



INTEGRITY IN PUBLIC LIFE

Annual Report and Accounts

Year Ended 31 March 2016

INTEGRITY IN PUBLIC LIFE

CONTENTS

	<i>Page Number</i>
THE PERFORMANCE REPORT	
Overview	2
Chief Executive Statement	3
Performance Statement	3
Analysis	5
CORPORATE GOVERNANCE REPORT	
Directors' Report	9
Statement of Accountable Officer's Responsibilities	12
Governance Statement	13
Remuneration and Staff Report	16
Independent Auditor's Report	20
THE FINANCIAL STATEMENTS	
Statement of Comprehensive Net Expenditure	22
Statement of Financial Position	23
Statement of Cash Flows	24
Statement of Changes in Taxpayers' Equity	25
Notes to the Accounts	26
Appendix 1: Accounts Direction	30

THE PERFORMANCE REPORT: OVERVIEW

Introduction

The accounts for the financial year ended 31 March 2016 are presented in accordance with the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended by the Scottish Parliamentary Commission and Commissioners etc. Act 2010, and the Accounts Direction given by Scottish Ministers on 22 May 2012.

History and statutory background

The Standards Commission for Scotland ('the Standards Commission') was established by Scottish Ministers on 27 January 2002 following the enactment of the Ethical Standards in Public Life etc. (Scotland) Act 2000 ('the 2000 Act').

Statutory Duties

The overall functions of the Standards Commission are to:

- encourage the observance of high ethical standards in public life, through the promotion of an ethical standards framework; and
- enforce the Councillors' Code of Conduct and the Codes of Conduct for Members of Devolved Public Bodies. Complaints about breaches of the Codes are investigated by the Commissioner for Ethical Standards in Public Life in Scotland ('CESPLS') and, where he has determined a contravention of a code of conduct may have occurred, the CESPLS then submits a report to the Standards Commission.

The Standards Commission adjudicates on cases referred by the CESPLS. On receiving a report from the CESPLS the Commission may -

- (a) direct the CESPLS to carry out further investigations;
- (b) hold a hearing; or
- (c) do neither.

Strategic Plan 2012-2016

The Standards Commission's four year strategic plan identified four key objectives:

1. To promote the ethical standards framework to ensure the Codes of Conduct are recognised and respected by the public and other stakeholders.
2. To assist councils and public bodies to achieve the highest ethical standards of conduct and ensure the advice and support provided by the Standards Commission responds to their needs.
3. To enforce the Codes of Conduct impartially, timeously and in accordance with legislation.
4. To operate in accordance with the principles of good governance, best value, joint working and working in partnership.

As at 31 March 2016, there were 32 Councils and 132 devolved public bodies covered by the requirements of the ethical standards framework. This means compliance with the Codes of Conduct is a requirement for 1,223 Councillors and approximately 1,200 Board Members.

Full details of the Standards Commission's business strategy are provided in the Strategic Plan 2012-16, which is available at <http://www.standardscommissionscotland.org.uk/corporate-info/strategic-and-business-plans>.

Chief Executive Statement

The Standards Commission is an independent public body which holds Hearings to determine whether a Councillor or Member of a Devolved Public Body has breached the Councillors' or the Members' Code of Conduct. If the Standards Commission decides at a Hearing that a Councillor or Member has breached the relevant Code of Conduct it will impose a sanction. The Standards Commission also has a role in promoting adherence to the Codes of Conduct.

As Executive Director, I am pleased to report that the Standards Commission has performed effectively this year by achieving its statutory duties and meeting, or exceeding, the objectives identified in the Business Plan 2015-16, which can be found at <http://www.standardscommissionscotland.org.uk/corporate-info/strategic-and-business-plans>. This included conducting five Hearings to determine whether 11 Councillors had contravened the Councillors' Code of Conduct and promoting the ethical standards framework through the provision of advice notes and training events and through the issuing of revised Guidance on the Councillors' Code of Conduct.

The Standards Commission performed its functions within the budget of £232,000 allocated by the Scottish Parliament, with expenditure (excluding depreciation), amounting to £225,000.

Performance Statement 2015/16

During the year the Standards Commission:

- Updated the content and design of the Standards Commission's website to ensure it is relevant and user friendly, and that educational material and information about Hearings is readily accessible.
- Issued revised Guidance on the Councillors' Code of Conduct, which includes factors councillors should consider when applying the provisions of the Code and case illustrations to assist them in interpreting and applying the requirements to their own personal circumstances.
- Produced advice notes for members of devolved public bodies on the use of social media and relationships with employees.
- Provided guidance and advice in response to requests from members of the public, councillors, members of devolved public bodies, officers and employees about the application of the Codes of Conduct.
- Issued quarterly 'Professional Briefings' to stakeholders, to highlight the work being undertaken and to provide an overview of key learning points from recent Hearings.
- Conducted tailored training sessions with elected members in three Local Authorities and one devolved public body, highlighting key aspects of the Codes of Conduct and addressing queries on specific issues that arise.
- Held meetings and workshops with key stakeholders, including SOLACE, SOLAR and the Scottish Government. Also presented on the ethical standards framework to representatives from China and at the Northern Ireland Local Government Reform Conference.
- Liaised with Scottish Government about a variety of matters relating to the ethical standards framework, which included the proposed content of a Model Code of Conduct and an approval process for the appointment of Standards Officers for Health and Social Care Integration Joint Boards.
- Considered non-breach reports from the CESPLS to monitor trends and identify issues which may require to be included in the Standards Commission's Guidance to Councils and Devolved Public Bodies.

- Held and concluded five Hearings to determine whether 11 Councillors had contravened the Councillors' Code of Conduct.
- Issued full written decisions and press releases for all five Hearings held, in order to inform public awareness and ensure transparency of decision making.
- Revised its Hearings Rules to ensure they are accessible and continue to be fit for purpose.
- Held pre-Hearing meetings where appropriate and proportionate to resolve procedural issues to ensure Hearings are conducted in the most fair, impartial and efficient manner.
- Developed and submitted a Records Management Plan, which was approved by the Keeper of Records of Scotland.
- Entered into a Service Level Agreement with the Scottish Parliament's Business Information Team for the provision of IT services.
- Consulted on and laid the Standards Commission's Strategic Plan 2016-2020.

Key Issues and Risks

The Standards Commission identified the following as the principle risks and uncertainties for the organisation:

- insufficient Members to support Hearings related functions;
- insufficient staffing or financial resources to maintain operational effectiveness;
- inadequate or insufficient guidance and support available to stakeholders; and
- a lack of confidence in or understanding of the ethical standards framework by key stakeholders.

Furthermore, due to the demand led nature of complaints investigated by the CESPLS, there will always be a difficulty in accurately forecasting the number of alleged breach cases which the CESPLS will submit for consideration of the Standards Commission during each operational year. The number of complaints made and the consequent number of cases submitted by the CESPLS are outwith the control of the Standards Commission, however, the activities of the CESPLS impacts on the statutory function of the Standards Commission.

The Standards Commission has put in place controls and has identified actions to mitigate these risks, which are outlined in the Risk Register.

Going Concern

The financial statements for the year ended 31 March 2016 show a deficit on the General Fund of £5,000 (2014/15 £12,000). This situation arises because the Standards Commission for Scotland's Annual Accounts are presented on an accrual basis, whilst recording of funding provided by the Scottish Parliamentary Corporate Body is based on a cash basis. Net current liabilities will be funded by the Scottish Parliamentary Corporate Body as they arise. As a consequence, these financial statements have been prepared on a going concern basis.

Funding

The Standards Commission receives funding on a cash basis from the overall budget of the Scottish Parliamentary Corporate Body (SPCB). The SPCB approved a cash budget of £232,000 (2014/15 £226,000).

THE PERFORMANCE REPORT: ANALYSIS

Hearings

The key performance targets associated with arranging and conduct of Hearings are detailed within the Standards Commission's Hearing Process Guide and Rules. During 2015/16 these processes and arrangements were reviewed in accordance with the Internal Audit Plan. An Internal Audit Report was produced, which provided assurance to the Standards Commission, via its Audit and Risk Committee, that the processes in place conform to the 2000 Act and that internal controls are operating effectively.

During 2015/16, the CESPLS referred six cases relating to six Councillors where he considered there may have been a breach of the Councillors' Code of Conduct. In addition, the CESPLS referred one case relating to a Member of a Devolved Public Body. The Commission decided to hold a Hearing in respect of each case. By the end of March 2016, Hearings had been held and concluded in respect of three of these seven cases.

In addition, Hearings were held in 2015/16 in respect of two cases relating to eight Councillors that had been referred by the CESPLS during 2014/15. All Hearings were conducted in accordance with the timescales and processes outlined in the Hearing Process Guide and Rules.

	No of Cases	No of Councillors or Members involved in cases
Breach reports referred to the Standards Commission 1 April 2015 – 31 March 2016	7	6 councillors 1 member of a devolved public body
Breach reports outstanding from 2014/15	2	8 councillors
Hearings held and concluded during 2015/16	5	11 councillors
Hearings commenced during 2015/16 and due to conclude in 2016/17	1	1 councillor
Breach reports referred to the Standards Commission before 31 March 2016 where Hearings are scheduled for 2016/17	3	2 councillors 1 member of a devolved public body

Communications

The Standards Commission records all enquiries made to the office and measures response times against key performance targets outlined in its Service Charter. Performance in respect of communication related activities and engagements with key stakeholders are reported to the Standards Commission on a quarterly basis via a review of the Business Plan, which details achievement towards attainment of planned business activities and provides Members with assurance that targets within the key business objectives are being met. Responses were provided to all enquiries received in 2015/16 within the timescales outlined in the Service Charter. In addition, responses to all requests made under Freedom of Information legislation were provided within statutory time limits.

Ensuring finances are managed effectively, efficiently and economically

The Standards Commission is funded through the Scottish Parliament and, each year, submits an evidence based budget for scrutiny and approval. The budget is based on planned actions arising from the requirements of the strategic and annual business plans, as well as projections of likely Hearings related activity. The amount of Hearings related activity is forecast using information from the previous year and on projections provided by the CESPLS. However, the Standards Commission and Scottish Parliament recognise it is not possible to accurately determine, before the start of any financial year, how many cases will be referred to the Standards Commission by the CESPLS and, of those referred cases, how many Hearings the Standards Commission will decide to hold. The costs incurred in holding Hearings also continues to depend on a variety of unquantifiable factors, some of which are outwith the

control of the Standards Commission, such as the location, potential duration of each Hearing and whether cases can be combined.

Expenditure against budget is monitored by the Executive Team on a monthly basis with key issues raised with the Accountable Officer as they occur. This enables any financial concerns to be identified and resolved promptly. Members are provided with quarter year reports detailing expenditure against budget and highlighting variances and projections to the year end, which gives an assurance that the office is working towards continuously improving and meeting objectives whilst still achieving value for money.

Financial Position

The Scottish Parliament allocated a budget of £232,000 (2014/15 £226,000) and expenditure, excluding depreciation, was £225,000 (2014/15 £215,000). Cash expenditure against budget was as follows:

	2015/16	2014/15
	£'000	£'000
Cash Budget approved by the SPCB	232	226
Actual cash drawn from the SPCB	225	215
Underspend against approved cash budget	7	11

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

The Statement of Comprehensive Net Expenditure and the Notes to the Accounts shows the income and expenditure for the year. The Standards Commission's net expenditure on operating activities for the year ending 31 March 2016 totalled £218,000 (2014/15 £215,000).

The net expenditure was divided between staffing costs £188,000 (2014/15 £164,000); other administrative costs £29,000 (2014/15 £49,000); and depreciation £1,000 (2014/15 £2,000).

Staff costs increased in 2015/16 because all staff posts were filled during the year, whereas in 2014/15 the Executive Director post was vacant between 9 July 2014 - 30 November 2014. However, as there were no changes to staffing, recruitment costs were not incurred during the year.

During 2015/16, the administration costs were reduced by 59% for the reasons outlined below. Reductions in overall administration costs were achieved as a result of fewer Hearings held during 2015/16 than in 2014/15. As a result, the associated costs relating to Members and Staff travel and expenses were also reduced. However, further savings were also made as a result of the Standards Commission pursuing its policy in relation to Hearing venues. Under this policy, Hearings are now held within Local Authority premises wherever possible. This also contributed to a reduction in expenditure, compared to 2014/15 when the Standards Commission tended to hire commercial venues at a greater cost. In addition, the Standards Commission now holds pre-Hearing meetings where appropriate and proportionate to do so in order to resolve procedural issues before Hearings. The Standards Commission also introduced Guidance on the Relevancy of Evidence. Both these measures have contributed to ensuring that Hearings are conducted in the most efficient and proportionate manner, thereby reducing their potential duration.

The Standards Commission's expenditure on legal fees was also reduced during 2015/16 as a result of in house research and work undertaken before Hearings to resolve potential legal issues.

There was no expenditure on the purchase of non-current assets during the financial year. Non-current assets that are no longer used in the business have been removed from the Accounts (note 5 to the Accounts).

The Standards Commission earned no income in 2015/16 (2014/15 Nil).

Payment Performance

Payments made to suppliers of goods and services to the Standards Commission are processed by the Scottish Parliamentary Corporate Body (SPCB) through a Shared Service Agreement with the Scottish Parliament's Finance Office. Underpinning the SPCB's payment policy is compliance with the Confederation of British Industry's (CBI) Prompt Payers' Code. The CBI's stated target for payments is that they are paid within the agreed terms or by 30 days of receipt of invoices, which are not in dispute, for goods and services received. The overall payment performance achieved by the SPCB for processing invoices on behalf of the Standards Commission was 100% (2014/15 100%).

In 2008-09 the SPCB introduced a voluntary initiative to further improve payment performance in support of the business suppliers. Under this initiative the SPCB aim to make payments within 10 days of receipt of the invoice. During 2015/16, 100% of the Standards Commission's invoices were paid within 10 days (2014/15 99.1%).

Sustainability

The Standards Commission recognises the importance of environmental issues and sustainability and endeavours to consider these matters in all its business decisions. Whilst the Standards Commission is not directly covered by the Greening Government commitments, as its offices are located within the Scottish Parliament building, it supports the Scottish Parliament's effort in meeting their sustainability and environmental targets through compliance with the SPCB policies and procedures. This includes making use of waste and recycling facilities and, where possible, encouraging staff and Members to car share or use public transport.

Mindful of the organisation's carbon footprint, the Standards Commission has undertaken work to assess its impact, and continually seeks ways to improve this. During the development of the Standards Commission's Records Management Plan the document retention and disposal policy was revised, which resulted in a reduction in the amount of paper documents being created and held. In addition, photocopying and printing costs were reduced during 2015/16 as the Standards Commission undertook the majority of communications with its Members, key stakeholders and parties to Hearings using electronic means rather than issuing paper copies of documents.

Waste management arrangements for the offices of the Standards Commission are maintained by the SPCB. Further information about Sustainability and Environmental activities within the Scottish Parliament is available on its website at <http://www.scottish.parliament.uk/visitandlearn/18789.aspx>.

Social, Community & Human Rights Issues

The Standards Commission has no specific social, community or human rights issues to report. However, in order to demonstrate good practice in these areas, the Standards Commission ensures:

- Hearings are conducted in public. If the Respondent is a councillor, this will be held in the local authority areas in which the councillor was elected. If the Respondent is a member of a devolved public body it will be held in the area where the devolved public body holds its meetings. This demonstrates openness and transparency, as well as offering ease of access to members of the public and press who may wish to view proceedings.
- Hearings are conducted in a fair, transparent and accessible manner through the production, distribution and adherence to Hearing Rules, which outline the procedures to be followed. The Standards Commission also updates all parties as to arrangements for Hearings and the decision made by the Panel. All parties to a Hearing have the right to be represented, which includes being able to seek legal advice and counsel.
- A fair representation of cases before the Hearing Panel, which includes full consideration of all relevant evidence presented when determining the case and, should a breach of the Code of Conduct be found, takes into account any mitigating factors in deciding any sanction to be applied.

Equal Opportunities

The Standards Commission supports the principle of equal opportunities in carrying out operational functions and employment practices. This means that it is committed to continually reviewing and updating policies and practices to ensure that no individual is discriminated against, either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to age, disability, gender, marital status, pregnancy and maternity, race, religion, belief or sexual orientation. Equality impact assessments are undertaken in respect of all new policies, procedures and practices and when policies and processes are substantially revised.

Future Development

The Standards Commission's priorities in the coming year are to:

- Engage and consult with councils, devolved public bodies including Integration Joint Boards, Regional Transport Partnerships and Further Education Colleges, the CESPLS and other stakeholders to identify trends and emerging issues to ensure guidance, advice and training materials are readily available and continue to meet evolving requirements and emerging developments.
- Develop its website content to provide access to comprehensive guidance and educational materials for councillors and members of devolved public bodies.
- Support induction and training programmes to help councils and public bodies promote awareness and understanding of the Codes of Conduct amongst their councillors and members.
- Support Monitoring Officers and Standards Officers through facilitating workshops, which enable the Standards Commission to gather information and also provide opportunities for networking, sharing advice and encouraging discussion about good practices.
- Review and adjudicate on cases referred by CESPLS in respect of potential breach cases.
- Continuously monitor and review the Hearings Rules and Procedures, and ensure well-reasoned and fair determinations are made, and sanctions are applied consistently, following thorough consideration of the evidence and mitigating factors at Hearings.

CORPORATE GOVERNANCE REPORT: DIRECTORS' REPORT

Convener and Members of the Standards Commission

The Convener and Members of the Standards Commission hold office in accordance with the 2000 Act, as amended by the 2010 Act. The Convener and Members, who were appointed by Scottish Ministers for a period of four years prior to 1 April 2011, were eligible for a period of reappointment by the SPCB with the provision that the total period of appointment did not exceed eight years in office. Lindsey Gallanders and Kevin Dunion were appointed by the SPCB, with effect from 15 February 2013 and 1 September 2015 respectively, for a period of six years.

	<u>Date of appointment</u>	<u>Date of re-appointment</u>	<u>Date Appointment ceases</u>
Convener: Ian A Gordon OBE, QPM, LL.B (Hons)	1 Feb 2010	1 Feb 2014	31 Jan 2017
Members: Matt Smith OBE, JP	1 Apr 2010	1 Apr 2014	31 Mar 2017
Julie Ward	18 Jan 2011	18 Jan 2015	17 Jan 2018
Lindsey Gallanders	15 Feb 2013		14 Feb 2019
Kevin Dunion OBE	1 Sept 2015		31 Aug 2021

The Convener and Members are appointed on a part-time basis for three and two days per month respectively. However they may be asked to work additional time in order to conduct Hearings. Appointment as either the Convener or as a Member of the Standards Commission is not pensionable.

The organisation's structure is indicative of the size of funding and expenditure outlined in the accounts. The Standards Commission comprises of:

- A Convener (employed 3 days per month);
- Four Commission Members (employed 2 days per month); and
- Three staff (equating to 2.8 full time equivalents).

Business Model

The Standards Commission's aims are detailed within its Strategic Plan (2012 - 2016), which is supported by annual Business Plans. The Strategic Plan and annual Business Plans are published on the Standards Commission's website at <http://www.standardscommissionscotland.org.uk/corporate-info/strategic-and-business-plans>, and are monitored by quarterly performance reports to the Standards Commission.

The Standards Commission has two Committees which provide specialist advisory support and recommendations for consideration by the Standards Commission.

- The Human Resources Committee meets annually and can thereafter be convened as necessary to meet operational requirements. The Committee is chaired by Lindsey Gallanders and, following his appointment on 1 September 2015, Kevin Dunion was appointed to the Committee.
- The Audit and Risk Committee meets three times per year. Julie Ward chairs the Committee with Matt Smith appointed as the second member on this Committee.

Both Committees provide advisory support and make recommendations on matters relevant to their Terms of Reference for consideration by the Standards Commission.

Provision of Information to Employees

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

Post Balance Sheet Events

There were no material events occurring after the year-end which had a bearing on the accounts.

Disclosure of Information to Auditors

The Convener and Members confirm that, in so far as they are aware, there is no relevant audit information of which the auditors are unaware. The Convener and Members further confirm that they have taken all reasonable steps to ensure that they have made themselves aware of any relevant audit information and to establish that the auditors are also aware of this information.

Audit

These accounts are audited by the Auditor General for Scotland in accordance with section 10(E)(1)(c) of the Ethical Standards Act in Public Life (etc.) Scotland Act (as amended by the Scottish Parliamentary Commissions and Commissioners etc. Act 2010).

Auditors

Under the Public Finance and Accountability (Scotland) Act 2000, the Standards Commission's external auditors were appointed by the Auditor General for Scotland in accordance with the Ethical Standards in Public Life etc. (Scotland) Act 2000 (as amended). Audit Scotland was appointed as the Standards Commission's auditor for the financial period 2011/12 to 2015/16.

The auditors were remunerated in the sum of £2,430 in respect of the statutory audit services for the financial year 2015/16 (2014/15 £2,435). No payments were made in respect of non-audit work.

Additionally, the Standards Commission was supported by the SPCB's Internal Audit Service during the financial year, on a nil cost basis. Planned activities are completed through a Memorandum of Understanding between the Standards Commission and the SPCB's Internal Audit Service. During 2015/16 the internal audit inspection involved a full review of how the Standards Commission organises and conducts Hearings into potential breaches of the Codes of Conduct by councillors and members of devolved public bodies. There were no significant matters identified in the report at the conclusion of the inspection.

Personal Data Related Incidents

There were no personal data related incidents during 2015/16 (2014/15 Nil).

Charitable Donations

There were no charitable donations made during 2015/16 (2014/15 Nil).

Register of Interests

The Standards Commission maintains a register of interests held by the Convener and Members of the Standards Commission. This is available on our website at <http://www.standardscommissionscotland.org.uk/about-us/who-we-are>. During 2015/16 no interests were assessed as significant.

Authorisation

I authorised these financial statements for issue on 26 July 2016.

Signed on behalf of the Standards Commission for Scotland:	
	
Lorna Johnston Accountable Officer	Date: 26 July 2016

CORPORATE GOVERNANCE REPORT: STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

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

The Accountable Officer is responsible for:

- signing these accounts;
- ensuring the propriety and regularity of the Standards Commission's finances; and
- ensuring the Standards Commission's resources are used economically, efficiently and effectively.

Under the Ethical Standards in Public Life etc. (Scotland) Act 2000 as amended, the Accountable Officer is required to prepare a statement of accounts for each financial year in the form as directed by the Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Standards Commission's statement of financial position at the year end, statement of comprehensive net expenditure, cash flows and changes in taxpayers' equity for the financial year.

In preparing the accounts, the Accountable Officer is required to:

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

CORPORATE GOVERNMENT REPORT: GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining a sound system of internal control that supports the Standards Commission in the achievement of organisational policies, aims and objectives whilst safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me.

I ensure that arrangements for delegation are robust and promote good and proper management and that systems and procedures are in place to support service delivery.

The Standards Commission is an independent public body and, in the exercising of its functions, is not subject to the direction or control of any member of the Scottish Parliament, any member of the Scottish Government or the Scottish Parliamentary Corporate Body. An annual budget bid is submitted to the Scottish Parliamentary Corporate Body (SPCB) together with supporting details relating to each item of planned expenditure. This information is used by the SPCB in the preparation of its own budget submission to the Scottish Parliament.

The Standards Commission is governed by a Convener and four Commission Members, who are appointed on a part-time basis and, in addition, undertake further work associated with the conduct of Hearings. During 2015/16 the Standards Commission met on ten occasions to discuss and decide on a range of strategic matters and to consider Breach Reports submitted by the CESPLS. The Commission Members also considered reports and recommendations from the Human Resources Committee (one meeting) and the Audit and Risk Committee (three meetings).

Agendas for all meetings are prepared in consultation with the relevant Chairs, and align with the business plan and statutory timescales. Reports are prepared by the Executive Director or Business Manager, with decisions being made by the Standards Commission.

The Audit and Risk Committee focuses on the business of managing and monitoring audit and risk. Two Members are appointed by the Standards Commission to sit on this Committee. Members provide oversight and assurance to me in reviewing the business risks, together with providing constructive challenge in relation to control and governance matters. During 2015/16 the Committee paid particular attention to an internal audit review of the arrangements in place for holding and conducting hearings. The overall objective of the review was to provide assurance to the Commission, via the Audit and Risk Committee, that the processes in place conform to the Ethical Standards in Public Life (Scotland) Act 2000 and that internal controls around these processes operate effectively.

The Human Resources Committee is charged with overseeing personnel issues and provides support, advice and recommendations to the Standards Commission on its responsibilities in respect of staff and personnel matters. Two Commission Members sit on this Committee. During 2015/16 the Committee completed a review of a new competency based framework and staff performance management system.

Risk Management

The Standards Commission operates a risk management strategy in accordance with accepted best practice principles and relevant guidance. A business risk register is maintained with input from the Convener, Members and staff of the Standards Commission.

The system of internal control is designed to manage rather than eliminate the risks of failure to achieve the Standards Commission's policies, aims and objectives. The key strand is identification and regular review of the risks which may deflect the Standards Commission from the achievement of its objectives, which are detailed within the strategic plan and annual business plan. The risks identified are recorded in a register where operational, financial and reputational risks to which the organisation is exposed are considered. The identified

risks are scored in accordance with their significance in terms of the impact they would have, and also in the terms of the likelihood of the risk and its associated impacts occurring.

The management of risk is embedded in organisational activity. The business risk register is reviewed by the Audit and Risk Committee regularly and, following each review, a report is provided to the Standards Commission. In addition the Convener, Members and staff of the Commission complete an annual review of the register where business risks are identified for the forthcoming year.

As stated previously, the primary risks identified within the Standards Commission's Risk Register relate to an inability to deliver statutory functions and strategic objectives due to:

- insufficient Members to support Hearings related functions;
- insufficient staffing or financial resources to maintain operational effectiveness;
- inadequate or insufficient guidance and support available to stakeholders; and
- a lack of confidence in or understanding of the ethical standards framework by key stakeholders.

The register is reviewed to ensure that controls and actions to eliminate or reduce risks remain under scrutiny and are managed appropriately, and that new or changing risks are identified throughout the operational year. These risks are identified and assigned to specific objectives and actions as outlined in the business plan.

Overall, the Standards Commission does not face significant risk given that the funding arrangements and the organisation's functions are outlined by legislation. The key risks identified relate to having sufficient staff and Members to support the Standards Commission's statutory functions going forward into 2016/17. The Standards Commission operates with 2.8 FTE staff and five Members. The impact of the risks associated with the level of resources relate not just to service delivery in respect of supporting the Standards Commission's statutory responsibility to conduct Hearings timeously, but also to a loss of knowledge, experience and understanding of the organisation's functions and procedures.

Assurance

The system of internal control is designed to identify the principle risks to the achievement of the organisation's policies, aims and objectives and to manage them efficiently, effectively and economically. The system is made up of a number of operating procedures intended to provide reasonable assurance that objectives will be achieved and funds properly managed. It is designed to manage and mitigate these risks, not eliminate them and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

A system of internal control is an on-going process designed to:

- identify the principal risks to achieving the organisations objectives;
- evaluate the nature and extent of those risks; and
- manage them efficiently, effectively and economically.

Review of Effectiveness of Governance Arrangements

As Accountable Officer, I have responsibility to review the effectiveness of the systems of internal control. These measures are reviewed regularly to:

- take into account changing legislation;
- reflect the views of the Audit and Risk Committee;
- consider advice from the staff who contribute to the development and maintenance of the internal control framework;
- review and respond to queries from internal auditors and implement any recommendations they make; and
- review and address the outcomes identified by external auditors in their management report

More generally, the Standards Commission is committed to a process of continuous development and improvement; seeking to improve practices, policies and procedures in response to any relevant reviews and initiatives in best practice. It will continue to be guided by the Scottish Public Finance Manual in reviewing these.

Overall, the Standards Commission has effective controls in place, which have been described in earlier paragraphs within this 'Governance Statement' section. The regular programme of meetings undertaken by the Standards Commission's Members measures their effectiveness through quarterly reports of performance against the business plan, as well as regular reviews of the actions undertaken to mitigate risks. Effectiveness is also reflected in the positive internal audit and external audit reports.

Internal Audit

The objective of internal audit is to provide independent assurance on the adequacy and effectiveness of systems of governance and controls, financial management and others, which have been established to manage the risks of the organisation to enable the achievement of organisational goals and ensure accountability for public funds.

The Audit and Risk Committee continue to use the services of the Scottish Parliament's Head of Internal Audit through the use of a Memorandum of Understanding. The internal audit process includes agreement of an Internal Audit work programme with the Committee. Following the conclusion of the planned activities a report is provided for consideration by the Committee and thereafter issued to the Standards Commission for Scotland. During 2015/16 the Audit and Risk Committee met on three occasions. The findings from the Internal Audit report following the review of Hearings was satisfactory and no other issues were noted by Internal Audit in 2015/16.

External Audit

Audit Scotland is the appointed auditor for the Standards Commission for Scotland for the period 2011/12 to 2015/16.

Significant Issues arising during the year

There were no significant issues during the year. The level of Hearing activity was in line with business projections. Major activities such as issuing revised Guidance on the Councillors' Code of Conduct and the project to redesign the Standards Commission's website had been identified in the business plan and were completed using the allocated resources and budget.

Signed on behalf of the Standards Commission for Scotland:	
	
Lorna Johnston Accountable Officer	Date: 26 July 2015

REMUNERATION AND STAFF REPORT

Remuneration - Convener and Members

The Convener and Members of the Standards Commission are appointed by the Scottish Parliamentary Corporate Body (SPCB) with the agreement of the Scottish Parliament. Remuneration is set by the SPCB. The Convener is paid £10,518 per annum (2014/15 £10,414) and Members receive £5,856 per annum (2014/15 £5,798). In addition an hourly rate of £32.53 (2014/15 £32.21) is paid for Hearings related activity.

Remuneration includes basic salary and payments for participation at Hearings. It does not include Employer National Insurance Contributions.

	<u>2015/16</u>	<u>2014/15</u>
	<u>£'000</u>	<u>£'000</u>
Ian Gordon	10-15	15-20
Kevin Dunion (appointment started 1 Sept 2015)	5-10	0
Lindsey Gallanders	5-10	5-10
Jan Polley (appointment ended 17 Jan 2015)	0	5-10
Matt Smith	5-10	10-15
Julie Ward	5-10	5-10
Benefits in kind	Nil	Nil

No gratuity, allowance or compensation payment is payable on termination of the appointment.

Staff recruitment and appointment contracts

Staff employed by the Standards Commission are appointed on the same terms of conditions as applied to staff who are recruited and employed by the SPCB. Appointments are based on merit and on the completion of a fair and open competition. The principles of the recruitment and appointment processes are set out on the Scottish Parliament website at <http://www.scottish.parliament.uk/abouttheparliament/16619.aspx>

The Standards Commission is committed to apply the same employment related policies as those which are available to staff who are employed by the SPCB, where these can be supported by the Standards Commission's business activities and objectives. Staff policies specifically available for disabled individuals, which have been adopted by the Standards Commission include:

- Giving full and fair consideration to applications for employment made to the organisation by disabled persons, having regard to their particular aptitudes and abilities: **Accessibility commitment**
- For continuing employment of, and arranging appropriate training for, employees of the organisation who have become disabled persons during the period when they were employed by the company; - **Guidance for Line Managers – Supporting Disabled Staff in the Workplace**
- **Guidance for Line Managers – Supporting Disabled Staff in the Workplace**
- Otherwise for the training career development and promotion of disabled persons employed by the company; **Guidance for Line Managers – Supporting Disabled Staff in the Work Place**

Executive Director / Accountable Officer

Lorna Johnston was appointed as Executive Director and Accountable Officer with effect from 1 December 2014.

Gender Breakdown

For the purposes of reporting in a consistent format across the Public Sector, Commission Members are deemed to be 'Directors' and the Executive Director/Accountable Officer is considered the 'Senior Manager'. During 2015/16 the staffing breakdown was as follows:

	Male	Female
Directors	3	2
Senior Manager	0	1
Employees	0	2

Remuneration Policy - Staff

At the end of the financial year no members of staff were on secondment from other organisations. No members of Standards Commission's staff left under voluntary or compulsory exit schemes in 2015/16 (2014/15 None).

The senior officer employed during 2015/16 was Lorna Johnston who was appointed as the Executive Director on 1 December 2014. Lindsey McNeill, Executive Director to the Standards Commission resigned from her post on 8 July 2014.

Single total figure of remuneration – Executive Director

Senior Officer	Salary (£'000)		Bonus Payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)		Total (£'000)	
	2015-16	2014-15	2015-16	2014-15	2015-15	2014-15	2015-16	2014-15	2015-16	2014-15
Lorna Johnston	50-55	15-20 (50-55 full year equivalent)	-	-	-	-	20,000	6,000	70-75	20-25
Lindsey McNeill	-	10-15 (50-55 full year equivalent)	-	-	-	-	-	6,000	-	15-20

Median Salary Ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid member of the senior staff in their organisation and the median remuneration of the organisation's workforce. Excluding the Executive Director, there are two employees. Therefore, the average salary has been disclosed instead of the median salary.

	2015/16 £'000	2014/15 £'000
Highest paid member of staff – salary band (full year equivalent £'000)	50-55	50-55
Average remuneration (Median not appropriate)	30-35	25-30
Ratio	1.7	1.8

The mid-point of the banded remuneration of the highest-paid member of senior staff employed by the Standards Commission in the financial year 2015/16 was £52,500 (2014/15 £52,500). This was 1.7 times (2014/15, 1.8) the average remuneration of the workforce, which was within the band £30-35k (2014/15, £25-30k).

In 2015/16 no employees (2014/15, no employees) received remuneration in excess of the highest-paid senior member of staff.

Total remuneration includes basic salaries. There were no payments of non-consolidated performance-related pay, benefits-in-kind or severance payments. Total remuneration does not include employer pension contributions or the cash equivalent transfer value of the pensions.

Sickness Absence Data

For the 12 Month period from 1 April 2015 to 31 March 2016, an average of 5.96% (2014/15 6.43%) working days were lost as a result of sickness absence.

Employee Pension Liabilities

As outlined in greater detail within notes 1.6 and 3 to the Annual Accounts, employees of the Standards Commission, whilst not Civil Servants, are eligible to join the Principal Civil Service Pension Scheme. These statutory arrangements are unfunded with the costs of benefits met by monies voted by the UK Parliament each year. It is not possible for the Standards Commission to identify its share of the underlying liabilities in the scheme, which can be attributed to the employees of the Standards Commission. The scheme actuary valued the scheme as at 31 March 2012. Details of the resource accounts of the Cabinet Office: Civil Superannuation can be found at www.civilservice.gov.uk/pensions. For the purposes of this Statement of Account, it is therefore accounted for on the same basis as a defined contribution scheme.

Pensions Benefits

	Accrued pension at pension age as at 31/03/16	Real increase in pension at pension age	CETV at 31/3/2016	CETV at 31/3/2015	Real increase in CETV
Standard Commission Senior Staff	£'000	£'000	£'000	£'000	£'000
Lorna Johnston	0-5 Nil lump sum	0-2.5 Nil lump sum	14	3	7

The figures relating to pension and pension benefits are provided by MyCSP Ltd which administers the Civil Service Pension Scheme on behalf of the Cabinet Office.

The Cash Equivalent Transfer Value (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.


The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and common market valuation factors for the start and end of the period.

Expenditure on consultancy and off payroll arrangements

The Standards Commission did not incur any expenditure on consultants or off payroll arrangements during the financial year.

Signed on behalf of the Standards Commission for Scotland:	
	
Lorna Johnston Accountable Officer	Date: 26 July 2016

Independent auditor's report to the members of the Standards Commission for Scotland, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of the Standards Commission for Scotland for the year ended 31 March 2016 under the Ethical Standards in Public Life etc. (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. 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 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

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 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the Ethical Standards in Public Life etc. (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2016 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 2015/16 FReM; and

- have been prepared in accordance with the requirements of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

In my 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.

Opinion on other prescribed matters

In my opinion:

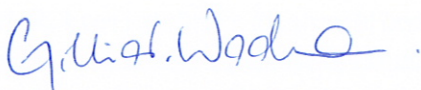
- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Ethical Standards in Public Life etc. (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.



Gillian Woolman MA FCA CPFA
Assistant Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DH

21 July 2016

Statement of Comprehensive Net Expenditure For Year Ended 31 March 2016

	Notes	2015/16	2014/15
		£'000	£'000
Administration costs			
Staff costs	2	188	164
Other administration costs	4	29	49
Depreciation	5	1	2
Net operating costs		218	215


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 26 to 29 form an integral part of these accounts.

Statement of Financial Position As at 31 March 2016

	Notes	31 March 2016	31 March 2015
		£'000	£'000
<u>Non current assets</u>			
IT equipment	5	0	1
Total non current assets		<u>0</u>	<u>1</u>
<u>Current assets</u>			
Trade and other receivables		0	0
Total assets		<u><u>0</u></u>	<u><u>1</u></u>
<u>Current liabilities</u>			
Trade and other payables	6	(5)	(13)
Total current liabilities		<u>(5)</u>	<u>(13)</u>
Assets less liabilities		<u><u>(5)</u></u>	<u><u>(12)</u></u>
<u>Taxpayers' equity</u>			
General fund		(5)	(12)
Total taxpayers' equity		<u><u>(5)</u></u>	<u><u>(12)</u></u>

The financial statements were approved by the Standards Commission for Scotland on 26 July 2016 and authorised for issue by:

	
Lorna Johnston Accountable Officer	Date: 26 July 2016

The accompanying notes on pages 26 to 29 form an integral part of these accounts.

Statement of Cash Flows For Year Ended 31 March 2016

	Notes	2015/16 £'000	2014/15 £'000
<u>Cash flows from operating activities</u>			
Net operating cost		(218)	(215)
Adjustment for non cash item			
Depreciation	5	1	2
Movements in working capital			
(Increase)/decrease in trade and other receivables		0	0
Increase/(decrease) in trade and other payables	6	(8)	(3)
Net cash outflow from operating activities		<u>(225)</u>	<u>(216)</u>
<u>Cash flows from investing activities</u>			
Purchase of IT equipment	5	(0)	(0)
Net cash outflow from investing activities		<u>(0)</u>	<u>(0)</u>
Total Net cash outflows		<u>(225)</u>	<u>(216)</u>
<u>Cash flows from financing activities</u>			
Financing from the Scottish Parliamentary Corporate Body		225	216
Net cash inflow from financing activities		<u>225</u>	<u>216</u>
<u>Net increase/(decrease) in cash and cash equivalents</u>		<u>0</u>	<u>0</u>
Cash and cash equivalents at s at 1 April		0	0
Cash and cash equivalents at end of period s at (31 March)		0	0
Net increase/(decrease) in cash and cash equivalents		<u>0</u>	<u>0</u>

Statement of Changes in Taxpayers' Equity For Year Ended 31 March 2016

	2015/16 £'000	2014/15 £'000
General Fund		
Balance at 31 March 2015	(12)	(13)
Net operating costs for the year	(218)	(215)
Funding from the SPCB	225	216
Balance at 31 March 2016	<u>(5)</u>	<u>(12)</u>

NOTES TO THE ACCOUNTS

1 Statement of 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 Standards Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Standards Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 **Accounting convention**

These accounts have been prepared under the historical cost convention.

1.2 **Tangible non-current assets**

Capitalisation

IT Equipment purchased with a group value exceeding £500, inclusive of irrecoverable VAT, is treated as a non-current asset.

1.2.2 *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 estimated useful life of the asset. These are as follows:

- IT Equipment 3 years

1.3 **Intangible non-current assets**

The Standards Commission has no intangible non-current assets.

1.4 **Funding**

Funding received from the SPCB is credited directly to the general fund in the period to which it relates. The SPCB provides a transaction processing and recording function for the Standards Commission. Accordingly, a bank account is not operated by the Standards Commission.

1.5 **Leases**

The Standards Commission holds no finance leases and no operating leases.

1.6 **Pension Costs**

Civil Service Pensions - Employees

Pension benefits for the employees of the Standards Commission are provided through the Civil Service Pension Scheme arrangements. These statutory arrangements are unfunded with the costs of benefits met by monies voted by Parliament each year. Prior to 1 April 2015 employees participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has

four sections: three provide benefits on a final salary basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65. From 1 April 2015 a new pension scheme was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From April 2015 all newly appointed employees and the majority of those already in service joined **alpha**.

The Standards Commission is unable to identify its share of the underlying assets and liabilities and, therefore it is accounted for as a defined contribution scheme and no liability is shown in the Statement of Financial Position. A full actuarial valuation was carried out as at 31 March 2012. The PCSPS is financed by payments from the employer and from those current employees who are members of the PCSPS, who pay contributions at different rates which depend on their salaries and the section of the pension scheme of which they are a member. The rate of employer contributions is typically set following an actuarial valuation. The previous valuation was carried out as at 31 March 2007 and this recommended an employer contribution rate of 18.9% of pensionable pay. Government Actuary’s Department has been appointed as the PCSPS actuary. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

1.7 Value Added Tax

The Standards Commission is not VAT registered and all VAT is charged to the Accounts.

2 Staff Numbers and Costs

2.1 Average staff employed (full time equivalent)

The average number of full time equivalent (FTE) persons appointed to or employed by the Standards Commission during the year was as follows:

	2015/16	2014/15
	FTE	FTE
Convener and Members	0.5	0.5
Staff	2.8	2.8
	3.3	3.3

2.2 Breakdown of Staff Costs – Administration Costs

	2015/16	2015/16	2015/16	2014/15
	£'000	£'000	£'000	£'000
	Total	Convener & Members	Staff	Total
Salaries and wages	153	44	109	137
Social security costs	11	2	9	10
Pension costs	24	0	24	17
	188	46	142	164

3 Staff Pension Costs

For 2015/16 the employer contribution of £23,735 (2014/15 £16,592) was payable to the Civil Service pensions arrangements.

Outstanding scheme contributions at 31 March 2016 amounted to £2,009 (2015 £1,714).

4 Administration Costs

	2015/16	2014/15
	£'000	£'000
Legal advice	2	3
Audit fee	2	2
Recruitment costs	0	3
Hearing costs accommodation	1	9
Information technology costs	9	5
Printing and promotion costs	2	3
General administration costs	2	4
Officeholders travel and expenses	7	11
Staff travel and expenses	4	9
	29	49

5 Tangible non-current assets

	2015/16	2014/15
	£'000	£'000
IT equipment		
Cost		
At 1 April 2015	13	13
Additions	0	0
Disposals	(10)	0
At 31 March 2016	3	13
Depreciation		
At 1 April 2015	12	10
Charged in year	1	2
Disposals	(10)	0
At 31 March 2016	3	12
Net Book Value:		
At 31 March 2016	0	1
At 31 March 2015	1	3

6 **Trade and other payables: amounts falling due within one year**

	2015/16	2014/15
	£'000	£'000
Payroll accrual	3	7
General accruals	2	5
Ministry of Justice	0	1
	5	13

7 **Capital commitments**

There were no contracted capital commitments as at 31 March 2016 (2015 Nil).

8 **Contingent liabilities**

There were no contingent liabilities as at 31 March 2016 (2015 Nil).

9 **Related Party Transactions**

The Standards Commission was constituted by the Scottish Parliament which provides funding via the Scottish Parliamentary Corporate Body (the SPCB). The SPCB is regarded as a related body. From 26 October 2011, the Standards Commission has been accommodated at £nil cost within the Scottish Parliament building.

No Member of the Standards Commission (including the Convenor), member of staff or related parties have undertaken material transactions with the SPCB during the year.

10 **Post Balance Sheet Events**

No event has occurred since the date of the statement of financial position which materially affects the financial statements.

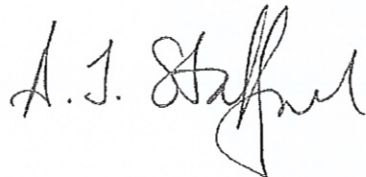
Appendix 1



STANDARDS COMMISSION FOR SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 1 paragraph 10E of the Ethical Standards in Public Life etc (Scotland) Act 2000, 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 (FRcM) 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



INTEGRITY IN PUBLIC LIFE