



Commissioner for
Ethical Standards in Public Life
in Scotland

Annual Report and Accounts 2016/17

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Laid before the Scottish Parliament by the Commissioner for Ethical Standards in Public Life in Scotland in pursuance of section 25(1) of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 as amended. Laying No. CES/2017/01

This report is available in alternative formats on request by telephoning 0300 011 0550 or by e-mailing info@ethicalstandards.org.uk.

PERFORMANCE OVERVIEW

- [Commissioner's statement](#)
- [Our purpose](#)
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- [Performance summary](#)

COMMISSIONER'S STATEMENT

The office has achieved a significant increase in output measured by the number of conduct complaint investigations completed. This led to a record number of breach reports being submitted to the Standards Commission for Scotland over the course of the year.

Innovations in public appointments, developed in partnership with officials of the Scottish Government and with the support and guidance of Public Appointments Advisers (PAAs), are beginning to pay dividends in terms of the diversity of those applying to serve on the boards of public bodies.

We have also made progress behind the scenes. Working with officials from the Scottish Government and with the support of, in particular, health board chairs, we have developed a ground-breaking research project to assess the impact of diversity on the governance of public boards.

The 2016 – 2020 Strategic Plan identified as a priority the introduction of a case management system to replace the ageing database on which the office relies for the management of conduct investigations. With technical support from the Digital Transformation Service of the Scottish Government, we developed the business case for a case management system. This was identified as a mitigating action in response to one of the key risks faced by the office in 2016/17. The response to others is summarised in the Accountability Report, at page 46.

All of this was made possible by contingency funding from the Scottish Parliamentary Corporate Body, in addition to the approved budget for the year.

OUR PURPOSE

The Commissioner's primary functions are to investigate complaints about the conduct of local authority councillors, members of public bodies and Members of the Scottish Parliament and to scrutinise the making of appointments by the Scottish Ministers to the boards of regulated public bodies.

The statutory functions of the Commissioner in relation to conduct are:

- to investigate complaints alleging contravention of the relevant Code of Conduct by
 - Councillors
 - Members of Public Bodies
 - Members of the Scottish Parliament (MSPs) and,
- where there has been contravention of the relevant Code, to report
 - in the case of councillors and members of public bodies, to the Standards Commission for Scotland
 - in the case of MSPs, to the Scottish Parliament.

The statutory functions of the Commissioner in relation to public appointments are:

- to prepare and publish and, as necessary, revise a Code of Practice for Ministerial Appointments to Public Bodies in Scotland
- to issue guidance on the Code
- to examine the methods and practices employed by the Scottish Ministers when making appointments, and
- to report to the Scottish Parliament instances of material non-compliance with the Code of Practice: the Commissioner may direct the Minister to delay making the appointment until Parliament has considered the report.

The Commissioner's functions and responsibilities are set out in:

- a) The Ethical Standards in Public Life etc. (Scotland) Act 2000 (the Ethical Standards Act)
- b) The Scottish Parliamentary Standards Commissioner Act 2002 (the Parliamentary Standards Act)
- c) The Public Appointments and Public Bodies etc. (Scotland) Act 2003 (the Public Appointments Act),
- d) The Scottish Parliamentary Commissions and Commissioners etc. Act 2010, and
- e) The Public Services Reform (Commissioner for Ethical Standards in Public Life in Scotland etc.) Order 2013.

KEY ISSUES AND RISKS

The Commissioner has identified that these are the key risks for the office in 2017/18:

- a) The database for managing conduct complaints fails
- b) Key staff members leave the organisation
- c) Resource constraints impact on planning for public appointments
- d) Activity is significantly over budget.

Further information about management of these risks and those for 2016/17 is given in the Governance Statement.

PERFORMANCE SUMMARY

Complaints about conduct

The vast majority of the cases investigated in the course of 2016 – 2017 were complaints about the conduct of councillors. Table 1 shows the number of complaints about the conduct of councillors and members of public bodies.

Once again, the largest category of complaints related to disrespect. These appear to be increasing as a percentage of the total volume of complaints received. However, they do not represent the largest category of breach reports submitted to the Standards Commission (see table 8). The right to freedom of speech guaranteed under Article 10 of the European Convention of Human Rights and the wider latitude recognised by the courts as applying to “political expression” mean that some conduct which might be considered disrespectful in another context is nevertheless permitted.

One third of the complaints reported to the Standards Commission (six in number) concerned failure to register or declare an interest. Four concerned alleged failure to show respect, and three involved alleged breaches of the requirements for maintaining the confidentiality of information. Another three related to complaints of misconduct in decision making on planning or licensing applications.

Arrangements for the initial assessment of complaints were reviewed in the course of the year, and a new procedure was introduced in October 2016. In some cases, this involves seeking clarification from the complainer about the basis for the complaint, prior to it being referred to an Investigating Officer. As a consequence, Investigating Officers’ time is being applied more efficiently to those complaints which require detailed investigation.

The number of complaints about the conduct of MSPs reduced from the level recorded in the previous year, as shown in table 9. Two reports were submitted to the Standards, Procedures and Public Appointments Committee. Four complaints were still under investigation at the year end. However, as in previous years, the majority of complaints fell outside the Commissioner’s remit or were inadmissible because they failed to meet the tests set out in the Parliamentary Standards Act (see table 13).

Performance against targets for completion of investigations was generally satisfactory. However, only 56% were completed in three months, marginally below the target of 60%. Early indications are that the introduction of the new process of initial assessment will address this issue.

Public appointments

The Scottish Government and the Commissioner share the objective of securing the appointment on merit of the most able applicants from diverse backgrounds to serve on the boards of public bodies. It therefore makes sense to explore opportunities to work in partnership to improve the appointments process and to identify and remove barriers for under-represented groups. Outreach and process improvement require the commitment of resources to planning and review. Public Appointments Advisers (PAAs) contribute expertise and experience to appointment panels in individual rounds, as well as ensuring that the requirements of the Code of Practice are observed. Over the course of the year, PAAs have also been involved in specific projects designed to add to the information and guidance available to appointment panels.

All of this work is bearing fruit, particularly in terms of the Scottish Government's priority of improving gender diversity on boards (see tables 26 and 27). However, it is important to maintain the momentum and to acknowledge that much needs to be done to address other aspects of under-representation, for example in relation to younger persons and disabled applicants (see table 28).

Another very encouraging development has been the launch of a research project to assess the impact of diversity on governance on public boards. The project has been developed in partnership with officials from the Scottish Government and with support and advice from a number of public body chairs. We are not aware of any such research having been conducted elsewhere.

The volume of appointment rounds completed over the year was consistent with previous years.

PERFORMANCE ANALYSIS

THE STRATEGIC PLAN

The work of the office has been planned and organised in accordance with the Strategic Plan for the four year period 2016 - 2020, which sets out the Commissioner's main objectives.

The plan is available at www.ethicalstandards.org.uk.

THE STRATEGIC OBJECTIVES ARE:

- 1 An accessible complaints process with trusted outcomes →
- 2 Public boards which are effective, and reflective of society →
- 3 Managing resources and measuring performance →

COMPLAINTS ABOUT CONDUCT

Key points

- Our investigations in numbers →
- Introducing new assessment procedures →
- Progress towards a replacement Case Management System (CMS) →

“An accessible complaints process with trusted outcomes”

COMPLAINTS ABOUT CONDUCT

Key points

- **Our investigations in numbers** →
- **Introducing new assessment procedures** →
- **Progress towards a replacement Case Management System (CMS)** →

“An accessible complaints process with trusted outcomes”

Our investigations in numbers

- Disrespect and failure to declare/register an interest continue as key complaints categories →
- Although there are fewer complaints about planning, this area remains contentious →
- The number of cases about Councillors and board members completed has increased by 14% since 2015/16 →
- One third of complaints reported to the SCS concerned a failure to register or declare an interest →
- Two reports were submitted to the Scottish Parliament →
- The majority of complaints about MSPs fell outwith the Commissioner’s remit →

FIND OUT MORE →

CLOSE 

COMPLAINTS ABOUT CONDUCT

Key points

- **Our investigations in numbers** →
- **Introducing new assessment procedures** →
- **Progress towards a replacement Case Management System (CMS)** →

“An accessible complaints process with trusted outcomes”

Introducing initial assessment procedure

- Costs and timescales for investigating complaints about conduct, in particular for Councillors, were increasing.
- Revised procedures for assessing new complaints were developed in the early part of the year and introduced in October 2016.
- Initial Office Assessment (IOA) procedures allow for a preliminary assessment of the complaint. The basis for the complaint will be clarified or confirmed and any immediately inadmissible complaints identified.
- Only after this stage is the case passed to an Investigating Officer for further investigation.

CLOSE 

COMPLAINTS ABOUT CONDUCT

Key points

- Our investigations in numbers →
- Introducing new assessment procedures →
- Progress towards a replacement Case Management System (CMS) →

“An accessible complaints process with trusted outcomes”

Progress towards a replacement Case Management System (CMS)

- Our current database is old and has no IT support.
- A CMS will enable us to operate more efficiently and effectively while maintaining the high standards expected.
- The Scottish Parliamentary Corporate Body has agreed funding.
- The Scottish Government Procurement Services will assist in securing the best system.

We are embarking on a project to procure a modern CMS. Our current complaints database was written in house 14 years ago and no longer has IT support. Procurement of a CMS is needed as a way of automating much of the process involved in handling the full requirements of our complaint investigation and reporting work.

The Business Case for a CMS, outlining justification and value for money, was submitted to Scottish Parliamentary Corporate Body in March 2017.

CLOSE 

COMPLAINTS ABOUT CONDUCT

1

An accessible complaints process with trusted outcomes.

Complaints about Councillors and Members of Public Bodies

Complaints received in 2016/17

Table 1 shows the number of complaints received by the Commissioner during the year compared with the two previous years. A case relates to a number of complaints which have been investigated together as the subject matter of the complaints is the same or closely related.

Table 1

Complaints against	2016/17	2015/16	2014/15
Councillors	165	202	680
Members of devolved public bodies	5	39 ^{††}	3
Other (outwith jurisdiction)	4	4	9
Total number of complaints received*	174	245	692[†]
Total number of cases received	106	132	111

* Where a complaint is made against more than one councillor, the number of complaints will reflect the number of councillors complained of; for example, a complaint involving three councillors would be three complaints, as there are potentially three separate outcomes.

† 524 complaints were related to one case.

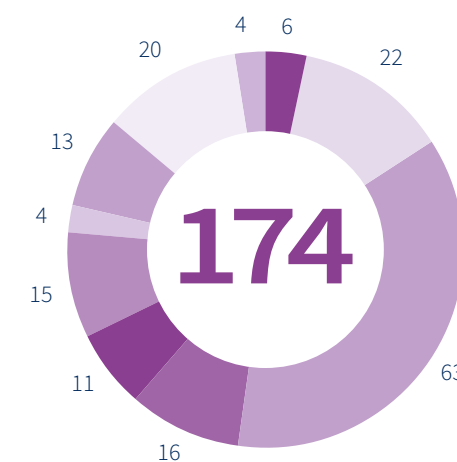
†† 8 cases.

Complaints by category

Table 2 outlines the various categories of complaints received during the year, compared with previous years.

Table 2

Description*	2016/17	2015/16	2014/15
Failure to register an interest	6	4	4
Failure to declare an interest	22	19	26
Disrespect of councillors/officials/ employees	63	75	33
Financial misconduct	0	0	3
Breach of confidentiality	16	9	4
Misconduct relating to lobbying	11	19	3
Misconduct on individual applications	15	46	44
Misuse of council facilities	4	0	525**
Other complaints [†]	13	22	11
Breach of the Key Principles	20	47	30
Outwith jurisdiction	4	4	9
Total	174	245	692



* The primary area of the complaint is noted. However, the complaint may also involve other secondary categories.

** 524 complaints were related to one issue.

[†] "Other complaints" include a councillor's personal conduct, failure to correspond/unsatisfactory action.

Origin of complaints

Table 3 shows the origin of complaints received during the year compared with previous years.

Table 3

Complainant	2016/17	2015/16	2014/15
Member of the public	110	202	663
Councillor	54	36	20
Officer of a Local Authority	7	5	3
Anonymous	0	1	3
Member of a Devolved Public Body	2	0	1
MSP	1	1	2
Total	174	245	692

Complaints related to planning

Table 4 shows complaints related to planning.

Table 4

Complainant	2016/17	2015/16	2014/15
Member of the public - with known material interest	8	50	49
Member of the public - with no known material interest	19	32	27
Councillor	8	3	4
Officer of a local authority	0	0	0
MSP	0	0	0
Anonymous	0	0	1
Total	35	85	81

Complaints about Planning may be drawn from a number of complaint categories including failure to register or declare an interest, misconduct relating to lobbying and misconduct on individual applications (as referred to in Table 2). Although there has been a significant reduction in individual complaints relating to Planning the actual case reduction went from 31 last year to 26 this year.

Complaints progressed and dealt with in 2016/17

Table 5 shows complaints progressed and dealt with in 2016/17.

Table 5

Complaints progressed and dealt with	2016/17
Complaints outstanding as at 31 March 2016	107
Complaints received during 2016/17	174
Complaints completed during 2016/17	224
Complaints outstanding as at 31 March 2017	57

Outcome of complaints completed

Table 6 shows the findings in relation to complaints completed during the year compared with previous years. Two hundred and twenty-four complaints were completed this year – one hundred and twenty-seven cases.

- A full investigation was carried out in respect of 113 complaints (50%) – 69 cases (54%)
 - 18 complaints (8%) – 14 cases (11% of all cases) resulted in a report being submitted by the Commissioner to the Standards Commission for Scotland with a finding that there had been a breach of the Code.
 - Following investigation, 95 complaints (42%) which were investigated as 55 cases (43%), were concluded with a finding of no breach of the Code.
- There were 102 complaints (46%) – 51 cases (40%) which, after initial investigation, were subject to no further action. In all cases, the initial investigation involved the assessment and consideration of the complaint by gathering information from parties involved in the complaint. These complaints were found not to amount to a possible breach of the Code because of limited substance or merit.
- 4 complaints (2%) – 2 cases (2%) were found to be outwith jurisdiction
- 5 complaints (2%) – 5 cases (4%) were withdrawn.

Table 6

Outcome	2016/17		2015/16		2014/15	
	Complaints	Cases	Complaints	Cases	Complaints	Cases
Breach	18	14	8	7	540	12
No breach	95	55	49	22	17	14
Not pursued further	102	51	106	70	123	67
Outwith jurisdiction	4	2	20	8	10	5
Withdrawn	5	5	31	4	2	1
Total complaints	224		214		692	
Total cases		127		111		99

Outcome of cases completed

Table 7 shows the findings in relation to cases completed during the year.

Table 7

	Breach	No Breach	Not pursued further		Outwith jurisdiction	Withdrawn	Totals
			Following initial investigation	No enquiries			
Introduction/Key Principles				10			10
Outwith 12 months		5		2			7
Personal conduct/not acting as Councillor				1			1
Insufficient/no evidence to support allegation		32	7	15	2	2	58
Code not engaged/no misconduct		18	3	11			32
Not about a Councillor or Member							0
Breach	14						14
Discontinued			1	1		3	5
Total cases	14	55	11	40	0	5	127

Case summaries

The Commissioner may publish a web summary of his decision on a complaint when it is considered the decision would be of wider public interest. Case summaries are published in the Public Standards/Decisions section of the website, www.ethicalstandards.org.uk.

**Breaches of the
Councillors' Code of
Conduct**

Table 8 shows cases where the Commissioner found contraventions of the Councillors' Code of Conduct and the outcome of hearings by the Standards Commission for Scotland.

Table 8

No.	Complaint Number	Council/Public Body	Nature of Complaint	Hearing Date	Hearing Decision	Sanction Imposed
1	LA/C/1640*	Clackmannanshire Council	Engaged in operational management	16/17 Feb, 7 Mar, 14/15 Apr 2016	Breach	Six month suspension from all Council and Committee meetings
2	NPA/LLT/1781/B*	Loch Lomond and the Trossachs National Park Authority	Failed to register and declare an interest	12 Apr 2016	Breach	Censure
3	LA/H/1693*	Highland Council	Disrespect	17 May 2016	Breach	Censure
4	LA/D/1714*	Dundee City Council	Disclosure of confidential information	13/14 Jun 2016	Breach	Censure
5	LA/AB/1758	Argyll & Bute Council	Disrespect	20&22 Sep, 19 Oct 2016	Breach in respect of one of six reported to SCS	Censure
6	LA/R/1800	Renfrewshire Council	Disrespect	17 Oct 2016	Breach	Suspension from Education and Child Policy Board meetings for three months
7	LA/Fa/1799	Falkirk Council	Used position as Councillor to influence planning application	24/25 Oct 2016	Breach	Censure
8	LA/WD/1879	West Dunbartonshire Council	Non declaration of interest	22 Nov 2016	Breach	Censure
9/10	LA/WL/1882 & NHS/Lo/1872	West Lothian Council & NHS Lothian	Non declaration of financial interest	24/25 Nov 2016	Breach	Censure
11	LA/AC/1876	Aberdeen City Council	Prejudged and failed to refrain from participating in a licensing decision	24/25 Jan 2017	Breach	Suspension from all Committee and sub-Committee meetings for four months
12	NB/SFRS/1919	Scottish Fire and Rescue Service	Breach of confidentiality	1 Mar 2017	No breach	N/A
13	LA/NL/1940**	North Lanarkshire Council	Failure to register an interest			
14	LA/E/1737 & LA/E/1751**	City of Edinburgh Council	Disclosure of confidential information			
15	LA/WL/1824**	West Lothian Council	Failure to declare an interest			
16	LA/NL/1936**	North Lanarkshire Council	Failure to declare an interest			
17	LA/As/1963 & LA/As/1993**	Aberdeenshire Council	Used position as Councillor to influence planning application			
18	LA/E/1924**	City of Edinburgh Council	Disrespectful postings on social media			

* The Commissioner's report was submitted in 2015/16 and the final hearing was held in 2016/17.

** The Commissioner's report was submitted in 2016/17 and the final hearing will be held in 2017/18.

Complaints about MSPs

Complaints received

Table 9 shows the number of complaints received by the Commissioner about MSPs during the year compared with previous years.

Table 9

Complaints against	2016/17	2015/16	2014/15
MSPs	22	30	20

Table 10 outlines the various categories of complaints received during the year compared with previous years.

Table 10

Description	2016/17	2015/16	2014/15
Misrepresentation of MSP's role	0	0	0
Registration/declaration of interests	7	10	2
Lobbying and access to MSPs	2	1	0
General conduct	6	7	10
Confidentiality requirements	2	3	0
Awareness of MSP's staff	0	0	0
Engagement and liaison with constituents	2	9	6
Allowances and expenses/Use of Parliamentary facilities	3	0	2
Totals	22	30	20

Handling MSP complaints

Upon the receipt of a complaint about an MSP, the Commissioner assesses the admissibility of that complaint: this is known as Stage 1. Table 11 gives details of the number of complaints dealt with during the year at Stage 1 and whether they were admissible or not. Certain categories of complaints about MSPs' conduct are excluded from the Commissioner's jurisdiction by paragraph 9.1.6 of volume 2 of the Code. Complaints concerning alleged actions by MSPs in their capacity as Ministers are referred to the First Minister for investigation under the Ministerial Code of Conduct.

Table 11

Admissibility of complaints (Stage 1)	2016/17	2015/16	2014/15
Admissible	6	3	1
Inadmissible	16	26	19
Withdrawn	0	0	0
Totals	22	29	20
Still at Stage 1 at 31 March	4	1	0

Table 12 gives the number of complaints decided as admissible (at Stage 1) and which therefore proceeded to further investigation and report to Parliament in Stage 2.

Table 12

Admissible complaints	2016/17	2015/16	2014/15
Completed Stage 2	2	3	1
Still at Stage 2 at 31 March	4	1	0
Totals	6	4	1

Inadmissible complaints

Table 13 gives details of the grounds on which complaints were found to be inadmissible.

Table 13

Inadmissible complaints	2016/17	2015/16
Not pursued - following initial investigation	4	7
Not pursued - no enquiries	6	4
Outwith jurisdiction		
Referred to Presiding Officer	2	7
Referred to First minister	1	3
Referred to SPCB	2	0
Referred to SPPA	0	0
No referral	1	5
Totals	16	26

Timescale for Stage 1 (Assessment of admissibility)

The Commissioner is required to report to the Standards, Procedures and Public Appointments Committee, and also to the MSP complained about and the complainer, if Stage 1 takes longer than two months. Decisions on the admissibility of all of the complaints received and dealt with in 2016/17 were reached within the two month period.

Timescale for Stage 2 (Further investigation)

The Commissioner is also required to report to the Committee, to the MSP complained about, and to the complainer, if Stage 2 takes longer than six months. Two complaints proceeded to Stage 2 and were reported within timescale. Four complaints were still in progress at the end of the reporting year.

Performance targets

Development objectives are set out in the Commissioner's Business Plan 2016/17 in relation to the handling of complaints. The targets and objectives are set out below.

Initial assessment of complaints (Councillors and Members of Public Bodies)

Table 14 provides details of performance against the target for the initial assessment of the complaint.

Table 14

Target	Actual	Details
100%	98%	Initial assessment within 15 working days

Time taken to complete investigations (Councillors, Members of Public Bodies and MSPs)

The Commissioner considers it to be of the greatest importance that complaints should be dealt with as quickly as possible, consistent with a full and thorough investigation of the complaints. This will continue to be a high priority.

Rigorous performance targets have been set and achieved as follows:

Tables 15a and 15b provide details of the target in relation to the length of time it has taken to complete investigations within 2016/17, the criteria used and the actual performance achieved.

Table 15a

Time taken to complete investigations – councillors and members of public bodies

Target	Actual	Details
60%	56%	Completion within 3 months or less
75%	82%	Completion within 6 months or less
95%	96%	Completion within 9 months or less

Table 15b

Time taken to complete investigations – MSPs

Target	Actual	Details
75%	100%	Completion of Stage 1 (admissibility) within 2 months
95%	N/A	Completion of Stage 1 (admissibility) within 3 months
100%	N/A	Completion of Stage 1 (admissibility) within 6 months
75%	100%	Completion of Stage 2 (Breach Report) within 6 months
95%	N/A	Completion of Stage 2 (Breach Report) within 9 months
100%	N/A	Completion of Stage 2 (Breach Report) within 12 months

PUBLIC APPOINTMENTS

Key points

- We have made progress in addressing underrepresentation →
- We have started ground-breaking research →
- We continue to provide assurance →

We have trialled new approaches

- We have worked with the Scottish Government on a range of new activities in support of our objectives →
- We have worked to further improve the public appointments process →

“Public boards which are effective, and reflective of society”

‘Ministerial public appointments are more diverse reflecting broadly the general population by 2017’

– objective for public appointments from the Scottish Government’s Equality Outcomes and Mainstreaming report

PUBLIC APPOINTMENTS

Key points

- We have made progress in addressing underrepresentation →
- We have started ground-breaking research →
- We continue to provide assurance →

“Public boards which are effective, and reflective of society”

We have made progress in addressing underrepresentation

- There are now more women board members in Scotland than at any time previously recorded. →
- The target for applications from women was exceeded for the second year running. →
- Underrepresentation of visible minority ethnic board members is also at its lowest level. →
- Underrepresentation of disabled people and people under the age of 50 increased in 2016; this is an area for focus for the year ahead. →
- The Commissioner made a range of recommendations in this and the preceding year to encourage higher numbers of applications from people in such groups and to analyse the reasons for differential success rates. →

FIND OUT MORE →

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PUBLIC APPOINTMENTS

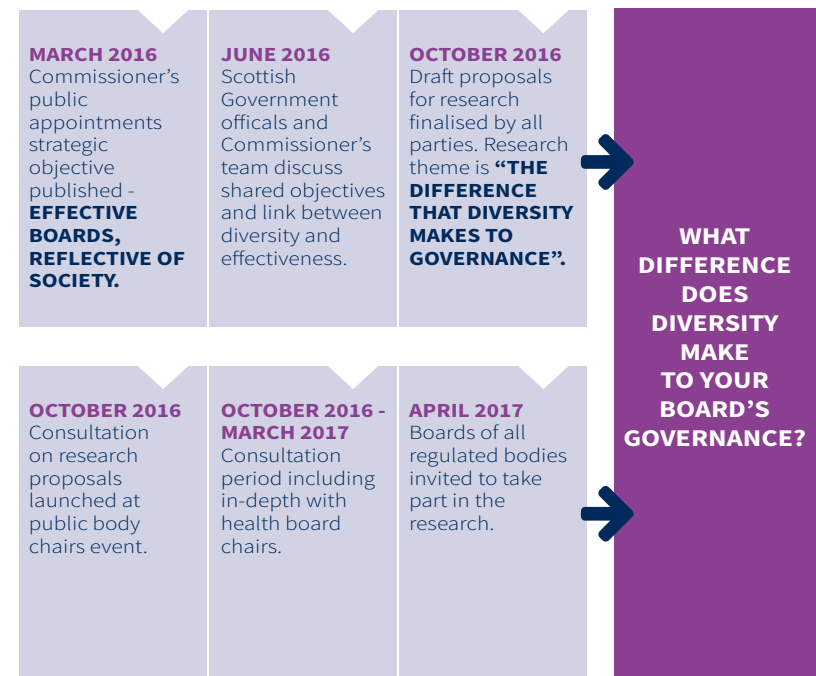
Key points

- We have made progress in addressing underrepresentation →
- We have started ground-breaking research →
- We continue to provide assurance →

“Public boards which are effective, and reflective of society”

We have started ground-breaking research

The project has been developed in partnership with officials from the Scottish Government and with support and advice from a number of public bodies and their chairs.



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PUBLIC APPOINTMENTS

Key points

- We have made progress in addressing underrepresentation →
- We have started ground-breaking research →
- We continue to provide assurance →

“Public boards which are effective, and reflective of society”

We continue to provide assurance

- We responded to **466 enquiries** or reports made to us. →
- **99 appointments** were made to **36 public bodies** following **1,790 applications** from **1,466 applicants**. →
- **356 applicants** gave their view on the appointment process. →
- It takes **12 weeks** from the closing date for applications until applicants are informed of the Minister’s final appointment decision. →
- The Commissioner issued guidance on the **Code of Practice**. →

CLOSE 

We have worked with the Scottish Government on a range of new activities in support of our objectives

A new mentoring scheme for the chairs of the future →

Outreach events for specific appointment rounds or for the public more generally →

Training for underrepresented groups on applying and on the role of board members

Production and roll out of succession planning guidance for boards

Induction days for newly appointed board members and networking events for board chairs

CLOSE 

We have trialled new approaches

- We have worked with the Scottish Government on a range of new activities in support of our objectives →
- We have worked to further improve the public appointments process →

45%



of board members are women

'Ministerial public appointments are more diverse reflecting broadly the general population by 2017'

– objective for public appointments from the Scottish Government's Equality Outcomes and Mainstreaming report

We have worked to further improve the public appointments process

Our work on making appointments system changes is intended to make the appointments process itself more welcoming, more accessible and easier for people, regardless of whether they are new to public appointments, to navigate and to demonstrate their suitability for roles.

Worked with selection panels to better define and describe **the skills new board members require**

Worked with officials much earlier in the process to **ensure the board's needs are properly considered**

Developed a **good practice toolkit for PAAs**

Increased use of simulations, such as simulated media interviews, as part of the assessment process

Supported the production of an **easy-read application pack** for a specific board

CLOSE 

We have trialled new approaches

- We have worked with the **Scottish Government** on a range of new activities in support of our objectives →
- We have worked to further improve the public appointments process →

45%



of board members are women

'Ministerial public appointments are more diverse reflecting broadly the general population by 2017'

– objective for public appointments from the Scottish Government's Equality Outcomes and Mainstreaming report

PUBLIC APPOINTMENTS

2

Public boards which are effective, and reflective of society.

Measuring and analysing our performance

The strategic plan and business plan

The Commissioner's public appointments objective is set out in the strategic plan for 2016-20. It is "Public boards which are effective, and reflective of society".

The Commissioner's business plan for 2016/17 included actions intended to contribute to the achievement of that objective. Specific activities were set out under the following headings:

1. Scottish Government Public Boards Governance and Diversity Improvement
2. Partnership Approach
3. Review of 2013 Code

Progress against the actions in the detailed plan is summarised in the following table.

Table 16

Actions Specified in the Strategic Plan	Due Date	Status
1 Scottish Government Public Boards Governance and Diversity Improvement		
a Continue to work with officials in the Scottish Government to develop, co-ordinate and implement actions to improve on board diversity and thereby enhance board governance.	2016/17	See below
i Work with SG officials to design a new driver diagram with a revised aim to include broader board diversity and improved governance	Oct 2016	Done

Actions Specified in the Strategic Plan	Due Date	Status
ii Work with the same officials to draft a revised action plan intended to meet the aim set out in the new driver diagram	Nov 2016	Partially complete.
iii Work in partnership with officials to implement agreed actions in the plan that are appropriate for the Commissioner's staff and/or PAAs to fulfil. Key actions already identified and brought forward include:		Partial success. Details below.
1. Taking part in awareness events and in outreach activity	Ongoing – 4 per annum	Exceeded
2. Working with officials to make materials provided to applicants more welcoming and accessible	Feb 2017	Partially complete.
3. Rolling out the revised applicant survey	From April 2016	Done
iv New actions include:		
1. Reviewing the baseline of our boards' demographics and identifying where there is underrepresentation	June 2016	Done
2. Designing new actions with the specific purpose of redressing the highest levels of underrepresentation	Feb 17	Partially complete.
3. Working with officials to scope out a project with the intent of assessing in due course the impact that more diverse appointments are having on board governance	Nov 2016	Done
4. Working with officials on enhancing and/or introducing effective succession-planning for boards	Nov 2016	Contributed to new guidance.

Actions Specified in the Strategic Plan	Due Date	Status
2 Partnership Approach (E)		
a Continue to work in partnership with the Scottish Government public appointments team to implement the agreed approach to forward planning. (costs cover all four years)	2019/20	
i Working with officials to enhance strategic planning for appointment activity by obtaining long term strategic plans from each DG area	2016/17	Partial. Initial progress stalled Nov 16 to Mar 17.
ii Allocate PAAs to rounds on which their involvement will increase and enhance both understanding and assurance and will likely lead to more diverse boards	2016/17	Done

Key: Complete  Partially complete  Not done 

Actions Specified in the Strategic Plan	Due Date	Status
3 Review of 2013 Code (F)		
a Conduct a full review of the effectiveness of the 2013 Code during the period of this plan (costs allocated to 2016/17, 2018/19 and 2019/20)	2019/20	See below
i Conduct stage 3 of the thematic review of the 2013 Code's operation. This will be a review of progress against the recommendations made in the report on stage 2 of the thematic review. (The work is cross-referenced to the project set out in SO2 1a iv. 3) Initial scope for this will include:	2016/17	See below
1. Effectiveness of lessons learned process	Commences March 2017	Postponed in agreement with Scottish Government.
2. The framework for good practice	Commences Dec 2016	Postponed in agreement with Scottish Government.
3. Whether changes to the culture and levels of understanding of people engaged in making appointments has made the system more open and encouraging to a wider range of people.	Commences Dec 2016	Postponed in agreement with Scottish Government.

Performance measures	Due Date
1. Numbers of regulated bodies and posts	Published in Annual Report
2. Number of appointment rounds initiated and completed	
3. Number of applications and appointments	
4. Time taken for individual stages of appointment rounds	
5. Timing of re-appointments	
6. Numbers of people appointed who have not previously held and do not currently hold a regulated appointment	
7. Satisfaction levels with appointment process	
8. Changes in demographic profile of applicants, appointees and board membership	
9. Performance against Diversity Delivers targets	

Key: Complete  Partially complete  Not done 

Annual Actions	Due Date	Status
1. Conduct ad hoc reviews of material produced during appointment rounds in relation to the advice and/or reports from the PAAs allocated to those rounds.	One per PAA per annum	Partially complete.
2. Review all PAA contacts with office and conduct annual SLA discussion to discuss performance, training needs and trends	Once per PAA per annum. Tranches in Sep/Oct and Jan - Mar	Done
3. Conduct investigations into complaints or reports of potential material non-compliance, write draft reports of findings in accordance with laid down guidelines	As required	N/A
4. Provide training for panel members if/when requested	As required	Done
5. Post case studies of examples of successful new approaches on website.	Bi monthly	Posted when material available (less frequently than anticipated)
6. Upgrade the current appointments database to enhance its reporting capabilities and to increase on the return rate of stakeholder views.	March 2017	Partially complete.
7. Circulate PAA end of involvement reports.	Monthly	Done
8. Establish a formal mechanism for tracking legislation that removes or adds bodies from/to the the Commissioner's remit in respect of appointments.	Monthly	Done

Key: Complete  Partially complete  Not done 

Whilst not all anticipated actions in the plan were completed, more activities than originally planned such as outreach were undertaken during the course of the year. Over ten outreach sessions were supported by the office inclusive of training events for the Scottish Youth Parliament, PATH Scotland and EQUATE Scotland. Over and above this the Commissioner and his team also participated in new board member induction events and in events run for body chairs on issues such as harnessing diverse boards.

Changes in circumstances that had an impact on the Scottish Government also had an impact on the office's priorities and plans as the year progressed. By way of example, the thematic review work was postponed in agreement with officials as it would not have produced any findings to inform practice improvements.

Business as usual – monitoring, reporting and providing guidance

Monitor and report on scrutiny of regulated appointments

All information under this heading relates to the Commissioner's statutory duties to monitor and report on appointment activity and to provide guidance on application of the Code.

The Commissioner's remit extended to 680 posts on the boards of 94 public bodies at the year end. In the case of a proportion of these bodies, such as regional colleges, only the chair appointments are regulated.

A list of these bodies is available at www.ethicalstandards.org.uk.

Table 17 – Number of bodies and positions regulated

At 31 March	2017	2016	2015
No. of bodies regulated	94	92	91
No. of posts regulated	680	652	637
Avg. no. of regulated positions per board	7.2	7.1	7

Table 18 – Appointment activity

New appointment rounds	2016/17	2015/16	2014/15
Started in year	41	58	42
Carried forward from previous year	27	13*	18
Total active in year	68	71	60
Incomplete at year end	24	27	13*
Total completed in year	44	44	47

*Adjusted

The oversight levels for appointment rounds in 2016/17 are set out in table 19. How the Commissioner decides on an appropriate oversight level is explained in the guidance on application of the Code.

Table 19

Scrutiny of appointment rounds	2016/17	HIGH	HIGH (SG request)	MEDIUM	MEDIUM (SG request)	LOW	TBC
Started in year	41	17	4	8	0	8	4
Carried forward from previous year	27	7	6	4	4	6	0
Total active in year	68	24	10	12	4	14	4
Incomplete at year end	24	12	2	3	0	4	3
Total completed in year	44	12	8	9	4	10	1

To be confirmed (TBC) is a new category this year. It reflects the Commissioner's allocation of PAAs to rounds at a much earlier stage in planning and before any decisions have been reached on whether, and if so how many, appointments are to be made.

For a more detailed breakdown of appointment activity, see table 38 in Appendix 2. The data in table 38 in Appendix 2 is supplied by the Scottish Government. It covers a calendar rather than financial year. It sets out all appointments made by the Scottish Ministers in 2016, the number of applications for the posts and the scrutiny level applied by the Commissioner.

During 2016, 99 appointments were made to 36 public bodies following 1,790 applications from 1,466 applicants.

Enquiries and reports arising from scrutiny

The following tables summarise substantive contacts with the office during the reporting year.

Table 20 - Substantive contacts with the Commissioner

Issues raised	Supplementary Information	2016/17	2015/16	2014/15**
Enquiry - Asked for advice on the Code of Practice	1*	106	110	107
Enquiry - Asked for advice on good practice		21	22	30
Enquiry – Asked for exceptions to the Code, or term extensions or to discuss options not covered by the Code	2*	38	30	21
Enquiry - General enquiry on the work of the office	3*	46	19	46
Enquiries and Reports - Miscellaneous or “Other” enquiries or reports	4*	181	111	96
Enquiry - Freedom of information requests	5*	1	0	5
Report a complaint about an appointment round	6*	5	4	4
Report a concern about an appointment round or a failure in administration	7*	55	76	56
Report about good practice	6*	6	8	5
Report about non-compliance with the Code of Practice	7*	7	6	4
Totals		466	386	374

* Tables and/or narrative to follow provide further detail.

** Enquiries and reports in this year related to two different Codes of Practice.

1* - Requests for advice on the Code of Practice

The most common requests for advice related to application and assessment methods followed by public confidence related queries such as how to apply the fit and proper person test.

2* - Exception requests and options discussions

The Scottish Ministers can approach the Commissioner and make a case for specific provisions of the Code to be varied. Divergence from the Code's requirements, in order to be compliant, requires the Commissioner's agreement.

31 such cases were approved during the year:

- terms were extended or individuals reappointed beyond the eight year maximum normally allowed for by the Code ten times
- additional appointments were requested for three bodies
- changes were made to the application and assessment methods once
- changes to panel membership were made nine times
- a vacancy was filled from a reserve list of people considered suitable but not appointed at the conclusion of a recent competition eight times

3* - Other enquiries and reports

This category saw the largest increase in the reporting year although there was no particular underlying pattern for it. The highest number of “other” enquiries related to the role fulfilled by the PAA. This was followed by questions on the role of the Commissioner and on the board diversity research. The highest number of “other” reports related to application and assessment methods.

4* - Report a complaint

Three complaints all came from one complainer. One concerned the withdrawal of the facility to automatically provide Word versions of application forms. The second related to a panel ruling out the complainer’s late application. The third concerned the way in which his complaints about these issues were handled. One complaint concerned an appointments process for an unregulated body. One complaint concerned a refusal by the Scottish Ministers to reappoint a board member beyond eight years. All complaints were referred to and dealt with by the Scottish Government and required no investigation by the Commissioner.

5* - Reported concerns

These fell in comparison with the previous year. The highest number of concerns reported to the office were about public confidence followed by the role of the PAA, equal opportunities and planning.

6* - Reported good practice

Two good practice reports related to outreach on appointment rounds for Greater Glasgow and Clyde NHS and the Mobility and Access Committee for Scotland. These both led to our publication of good practice case studies. The third related to the way in which the Scottish Government had handled a complaint. The other reports related to the benefits of early engagement between PAAs and the selection panel when planning for appointment rounds.

7* - Report non-compliance

The first report of non-compliance related to a panel revisiting its final assessment and to a decision being made without full panel consensus on the suitability of candidates. The second related to a body chair introducing new requirements and prior knowledge of applicants during shortlisting. The third was a failure to publish an easy read version of the pack at the same time as the standard pack was published. The fourth was publication of a pack that had not been signed off as compliant by the PAA. The fifth related to the fourth and was caused by the wrong pack initially being published and four applicants applying on that basis. The sixth report related to a ministerial decision that the PAA had not anticipated but which the selection panel, including the PAA, had allowed for. The final report was a declaration made by the PAT about the reappointment of board members whose terms had already expired.

In the first five cases, some form of office/PAA intervention was required. In the sixth case the PAA was given advice on future panel activity when producing applicant summaries. Wider guidance was also produced for the PAAs and PAT.

All concerns and reports of non-compliance were dealt with as expeditiously as possible so that corrective and/or mitigating action could be taken. Hearteningly, Scottish Government officials contact the Commissioner themselves if they have concerns about the way in which an appointment round is proceeding to seek advice and guidance. As a result, the Commissioner was not required to report material non-compliance with the code.

Reporting progress against the recommendations made for Scottish Government consideration

The Commissioner made specific recommendations in his last annual report for the Scottish Government to consider in the year ahead. These were to:

- i. take steps to increase applicant numbers from women for chair positions.
- ii. take steps to increase applicant numbers from disabled people. Analyse why disabled people are not being interviewed at the same levels as non-disabled people for, in particular, chair positions. Address any barriers identified.
- iii. assess why black and minority ethnic (BME) applicants for chair positions are not progressing in the appointment process. Address any barriers identified. Take steps to increase the number of applications from members of the BME community.
- iv. take steps to increase applicant numbers from people under the age of 50. Assess why such applicants for chair positions fare more poorly in the appointment process than those aged over 50 at the shortlisting stage and at interview. Address any barriers identified.
- v. take steps to increase applicant numbers from people who declare that their sexual orientation is non-heterosexual. Assess why such applicants for chair positions fare more poorly than those who declare that they are heterosexual at the shortlisting stage and at interview. Address any barriers identified.
- vi. encourage all DG areas, other than Strategy and External Affairs, to take steps to increase applications from women. Encourage all DG areas to assess what steps Strategy and External Affairs took to increase applications from women.
- vii. seek to establish in partnership with the Commissioner's office why there has been a drop in the number of appointees who declare as disabled. Take practical steps to reverse this downward trend.
- viii. continue with the successful work already being undertaken to redress the underrepresentation of women on boards.

The Scottish Government has made progress in a proportion of these areas and in several cases with practical support from the Commissioner's office:

- i. A mentoring scheme has been established that pairs body chairs with board members primarily drawn from currently underrepresented groups.
- ii. The Scottish Government commissioned Inclusion Scotland to provide some recommendations for inclusion in its refreshed action plan for appointments. The plan has still to be finalised. In January 2017 the Scottish Government published "A Fairer Scotland for Disabled People - Our Delivery Plan to 2021 for the United Nations Convention on the Rights of Persons with Disabilities". It includes a specific provision relating to the diversity of public body boards. The Scottish Government is also preparing its British Sign Language National Plan. Over and above this, an easy read format for application materials was successfully trialled on an appointment round during the course of the year.
- iii. The Scottish Government has, along with members of the Commissioner's team, engaged with intermediary groups such as the Council for Ethnic Minority Voluntary Organisations and Edinburgh and Lothians Regional Equalities Council during the course of the year to introduce potential BME applicants to appointments. A short introductory session was also provided for and well received by attendees on the PATH "Developing Management and Leadership Skills for Employment and Public Life" course. Although outreach has been helpful in encouraging understanding, research remains to be conducted.
- iv. The Scottish Government has, along with members of the Commissioner's team, engaged with members of the Scottish Youth Parliament during the course of the year and put in place plans for work with the National Union of Students Scotland for 2017. It has additionally worked with employers and professional networks, such as with Standard Life, Women in Public Sector Leadership (WiPSL) and via Scottish Enterprise, to encourage and enable more younger people to apply successfully. Although there has been some positive movement in this area, research remains to be conducted in respect of barriers to applicants for chair roles.
- v. As with the prior recommendations, research remains to be conducted in this area. The Scottish Government has an event planned with the SWAN LGBT network taking place in May 2017 to explore barriers and encourage applications.
- vi. The Public Appointments Team has established an annual meeting cycle with Directors General to highlight where the boards for which they have responsibility may have forthcoming vacancies and to identify specific areas in which positive action measures should be taken.
- vii. See ii. Additionally, the Commissioner has allocated a PAA who is expert in this area to work with the Scottish Government on developing a bespoke plan to address concerns about applications and declarations from disabled people.
- viii. Continuing work during the year with Equate Scotland, WiPSL and Changing the Chemistry appears to have been successful. The number of women on the boards of Scotland's public bodies rose during the year to the highest proportion ever at 45%.

Guidance on application of the Code

The Commissioner's office provides Code interpretation guidance, primarily to officials and PAAs, on a very frequent, ad hoc basis. Where trends are identified, the Commissioner seeks to provide general guidance with a view to improving on practices and increasing understanding. The Commissioner provided non-statutory guidance during the course of the year on the following topics:

- panels revisiting their agreed assessments
- effective use of the core skills framework
- consulting stakeholders about proposals for positions that they might subsequently apply for
- payment for disclosure checks
- terms of reference to be provided to independent panel members.
- body chairs acting as panel members as well as independent panel members on the same rounds.

Additionally, the Commissioner provided all PAAs with a comprehensive toolkit to assist them to support panels in adopting good practice.

Monitor, measure and report on the achievement of Diversity Delivers targets and on stakeholder satisfaction with the public appointments process

As with the appointments statistics, much of the material relating to these measures is provided to the Commissioner by the Scottish Government and relates to a calendar year.

Performance against the timescales targets

Concerns have historically been raised about the time taken for appointment rounds and reappointments and the Commissioner therefore included indicative targets for timescales in guidance on application of the Code.



All of the indicative targets were surpassed in the reporting year. However, there has been a steep rise in the length of time between the dates of interviews and candidates being informed about the outcome of the appointment round.

Tables 21 - 23 provide information on the time taken for appointment rounds and for appointment and reappointment decisions to be made. The 2016 appointment rounds concerned are listed in table 38.

Table 21 - Time taken to appoint – planning to appointment decision

	2016	2015	2014	Target
Number of rounds	40	51	55	Up to 16 and no more than
Average time taken (weeks)	19.8	15.5	18.5	20 weeks

Table 22 - Time taken for appointment round stages

Average time taken for appointment round stages

Stage		2016	2015	2014
From	To	No. of weeks	No. of weeks	No. of weeks
Closing date for applications	Date when all applicants are informed about the final appointment decision	11.9	10.1	11
Date of interviews	Date when all applicants are informed about the final appointment decision	6.6	2.6	6
Selection panel report	Ministerial decision	1.4	1.7	2
Date on which the round is planned	Date on which the minister makes his or her appointment decision (overall time for purposes of target)	19.8	14.6	18
Date on which the round is planned	Date on which applicants are informed of the appointment decision	20.9	15.5	18.5

Table 23 - Time taken for reappointments

	2016	2015	2014	Target from October 2013 (Min. No. of weeks)
Amount of notice given to re-appointees before term of appointment due to end (weeks)	18	20	16	13
Number of people reappointed	62	69	91	

Performance against the applications target

The Commissioner agreed a change to this indicator with the Scottish Government. Rather than reporting on first time applicants, the indicator relates to whether applicants hold or have previously held a public appointment. Future annual reports will identify whether this changes over time.

Table 24 - Performance against application target

2016	Applicants	%	Applicants	%
Total	1466		1790	
Currently holds/previously held a public appointment	364	24.8	463	25.9
Currently holds/previously held a regulated public appointment	192	13.1	245	13.7
Did not say	15	1.0	33	1.8

Applicants who complete the relevant fields on the application form do not restrict themselves to listing regulated appointments. Two figures are provided as a consequence; the number of those who have declared any appointment and those who declared regulated appointments. The former includes children's panels, housing associations, tribunals, justice of the peace posts and appointments in England among others.

Ministerial interviews with applicants

The guidance on application of the Code indicates that meetings with appointable applicants are anticipated particularly in the case of significant chair appointments. During 2016, the Scottish Ministers met the potential appointees on five occasions. These were the rounds for:

- Creative Scotland (Members)
- Historic Environment Scotland (Members)
- Crofting Commission (Members)
- Community Justice Scotland (Chair)
- Scottish Environment Protection Agency (Members).

Applicant views on the process

The Commissioner conducted annual surveys to garner applicant views on the public appointments process in 2012, 2013 and 2014. The surveys were run to help to understand whether changes being made to the way that the appointments system worked were having an impact on the way that applicants viewed it. The results of the surveys are published on the Commissioner's website in the form of reports.

Following the 2014 report, the Commissioner agreed a revised approach with the Scottish Government intended to improve on the validity and usefulness of the findings. From May 2016, surveys were run on a round by round basis, shortly after completion of each appointment round. One of the main reasons for the change in approach was the hope that more people might take part and give their views as their experience of applying would still be relatively recent. Another was so that specific questions could be devised for individual rounds, to help understand how applicants felt about different methods of applying and being assessed particular to that round and so that lessons could be learned from this.

The findings of the surveys run over 2016 have been consolidated into a report published on the Commissioner's website.

In summary:

- 805 applicants were asked for their views on 16 appointment rounds.
- 356 applicants responded in full or in part. This is an increase of 9 percentage points on response rates in comparison with the annual surveys run previously. 337 applicants (42%) completed the survey in its entirety.
- 78% of respondents provided demographic data. This is invaluable when determining which aspects of the process have particular relevance for or impacts on people who share certain characteristics.
- 45% of respondents were applying for the first time. Of those, 52% were women and 37% were under 50. This is positive given that these groups are targets for attraction because people who belong to them are currently underrepresented on boards.
- People who had applied previously had a mixed experience of applying again. 68% felt it was the same, 19% felt it was worse and 13% felt it was better.
- The main reason that applicants give for applying is that they feel their knowledge, skills and experience are a good fit for the role. People under 50 and BME people are, in comparison with others, more motivated to apply due to the opportunity provided for personal and professional development.
- The factors in the publicity that influenced most people's decisions to apply were that the advert and application pack "sounded like they were looking for people like me".
- 23% of respondents were invited to the final stage of assessment. The majority were very positive about two aspects of that stage. 80% felt that the form that the assessment/interview would take was clear. 88% indicated that the interview was conducted well or very well by the panel members. However, only 65% felt that the interview questions reflected the skills, knowledge and experience asked for in the pack.
- 27% of respondents did not feel that the application process was fair and transparent.
- The majority of survey respondents took the opportunity to provide comments on all aspects of the appointment process, including on whether they received feedback and the quality of feedback received.

It is clear from the comments received that many respondents had a very positive experience of applying, whether successful or otherwise, whilst other respondents did not. All of the comments received provide invaluable information. Lessons from the applicant surveys run by the Commissioner will continue to be shared with the Scottish Government and selection panels on an ongoing basis. The Public Appointments Team has the role of identifying which of the practices that people were positive or negative about should be amended in order to ensure improved and improving applicant experiences in future.

Performance against the satisfaction targets - body and panel chair views – satisfaction with the appointments process and the contribution of the adviser

Public body and panel chairs have been asked to provide their views on PAA contribution and on the appointments process using a simple 1 to 5 scale.

Table 25 – Average satisfaction scores – three year comparison

Average satisfaction level	2016/17	2015/16	2014/15
PAA's contribution*	4.65	4.64	4.70
Appointments process*	3.96	4.05	4.07

*5 is very satisfied, 1 is very dissatisfied

Performance against the diversity targets

Table 26 shows the extent to which Scotland's board members reflect the population as a whole at the end of 2016 and table 27 shows how it has changed over time.

Table 26 - Demographic profile of board membership

Target Group	Change in board membership profile	Profile of board members [†] at the end of 2016	Profile of board members [†] at the end of 2015	Scottish Population (2011 Census)
Female	+3.1%	45.1%	42.0%	51.5%
Disabled	-2.6%	9.2%	11.8%	19.6%
Black and minority ethnic ^{††}	+0.1%	3.6%	3.5%	4.0%
Aged 49 and under	-1.7%	15.9%	17.6%	54.3%*
Lesbian, gay and bisexual	+1.0%	4.0%	3.0%	6.0%**

[†] All board members inclusive of the chair unless otherwise stated. Percentages do not include those who did not make a declaration.

^{††} Black and minority ethnic figures reflect people from a non-white minority ethnic background

* Scottish Population aged 18 to 49 as a percentage of the whole population aged 18 and over.

** Estimated based on information from Stonewall Scotland website

Table 27 - How the demographic profile of boards is changing

Target Group	All board members (inclusive of chairs)				Scottish Population (2011 Census)
	2016/17	2015/16	2014/15	2004/05	
Female	45.1%	42.0%	38.4%	34.5%	51.5%
Disabled	9.2%	11.8%	15.3%	2.4%	19.6%
Black and minority ethnic	3.6%	3.5%	2.9%	2.8%	4.0%

The Commissioner has not set a target for representation by protected characteristics on boards. It is however recognised that this baseline must be tracked in order to assess whether the Diversity Delivers targets for applications from currently underrepresented groups are making a difference to board demographics. This in turn will determine whether the targets continue to be required and set at current levels.

Reference to tables 26 and 27 show that female and BME board membership is at its highest level since these figures have been recorded. There is still underrepresentation in respect of both characteristics in comparison with the demographics of the population. There have been falls in current appointees who declare a disability and who are 49 and under.

Table 28 shows the percentage of applications in 2014, 2015 and 2016 by each target group as set out in Diversity Delivers, the Commissioner's strategy for achieving more diverse boards.

Table 28 - Performance against Diversity Delivers Targets

Target Group	Target	2016			2015		2014		Scottish Population*
	• %	• %	• %	• %	• %	• %	• %		
Female	40.0	42.9	58.6	40.8	53.6	37.9	45.6	51.5	
Disabled	15.0	9.8	10.1	12.7	10.3	10.4	7.2	19.6	
Black and minority ethnic	8.0	5.5	^	5.3	5.2	4.9	^	4.0	
Aged 49 and under	40.0	27.1	31.4	27.4	24.7	29.4	24.0	54.3**	
Lesbian, gay, bisexual or other sexuality	6.0	4.4	7.1	4.1	5.2	3.9	^	6.0***	

Key: Applications • Appointed •

^ Values for fewer than five have been suppressed to decrease the risk of disclosure of information about individuals.

* Unless otherwise stated, all population figures are extracted from 2011 census data

** Scottish population aged 18 to 49 as a percentage of whole population 18 and over

*** Estimated based on information from Stonewall Scotland website

A relatively low number of applicants choose not to provide demographic data. These applicants are counted towards the overall percentage in table 28 such that they, in combination with those who do provide data, make up 100% of the applicant and appointee population.

The Scottish Government provides application and appointment data to the Commissioner split by Director General area to aid in identifying those that are meeting or exceeding their targets and so that the sharing of their good practice can be encouraged.

The target for applications from women has been exceeded for a second successive year. Only one DG area did not meet the target for applications from women during the year. The Director General areas for Communities and for Health and Social Care were particularly successful at attracting applications from women.

There has been a drop in applications from disabled people and from people who are under 50. Only the DG area for Strategy & Operations met the target for applications from under 50s although the DG area for Communities was very close to it. No DG area met the target for applications from disabled people.

In his last annual report the Commissioner made recommendations for areas of focus for the Scottish Government in the year ahead. These recommendations are based on an in-depth analysis of the figures provided as well as looking at application and appointment figures when those who chose not to provide demographic data are removed to give a more accurate picture. Based on the latest analysis, the Commissioner has a range of recommendations for the Scottish Government to consider. These are set out under relevant headings on the following pages. The Scottish Government should consider these alongside the recommendations from the last reporting year that have not, thus far, been successfully implemented.

Gender

There is no option in the public appointments monitoring form to declare gender identity in any way other than male or female. Although the Office for National Statistics is looking into the potential inclusion of such a question or questions in the 2021 census there was no equivalent question in the 2011 census which is used by the Commissioner and the Scottish Government for comparative purposes. The fact that the question is not asked of applicants for public appointments is however not inclusive of those who identify as non-binary. This issue was also specifically raised by the relevant subject committee of the Scottish Parliament when the Commissioner gave evidence on his last annual report.

Increasing numbers of women have been applying successfully for roles but there is still underrepresentation.

Disability

The drop in the number of applications from disabled people is of concern. The proportion of people with a disability who apply is roughly equivalent to the proportion of disabled people who are appointed to member positions. No particular stage in the appointments process for member appointments appears to have a disproportionate impact on people with a disability. Applicants with a disability who apply for chair roles are proportionately not as successful as non-disabled applicants at the interview stage.

The figures provided to the Commissioner, due to the numbers involved, do not disaggregate the different types of disability declared. That means that there is no way of knowing, for example, whether people who have a visual impairment or are deaf apply in the same numbers and/or fare as well in the appointments process as people who may have a disability related to their mobility.

Age group (over/under 50)

Applications from people aged 50 and over exceeded the proportion that would be reflective of the population as a whole. The analysis established that those under 50 were slightly less likely to be interviewed than those over 50. They were much less likely to be interviewed for chair roles. However, those under 50 who were interviewed were more likely to be considered suitable for member roles than those over 50. For chair roles the likelihood of their being considered suitable was roughly equivalent for those both under and over 50.

Recommendation 1 (R1).

The Scottish Government should therefore consider including an option for non-binary people to make a declaration when they apply for an appointment.

R2. The Scottish Government should maintain or increase applicant numbers from women.

R3. Increase applications from disabled people.

R4. Conduct a further analysis to determine whether people with particular disabilities apply and/or fare better or worse in the appointment process. Analyse the interview stage for chair roles to establish why disabled applicants fare less well. Further action may be required to address any findings.

R5. Increase applications from under 50s.

R6. Establish why under 50s are not invited to interview in the same proportions as those aged 50 and over. Address any barriers identified.

Ethnicity

The figures provided to the Commissioner by the Scottish Government group visible and non-visible BME applicants into two separate groups. This is understandable given the relatively low numbers involved. It does however make it difficult to determine how people from subgroups within those groups fare in the appointments process. The distinction between the two groups is also not one that is made in the Equality Act although the 2011 census does report on the visible BME population as a group.

Applications from the visible BME group exceeded the proportion that would be reflective of the population as a whole (at 4%). These applicants were proportionately much less successful at both the application stage and at the interview stage. There was little variation between the numbers considered suitable and ultimately appointed.

Within this group too, the success and failure rates were disproportionate in comparison with others.

R7. The Scottish Government should conduct further research to give itself and the Commissioner clarity on which subgroups of people from the visible and non-visible BME group are not being successful at the application and interview stage and

R8. Establish why they are not being successful and

R9. Agree further recommendations and work with the Commissioner to address the issues identified.

The Commissioner recognises that the very low numbers involved means that it will almost certainly not be possible for the results of the analysis referred to in R7 to be published. This does not preclude such analysis as it can inform positive action and associated measures.

As with his previous recommendations, the Commissioner is committed to supporting the Scottish Government with this work.

Independent panel members

Of the 68 appointments rounds active during the course of the year, 34 included independent selection panel members.

CORPORATE AND FINANCIAL PERFORMANCE

Key points

- Expenditure came under significant pressure ➔
- Pressure on budget and staff time caused a number of activities to be postponed ➔

“Managing resources and measuring performance”

CORPORATE AND FINANCIAL PERFORMANCE

Key points

- Expenditure came under significant pressure ➔
- Pressure on budget and staff time caused a number of activities to be postponed ➔

“Managing resources and measuring performance”

Expenditure came under significant pressure

Cash expenditure was outwith the budget agreed by the SPCB and significant additional contingency funding was required.

	Actual £'000s	Budget £'000s	Variance £'000s
Staff Costs	713	557	156
Staff Related Costs	12	17	-5
Property	68	68	0
Professional Fees	111	107	4
Running Costs	41	51	-10
Capital Expenditure	4	12	-8
TOTALS	949	812	137

Accrued expenditure (including depreciation) was £953k.

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CORPORATE AND FINANCIAL PERFORMANCE

Key points

- Expenditure came under significant pressure ➔
- Pressure on budget and staff time caused a number of activities to be postponed ➔

“Managing resources and measuring performance”

Pressure on budget and staff time caused a number of activities to be postponed

Pressure on budgets and staff time led to a number of activities being postponed:

- Review of staff policies.
- Development of a Memorandum of Understanding with the National Records of Scotland for the transfer of archive records.
- Review of the Commissioner’s Publication Scheme and Guide to Information.

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CORPORATE AND FINANCIAL PERFORMANCE

3

Managing resources and measuring performance

Performance against targets

The Strategic Plan is supported by an annual business plan. The table below shows progress against the actions outlined in the annual business plan for 2016/17.

Table 29

Annual Business Plan Action	Achieved
1 Budget Limits	
a manage expenditure within the budget limits agreed annually with the SPCB	✗
i Provide regular financial reports to the Management Team	✓
ii Develop additional forms of management information to identify areas of risk and further improvements to processes	✓
iii Review the business plan and consider budget pressures	✓
2 Key Resource	
a find ways of maintaining and where possible improving job satisfaction and performance	●
i Ensure that staff policies and terms and conditions reflect current legislation and good practice	●
3 Communication	
a maintain good channels of communication with the SPCB, committees of the Parliament, Ministers, officials of the Scottish Government and public bodies and to work in partnership wherever possible	✓
i Offer subject matter induction meetings to all new Clerks to relevant committees	✓
ii Continue membership of specialist subject-related groups. For example, the Scottish Information Commissioner's Part 7 Network Group	✓

Annual Business Plan Action	Achieved
4 Website (G)	
a review and where appropriate improve the accessibility, clarity, consistency and ease of use of the website	●
i Develop project plan for review and improvement of website	●
ii Seek funding for improvement of website	✓
iii Tender for improvement of website	✗
Additional Activities	
1 Develop a Memorandum of Understanding with the National Records of Scotland for the transfer of archive records	✗
2 Agree a Framework Agreement with the Scottish Parliamentary Corporate Body	✗
3 Identify key risks to the business, ensure mitigating actions are in place and review regularly	✓
4 Develop a combined annual report and accounts	✓
5 Prepare a budget for 2017/18	✓
6 Draft the business plan for 2017/18	✓
7 Tender for IT services	✓
8 Review the Commissioner's Publication Scheme and Guide to Information	✗
9 Review the Commissioner's Records Management Plan	✓

Key: Achieved ✓ Partially achieved ● Not achieved ✗

During the year, resources came under significant pressure.

Cash expenditure was outwith the budget agreed with the SPCB and significant additional funding was required.

Table 30

	Actual** £'000s	Budget £'000s	Variance £'000s
Staff Costs	713	557	156
Staff Related Costs	12	17	-5
Property	68	68	0
Professional Fees*	111	107	4
Running Costs	41	51	-10
Capital Expenditure	4	12	-8
TOTALS	949	812	137

* Includes the costs of Public Appointments Advisers

** To allow comparison with the budget, expenditure is shown on a cash as opposed to accruals basis

The main overspend sits in the staff costs budget. This consisted of two elements.

1. The Commissioner hopes to replace our case management system. During 2016/17, one of the Investigations Managers was seconded to this project to develop the specification and business case. Her role had to be back-filled. This was achieved through a temporary upgrade and the retention of a fixed term employee at a cost of £34,000. This was financed through savings in the other areas of the budget and by contingency funding of £25,000 approved by the SPCB on 2 March 2016.
2. A continuing increase in the activity of Investigating Officers (IOs) led to the remaining overspend of £122,000. This was financed by contingency funding of £121,200 approved by the SPCB on 20 March 2017 and through savings in the other areas of the budget.

All complaints about conduct are investigated by a small team of IOs. IOs are paid on a daily basis, which means that their employment costs vary depending on the volume and complexity of complaints received.

When preparing the 2016/17 budget in July 2015, we agreed with the SPCB to budget for 396 IO days, at an estimated cost of £118,400. Actual cash expenditure was £241,100 for 741 days.

Around £50,000 of the overspend can be attributed to an increase in the number of complaints completed. Around half this amount is associated with the increased number of breaches, which require additional resources.

A further £50,000 flows from an increase in the number of days required to investigate each case. Breach cases take one half day longer on average than in 2014/15 and non-breach cases are taking 3.3 days compared to 1.9 days. The increase is likely due to increasing complexity and the weight of evidence now provided by complainants and respondents. We have identified about 30 cases which exemplify this trend and will carry out further assessment.

The remaining £20,000 can be attributed to IOs providing additional assistance to the office, for example, providing advice on Freedom of Information and data protection matters, assisting with the interpretation of Article 10 of the Human Rights Act and preparing for the implementation of new legislation on Lobbying and Members Interests and the introduction of the General Data Protection Regulation. IOs have also been involved in the development and implementation of new investigation procedures. The Commissioner introduced these in October 2016 in order to streamline investigations.

Pressure on budgets and staff time led to a number of activities being postponed:

- Review of staff policies.
- Development of a Memorandum of Understanding with the National Records of Scotland for the transfer of archive records.
- Review of the Commissioner's Publication Scheme and Guide to Information.

The Commissioner has a number of policies and procedures covering staffing and operational matters. Existing policies are reviewed on a rolling basis and new ones adopted as required. The drafting or review of a number of policies had to be postponed as staff time was diverted to other projects, such as tendering for IT support, managing Freedom of Information and subject access requests, developing additional methods for monitoring budget and activity, implementing a new format for the annual report and accounts and managing changes to the administration of the pension scheme. Alternative methods for managing policy review were explored and implemented as far as possible but ultimately these activities require staff time.

- Redevelopment of the website.
Our website was last fully reviewed in 2011 and is in need of redevelopment. Both budget and staff time were unavailable in 2016/17 and the project has been postponed to 2017/18.

Financial Position

Background

The Commissioner is an independent office-holder and receives all of his funding directly from the SPCB. The Commissioner operates against an annual cash based budget that is reviewed by the SPCB and subsequently approved by the Scottish Parliament. The budget also includes access to contingency funding. The accounts are prepared on an accruals basis but the body is funded on a cash basis and management closely monitor financial performance on a cash basis.

Funding

The Scottish Parliament allocated a budget of £812,000 to the Commissioner for financial year 2016/17 (2015/16: £811,000).

In March 2016, the Scottish Parliament awarded a further £25,000 as contingency funding to provide continuing administrative support whilst a senior team member was redeployed to develop the specification and business case for a replacement case management system.

In January 2017, we sought contingency funding of £121,200 to cover the costs of additional investigation activity. The SPCB agreed the funding request in March 2017.

We earned no income in 2016/17 (2015/16: Nil).

Total funding awarded for the year, including contingency funding, was £958,200 (2015/16: £862,000).

Expenditure

The accounts are prepared on an accruals basis meaning that expenses are recognised in the period in which they were incurred, rather than when the cash payment is made.

Including adjustments for accruals and prepayments, expenditure is £953,432 (2015/16: £852,000).

A breakdown of expenditure is given in note 6 to the accounts.

Performance against budget

The SPCB awarded the Commissioner funding of £958,200 (2015/16: £862,000). In the event, only £957,800 was required (2015/16: £853,000).

The Commissioner's financial position for the year ended 31 March 2017 is as follows:

Table 31

	2016/17			2015/16
	Funding £'000	Expenditure £'000	Variance £'000	Expenditure £'000
Net operating costs	958	953	5	852
Capital additions	0	2	(2)	4
Total expenditure	958	955	3	856
Adjustments				
Non-cash items	0	(5)	5	(6)
Working Capital (inc. cash)	0	8	(8)	3
Cash Funding from SPCB	958	958	0	853

Payment of creditors

We are 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. The Commissioner's payment performance for 2016/17 was 99% (2015/16: 98%).

FUTURE PERFORMANCE

The sourcing and implementation of an appropriate case management system will continue to be a priority for 2017/18, in order to form a stable basis for future performance improvement in the investigation of complaints about breaches of codes of conduct. A bid for contingency funding supported by a business case has been submitted to the SPCB.

Experience of the tender for IT support successfully conducted in the course of the reporting year has been helpful in identifying the potential in-house resource requirements. External support and advice will be required in relation to procurement and on technical aspects of bid assessment.

It is anticipated that the revised process for the initial assessment of complaints which was introduced in the second half of the reporting year will improve the efficiency – and therefore reduce the cost - of investigations in 2017/18. It is also expected to lead to an improvement in performance against targets for the investigation of complaints about councillors and members of public bodies.

The complaints workload may increase following the planned introduction of the lobbying regime in the early part of 2018. Investigating Officers will require to be familiar with adjustments to investigation processes. However, as this is a new field of regulation, it has not been possible to make an accurate assessment of the likely volume of complaints.

Although there is no reason to anticipate any significant change in the volume of public appointment rounds in the year ahead, PAAs will continue to be involved in early planning of future rounds. This is an up-front cost which can lead to better outcomes, and avoid problems occurring at later stages in the process.

Early results from the diversity research project are anticipated to be available in the later part of 2017/18. Before then, work will have started on the planned thematic review of appointments, looking at a range of issues including the effectiveness of the lessons learned process introduced by the Scottish Government in the early part of the reporting year.

The planned review of the Commissioner's website was postponed, because of the priority given to the IT support tender, and is now due to take place during 2017/18. In addition, work has begun on planning for the introduction of the General Data Protection Regulation. The requirement to appoint a Data Protection Officer with a degree of independence will have resource implications.

Corporate Responsibility

Environmental Matters

We recognise that our activities may have both positive and negative impacts in Scotland and further afield. Through our policies and procedures, the Commissioner encourages the use of public transport wherever practicable. The records management system reduces reliance on paper copies and subject to levels of activity reduces consumption. The introduction of a complaints management system should make it possible to achieve further reductions in paper usage.

Social, Community and Human Rights issues

The Code of Practice for Ministerial Appointments to Public Bodies adopted in October 2013 includes a principle of “Diversity and Equality”, which along with other code revisions is intended to make the appointment process more attractive and accessible to groups who are under-represented on the boards of public bodies. All of our activities are intended to ensure the application of high levels of ethical standards to the conduct of elected members and those appointed to public office by Ministers and to ensure fairness, transparency and equality of opportunity in the appointment process.

Equal Opportunities

The Commissioner supports the principle of equal opportunities in employment and operating practices. This means we are committed to pursuing positive action in our 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.

Authorisation



Bill Thomson

Commissioner for Ethical Standards
in Public Life in Scotland

Date: 24 August 2017

ACCOUNTABILITY REPORT

- Who we are →
- What are the Commissioner's responsibilities when managing our finances →
- How is the office managed effectively, efficiently and economically →
- Find out more about our staff and remuneration →
- What did the Auditor say →

FIND OUT MORE →

CORPORATE GOVERNANCE

COMMISSIONER'S REPORT

Office-holders

The Commissioner for Ethical Standards in Public Life in Scotland

The Commissioner was: Bill Thomson
Appointed: 1 April 2014
Term ends: 31 March 2019

Bill Thomson was appointed as Commissioner and Accountable Officer for a period of five years, with effect from 1 April 2014.

Management Team

The Commissioner leads a management team which oversees the operation and development of the office. During 2016/17, this comprised:

Name	Position
Ian Bruce	Public Appointments Manager
Karen Elder	Business Manager
Helen Hayne/Ruth Hogg and Brenda McKinney	Investigations Manager (Job share)
David Sillars	Senior Investigating Officer

Advisory Audit Board

In addition, the Commissioner has an Advisory Audit Board (AAB), to provide advice on governance and financial issues. Members of the Commissioner's AAB are drawn from the SPCB's Advisory Audit Board. During 2016/17, the Commissioner was assisted by Jean Couper CBE and Isobel Sharp CBE.

Register of Interests

The Commissioner maintains a register of company directorships and other significant interests held by the Commissioner and staff. This is available on request. During 2016/17 no interests were assessed as significant.

Personal Data-related Incidents

There were no lapses of data security during the period.

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under section 22 of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 the Scottish Ministers have directed the Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commissioner and of his net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Commissioner is required to comply with the requirements of the Financial Reporting Manual (FRoM) and in particular to:

- 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
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FRoM, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on the "going concern" basis.

The SPCB has appointed the Commissioner, Bill Thomson, as Accountable Officer. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Commissioner is answerable, for keeping proper records and for safeguarding the Commissioner's assets, are set out in the Memorandum to the Accountable Officer of the Commissioner for Ethical Standards in Public Life in Scotland issued by the SPCB in March 2014.

GOVERNANCE STATEMENT

As Accountable Officer, the Commissioner is responsible for ensuring that appropriate and adequate internal controls are in place to safeguard the public funds under his control and to support the office in successfully achieving its objectives.

Governance framework and operation during the year

This report and accounts covers the period 1 April 2016 to 31 March 2017.

Bill Thomson was appointed Commissioner for Ethical Standards in Public Life in Scotland and Accountable Officer from 1 April 2014.

The Commissioner led a management team which oversaw the operation and development of the office. The team consisted of the Commissioner, the Business Manager, the Public Appointments Manager, the Senior Investigating Officer and the Investigations Managers. The management team met formally every two months to discuss and record key issues affecting the operation of the office. These meetings were minuted, with actions assigned to specific team members.

During 2016/17, the office worked to its Strategic Plan 2016 - 2020 supported by an annual business plan. The annual business plan outlined the objectives for the year. Both documents are published online and progress against the objectives is described in the Performance section of this document.

The annual business plan forms the basis of the performance management system. Each year, staff members agree a series of specific objectives directly related to and designed to achieve the organisation-wide objectives outlined in the strategic and annual business plans.

Ensuring finances are managed effectively, efficiently and economically

The Commissioner operates a set of standing orders. These describe the key operating requirements of the Commissioner's office. This is accompanied by a scheme of delegation which outlines the type and level of authority delegated to specific staff members. These provide clear guidelines for the Commissioner's financial management and are supported by a set of financial instructions.

The Commissioner is funded through the Scottish Parliament and, each year, submits an evidence-based budget bid for scrutiny and approval. The budget is based on the requirements of the strategic and annual business plans as well as projections of anticipated appointment activity and prior year performance. Each budget element is reviewed to ensure the office is achieving best value that is continuously improving, serving stakeholders and meeting objectives whilst achieving value for money.

Performance against budget is analysed and reviewed on a monthly basis. Key issues are raised with the Accountable Officer, as they occur and at management team meetings. This allows any financial concerns to be identified and resolved.

As well as the SPCB, external oversight is provided by Deloitte LLP, who audit the annual accounts. In addition, the Commissioner meets with an Advisory Audit Board, to provide advice on governance and financial issues.

Ensuring staff are managed effectively

As well as the performance management system, the Commissioner maintains a number of staff policy documents. These reflect statutory duties to staff, as well as terms and conditions and HR-related procedures. The Commissioner also maintains a register of interests and gifts and hospitality. The office regularly reviews policies and procedures and standard practice is to consult and inform staff about any revisions. This ensures that staff members are regularly updated and fully aware of the rights and responsibilities they have.

Risk management arrangements, main risks during period and emerging risks

The system of internal control is designed to manage rather than eliminate the risks of failure to achieve the Commissioner's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The office maintains a risk management policy and risk register. This details the risks which may stop or hinder the organisation achieving its objectives and outlines the measures required or undertaken to reduce those risks. The risk register is updated to reflect any risks associated with the objectives laid out in the strategic or annual business plans or other key issues as they arise. Any tasks associated with managing risks are fed back into staff objectives.

The key risks during 2016/17 were:

- a) The database for managing complaints about conduct fails. During the year a review of internal requirements and research into existing and potential systems was carried out. This information informed the drafting of a system specification and a business case. The business case and application for funding was submitted to the SPCB in March 2017.
- b) Key staff members leave the organisation. This risk did not materialise during the reporting year. However, it continues to be an issue for the organisation. Where possible, staff are being trained to provide cover for key individuals.
- c) Insufficient evidence of improvements to the public appointments process and the diversity of board members. The position in relation to gender diversity has improved significantly over the last three years. In 2016, Ministers appointed more women than men to board positions. However, other areas of under-representation continue to require attention.
- d) Loss of confidence in the ethical standards framework. The office completed more conduct investigations in the course of the reporting year than in the previous year, which also saw an increase. The number of breach reports submitted to the Standards Commission was significantly higher than in recent years. The introduction of the initial office assessment process is allowing complaints to be clarified at an early stage, and should reduce the scope for dissatisfaction on conclusion of an investigation.

The Commissioner has identified that the following key risks for the organisation in 2017/18 and put in place mitigating actions:

- a) The database for managing conduct complaints fails – awaiting SPCB decision on business case for contingency funding to allow procurement of a case management system.
- b) Key staff members leave the organisation – where possible, staff members are receiving training to cover the possible absence of key staff.
- c) Resource constraints impact on planning for public appointments – regular discussions with key officials to identify scope for joint working towards achievement of action plan and shared objectives; PAAs advise and support appointment panels; boards encouraged to take part in diversity research and undertake succession planning.
- d) Activity is significantly over budget – discussions with SPCB over basis for setting budget; regular monitoring of expenditure and activity; proportionate risk levels set for appointment rounds; cost of investigations analysed to identify and eliminate any systemic inefficiencies; planned introduction of complaints management system.

Effectiveness of governance arrangements

To ensure effectiveness the Commissioner reviews his scheme of internal control every two months. This assessment is informed by:

- the work of the AAB in its consideration of risk and internal control measures
- reports and comments made by the external auditor
- the work of the management team
- review of the Commissioner's objectives as set out in the strategic and annual business plans
- review of the systems and procedures in place to manage staff, finances and risks.

Compliance with generally accepted best practice principles and relevant guidance on corporate governance has been assessed using an internal control checklist. The checklist is based upon that provided within the Scottish Public Finance Manual, and a proportionate approach has been adopted, reflecting the relatively small size and simple structure of the office.

Completion of the internal control checklist confirmed that effective controls and systems are in place.

Authorisation



Bill Thomson

Commissioner for Ethical Standards in Public Life in Scotland

Date: 24 August 2017

REMUNERATION AND STAFF REPORTS

The information in this section covering salary and pension entitlements and analysis of staff numbers and costs is subject to audit.

Remuneration Report

The Commissioner for Ethical Standards in Public Life in Scotland is appointed by the SPCB with the agreement of the Scottish Parliament. The Commissioner's remuneration is set by the SPCB.

Bill Thomson was appointed Commissioner with effect from 1 April 2014 for a period of five years.

During the period 1 April 2016 to 31 March 2017 the Commissioner was employed on a full-time basis and drew a single salary. The Commissioner's salary and pension entitlements are set out in the table below.

Single total figure of remuneration

Table 32 - Commissioner – Bill Thomson

	Salary	Bonus payments	Benefits in kind	Pension benefits	Total
	£,000	£,000	To nearest £,000	£,000	£,000
2016/17	75-79	Nil	Nil	17*	90-95
2015/16	70-75	Nil	Nil	16*	90-95

*The value of contributions made by the employer to the Commissioner's personal pension scheme.

The 'Salary' category covers both pensionable and non-pensionable amounts. It includes gross salary and, if awarded, overtime, recruitment and retention allowances, taxable allowances and any ex-gratia payments. It does not include employer National Insurance or pension contributions.

The monetary value of benefits in kind covers any benefits provided to the Commissioner and treated by Her Majesty's Revenue and Customs as taxable.

Pension arrangements

The Commissioner's post is pensionable. Under the terms of his appointment arrangements can be made for the Commissioner to join either the Civil Service Pension Schemes or for the equivalent pension contributions at the rate set by the Cabinet Office for the Civil Service Pension Schemes, to be paid into an approved scheme of the Commissioner's choice.

The Commissioner has opted not to join the Civil Service Pension Schemes and arrangements have been made for the equivalent pension contributions to be paid into a defined contribution/money purchase scheme. The employer contribution rate for 2016/17 was 22.1% and contributions of £16,605 were made for 2016/17 (2015/16 £16,295).

Remuneration Ratio

Public sector bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as any severance payments. It does not include employer pension contributions or the cash equivalent transfer value of pensions. It is based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff) as at the reporting date.

Staff members annualised, full-time equivalent remuneration fell in bands ranging from £20-£24,999 to £65-69,999. The banded remuneration of the highest paid director (the Commissioner) in 2016/17 was £75-79,999 (2015/16: £70-74,999). This was 1.55 times (2015/16: 1.55) the median remuneration of the workforce, which was £50,141 (2015/16: £46,924).

In 2016/17, no employees (2015/16: Nil) received remuneration in excess of the Commissioner.

Table 33

	2016/17	2015/16
Band of highest earner's total remuneration (£,000)	75-79	70-74
Median total remuneration	50,141	46,924
Ratio	1.55	1.55

Staff Report

Employee Numbers and Gender Breakdown

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

Table 34

	2016/17 FTE	2015/16 FTE
Commissioner	1.0	1.0
Employees	10.3	9.4
Total	11.3	10.4

As at 31 March, the Commissioner's office employed:

Table 35

	2017		2016	
	Female	Male	Female	Male
Commissioner	0	1	0	1
Senior Managers*	0	0	0	0
Employees	10	7	10	7
Total	10	8	10	8

* A senior manager is defined as being the equivalent of a member of the Senior Civil Service.

Average sickness absence

The average sickness absence per person was as follows:

Table 36

	2016/17 Days	2015/16 Days	2014/15 Days
Commissioner and employees	3.8	13.8	1.5

The average fell sharply this year as the small number of periods of unusually lengthy sickness absence experienced in 2015/16 drew to an end.

Employee costs

Table 37

	2016/17		2015/16	
	Total £'000	Commissioner £'000	Employees £'000	Total £'000
Salaries	544	75	469	496
Social security costs	54	9	45	41
Pension costs	110	17	93	93
Total	708	101	607	630

Salaries include a provision covering the value of outstanding leave (the leave accrual).

Provision of Information to Employees

The Commissioner has adopted the principles of openness and participation in the organisation and places a high level of importance on both informing and consulting staff. He does so by providing access to relevant 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.

Pension Arrangements

Pension benefits are provided through the Civil Service pension arrangements.

The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes in which the Commissioner's office is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>).

For 2016/17, employers' contributions of £93,500 were payable to the Civil service Pension arrangements (2015/16: £77,250) at one of four rates in the range 20.0 to 24.5 per cent (2015/16: 20.0 to 24.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employers' contributions every four years following a full scheme valuation.

The salary bands and contribution rates were revised in 2015/16 and remain unchanged for 2017/18. 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 2017 amounted to £9,833 (2015/16: £9,701).

Employees can opt to open a partnership pension account, a stakeholder pension with an employers' contribution. Employers' contributions of £3,300 (2015/16: Nil) were paid to an appointed stakeholder pension provider. Employers' contributions are age-related and range from 8.0 to 14.75 per cent (2015/16: 8.0 to 14.75

per cent) of pensionable pay. Employers also match employees' contributions up to 3 per cent of pensionable pay. In addition, employers' contributions of £105 (0.5 per cent) (2015/16: nil, 0.5 per cent) of pensionable pay, were payable to the Civil Service Pension arrangements to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £297. Contributions prepaid at that date were nil.

No persons (2015/16: No persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to nil (2015/16: Nil).

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservicepensionscheme.org.uk/>.

Authorisation



Bill Thomson

Commissioner for Ethical Standards
in Public Life in Scotland

Date: 24 August 2017

AUDIT REPORT

THE AUDIT PROCESS

Requirement for Accounts

The accounts for the financial year ended 31 March 2017 have been prepared in accordance with the Accounts Direction given by the Scottish Ministers on 22 May 2012 in pursuance of Section 22(1) of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 (the 2010 Act). The Accounting Officer authorised these financial statements for issue on 24 August 2017.

Disclosure of Information to Auditor

As Accountable Officer with effect from 1 April 2014, the Commissioner is not aware of any relevant information of which the auditor is unaware. The Commissioner has taken all necessary steps to ensure that he is aware of any relevant information and to establish that the auditor is also aware of this information.

Audit

The accounts are audited by the Auditor General for Scotland in accordance with section 22(1) of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010. The Auditor General appointed Deloitte LLP as external auditor.

Auditor's Fees

The external auditor's remuneration for the year was £12,409 (2015/16: £10,500). External audit received no fees in relation to non-audit work.

Authorisation



Bill Thomson

Commissioner for Ethical Standards
in Public Life in Scotland

Date: 24 August 2017

INDEPENDENT AUDITOR'S REPORT to the Commissioner for Ethical Standards in Public Life in Scotland, the Auditor General for Scotland and the Scottish Parliament

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 120 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.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Commissioner for Ethical Standards in Public Life in Scotland for the year ended 31 March 2017 under the Scottish Parliamentary Commissions and Commissioners etc. Act 2010. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow and the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on regularity of expenditure and income**Opinion on regularity**

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on other prescribed matters

We are required by the Auditor General for Scotland to express an opinion on the following matters.

In our opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 and directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 and directions made thereunder by the Scottish Ministers.

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Pat Kenny, CPFA (for and on behalf of Deloitte LLP)
110 Queen Street
Glasgow
G1 3BX
24 August 2017

FINANCIAL STATEMENTS

- [Statement of Comprehensive Net Expenditure](#)
- [Statement of Financial Position](#)
- [Statement of Cash Flows](#)
- [Statement of Changes in Taxpayers' Equity](#)
- [Notes to the Accounts](#)

[FIND OUT MORE](#)

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2017

Administrative Costs	Notes	2017 £'000	2016 £'000
Staff Costs	6	708	630
Other Administration Costs	6	240	216
Depreciation	2	5	6
Net Administration Costs		953	852
Total Comprehensive Expenditure		953	852

All amounts relate to continuing activities. There have been no gains or losses other than those recognised in the Statement of Comprehensive Net Expenditure.

The accompanying notes on pages 59 to 64 form an integral part of these accounts.

Statement of Financial Position

as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Non Current Assets			
Property, Plant and Equipment	2	5	8
Total Non Current Assets		5	8
Current Assets			
Trade and Other Receivables	3	2	3
Cash and Cash Equivalents	4	88	97
Total Current Assets		90	100
TOTAL ASSETS		95	108
Current Liabilities			
Trade and Other Payables	5	(65)	(83)
Total Current Liabilities		(65)	(83)
Non-current assets plus net current assets/liabilities		30	25
Assets Less Liabilities		30	25
Taxpayers' Equity			
General Fund		30	25
Total Taxpayers' Equity		30	25

The accompanying notes on pages 59 to 64 form an integral part of these accounts.

Authorisation



Bill Thomson

Commissioner for Ethical Standards in Public Life in Scotland

Date: 24 August 2017

Statement of Cash Flows

for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net operating costs			
Adjustment for non-cash items:		(953)	(852)
Depreciation	2	5	6
Decrease/(Increase) in trade and other receivables	3	1	1
(Decrease)/Increase in trade and other payables	5	(18)	26
Net cash outflow from operating activities		(965)	(819)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2)	(4)
		(2)	(4)
Cash flows from financing activities			
From the SPCB		958	853
Net (decrease)/increase in cash and cash equivalents in the period		(9)	(30)
Cash and cash equivalents at the beginning of period	4	97	67
Cash and cash equivalents at end of period	4	88	97
Net cash requirement			
Cash flows from financing activities		958	853
Decrease/(Increase) in cash		9	(30)
Net cash requirement		967	823

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2017

	General Fund 2017 £'000	General Fund 2016 £'000
Balance at 1 April	25	24
Net Operating Costs for the Year	(953)	(852)
Funding From the SPCB	958	853
Balance at 31 March	30	25

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. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commissioner 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 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in these Notes, the Commissioner has had to make judgements about financial transactions or those involving uncertainty about future events. The critical judgement made in the Financial Statements is that the organisation will continue as a going concern and will be appropriately funded by the SPCB.

1.3 Critical Accounting Estimates

The Financial Statements contain estimated figures that are based on assumptions about the future or that are otherwise uncertain. These estimates relate to the value of tangible and intangible assets, accruals and the lease. Estimates are made taking account of historical experience, current trends and other relevant factors but cannot be determined with certainty. Actual results could be different from the assumptions and estimates, but are unlikely to be material.

Pension benefits are provided through the Civil Service pension arrangements. The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes in which the Commissioner's office is unable to identify its share of the underlying assets and liabilities.

1.4 Property, Plant and Equipment

1.4.1 Capitalisation

Purchases of assets, including grouped IT equipment, for a value exceeding £1,000 inclusive of irrecoverable VAT are treated as capital with the exception of land and buildings where the threshold is set at £10,000.

1.4.2 Valuation

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

1.4.3 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.

1.4.4 Estimated useful life of assets

The estimated useful life of assets are as follows:

Fixtures, Fittings & Equipment	5 years
IT Equipment	3 years

1.5 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).

1.6 Funding

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

1.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call in a single bank account.

1.8 Leases

The Commissioner holds no material finance leases. Costs in respect of operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the life of the lease. Details of operating leases are given in note 7.

1.9 Value Added Tax

The Commissioner is not VAT registered. All amounts are recorded inclusive of VAT.

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.

The Commissioner reviews the credit risk associated with financial institutions on a regular basis and more frequently if market conditions are volatile or other information is made available on the financial security of UK banks and building societies.

The Commissioner receives funding on a monthly basis and restricts cash holdings to a minimum.

1.10.2 Liquidity risk

The Commissioner 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. The Commissioner does not rely on interest receivable as its key source of income.

2 Property, Plant and Equipment

2.1 Tangible Non Current Assets

	Fixtures, Fittings & Equipment £'000	IT Equipment £'000	Total £'000
Cost			
At 1 April 2016	3	39	42
Additions	0	2	2
Disposals	0	(2)	(2)
At 31 March 2017	3	39	42
Depreciation			
At 1 April 2016	3	31	34
Charge for Year	0	5	5
Disposals	0	(2)	(2)
At 31 March 2017	3	34	37
Net Book Value at 31 March 2017	0	5	5
Net Book Value at 31 March 2016	0	8	8

The Commissioner purchased £1,500 of additional assets in 2016/17 (2015/16: £4,392). The addition comprised one item of telecommunications equipment.

	Fixtures, Fittings & Equipment £'000	IT Equipment £'000	Total £'000
Cost			
At 1 April 2015	4	36	40
Additions	0	4	4
Disposals	(1)	(1)	(2)
At 31 March 2016	3	39	42
Depreciation			
At 1 April 2015	3	27	30
Charge for Year	1	5	6
Disposals	(1)	(1)	(2)
At 31 March 2016	3	31	34
Net Book Value at 31 March 2016	0	8	8
Net Book Value at 31 March 2015	1	9	10

The Commissioner purchased £4,392 of additional assets in 2015/16 (2014/15: £8,270). The additions comprised three items of IT equipment.

2.2 Intangible Non Current Assets

	Software £'000	Total £'000
Cost		
At 1 April 2016	4	4
Additions	0	0
Disposals	(1)	(1)
At 31 March 2017	3	3
Amortisation		
At 1 April 2016	4	4
Charge for Year	0	0
Disposals	(1)	(1)
At 31 March 2017	3	3
Net Book Value at 31 March 2017	0	0
Net Book Value at 31 March 2016	0	0

The Commissioner purchased no additional intangible assets in 2016/17 (2015/16: Nil).

	Software £'000	Total £'000
Cost		
At 1 April 2015	4	4
Additions	0	0
Disposals	0	0
At 31 March 2016	4	4
Amortisation		
At 1 April 2015	4	4
Charge for Year	0	0
Disposals	0	0
At 31 March 2016	4	4
Net Book Value at 31 March 2016	0	0
Net Book Value at 31 March 2015	0	0

The Commissioner purchased no additional intangible assets in 2015/16 (2014/15: Nil).

3 Receivables

	2017 £'000	2016 £'000
Trade receivables	0	0
Prepayments	2	3
	2	3

4 Cash and cash equivalents

	2017 £'000	2016 £'000
Balance at 1 April	97	67
Net Change in cash and cash equivalent balances	(9)	30
Balance at 31 March	88	97
	88	97
Cash Held at Commercial Banks	88	97

5 Payables

	2017 £'000	2016 £'000
Trade Payables	(7)	(24)
PAYE and National Insurance	(12)	(12)
Pension Contributions	(10)	(10)
Accruals	(36)	(37)
	(65)	(83)

6 Expenditure breakdown

	2017 £'000	2016 £'000
Staffing Costs		
Commissioner	101	101
Investigating Officers	240	194
Other Staff	367	335
	708	630
Other Administrative Costs		
Auditor & financial advisers	13	11
Hospitality	1	2
IT	17	20
Legal advisers	1	5
Office costs	16	14
PAA costs	106	83
Printing	5	4
Property	68	64
Research	0	0
Training & recruitment	2	2
Travel & expenses	11	11
	240	216
Depreciation	5	6
	953	852

The £13,000 for Auditor & financial advisers includes £12,409 for external auditor's remuneration, the balance being for accounting services. The external auditor received no fees in relation to non-audit work.

During the financial year, £2,000 was used to purchase non-current assets (2015/16: £4,000) as detailed in note 2 to the accounts.

7 Leasing commitments

At 31 March 2017 the Commissioner had annual commitments under non-cancellable operating leases as set out below.

Land and Buildings	As at 31 March 2017 £'000	As at 31 March 2016 £'000
Operating leases which expire:		
Within one year	69	68
Two to five years	215	280
	284	348

The Commissioner leases office accommodation from the Scottish Legal Aid Board. The current lease runs for five years from 1 April 2016 to 31 March 2021. Either party may give one year's written notice. Accommodation fees are recharged at cost as agreed each year. The Commissioner's lease for the period 1 April 2017 to 31 March 2018 is £68,800. Costs for years three to five are estimated. The actual cost of the Commissioner's accommodation lease in 2016/17 was £67,700 (2015/16: £64,300).

8 Capital commitments

There were no contracted capital commitments as at 31 March 2017 (2016: Nil).

9 Contingent Liabilities

The Commissioner had no contingent liabilities as at 31 March 2017 (2016: Nil).

10 Related Party Transactions

The Commissioner was constituted by legislation enacted by the Scottish Parliament which provides funding via the SPCB. The SPCB is regarded as a related body. The SPCB provided funding of £958,200 during the year.

Neither the Commissioner, nor his staff or related parties has undertaken material transactions with SPCB during the year.

11 Post Balance Sheet Events

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

APPENDICES

- [Appendix 1: Accounts Direction](#)
- [Appendix 2: Appointments made in 2016](#)

APPENDIX 1: ACCOUNTS DIRECTION



COMMISSION FOR ETHICAL STANDARDS IN PUBLIC LIFE IN SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 22 of the Scottish Parliamentary Commissions and Commissioners etc Act 2010, hereby give the following direction.
2. The Commission is required to prepare annual accounts.
3. The Statement of accounts for the financial year ended 31 March 2012, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
4. 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.
5. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 22 May 2012

APPENDIX 2: APPOINTMENTS MADE IN 2016

Table 38 – Appointments made during the calendar year 2016

Body	DG	Position	●	●	Level
Bòrd na Gàidhlig	G&C	Member	14	5	MSG
Community Justice Scotland	L&J	Chair	14	1	H
Creative Scotland	G&C	Member	53	4	MSG
Crown Estate Scotland (Interim Management)	E	Chair	16	1	HSG
David MacBrayne Ltd	E	Member	53	2	H
Fife NHS Board	HSC	Chair	8	1	H
Grampian NHS Board	HSC	Member	45	2	M
Greater Glasgow & Clyde NHS Board	HSC	Member	193	8	HSG
Highlands and Islands Airports Ltd	E	Chair	7	1	H
Highlands and Islands Enterprise	E	Member	80	4	M
Historic Environment Scotland	E	Member	11	2	L
Judicial Appointments Board for Scotland	L&J	Lay Chairing Member	12	0	H
Mobility and Access Committee for Scotland	E	Convenor	11	1	M
Mobility and Access Committee for Scotland	E	Member	30	7	L
National Confidential Forum	HSC	Member	82	3	H
National Library of Scotland	G&C	Chair	3	1	H
NHS Highland	HSC	Member	38	2	L
NHS Tayside	HSC	Member	58	1	L
Office of the Scottish Charity Regulator	L&J	Member	138	2	M

Body	DG	Position	●	●	Level
Royal Botanic Garden, Edinburgh	E	Trustees	9	1	L
Scottish Children's Reporter Administration	HSC	Member	53	3	L
Scottish Criminal Cases Review Commission	L&J	Chair	14	1	HSG
Scottish Criminal Cases Review Commission	L&J	Lay and Legal Member	56	2	HSG
Scottish Environment Protection Agency	E	Member	29	2	H
Scottish Fire and Rescue Service	L&J	Member	78	3	HSG
Scottish Futures Trust	F	Chair	10	1	H
Scottish Legal Aid Board	L&J	Chair	6	1	HSG
Scottish Legal Aid Board	L&J	Member	72	5	HSG
Scottish Legal Complaints Commission	L&J	Lawyer and Non Lawyer Member	66	4	M
Scottish Legal Complaints Commission	L&J	Member	91	3	M
Scottish Natural Heritage	E	Member	115	5	M
Scottish Police Authority	L&J	Member	83	1	H
Scottish Qualifications Authority	L&J	Chair	12	0	HSG
Scottish Qualifications Authority	L&J	Member	58	5	M
Scottish Water	E	Member	80	4	M
Shetland NHS	HSC	Member	14	3	M
Sportscotland	HSC	Chair	18	1	H
VisitScotland	E	Chair	10	1	H
Water Industry Commission for Scotland	E	Member	20	2	L
Western Isles NHS Board	HSC	Member	30	3	M
Totals			1790	99	

Key for table

Applications: ● Appointments: ●

Column: DG

DG - Director General with sponsorship responsibility

F – DG for Finance

G&C - DG for Governance and Communities

HSC - DG for Health and Social Care

L&J - DG for Learning and Justice

E - DG for Economy

S&EA – DG for Strategy and External Affairs

Column: Level

L - Low

M - Medium

MSG – PAA involvement during
planning requested

H - High

HSG - Set at high at the request
of the Scottish Government

The Scottish Government also provides figures for the overall number of applicants and their progress through the appointments process. These figures are provided for the last three years in tables 39 and 40.

Table 39 – Number of Applications and appointments

Number of	2016	2015	2014
Applications	1790	1765	1830
Appointments	99	97	125
Average applications per appointment	18.1	18.2	14.6

Table 40 – Number and progress of applications

Number of applications	2016	2015	2014
Applied	1790	1765	1742
Reached shortlist	1785	1723	1729
Invited to interview	341	372	431
Recommended for appointment	105	104	170
Appointed	99	97	125

CONTACT DETAILS

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Commissioner for
Ethical Standards in Public Life
in Scotland

Laid before the Scottish Parliament by the Commissioner for Ethical Standards in Public Life in Scotland in pursuance of section 25(1) of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 as amended. Laying No. CES/2017/01