

Ethical Standards Commissioner

ANNUAL REPORT AND ACCOUNTS

2019/20

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PERFORMANCE REPORT

for the Commissioner for Ethical Standards in Public Life in Scotland known as the Ethical Standards Commissioner

OVERVIEW

This section of the report provides a summary of our performance as well as outlining any significant activities undertaken during the year. It also describes the organisation's purpose and the key risks affecting it.

COMMISSIONER'S STATEMENT

This annual report covers my first full year in office, having commenced my term as Commissioner on 1 April 2019. In what has been a year of far-reaching transformation and unprecedented challenges, this statement provides an opportunity to reflect on what has been achieved to date.

As office-holder, I perform a number of roles as mandated by statute; firstly, as regulator of ministerial appointments to the boards of 97 public bodies; and secondly, as investigator of a range of Code of Conduct complaints about MSPs, local authority councillors and regulated board members together with complaints regarding lobbying. My complaints investigation function is central to the delivery of the ethical standards framework for Scotland.

Complaints Investigation

On taking up post, I conducted a strategic overview of the operations of the office and concluded that a restructuring exercise was necessary to address historic inefficiencies and key legacy issues regarding my complaint investigation function. Working closely with the Scottish Parliamentary Corporate Body (SPCB), I developed a multi-phase restructuring proposal to reshape this function to better meet the needs of MSPs, Councillors, Board Members and, of course, members of the public.

The situation at 1 April 2019, which included a very significant legacy of aged complaints about councillors, was made even more pressing by the forthcoming expansion of my remit for MSP complaints. Additionally, there was an unprecedented escalation in the volume and complexity of incoming complaints.

Against this backdrop, the implementation of the restructure proved incredibly challenging, but has delivered significant benefits, as highlighted below.

Complaints Investigation Restructure – Key Features

- Doubling of hours available for investigation work each year from 3,000 to 6,000 hours
- No increase in the number of full-time equivalent staff
- Anticipated savings of £450,000 over the next 5 years*
- Consequent accelerated closure of complaint investigations

* Annual whole office budget 2019/20 £957,000

The long-standing issue of protracted investigation completion times, as repeatedly raised by various stakeholders over the years, was addressed by the restructure. In doing so, the duration of stress experienced by parties under investigation is now beneficially reduced.

Overall, this greatly enhanced service has yielded positive feedback from respondents, complainants and local authorities alike.

The implementation of the restructure was punctuated by the pandemic. In anticipation of lockdown measures I invoked business continuity procedures on 16 March and successfully relocated the office to a wholly remote operation over the next few days. This enabled my office to provide a continuous and full service on a remote basis. In recognition of the unique challenges of the pandemic we also offered extended time-periods for responses to local authorities and parties to complaints.

I am pleased to report that despite the significant challenges of remote working in an emergency context, the doubling in the volume of incoming complaints and staff vacancies throughout 2019 of up to 70%, the inherited backlog has been cleared and investigations in progress are all current.

The investigation of complaints about local councillors as detailed below, illustrates progress made this year in the currency of our work.

Status	Cases at 31 July 2020	Cases at 31 March 2019
Investigation ongoing	2*	12 [#]
Final breach report awaiting hearing by SCS [∞]	9 [^]	4

*All current – under 3 months

[#]Overdue - aged up to 18 months

[^]Hearings are currently delayed for up to 5 months after the date of ESC breach report submission

[∞]The Standards Commission for Scotland (SCS) is a tribunal panel which holds hearings when the ESC reports that a breach of the Councillors Code of Conduct has occurred

Despite the disruption of the restructure, the first year of my term saw a peak in the overall number of breach, interim suspension and related reports which were referred to the SCS compared to previous years - a total of 12 reports in all. In the three months subsequent to the reporting year end, a further eight breach reports have been issued and referred for hearing, despite the challenges of the pandemic.

Additionally, I can confirm that all MSP complaints are current and up to date.

I would like to record my appreciation to all those who have supported me in the office transformation throughout the past year, particularly my dedicated team, the long-term senior members of which, played a pivotal role in the success of the restructure. The SPCB (both staff and committee) have been instrumental to this success, providing an abundance of support and advice as I moved through the various stages of the transformation process.

Other long-standing office wide priority issues also required action during my first year. Some examples are provided below along with some additional actions:

Other Key Highlights since 1 April 2019

IT Upgrade

- We extensively replaced IT hardware and software (in advance of the cessation of support for previous operating systems in January 2020)
- We introduced a new complaints case management system

Governance Improvements

- We formed a new senior management team
- We initiated internal audit arrangements

Additional actions

- We contributed and participated in an Ethical Standards Network for local jurisdictions
- We launched a new Strategic Plan for 2020 to 2024

Public Appointments

Turning now to my Public appointments (PA) regulation function which aims to provide assurance that board appointments by Ministers to bodies within my remit, are made in compliance with the “Code of Practice”.

In the past year we applauded the achievement of gender parity on the boards of Scotland’s regulated public bodies, whilst noting that parity for other under-reflected groups within boards is proving more intractable. Currently, only 30% of board chairs are women. Disabled people, people under the age of 50 and people from a BME background are also not serving on our boards in representative proportions. There are other aspects of diversity that boards would benefit from and which I am reporting on for the first time. Those with private sector backgrounds are not applying in the expected proportions and, when they do apply, fare more poorly than their public sector counterparts. Additionally, those with household income in the top 5% of the population apply in disproportionately greater numbers than others and are invariably more successful when they do so. Intersectional connections exist between characteristics such as disability and household income, hence I am highlighting these figures for the first time. Scotland’s boards are inevitably poorer for this lack of diversity and it is clear that the Scottish Ministers are not accessing the entirety of the pool of talent that exists. Diversity enablement activities have continued to be diffuse, with the Scottish Government reaffirming its commitment to some activities but with no clear and convincing plans for achieving parity in other areas.

The significant challenges of the pandemic have impacted upon public bodies and resulted in a significant proportion of new appointment activity being placed on hold. I have responded by proactively fostering flexibility within my PA remit in allowing term extensions and reappointments via Code variations. This gives officials and boards the leeway to maintain a measure of continuity on boards during this challenging time and the recovery period thereafter. I anticipate that in the interim Scotland's boards and appointing ministers will be examining ways to attract and appoint a broader and more diverse pool of individuals from the population, to then rise to the challenges which will follow.

On reviewing the current PA landscape as mentioned above, I concluded that a more traditional regulatory relationship should be established, as was reflected in my Strategic Plan for 2020-24. In keeping with this, I intend to report more frequently and publicly on Scottish Government appointment activity. A key theme for my term in office will be transparency, as highlighting current board makeup and appointment practices will inform debate about what has to change for the better. Such potential changes have been contemplated in my preparatory work for consultation on prospective changes to the Code of Practice. Prospective Code revisions will also be informed by my survey of chairs and board members regarding the impact of time commitment and remuneration on board diversity.

Engagement

In place of the biannual liaison arrangements with a limited representative group, I had planned to meet with Chief Executives and monitoring officers in person on an ongoing basis in order to discuss and optimise the interface between our functions. However the pandemic has delayed the roll out of my new engagement initiative with local authority councils.

Engagement with the Standards Commission for Scotland (SCS) was revisited at my behest during the past year. Formal bi-annual meetings will be scheduled with members going forward, replacing previous quarterly meetings with members and numerous ad hoc meetings with SCS executive staff.

Interaction with SCS takes place via hearings and in February 2020 my staff tested the efficacy of ICT to facilitate remote presentation of cases, with a view to modernisation, increased accessibility, efficiency and cost reduction.

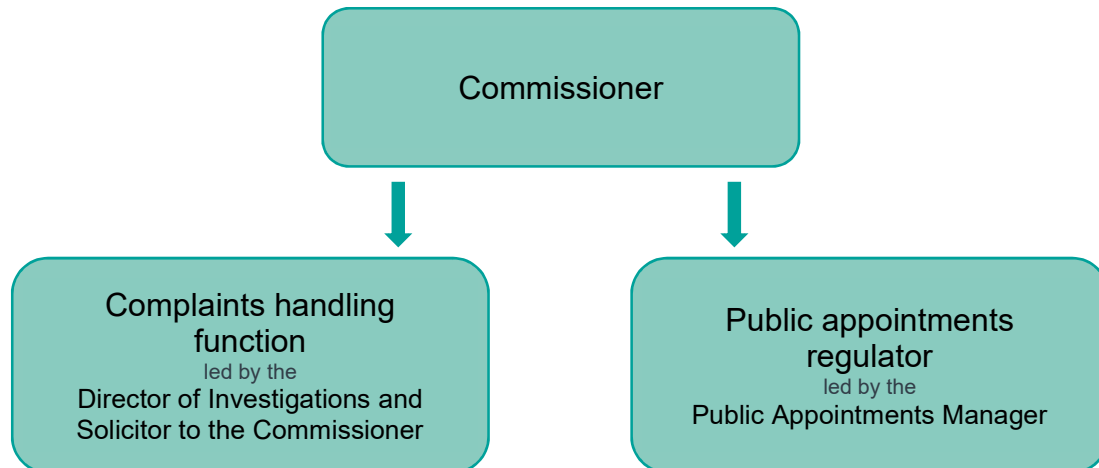
Looking forward to the coming year, I intend to further extend my local interjurisdictional engagement. This will allow me to draw on a rich source of expertise and to share learnings in this challenging and everchanging landscape.



Caroline Anderson FCA
Ethical Standards Commissioner

OUR PURPOSE

Under current statute the Commissioner has two separate roles. Firstly, the Commissioner investigates complaints about the conduct of Members of the Scottish Parliament (MSPs), local authority councillors, board members of regulated public bodies and lobbyists. Secondly, the Commissioner regulates appointments by Scottish Ministers to the boards of public bodies in her remit.



The Commissioner's statutory functions in relation to complaints handling are:

- to investigate complaints alleging contravention of the relevant Code of Conduct by
 - Councillors
 - Members of Public Bodies
 - 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.
- to investigate complaints about lobbyists who have failed to register or provide certain information to the Scottish Parliament and, where there has been a contravention, to report to the Scottish Parliament.

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

- to prepare, publish and, as necessary, revise a Code of Practice for Ministerial Appointments to Public Bodies in Scotland (the Code)
- to issue guidance on the Code
- to examine the methods and practices employed by the Scottish Ministers when making appointments
- 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, and
- to ensure that, as far as possible, appointments are made fairly and openly and allow everyone, where reasonably practicable, the opportunity to be considered for an appointment.

KEY ISSUES AND RISKS

The information set out in the Performance Analysis section of this report shows the key measures of our performance. We have a wide range of strategic and business objectives as well as statutory duties. The fulfilment of these duties and achievement of these objectives is impacted by uncertainty. Risk is defined as this uncertainty of outcome and arises equally from positive opportunity or negative threat. The impact of risk may be positive as well as negative.

At 1 April 2019, a number of key legacy issues presented a challenge to the successful delivery of the complaints handling function which forms part of the statutory mandate of the Commissioner's office.

Key issues were as follows:

1. At 1 April 2019, a backlog of draft breach investigation reports, equal in number to that heard by the Standards Commission in an average year, existed in relation to complaints received against local councillors.
2. Due to historic staff turnover, the necessary capacity was not available at 1 April 2019 to clear the backlog described above. At this date, the level of post vacancy in onsite complaints staff sat at 71%. This included the Senior Investigating Officer's (SIO) post, which is the only staff position requiring a legal qualification. No temporary cover had been put in place to fill that post by the accounting year end.
3. At 1 April 2019, the new Case Management System (CMS) project, which was initially scheduled for introduction in 2017/18 was still under development, diverting the few remaining onsite complaints staff to project development and implementation tasks, and away from "business as usual" complaints handling.

As a consequence of the above issues, the complaints investigation function was overstretched and operating sub-optimally. My strategic overview of the situation was that this function required modernisation, together with remodelling of the associated staff complement. I considered that a full restructure was necessary to create a modern efficient and effective complaint investigation function. This action necessitated previously unanticipated costs however these costs were fully covered by compensating savings made during the same year. Hence there was no additional budgetary requirement as a result of the restructure exercise during this year.

Operational considerations existing at 1 April 2020

Expansion of statutory remit

Complaints about historic sexual harassment by MSPs towards their own staff

An additional consideration influencing my decision to restructure was to progress towards readiness for this upcoming and significant development.

In January 2020, the Scottish Parliament issued an amended Code of Conduct for MSPs to include complaints from MSP staff and parliamentary staff, of bullying, harassment (including sexual harassment) and other inappropriate behaviour. Further restructuring may be required in due course to cater for complaints arising under this newly expanded scope, which has the potential for considerable operational impact, particularly with the intended removal of the time bar for all MSP complaints.

At the time of writing the introduction of a Bill regarding this expansion is pending. The associated costs are to be agreed with the Parliament.

Impact of Covid-19

Throughout this period, our priority as an organisation has been the health, safety and wellbeing of our people and the public whom we serve.

I took the decision to close our offices on 16 March 2020. We implemented our business continuity plans and swiftly moved to remote working whilst continuing to provide a full service. This remains the situation and is likely to be so for the rest of the year.

Since closing our offices, we have worked to keep the team supported and connected, and made physical and mental wellbeing a clear focus. We have also safeguarded the connectivity and security of our digital network, and provided everyone with the immediate resources they need to work from home. We continue to adapt to the new ways of working and carrying out our responsibilities.

The Commissioner wrote to all local authority Chief Executives in March to assure them that we would approach our functions in a pragmatic, flexible yet consistent manner during a period of unprecedented change.

PERFORMANCE ANALYSIS

OUR STRATEGIC OBJECTIVES

An accessible complaints process with trusted outcomes

Public boards which are effective, and reflective of society.

Managing resources and measuring performance

The work of the office during 2019/20 was planned and organised in accordance with the [Strategic Plan](#) for the four-year period 2016 to 2020, which sets out the Commissioner's main objectives.

We have recently published a revised [Strategic Plan](#) for the period 2020 to 2024.

Assuring ethical excellence through delivery of a high-quality complaints handling service

Evolution and maturity as a regulator, responsive to contextual and scope change

Developing a talented professional team to further drive quality

Creating an effective information governance system designed to support our business aims

Both plans are available at www.ethicalstandards.org.uk

COMPLAINTS ABOUT CONDUCT

An accessible complaints process with trusted outcomes

COMPLAINTS ABOUT LOCAL AUTHORITY COUNCILLORS AND BOARD MEMBERS OF PUBLIC BODIES

We investigate complaints about the conduct of local authority councillors and board members of certain public bodies.

HOW MANY COMPLAINTS OF THIS TYPE WERE PROCESSED?

When we receive several complaints about the same or closely related issues, we investigate them as a single case. We report the number of cases as this better reflects our actual workload.

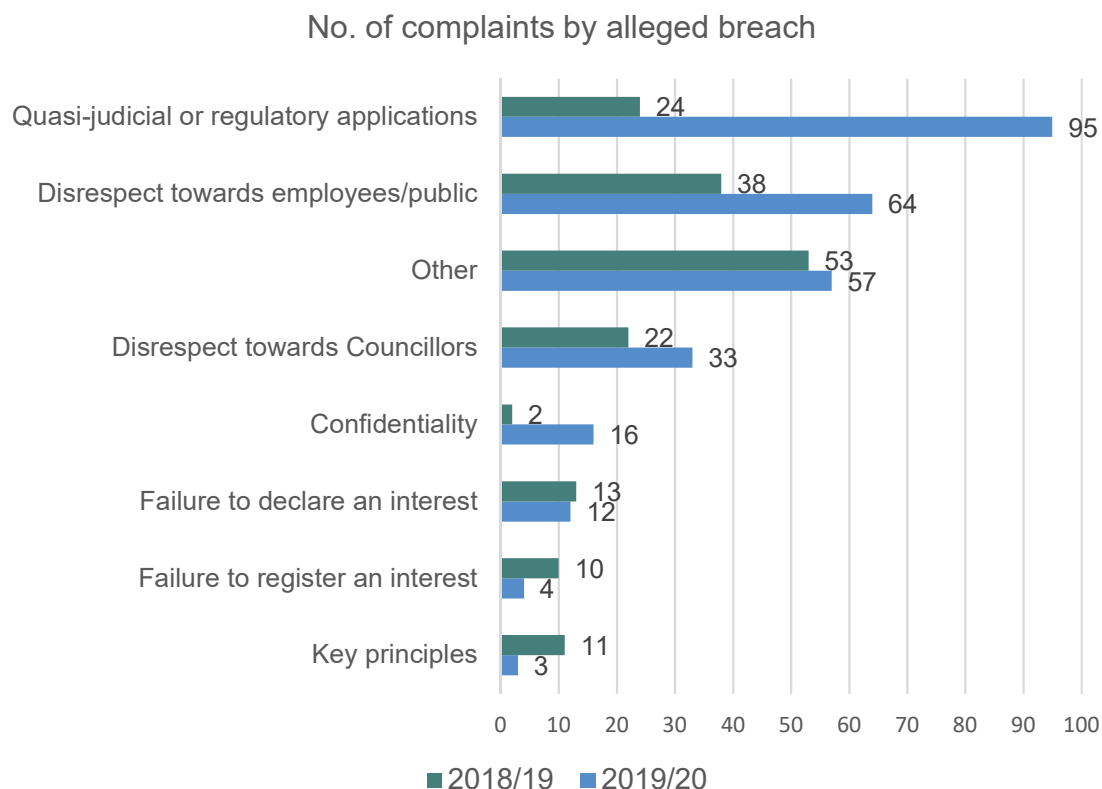
Figure 1

Complaints processed	2019/20		2018/19	
	Complaints	Cases	Complaints	Cases
Open at 1 April	45	28	24	20
Received	284	154	173	117
Active during year	329	182	197	137
Completed	269	150	152	109
Open at 31 March	60	32	45	28

Of the 284 complaints received 10, equating to eight cases, concerned the board members of public bodies (PY: 6 complaints/6 cases).

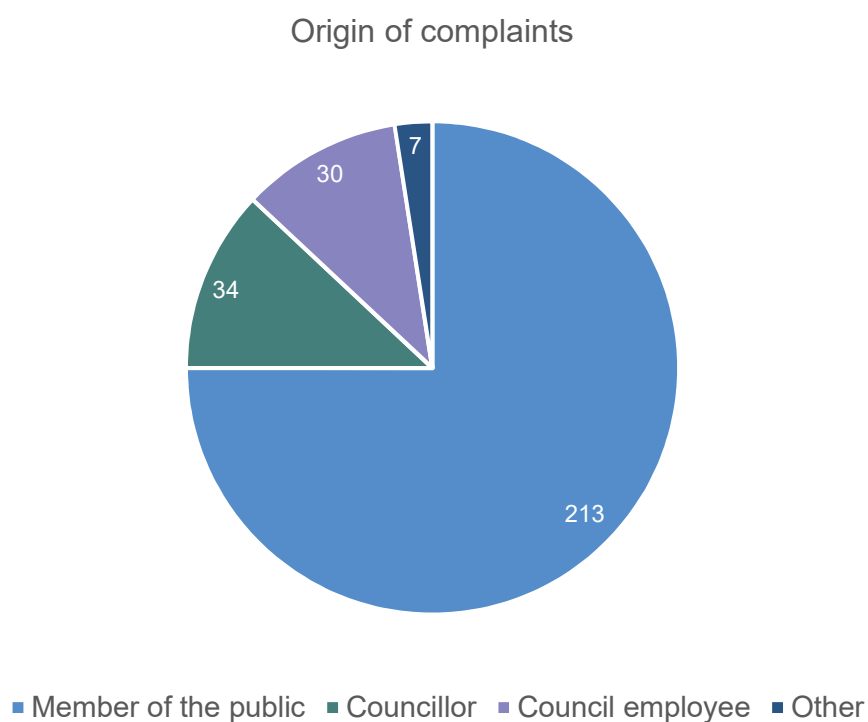
WHAT WERE THE COMPLAINTS ABOUT?

Figure 2



WHO MADE THE COMPLAINTS?

Figure 3



WHAT WAS THE OUTCOME OF THE COMPLAINTS?

Figure 4

	2019/20		2018/19	
	Complaints	Cases	Complaints	Cases
Completed during year	269	150	152	109
Open at year end	60	32	45	28
Total active in year	329	182	197	137

Complaints and cases **completed** during 2019/20 can be further analysed as follows:

Figure 5

	Complaints	Cases
Investigation completed in 2018/19, hearing occurred in 2019/20	10	4
Withdrawn*	2	2
Not proceeded with	228	127
Investigations	29	17

* These were withdrawn during the assessment for admissibility stage.

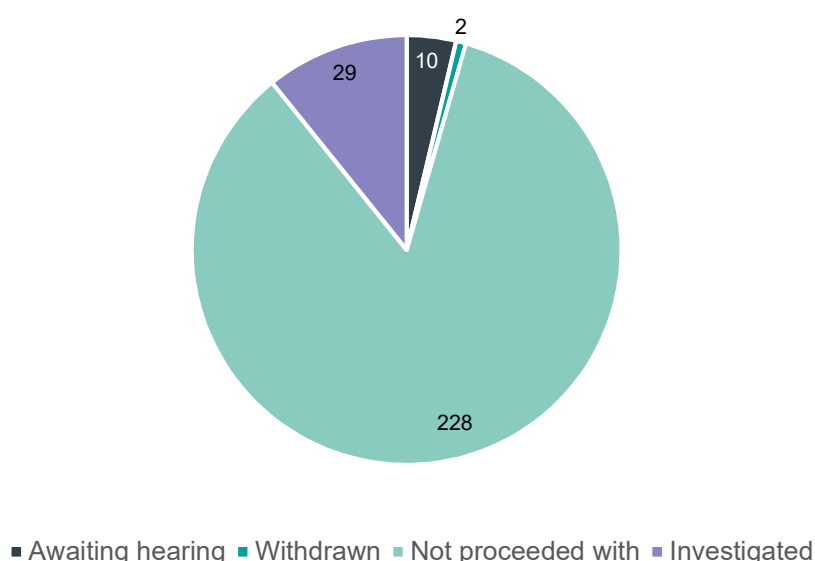
Our case **investigations completed** during the year resulted in;

- 4 breach reports (regarding 8 complaints) which were referred to the SCS for hearing; and
- 13 non-breach reports (regarding 21 complaints).

The pandemic delayed completion of a number of investigations until after the year end, when we issued a further 8 breach reports. These are included in the “Open at year end” figure above.

Figure 6

Outcome of complaints completed in 2019/20



WERE THERE ANY INTERIM REPORTS ISSUED BY THE ESC LEADING TO SUSPENSIONS?

In certain circumstances, the Commissioner may issue an interim report to the Standards Commission for Scotland where she considers that, on a prima facie basis, there has been a contravention of the Code of Conduct which justifies suspension of a Councillor whilst a full investigation into alleged behaviours is completed and reported on.

This step is reserved for the most serious complaints received, where the conduct complained of poses a risk of harm to others, including members of the public, other councillors or council staff, or has the potential to significantly undermine the ethical standards framework.

The Commissioner issued such interim reports for the first time in 2019/20, as detailed below:

Figure 7

Councillor	Council	Complaint number	Nature of Complaint	Report date	SCS decision	Period of suspension
Councillor A	Perth and Kinross Council	LA/PK/2256 LA/PK/3052 LA/PK/3053 LA/PK/3066	Disrespect and bullying	20-Sep-19	Suspension not granted	N/A
Councillor B	Perth and Kinross Council	LA/PK/2256 LA/PK/2265 LA/PK/3044 LA/PK/3052 LA/PK/3053 LA/PK/3066	Disrespect and bullying	20-Sep-19	Suspension granted	08-Oct-19 to 12-Mar-20
Councillor C	REDACTED	REDACTED	Sexual misconduct	25-Feb-20	Suspension not granted	N/A
Councillor D	Aberdeen City Council	LA/AC/3199	Criminal conviction and disrespect	25-Feb-20	Suspension granted	04-03-20 to 03-09-20

WERE THERE ANY HEARINGS?

The Standards Commission for Scotland considers case report findings when the Commissioner concludes that a breach has occurred and may hold a hearing and impose a sanction. The following table provides further information about Standards Commission hearings held during 2019/20.

Figure 8

are 6

Complaint number	Council / Public Body	Nature of Complaint	Hearing date	Hearing decision	Sanction imposed
Report submitted in 2018/19; hearing held in 2019/20					
LA/SL/2153	South Lanarkshire Council	Disrespect to employees/public	04-Apr-19	Breach	Censure
LA/Mi/2166 & 2169	Midlothian Council	Failure to declare an interest	09-May-19 and 10-Jul-19	Breach	Censure/ Suspension
LA/D/2158	Dundee City Council	Disrespect to employees/public	15-May-19	Breach	Suspension
LA/Fi/2176	Fife Council	Failure to register an interest	25-Jun-19	Breach	Suspension
Report submitted and hearing held in 2019/20					
LA/SB/2219	Scottish Borders Council	Disrespect to employees/public	06-Nov-19	Not found in breach	
LA/WL/2213	West Lothian Council	Disrespect to employees/public	20-Nov-19	Breach	Suspension
LA/CES/2214	Comhairle nan Eilean Siar / Western Isles Council	Failure to register and declare an interest	18-Mar-20 (Cancelled due to pandemic)	No further action	
Report submitted 2019/20 and hearing scheduled for 2020/21					
LA/Fi/2268	Fife Council	Other - campaigned in relation to a ward boundary decision	24-Aug-20		

The Standards Commission for Scotland did not direct the Commissioner to carry out any further investigations during the year.

COMPLAINT TRENDS

When we receive several complaints about the same or closely related issues, we investigate them as a single case. We report the number of cases as this better reflects our actual workload. In 2019/20, we received 154 cases and completed 150.

Figure 9



Figure 10



COMPLAINTS ABOUT MSPS

We investigate complaints about the conduct of MSPs.

HOW MANY COMPLAINTS WERE PROCESSED?

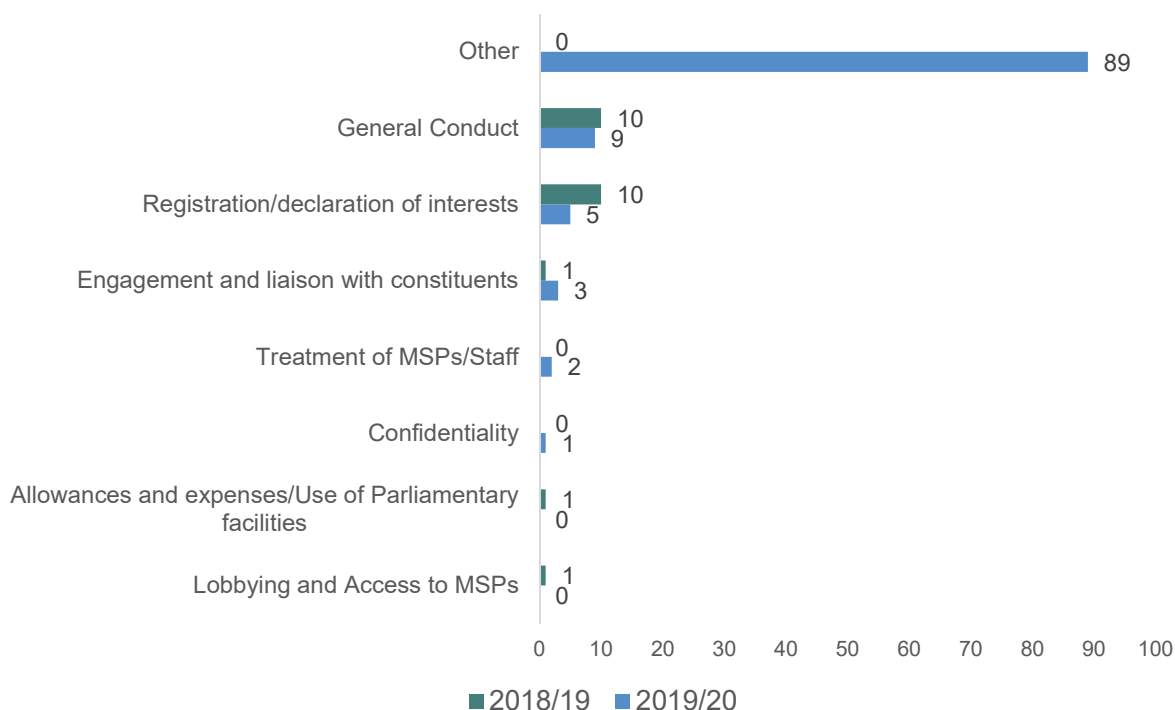
Figure 11

MSP Complaints processed	2019/20		2018/19	
	Complaints	Cases	Complaints	Cases
Open at 1 April	6	5	3	3
Received	109	39	23	22
Active during year	115	44	26	25
Completed	114	43	20	20
Open at 31 March	1	1	6	5

No complaints were withdrawn during the year.

WHAT WERE THE COMPLAINTS ABOUT?

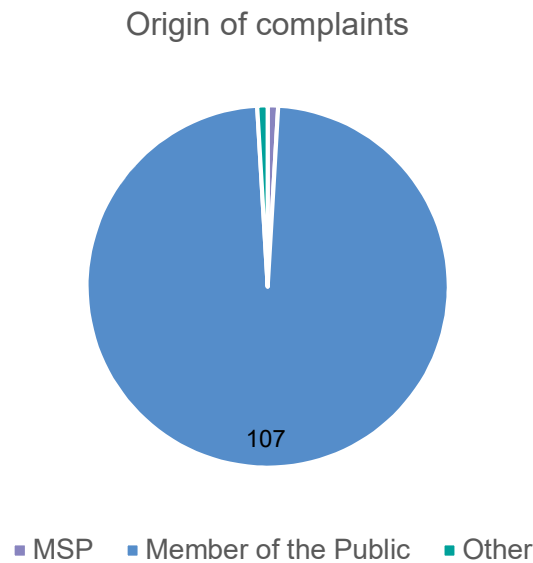
Figure 12



Of those complaints listed as 'Other', 69 alleged a failure to represent constituents.

WHO MADE THE COMPLAINTS?

Figure 13



Of the 109 complaints received, 107 were from members of the public, one from a MSP and one from another source.

WHAT WAS THE OUTCOME OF THE COMPLAINTS?

Some types of complaints about the conduct of MSPs are outwith our jurisdiction – they are ‘inadmissible’. When we receive a complaint about the conduct of an MSP, we assess whether it is within our jurisdiction – ‘admissible’ – in which instance we can investigate further. In 2019/20 we reviewed 115 complaints, 113 were considered to be inadmissible.

The reasons for inadmissibility are as follows:

Figure 14

Reasons for inadmissibility	2019/20	2018/19
Dismissed under the first statutory test – the complaint was not ‘relevant’ – eg that is about the conduct of an MSP	40	9
Dismissed under the third statutory test – was the complaint of enough substance to justify further investigation – that is was there enough evidence	2	1
Complaints “outwith” our jurisdiction were referred to		
Presiding Officer	67	2
First Minister	3	0
Scottish Parliamentary Corporate Body	0	2
Standards Procedures and Public Appointments Committee	1	1
Totals	113	15

Where a complaint is ‘admissible’ we investigate and report our findings to the Standards, Procedures and Public Appointments Committee of the Scottish Parliament. There were two such complaints in 2019/20. One was determined by the Committee along with one case from 2018/19 as shown below. The remaining admissible case was under investigation as at 31 March 2020.

Figure 15

Case Ref.	Nature of Complaint	Commissioner's Conclusion	Committee date	Committee decision	Sanction imposed by the Scottish Parliament
2229 (2018/19)	Failure to declare an interest	No Breach	02-May-19	Agreed	N/A
2245 (2019/20)	Failure to declare an interest	No Breach	27-Jun-19	Agreed	N/A

During the year, the Commissioner was not directed by the Scottish Parliament to carry out any further investigations.

WERE THERE ANY COMPLAINTS ABOUT LOBBYING?

During the year we received one complaint regarding the failure of an MSP to register lobbying activity. The complaint was dismissed, being inadmissible under the terms of the Lobbying (Scotland) Act 2016.

COMPLAINT TRENDS

When we receive several complaints about the same or closely related issues, we investigate them as a single case. We report the number of cases as this better reflects our actual workload. In 2019/20, we received 39 cases and completed 43.

Figure 16

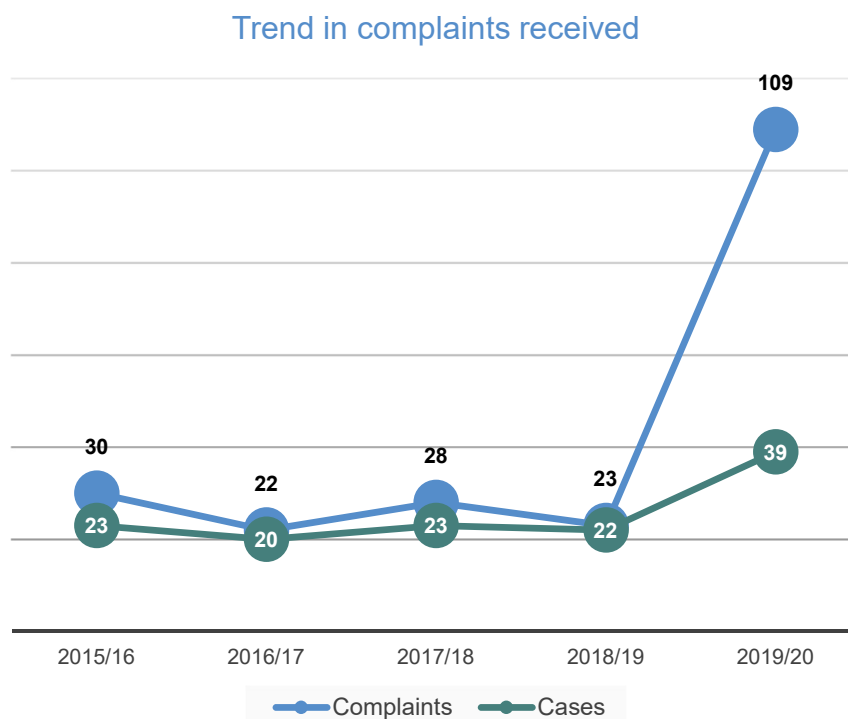


Figure 17



PUBLIC APPOINTMENTS

Public boards which are effective, and reflective of society

We regulate how Scottish Ministers make appointments to the boards of public bodies that are within our remit.

Public appointments regulation, in its strictest sense, aims to provide assurance that board appointments within our remit are made in a “code compliant” way; the Code of Practice for Ministerial Appointments was last updated in 2013. Its implementation by the officials tasked with identifying suitable candidates for appointments to boards has seen a measure of success. Gender balance on boards was achieved in June 2019. However, the achievement of parity in respect of other protected characteristics such as disability, age and ethnicity remains elusive as this year’s figures demonstrate. There is a disconnect between the ambitions of the Scottish Ministers and the Commissioner for boards that are reflective of society and the measures that have been put in place to make that a reality. Scottish Government resources were already strained when, towards the year end, a global pandemic presented one of the greatest challenges seen for all sectors in this country and internationally in some decades. The Scottish Government and the Commissioner continue to share the objective of securing effective, diverse boards reflective of society and the communities that they serve. That objective remains vital if our boards are to meet the new challenges facing them. The Commissioner plans to put new measures in place which are geared towards the achievement of that objective. These are reflected in our Strategic Plan for 2020-24, published on 31 March 2020. Measures include a revision to the Code of Practice, intended to foster and encourage those practices which make best use of the limited resources available to achieve successful outcomes. These practices should be based on evidence of what works as opposed to simply repeating what was done previously. Additionally, and to ensure that progress is subject to proper debate and scrutiny, the Commissioner will be reporting more frequently and publicly than has previously been the case. This will represent a move towards a more traditional regulatory model, as discussed with the Scottish Government and the Scottish Parliament during the course of the year covered by this report.

The Commissioner has continued to support improvement by allocating Public Appointments Advisers (PAAs) to engage early with panels on an appointment round by appointment round basis. That engagement is intended to support succession planning and to assist panels towards selecting the most appropriate methods for the attraction and assessment of applicants for board roles. The Commissioner also provided dedicated PAA resource to activities such as the diversity in governance research, a repeat of the mentoring scheme for potential board chairs of the future and another scheme to provide shadowing and mentoring opportunities to disabled people.

The Scottish Government has continued with its programme of outreach events, new board member induction events and general process improvements although their scale and scope has been limited. It also consulted during the year on the introduction of the provisions set out in the Gender Representation on Public Boards (Scotland) Act 2018. It is hoped that the provisions relating to the guidance on positive action measures that officials and bodies should be engaged in will, once in force, see the same levels of success for groups other than women that are currently under-reflected.

WAS THE CODE OF PRACTICE REVISED DURING THE YEAR?

No revisions to the Code of Practice were issued in 2019/20. A full revision of the Code is planned for 2020/21.

WAS GUIDANCE ON THE CODE OF PRACTICE ISSUED DURING THE YEAR?

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:

- gathering and using applicant political activity declarations
- applicant summary production and use.

Statutory guidance was also provided during the course of the year on the following topic:

- the content and provision of applicant summaries to ministers.

The Commissioner also updated the PAAs comprehensive good practice toolkit during the course of the year.

WERE ANY COMPLAINTS ABOUT A PUBLIC APPOINTMENT RECEIVED?

There was one complaint received during the year, alleging that an appointment had been made inappropriately. The complainer was referred to the Scottish Government as they had not yet raised their complaint direct. The Commissioner investigates complaints once the Scottish Government's complaints handling process has been exhausted.

No complaints were referred to the Scottish Parliament and the Commissioner did not direct any of the Scottish Ministers to delay making an appointment.

FUTURE PLANS

Details about the Commissioner's planned work on public appointments are set out in the Strategic Plan 2020 to 2024 and in the Annual Report on Public Appointments 2019/20, both available on our website.

HOW MANY BODIES AND POSITIONS DO WE REGULATE?

Figure 18

At 31 March	2020	2019	2018
No. of bodies regulated	97	95*	95*
No. of posts regulated	755	677*	660*
Avg. no. of regulated positions per board	7.8	7.1	6.9

* The Scottish Government advised us during the year that, although the Convener of the Police Negotiating Board for Scotland had been added to our remit as a result of the Criminal Justice (Scotland) Act 2016, the relevant provisions of that Act were not yet in force. This therefore represents an adjustment for the previous two years.

HOW MANY APPOINTMENTS DID WE OVERSEE?

The year saw the appointment of 135 board members (2018/19: 168) to 54 public bodies (2018/19: 53). Appointments are made through a process called an appointment round. Multiple appointments can be made through a single appointment round and the Scottish Ministers can run more than one round in a single year for the same body. In certain circumstances we allocate a Public Appointments Adviser (PAA) to scrutinise the round. We report on these allocations rather than the number of appointment rounds as this better reflects our actual workload - not every allocation becomes an appointment round. For example, the PAA may be involved in preparatory work for an appointment round that does not proceed.

Figure 19

Allocations processed

	2019/20	2018/19	2017/18
Brought forward from previous year	58	43	24
Started in year	70	96	90
Active during year	128	139	114
Completed	83	81	71
Open at end of year	45	58	43

HOW MANY PEOPLE APPLY FOR A PUBLIC APPOINTMENT?

This information shown in figures 20-22 is provided by the Scottish Government and relates to a calendar year.

Figure 20

Number of	2019	2018
Applications	2,088	2,832
Appointments	135	168
Average applications per appointment	15.5	16.9

HOW LONG DOES AN APPOINTMENT ROUND TAKE?

The following table shows the average time taken to appoint a member from the date of planning to the Minister's appointment decision.

Figure 21

	2019	2018	2017	TARGET
Number of rounds	55*	70	49	
Average time taken (weeks)	17.5	18.9	18.2	Up to 16 and no more than 20 weeks

* The appointment rounds for the 22 NHS whistleblowing champions and for chairs of three NHS boards were run in tandem. Each is counted in this total as a single appointment round.

An appointment to the board of a public body is for a set number of years. At the end of this period, the board member's term of office may cease or they may be re-appointed. We ask the appointing Minister to give board members reasonable notice of their decision.

Figure 22

	2019	2018	2017	Target
	Weeks	Weeks	Weeks	(Min. no. of weeks)
Average amount of notice given to re-appointees before term of appointment due to end	18	21	21	13
Number of people reappointed	50	96	107	

WHAT DO APPLICANTS THINK OF THE APPOINTMENT PROCESS?

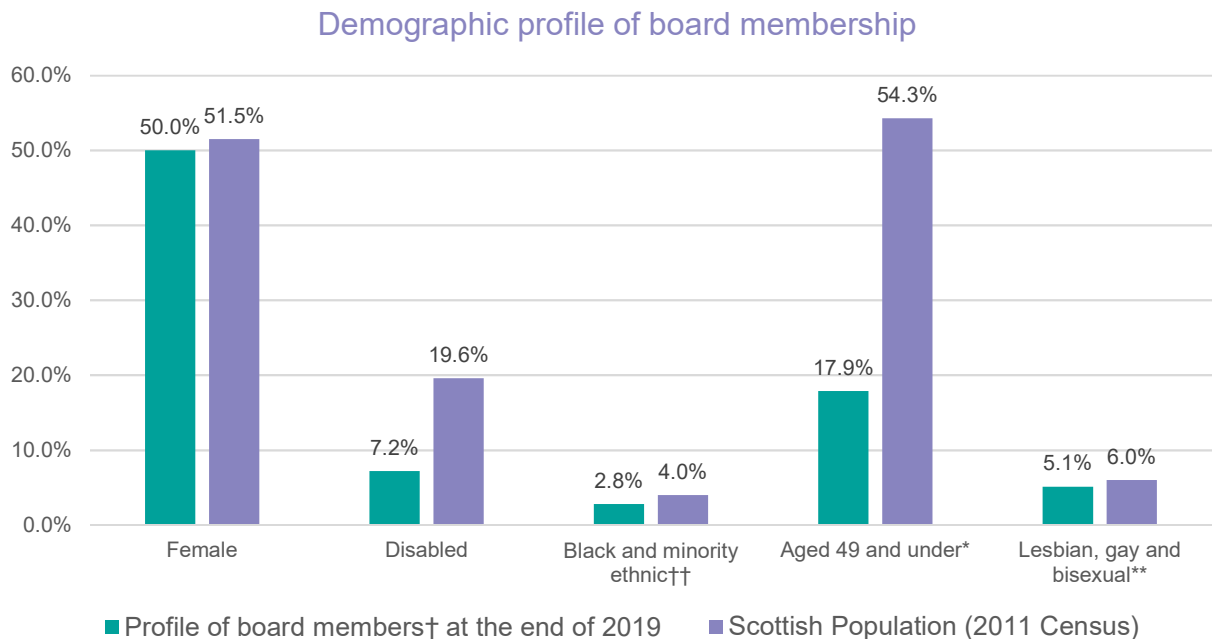
The Commissioner published the 2018 Annual Applicant Research report in November 2019 and a summary of its findings was included in the last annual report. Work on the 2019 applicant survey report is now underway and will be published on our website in the autumn.

We also ask public body and panel chairs to provide their views on the contribution of our PAA and on the appointments process. We use a simple 1 to 5 scale (5 is very satisfied, 1 is very dissatisfied), the results of which have consistently exceeded 4 in the past three years.

IMPROVING DIVERSITY ON THE BOARDS OF PUBLIC BODIES

We have a statutory duty to use our powers with a view to ensuring that appointments are made fairly and openly and that as far as possible everyone has an opportunity to be considered. As part of our work in this area the Commissioner's diversity strategy includes targets for Ministers to encourage applications from as wide a range of people as possible.

Figure 23



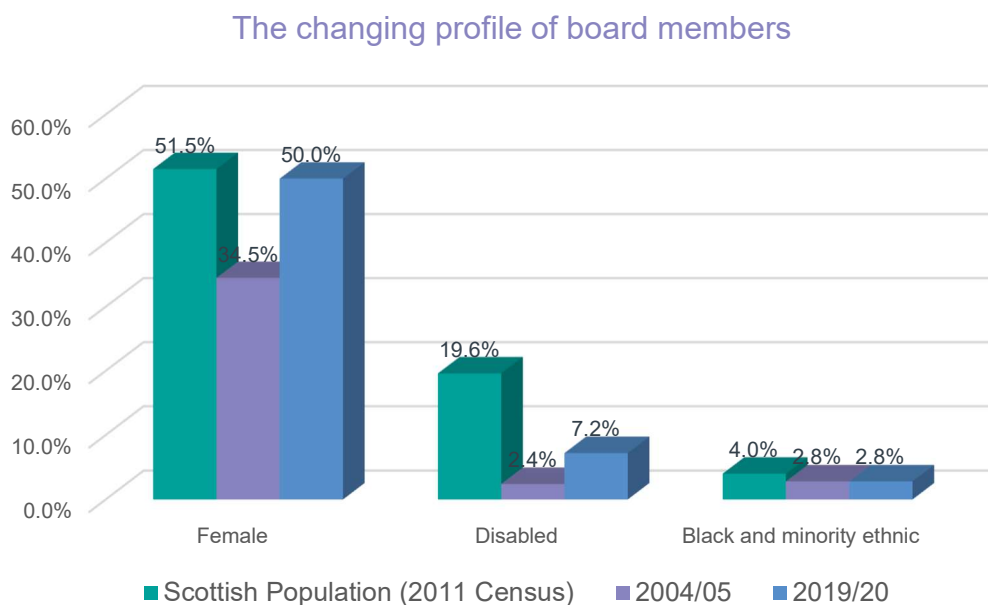
†All board members inclusive of the chair. Percentages do not include those who did not make a declaration.

††Black and minority ethnic figures reflect people from a non-white minority ethnic background.

*Scottish Population figure is based on those aged 18 to 49 as a percentage of the whole population aged 18 and over.

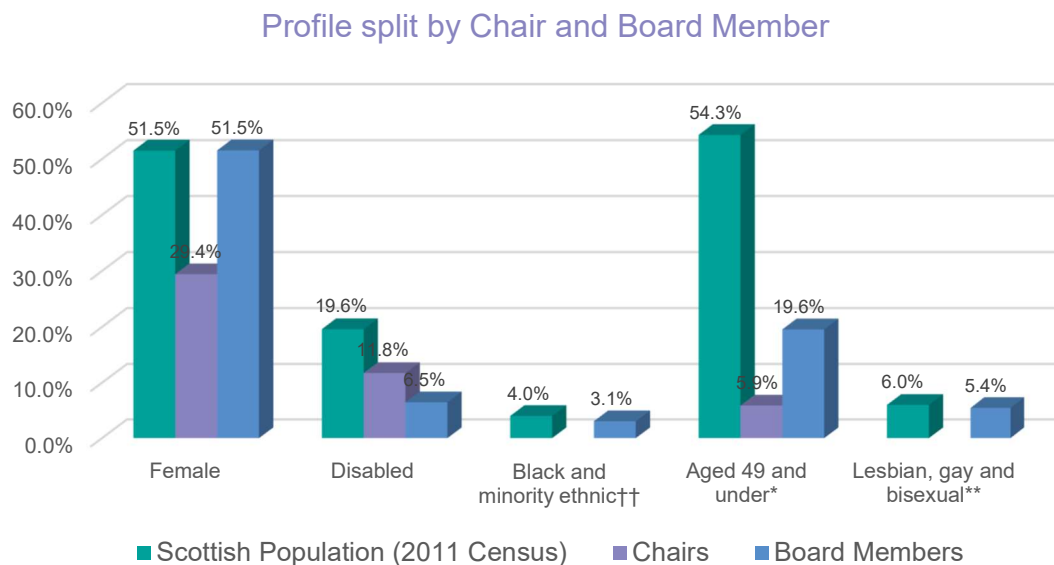
**Scottish Population figure is estimated based on information from Stonewall Scotland website.

Figure 24



The Commissioner obtains the demographic profile of chair positions with a view to monitoring and tracking the extent to which public body chairs are reflective of society.

Figure 25



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

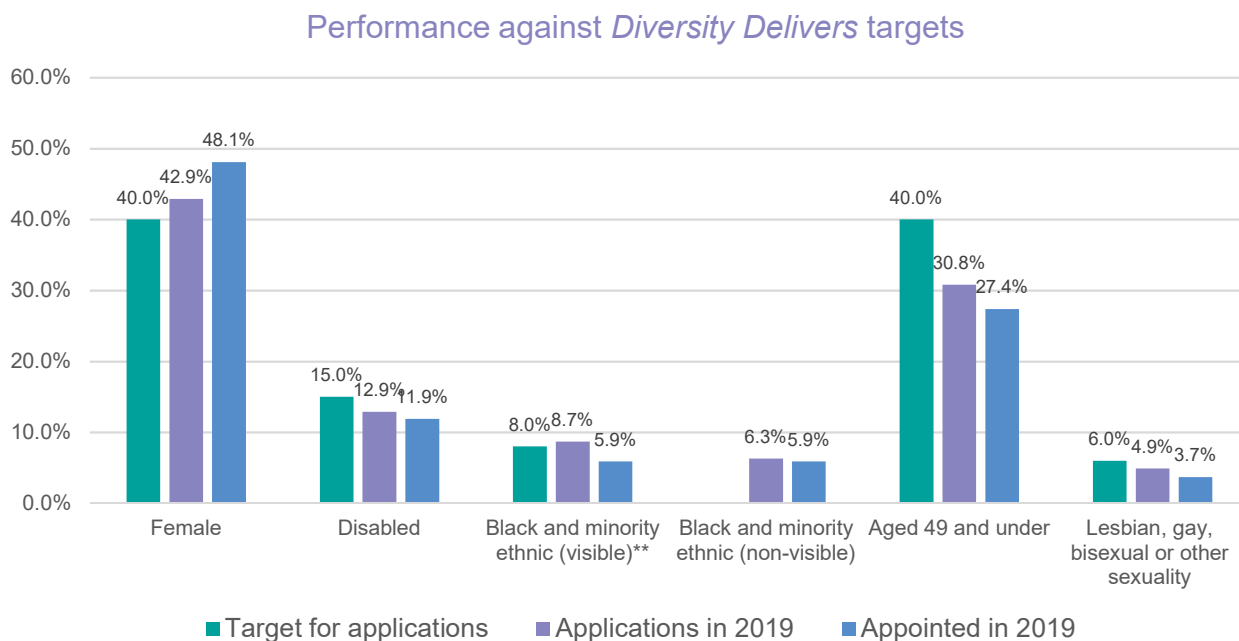
††Black and minority ethnic figures reflect people from a non-white minority ethnic background.

*Scottish Population figure is based on those aged 18 to 49 as a percentage of the whole population aged 18 and over.

**Scottish Population figure is estimated based on information from Stonewall Scotland website.

The following table shows the percentage of applications in 2019 by each target group as set out in *Diversity Delivers*, the Commissioner's strategy for achieving more diverse boards.

Figure 26



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

**The target for the BME population is inclusive of people from non-visible minority groups. Up until 2017 the figures reported on have related to visible minority applicants and appointees. From 2017 onwards the figures will be provided for both visible and non-visible. For this latter category the monitoring form question responded to is "Other white" and includes those who selected "Irish", "Polish" or "Other white ethnic group".

CORPORATE AND FINANCIAL PERFORMANCE

Managing resources and measuring performance

FINANCIAL POSITION

BACKGROUND

The Commissioner is an independent office-holder and receives all of her funding directly from the Scottish Parliamentary Corporate Body (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 may also include 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 £957,000 to the Commissioner for financial year 2019/20 (2018/19: £915,200). In addition, two contingency funding awards were made:

- £20,260 from central government towards additional pension costs
- £63,000 towards an office restructure.

The contingency funds were not used and were subsequently released to the Parliament.

We earned no income in 2019/20 (2018/19: £Nil).

Total funding awarded for the year, including contingency funding, was £1,040,260 (2018/19: £974,800). Of the funds awarded, £1,009,600 was drawn down.

EXPENDITURE

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

Including adjustments for accruals and prepayments, expenditure is £910,000 (2018/19: £971,000).

EXPENDITURE AGAINST BUDGET

The SPCB awarded the Commissioner funding of £1,040,260 (2018/19: £974,800). £1,010,000 was drawn down (2018/19: £916,000).

Figure 27

Expenditure	Actual	Budget	Variance	
	£'000s	£'000s	£'000s	%
Staff costs	634	676	(42)	-6%
Staff related costs	6	13	(7)	-54%
Property	81	77	4	5%
Professional fees*	122	139	(17)	-12%
Running costs	48	46	2	4%
Depreciation	19	0	19	-
Revenue expenditure	910	951	(41)	-4%
Capital expenditure	38	6	32	533%
TOTALS	948	957	(9)	-1%

* Includes the costs of Public Appointments Advisers

Revenue expenditure is prepared on an accruals basis but the body is funded on a cash basis. The table above allows a comparison between the two.

The original budget was underspent by £9,000 and contingency funding of £83,260 was not required. An analysis of spend against each heading is given below.

Staff costs were under budget by £42,000. There were two reasons for this:

- A significant staff vacancy led to a reduction in budgeted costs of around £23,700.
- An increase in pension contribution rates and accrued leave led to office-holder costs being £8,000 over-budget. This was offset by savings in other staff costs.
- As a result of staff vacancies and office restructure, other staff costs were under-budget by £26,300. In addition, we were able to absorb a further £20,260 in increased pension contribution costs and £59,200 in restructuring costs.

Staff related costs were under budget by £7,000. Almost £6,200 of this saving can be attributed to the office restructure, with the balance being a small reduction in training costs.

Property costs were over budget by £4,000 reflecting a revaluation of the building and ongoing adjustment to the capital charge apportioned to us.

Professional fees were under budget by £17,000. This is broken down as follows:

- Legal fees were £5,200 under budget
- The cost of regulating specific appointment rounds was £10,100 over budget due to early PAA engagement and the increasing complexity of the work. This was offset by savings of £21,900 in training and ad hoc project work, resulting in an overall underspend of £11,800.

Running costs were over budget by £2,000. The increase was driven by IT expenditure on a fully backup service and further Cyber Essentials accreditation.

Depreciation was significant this year, applying to our new case management system and a full refresh of our IT hardware.

There was an outlay of £38,000 on capital expenditure. This being £32,000 over budget. This relates to a full refresh of our IT hardware to take account of Microsoft ceasing to support a number of operating systems. £35,000 was spent on hardware and £3,000 on associated software. The transition proved timely and allowed us to transition smoothly to home-working following the implementation of Covid-19 lockdown restrictions.

A further breakdown of expenditure is given in note 6 to the financial statements.

PAYMENT OF CREDITORS

The Commissioner has 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 treated as requiring to be paid within 30 days of receipt of the goods or services. The Commissioner's payment performance for 2019/20 was 98% (2018/19: 99%).

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. Arrangements for the holding of interviews are made with a view to minimising the travel required. The records management system and the move to electronic communications have reduced reliance on paper copies and postage. The introduction of the complaints management system and of home-working following the introduction of Covid-19 lockdown restrictions in March 2020 are likely to have positive environmental impacts.

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 involves a commitment to developing policies and practices to ensure that no individual is discriminated against, 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.

Whistleblowing

The Commissioner is a 'prescribed person' under the Public Interest Disclosure Act 1998. The Act provides protection for employees who pass on information concerning wrongdoing in certain circumstances. The protection only applies where the person who makes the disclosure reasonably believes:

1. that they are acting in the public interest, which means that protection is not normally given for personal grievances; and
2. that the disclosure is about one of the following:
 - criminal offences (this includes financial improprieties, such as fraud),
 - failure to comply with duties set out in law,
 - miscarriages of justice,
 - endangering someone's health and safety,
 - damage to the environment, or
 - covering up wrongdoing in any of the above categories.

The Prescribed Persons Regulations 2017 came into force on 1 April 2017. Prescribed persons are required to report annually on whistleblowing disclosures made to them.

During the reporting year 1 April 2019 to 31 March 2020 ESC received nine whistleblowing disclosures (2018/19: Nil). Disclosures are registered when a complainant indicates on the complaint form that they wish to be considered a whistle-blower. Depending on whether a complaint is admissible we will explore this further with the complaint.

Figure 28

Category	Number of disclosures
Number of non-qualifying disclosures	8
Number of disclosures withdrawn prior to confirming whistleblowing status	1
Number of qualifying disclosures	0
Number of qualifying disclosures requiring no further action	0
Number of qualifying disclosures requiring further action	0

No investigations were carried out and no actions or improvement objectives were required during this reporting year.

Authorisation



Caroline Anderson FCA
Ethical Standards Commissioner

Date: 7 October 2020

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE

COMMISSIONER'S REPORT

Officeholders

The officeholder is entitled 'Commissioner for Ethical Standards in Public Life in Scotland'.

<i>The Commissioner is currently:</i>	Caroline Anderson
<i>Appointed:</i>	1 April 2019
<i>Term ends:</i>	31 March 2024

Caroline Anderson was appointed as Commissioner and Accountable Officer for a period of five years, with effect from 1 April 2019.

Senior Management Team (SMT)

The Commissioner has a dual role; to investigate complaints about the conduct of MSPs, councillors, board members of public bodies and lobbyists and to regulate the public appointments process. These functions are performed by two separate teams led by a Director of Investigations and Solicitor to the Commissioner and Public Appointments Manager respectively. The Commissioner's office is further supported by a Head of Corporate Services.

Advisory Audit Board

In addition, during the year ended 31 March 2020 the Advisory Audit Board (AAB) provided advice to the Commissioner on governance and financial issues in relation to the prior year's annual report and accounts. Members of the AAB are drawn from the SPCB's Advisory Audit Board.

Register of interests

The Commissioner's office maintains a register of directorships and other significant interests as held by the Commissioner and staff. The register is maintained to provide openness and transparency and to ensure that actual and perceived conflicts of interest can be identified and addressed. The register is updated regularly and is available on request. No significant interests were held during 2019/20 or 2018/19. A similar register of gifts and hospitality is also maintained.

Fraud, bribery and corruption

Our policies and procedures on fraud, corruption and bribery include the Anti-Fraud policy, our code of conduct, the terms and conditions for the supply of goods and services and the broader financial governance arrangements.

We declare any fraud, whistleblowing or control failure incidents to the Advisory Audit Board and this forms part of the annual assurance process. In 2019/20 and 2018/19 there were no instances of fraud or bribery identified or detected in the Commissioner's office.

Personal data related incidents

There were no reportable lapses of data security during 2019/20 or 2018/19.

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under paragraph 22 of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010 the Commissioner must prepare annual accounts for each financial year, in accordance with any directions given by the Scottish Ministers. The Scottish Ministers have directed the Commissioner to prepare accounts in the form and on the basis set out in the Accounts Direction (Appendix 1).

The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner's affairs at the year-end and of its 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 (FReM) 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 FReM, have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a "going concern" basis, unless it is inappropriate to presume that the office will continue in operation.

The Scottish Parliamentary Corporate Body (SPCB) has appointed the Commissioner as Accountable Officer. The relevant responsibilities as Accountable Officer are set out in the Memorandum to Accountable Officers of other Public Bodies issued by the Scottish Government and published in the Scottish Public Finance Manual. These include the propriety and regularity of the public finances for which the Accountable Officer is accountable, the keeping of proper records, and safeguarding the Commissioner's assets.

As Accountable Officer, I can confirm that:

- as far as I am aware, there is no relevant audit information of which the Auditors are unaware
- I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information
- the Annual Report and Accounts as a whole is fair, balanced and understandable
- I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

GOVERNANCE STATEMENT

The Commissioner, as Accountable Officer, is personally responsible for this governance statement which covers not only the accounting year to 31 March 2020 but extends to the date on which the accounts are signed. This statement aims to depict the internal control structure and resource management processes used during this period to support the achievement of organisational aims, objectives and statutory duties whilst safeguarding public funds and assets.

This statement has been informed by:

- an in-depth internal review of governance and operational legacy arrangements which was instigated by the Commissioner in April 2019 and continues at this date,
- guidance during the reporting year from the Advisory Audit Board (AAB),
- external auditor's opinion,
- feedback from the senior management team.

Governance framework overview

This report and accounts cover the year ended 31 March 2020.

Caroline Anderson was appointed Commissioner for Ethical Standards in Public Life in Scotland and Accountable Officer from 1 April 2019.

Given the independence of the Commissioner's Office and its relatively small size, the scheme of controls inherited does not feature formal oversight structures such as governance boards and committees, which are commonplace in larger sponsored entities and public authorities.

Instead the Commissioner's scheme of control historically relied on "in-house" features including:

- The Commissioner's role as Accountable Officer.
- The Commissioner's management team, individual members of which have delegated authority to make decisions as set out in the Commissioner's scheme of delegation.
- Bi-monthly meetings of this team, chaired by the Commissioner, at which strategic and operational issues were considered.
- Frequent informal management team meetings handling operational matters on an ad-hoc basis.
- A system of internal financial accountability which follows agreed administrative procedures and a structured system of delegation and accountability.

These "in-house" controls were supplemented by external scrutiny as follows:

- External financial audit; The Commissioner's accounts for the year ended 31 March 2020 were audited by independent auditors appointed by the Auditor General for Scotland in accordance with section 22 of the Scottish Parliamentary Commissions and Commissioners etc. Act 2010. The Auditor General has appointed Deloitte LLP as the Commissioner's auditor for the five-year period from 2016/17 to 2020/21.

- Advisory Audit Board (AAB); the AAB, whose members are drawn from the SPCB's Advisory Audit Board, provided the Commissioner with advice on audit and financial issues on a purely discretionary basis. In the year to 31 March 2020 the AAB met with the Commissioner on three occasions, providing guidance regarding the prior year accounts.

Governance enhancement going forward

The governance framework will be supplemented by an internal audit function, plans for which have been delayed since the onset of the pandemic.

The Commissioner has initiated liaison with the intention of entering a shared service agreement for provision of internal audit services. An internal audit programme providing comprehensive coverage of key risk areas is to be designed and implemented. Findings from this internal audit programme will help inform assessment of the robustness and adequacy of the governance and internal control framework going forward.

Key aspects of the governance framework

Finance

The Commissioner's office 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. The budget is reviewed and approved by the Commissioner prior to submission to the Scottish Parliament to ensure that it demonstrates best value.

The Commissioner operates 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.

Financial management controls were in place during the year for purposes of identifying and managing financial variances from budget. As part of the restructure, a further revision of the scheme of delegation is in progress to reflect the new staff complement, so ensuring clear guidelines for financial management going forward.

Strategic and business planning

During 2019/20, 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. A new Strategic Plan for the 2020-2024 period was issued on 31 March 2020 and will be supplemented by a business plan which reflects both the office restructure and altered working arrangements facilitating unbroken service throughout the past and any future lockdown.

Risk management

A risk management policy and risk register were in place during the previous year, in addition to which the incoming Commissioner identified further key risks at 1 April 2019 as detailed below:

- A backlog of proposed breach investigation reports regarding local councillor complaints, equal in number to that heard by the Standards Commission in an average year.

- Post vacancy equivalent to 71% of onsite complaints handling staff, including the Senior Investigating Officer.
- Significant delay in deployment of a new complaints case management system, with consequent diversion of the residual on-site staff.
- The processes and procedures for complaints handling required review and modernisation, including remodelling of the associated staff complement.

The above issues were addressed by the incoming Commissioner through restructuring of the complaints management function and by embedding dynamic risk management as a presiding factor in daily and periodic operational and strategic decision making.

The Commissioner considers “Tone at the Top” to be the key driver of risk management in every organisation, large or small, as identified by prevailing studies into world-wide regulatory failure.

Overall assessment of effectiveness of governance arrangements

By embedding risk management as a key focus within the decision-making process, future risks are anticipated well in advance, comprehensively identified, assessed and mitigated. The overall enhanced governance approach already in operation will also further strengthen risk management going forward.

The internal control systems previously featured gaps and weaknesses, most notably:

- An incomplete audit trail existed in relation to certain records in the complaints-handling function of the office.
- Working practices regarding the management and supervision of staff, including the review and limitation of actual working hours, gave rise to control weakness in this specific area.

These internal control issues were addressed and resolved by the initial phase of the restructure.

I was appointed as Commissioner and Accountable Officer as at 1 April 2019. As such, I have considered the systems of internal control, risk management and governance as outlined in this statement, and my assessment is one of moderate assurance during the early months of the year, moving to full assurance thereafter.

Authorisation



Caroline Anderson FCA
Ethical Standards Commissioner

Date: 7 October 2020

REMUNERATION AND STAFF REPORTS

The information in this section covering salary, pension entitlements, fair pay disclosure 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.

Caroline Anderson was appointed Commissioner with effect from 1 April 2019 for a period of five years. From 1 April 2014 until 31 March 2019, Bill Thomson was appointed Commissioner.

During the year 1 April 2019 to 31 March 2020 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

Figure 29

	Salary	Pension benefits	Total
	£'000s	£'000s	£'000s
2019/20	75-79	21*	95-99
2018/19	75-79	19*	95-99

* 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.

There were no benefits in kind or bonus payments paid in 2019/20 or 2018/19.

Pension arrangements

The Commissioner's post is pensionable. Under the terms of her appointment, arrangements could 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's application to join the Civil Service Pension Schemes is currently pending. The employer contribution rate for 2019/20 was 27.9% and contributions of £20,777 will be made for 2019/20 (2018/19: £18,984).

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 £75-79,999. The banded remuneration of the highest paid director (the Commissioner) in 2019/20 was £75-79,999 (2018/19: £75-79,999). This was 2.24 times (2018/19: 1.47) the median remuneration of the workforce, which was £34,549 (2018/19: £52,679).

In 2019/20, no employees (2018/19: Nil) received remuneration in excess of the Commissioner.

Figure 30

	2019/20	2018/19
Band of highest earner's total remuneration (£,000s)	75-79	75-79
Staff members annualised, full-time equivalent remuneration (£,000s) fell in bands ranging from	20-24 to 75-79	20-24 to 75-79
Median total remuneration	34,549	52,679
Ratio	2.24	1.47

STAFF REPORT

Employee numbers and gender breakdown

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

Figure 31

	2019/20	2018/19
	FTE	FTE
Commissioner	1.0	1.0
Employees	8.7	6.6
	9.7	7.6

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

Figure 32

	2020		2019	
	Female	Male	Female	Male
Commissioner	1	-	-	1
Senior Managers*	-	-	-	-
Employees	8	3	5	6
Totals	9	3	5	7

* 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:

Figure 33

	2019/20	2018/19
	Days	Days
Commissioner and employees	9.4	2.0

The average rose sharply this year due to a small number of periods of unusually lengthy sickness absence.

Staff policies for disabled persons

The Commissioner is committed to providing a fair and inclusive workplace free from discrimination, that promotes equality of opportunity for all. As part of standard recruitment practice, applications are encouraged from all people with protected characteristics including those with disabilities.

The Commissioner is committed to recognising and valuing what everyone has to offer. This includes a commitment to improving our policies and practices on disability. We are aware of our equality duties under the Equality Act 2010. In our policy development and our decision making we consider the implications for staff who are protected under the Equality Act.

This year we have had a greater focus on mental health and well-being, with the development of policies and practices to support all staff, but in particular those with mental health issues.

Employee costs

Figure 34

	2019/20			2018/19		
	Total	Commissioner	Employees	Total	Commissioner	Employees
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Salaries	484	76	408	472	80	392
Social security costs	42	9	33	47	10	37
Pension costs	108	21	87	97	19	78
	634	106	528	616	109	507

Salaries include a provision covering the value of outstanding leave (the leave accrual) and the cost of any exit packages.

As a result of the restructure, a number of staff members left under voluntary severance terms during the reporting year.

Figure 35

Exit Packages	2019/20		
Exit Package Cost Band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000		(1)	(1)
£10,000 - £25,000		4	4
£25,000 - £50,000			
£50,000 - £100,000			
£100,000 - £150,000			
£150,000 - £200,000			
Total no. of exit packages	0	4 (1)	4 (1)
Total cost (£'000s)	0	59 (8)	59 (8)

Prior year information is shown (in brackets).

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. The Commissioner 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.

Staff 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 2016. Details can be found in the 'Government Actuary's Department Civil Service Pension Scheme Actuarial Valuation as at 31 March 2016' available here -

<http://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>.

For 2019/20, employers' contributions of £87,100 were payable to the Civil Service Pension arrangements (2018/19: £77,800) at one of four rates in the range 26.6 to 30.3 per cent (2018/19: 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 results of its most recent valuation are published in the document detailed above.

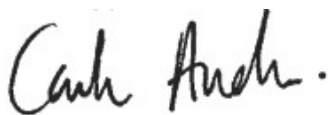
The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Outstanding scheme contributions at 31 March 2020 amounted to £10,355 (2018/19: £6,733).

Employees can opt to open a partnership pension account, this being a stakeholder pension with an employers' contribution. No employers' contributions (2018/19: Nil) were paid to an appointed stakeholder pension provider in 2019/20. Employers' contributions are age-related and range from 8.0 to 14.75 per cent (2018/19: 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, no employers' contributions (0.5 per cent) (2018/19: 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. There were no contributions due to the partnership pension providers at the reporting date (2018/19: Nil). Contributions prepaid at that date were nil.

No persons (2018/19: No persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to nil (2018/19: Nil).

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

Authorisation



Caroline Anderson FCA
Ethical Standards Commissioner

Date: 7 October 2020

AUDIT REPORT

THE AUDIT PROCESS

Requirement for accounts

The accounts for the financial year ended 31 March 2020 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 1 October 2020.

Disclosure of information to auditor

As Accountable Officer with effect from 1 April 2019, 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 she 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 £12,600 (2018/19: £12,900). External audit received no fees in relation to non-audit work.

The Commissioner confirms that the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Authorisation



Caroline Anderson FCA
Ethical Standards Commissioner

Date: 7 October 2020

INDEPENDENT AUDITOR'S REPORT

to the Commissioner for Ethical Standards in Public Life in Scotland, the Auditor General for Scotland and the Scottish Parliament

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 2020 under the Scottish Parliamentary Commissions and Commissioners etc. Act 2010. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, 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 2019/20 Government Financial Reporting Manual (the 2019/20 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 2020 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 2019/20 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 for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is four years. 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 Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer's Responsibilities as the Accountable Officer, 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.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain 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) 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, the audited part of the Remuneration and Staff Report, and our independent auditor's report. 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, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 matters prescribed by the Auditor General for Scotland

In our opinion, the audited 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.

Matters on which we are required to report by exception

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 audited 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

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

USE OF OUR REPORT

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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Pat Kenny, CPFA (for and on behalf of Deloitte LLP)
110 Queen Street
Glasgow
G1 3BX
United Kingdom
7 October 2020

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Administration Costs			
Staff Costs	6	634	616
Other Administration Costs	6	257	302
Additional Legal Support Costs	11	0	49
Depreciation	6	19	4
Net Administration Costs		910	971
Total Comprehensive Expenditure		910	971

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

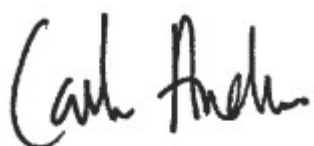
The accompanying notes on pages 52 to 61 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Notes	2020 £'000	2019 £'000
Non Current Assets			
Tangible Assets	2.1	35	6
Intangible Assets	2.2	48	59
Total Non Current Assets		83	65
Current Assets			
Trade and Other Receivables	3	16	15
Cash and Cash Equivalents	4	109	91
Total Current Assets		125	106
TOTAL ASSETS		208	171
Current Liabilities			
Trade and Other Payables	5	(107)	(121)
Additional Legal Support Costs	11	(0)	(49)
Total Current Liabilities		(107)	(170)
ASSETS LESS LIABILITIES		101	1
Taxpayers' Equity			
General Fund		101	1
Total Taxpayers' Equity		101	1

The accompanying notes on pages 52 to 61 form an integral part of these financial statements.

Authorisation



Caroline Anderson FCA
Ethical Standards Commissioner

Date: 7 October 2020

STATEMENT OF CASH FLOW
FOR YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities			
Net operating costs		(910)	(971)
Adjustment for non-cash items:			
Depreciation	6	19	4
(Increase) in Trade and Other Receivables	3	(1)	(9)
(Decrease)/Increase in Trade and Other Payables	5	(62)	65
Net cash outflow from operating activities		(954)	(911)
Cash flows from investing activities			
Purchase of Tangible Assets	2.1	(35)	(3)
Purchase of Intangible Assets	2.2	(3)	(59)
		(38)	(62)
		(992)	(973)
Cash flows from financing activities			
From the SPCB		1010	916
Net increase/(decrease) in cash and cash equivalents in the year		18	(57)
Cash and Cash Equivalents at the beginning of the reporting year	4	91	148
Cash and Cash Equivalents at end of the reporting year	4	109	91
Net cash requirement			
Cash flows from financing activities		1010	916
Increase/(Decrease) in cash		18	(57)
Net cash requirement		1028	859

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR YEAR ENDED 31 MARCH 2020

	General Fund 2020 £'000	General Fund 2019 £'000
Balance at 1 April	1	56
Net Operating Costs for the Year	(910)	(971)
Funding From the SPCB	1,010	916
Balance at 31 March	101	1

NOTES TO THE FINANCIAL STATEMENTS

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

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.

Pension benefits are provided through the Civil Service pension arrangements. The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes with benefits underwritten by the Government. As a result the Commissioner's office is unable to identify its share of the underlying assets and liabilities and it is, therefore, accounted for as a defined contribution scheme. No liability is shown in the Statement of Financial Position.

1.3 Key Sources of Estimation Uncertainty

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 property leases. 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. The estimation techniques used for Tangible Assets and Intangible Assets are given in notes 1.4 and 1.5 respectively. Estimates for accruals are made based on committed operational expenditure using invoices or purchase orders. Estimates for the property lease are based on annual agreements with an inflationary uplift where future years apply.

1.4 Tangible Assets

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	5 years

1.5 Intangible 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 year 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 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 Adoption of New and Revised Standards

a) Standards, amendments and interpretations effective in the current year

In the current year, the Commissioner has applied a number of amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- **IFRIC 23:** Uncertainty over Income Tax Treatment
- **Amendment to IFRS 9:** Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 Cycle

b) Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

c) Standards, amendments and interpretations issued but not adopted this year

At the date of authorisation of these financial statements, the Commissioner has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- **IFRS 16: Leases** – HM Treasury have agreed to defer implementation until 1 April 2021
- **IFRS 17: Insurance Contracts** – applicable for periods beginning on or after 1 January 2021. Not yet endorsed for use in the EU.
- Amendments to References to the Conceptual Framework in IFRS Standards – applicable for period beginning on or after 1 January 2020
- **Amendments to IAS 1 and IAS 8** (Definition of Material) – applicable for periods beginning on or after 1 January 2020
- **Amendments to IFRS 9, IAS 29 and IFRS 7** (Interest Rate Benchmark Reform) – applicable for periods beginning on or after 1 January 2020
- **Amendment to IAS 1** (Classification of Liabilities as Current or Non-Current) – applicable for periods beginning on or after 1 January 2022. Not yet endorsed for use in the EU.

The Commissioner does not expect the adoption of the Standards listed above to have a material impact on the financial statements in future periods.

2 NON CURRENT ASSETS

2.1 Tangible Assets

2019/20	Fixtures, Fittings & Equipment	IT Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2019	3	32	35
Additions	-	35	35
Disposals	-	(23)	(23)
At 31 March 2020	3	44	47
Depreciation			
At 1 April 2019	3	26	29
Charge for Year	-	5	5
Disposals	-	(22)	(22)
At 31 March 2020	3	9	12
Net Book Value at 31 March 2020	-	35	35
Net Book Value at 31 March 2019	-	6	6

The Commissioner purchased £35,197 of additional assets in 2019/20 (2018/19: £2,582). The addition comprised new IT equipment, including a new server.

2.1 Tangible Assets contd

2018/19	Fixtures, Fittings & Equipment £'000	IT Equipment £'000	Total £'000
Cost			
At 1 April 2018	3	31	34
Additions	-	3	3
Disposals	-	(2)	(2)
At 31 March 2019	3	32	35
Depreciation			
At 1 April 2018	3	24	27
Charge for Year	-	4	4
Disposals	-	(2)	(2)
At 31 March 2019	3	26	29
Net Book Value at 31 March 2019	-	6	6
Net Book Value at 31 March 2018	-	7	7

The former Commissioner purchased £2,582 of additional assets in 2018/19 (2017/18: £2,299). The addition comprised telephone equipment.

2.2 Intangible Assets

2019/20	Software £'000	Total £'000
Cost		
At 1 April 2019	62	62
Additions	3	3
Disposals	(3)	(3)
At 31 March 2020	62	62
Amortisation		
At 1 April 2019	3	3
Charge for Year	14	14
Disposals	(3)	(3)
At 31 March 2020	14	14
Net Book Value at 31 March 2020	48	48
Net Book Value at 31 March 2019	59	59

The Commissioner purchased £2,675 of additional assets in 2019/20 (2018/19: £58,865). The addition was for the purchase of software.

2018/19	Software £'000	Total £'000
Cost		
At 1 April 2018	3	3
Asset under construction	59	59
At 31 March 2019	62	62
Amortisation		
At 1 April 2018	3	3
Charge for Year	0	0
At 31 March 2019	3	3
Net Book Value at 31 March 2019	59	59
Net Book Value at 31 March 2018	0	0

The former Commissioner purchased £58,865 of additional assets in 2018/19 (2017/18: Nil). The addition comprised a case management system.

3 **TRADE AND OTHER RECEIVABLES**

	2019/20 £'000	2018/19 £'000
Prepayments	16	15
	16	15

4 **CASH AND CASH EQUIVALENTS**

	2019/20 £'000	2018/19 £'000
Balance at 1 April	91	148
Net Change in cash and cash equivalent balances	18	(57)
Balance at 31 March	109	91
Cash Held at Commercial Banks	109	91

5 **TRADE AND OTHER PAYABLES**

	2019/20 £'000	2018/19 £'000
Trade and other payables	(37)	(52)
PAYE and National Insurance	(10)	(9)
Pension Contributions	(10)	(7)
Accruals	(50)	(53)
	(107)	(121)

6 EXPENDITURE BREAKDOWN

	2019/20 £'000	2018/19 £'000
Staff Costs		
Commissioner	106	109
Investigating Officers	97	152
Other Staff	431	355
	634	616
Other Administration Costs		
Auditor & financial advisers	13	14
Hospitality	1	2
IT	31	38
Legal advisers	6	8
Other professional fees	0	5
Office costs	14	13
PAA costs	103	136
Printing	2	3
Property	81	76
Training & recruitment	3	2
Travel & expenses	3	5
	257	302
Additional legal support costs	0	49
Depreciation	19	4
	910	971

The £13,013 for Auditor & financial advisers includes £12,563 for external auditor's remuneration. The balance of £450 covers accounting services provided by a third party. The external auditor received no fees in relation to non-audit work.

During the financial year, £38,000 was used to purchase non-current assets being new IT equipment, including a new server as detailed in note 2 to the financial statements (2018/19: £62,000).

7 LEASING COMMITMENTS

The Scottish Legal Aid Board provides the Commissioner with office accommodation and associated services under a Memorandum of Terms of Occupation (MOTO). The MOTO may be cancelled on either party giving one year's written notice or on expiry of the agreement.

	Land & Buildings	
	<u>As at 31</u>	<u>As at 31</u>
	<u>March 2020</u>	<u>March 2019</u>
	£'000	£'000
Operating leases which expire:		
Within one year	89	82
One to five years	Nil	88
	89	170

The current MOTO runs for five years from 1 April 2016 to 31 March 2021. Accommodation fees are recharged at cost as agreed each year. The cost for the year 1 April 2020 to 31 March 2021 is estimated to be £89,300. The actual cost in 2019/20 was £81,400 (2018/19: £75,900). The ongoing increase in costs is due to a revaluation of Thistle House in 2017. The revised valuation affected the capital charge applied to our MOTO.

8 CAPITAL COMMITMENTS

There were no contracted capital commitments as at 31 March 2020 (2019: Nil).

9 CONTINGENT LIABILITIES

The Commissioner had no contingent liabilities as at 31 March 2020 (2019: Nil).

10 RELATED PARTY TRANSACTIONS

The Commissioner's role 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 £1,010,000 during the year (2019/20: £916,000).

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

11 **ADDITIONAL LEGAL SUPPORT COSTS**

In 2018/19, the incoming Commissioner faced several issues when taking up post on 1 April 2019. There were financial implications in their management and resolution.

The Commissioner concluded that these costs, equalling £49,200, represented a liability based on past events. Therefore, these items were considered to be a provision and were accrued into the expenditure for 2018/19.

12 **POST STATEMENT OF FINANCIAL POSITION EVENTS**

On 16 March 2020, in response to the Covid-19 lockdown restrictions, the Commissioner took the decision to move the whole office to remote, home working. This has had no material impact on the financial statements for 2019/20. It is as yet unclear what the impact in 2020/21 and going forward will be.

No other events have occurred since the date of the balance sheet which materially affect the financial statements.

APPENDICES

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

Contact details

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