April 2008	1	9	10
Additions	0	1	1
Disposals	0	(1)	(1)
At 31 March 2009	<u>1</u>	<u>9</u>	<u>10</u>
<b><u>Depreciation</u></b>			
At 1 April 2008	1	8	9
Charge for Year	0	1	1
Disposals	0	(1)	(1)
At 31 March 2009	<u>1</u>	<u>8</u>	<u>9</u>
<b><u>Net Book Value at 31 March 2009</u></b>	<u><u>0</u></u>	<u><u>1</u></u>	<u><u>1</u></u>
<b><u>Net Book Value at 31 March 2008</u></b>	<u><u>0</u></u>	<u><u>1</u></u>	<u><u>1</u></u>

***Intangible Non Current Assets***

	IT Software & Licenses <u>£'000</u>	Total <u>£'000</u>
<b><u>Cost</u></b>		
At 1 April 2008	3	3
Additions	0	0
Disposals	0	0
At 31 March 2009	<u>3</u>	<u>3</u>
<b><u>Depreciation</u></b>		
At 1 April 2008	3	3
Charge for Year	0	0
Disposals	0	0
At 31 March 2009	<u>3</u>	<u>3</u>
<b><u>Net Book Value at 31 March 2009</u></b>	<u><u>0</u></u>	<u><u>0</u></u>
<b><u>Net Book Value at 31 March 2008</u></b>	<u><u>0</u></u>	<u><u>0</u></u>

**8 Trade Receivables and Other Current Assets**

	<u>2010</u> £'000	<u>2009</u> £'000	<u>2008</u> £'000
Trade receivables	16	0	0
Sundry receivables (rent deposit)	6	6	5
Prepayments	1	1	4
	<b>23</b>	<b>7</b>	<b>9</b>

**9 Cash and Cash Equivalents**

	<u>2010</u> £'000	<u>2009</u> £'000	<u>2008</u> £'000
Balance at 1 April	23	39	31
Net Change in cash and cash equivalent balances	(12)	(16)	8
Balance at 31 March	<b>11</b>	<b>23</b>	<b>39</b>

Cash Held at Commercial Banks	<b>11</b>	<b>23</b>	<b>39</b>
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**10 Trade Payables and Other Current Liabilities  
Amounts falling due within one year**

	<u>2010</u> £'000	<u>2009</u> £'000	<u>2008</u> £'000
Trade Payables	9	3	42
PAYE and National Insurance	2	3	2
Pension Contributions	1	2	2
Accruals	12	12	10
	<b>24</b>	<b>20</b>	<b>56</b>

**11 Leasing commitments**

At 31 March 2010 OCPAS had annual commitments under non-cancellable operating leases as set out below.

	<b>Land &amp; Buildings</b>		
	<u>2010</u> £'000	<u>2009</u> £'000	<u>2008</u> £'000
Operating leases which expire: Within 1 year	33	40	36
	<b>33</b>	<b>40</b>	<b>36</b>

**12 Capital Commitments**

There were no contracted capital commitments as at 31 March 2010 (2009 – Nil).

**13 Contingent Liabilities**

There were no contingent liabilities as at 31 March 2010 (2009 – 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, her staff or related parties has undertaken material transactions with SPCB during the year.

**15 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