



INTEGRITY IN PUBLIC LIFE

Annual Report and Accounts

Year Ending 31 March 2021

Laid before the Scottish Parliament by Scottish Ministers under section 22(5) of the Public Finance and Accountability (Scotland) Act 2000

INTEGRITY IN PUBLIC LIFE

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THE PERFORMANCE REPORT

INTRODUCTION

The accounts for the Standards Commission for Scotland (Standards Commission) for the financial year ended 31 March 2021 are presented in accordance with the Ethical Standards in Public Life etc. (Scotland) Act 2000 (the 2000 Act), as amended by the Scottish Parliamentary Commission and Commissioners etc. Act 2010; and the Accounts Direction given by Scottish Ministers on 22 May 2012.

Overview

This section of the report is intended to give an understanding of the role and purpose of the Standards Commission, the activities it undertakes, the key risks to the achievement of its objectives and a summary of how the organisation has performed during the year.

Executive Director's Statement

As Executive Director, I am pleased to report that the Standards Commission has performed effectively this year by achieving its statutory duties and by meeting, or exceeding, the objectives identified in the Business Plan for 2020/21, within its approved funding budget. The [Business Plan 2020/21](#) can be found on the Standards Commission's website.

In the past year the Standards Commission continued to promote the ethical standards framework through the provision of guidance and advice notes, by supporting education and training events and by publishing information on its website and social media platforms to assist councillors and board members of devolved public bodies to adhere to the provisions in the Codes of Conduct. This included producing, issuing and publishing Guidance for the public on the Councillors' Code of Conduct and holding four online training sessions for elected members and senior officers of Angus, Borders, Highland and Stirling Councils. The Standards Commission dealt with all queries on the ethical standards framework and how to interpret the Codes within the timescales outlined in its published Service Charter. Having discussed potential improvements with stakeholders, the Standards Commission thereafter participated in a Working Group established by the Scottish Government to review the Codes aimed at ensuring they continued to be relevant and fit for purpose.

In terms of its adjudicatory work, the Standards Commission held 14 public Hearings to determine whether 14 Respondents had contravened the Councillors' Code of Conduct. In the cases where the Hearing Panel found that a breach of the Code had been committed, appropriate sanctions were then applied. The Standards Commission developed policies and procedures that enabled it to hold 12 of the 14 Hearings online, in accordance with legislative requirements and the Standard Commission's Hearing Rules, when travel restrictions were in place as a result of the coronavirus pandemic. The Standards Commission used its powers of direction under the Ethical Standards in Public Life etc. (Scotland) Act 2000 to oversee how the investigation of complaints about councillors and members of devolved public bodies were conducted.

Purpose and Activities

Information about the Standards Commission's business model, the environment in which it operates and its objectives and strategies is outlined below.

Business Model and Environment

The Standards Commission is a statutory body established under the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended. The 2000 Act created an ethical standards framework whereby Councillors and Members of Devolved Public Bodies are required to comply with Codes of Conduct, which are approved by Scottish Ministers, together with Guidance issued by the Standards Commission. The role of the Standards Commission is to:

- Encourage high ethical standards in public life; including the promotion and enforcement of the Codes of Conduct and to issue guidance to councils and devolved public bodies; and
- Adjudicate on alleged breaches of the Codes of Conduct, and where a breach is found, to apply a sanction.

The Standards Commission is an independent corporate body and, in the exercise of its functions, is not subject to the direction or control of any member of the Scottish Parliament or the Scottish Government.

Organisational Structure

The Standards Commission comprises five Members who are appointed by the Scottish Parliamentary Corporate Body (SPCB), with the agreement of the Scottish Parliament. The Standards Commission employs three members of staff, led by the Executive Director, who is also the Accountable Officer.

Purpose and Activities

The Standards Commission’s vision is for Scotland to have confidence that its councillors and members of devolved public bodies uphold the highest standards in their behaviour, conduct and decision-making. In pursuing its vision, the Standards Commission will demonstrate the following values:



Fair

being objective,
transparent, consistent
and proportionate



Approachable

being collaborative,
considerate, respectful
and helpful



Proactive

it will initiate, promote,
deliver and learn

Strategic Priorities and Objectives

In seeking to achieve this vision, the Standards Commission’s operates against four-year strategic plans. The Strategic Plan for 2020/24 identified the following four key objectives:

1. To have a positive impact on ethical standards in public life.
2. To pursue continuous improvement in the ethical standards framework and the way we do our work.
3. To pursue and develop strong relationships with our stakeholders.
4. To ensure all stakeholders have easy access to high quality information about the organisation, its work and any initiatives.

Full details of the Standards Commission’s strategic objectives and the actions it intends to achieve these are provided in the [Strategic Plan for 2020/24](#), which is available on the Standards Commission’s website.

Key Issues and Risks

During 2020/21, the Standards Commission identified the principle risks and uncertainties for the organisation during this year and the actions taken in mitigating these are shown in the table below.

Key Risk	Risk Mitigation
<p>Loss of confidence in the overall ethical standards framework as a result of:</p> <ul style="list-style-type: none"> • The Standards Commission being unable to hold Hearings in a timely, fair and appropriate manner due to restrictions in place as a result of the coronavirus pandemic. • Delays at the investigation stage. • A lack of engagement between the Standards Commission and the 	<p>The Standards Commission developed policies and procedures that enabled it to hold and livestream Hearings online, when travel restrictions relating to the coronavirus pandemic were in place. The Standards Commission conducted all Hearings, in accordance with legislative requirements and its Hearing Rules, within an average of 15 weeks from receipt of a report from the ESC.</p> <p>The Standards Commission exercised its oversight role by issuing Directions to the ESC under Sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, requiring the ESC to:</p> <ul style="list-style-type: none"> • Provide interim reports on investigations into complaints about councillors and members of devolved public bodies where a period of three months had already expired. The purpose of this Direction is to provide the Standards Commission with assurance that investigations into such complaints are being progressed without any undue delays and that the parties to any complaint

<p>Ethical Standards Commissioner (ESC); and / or a lack of consistency between Standards Commission and ESC in their respective approaches to interpreting the Codes and dealing with complaints.</p> <ul style="list-style-type: none"> • A failure by the Standards Commission to adhere to the timescales outlined in its Service Standards and Hearing Rules. 	<p>are provided with regular progress updates in order to ensure confidence in the overall ethical standards framework is maintained.</p> <ul style="list-style-type: none"> • Provide a report to the Standards Commission, at the conclusion of every investigation into a complaint about a councillor or member of a devolved public body received on or after 12 November 2020, outlining the findings and conclusions as to whether or not there has been a contravention of the relevant Code. The Direction means that the Standards Commission will make the final decision, under Section 16 of the Ethical Standards in Public life etc. (Scotland) Act 2000, on all complaints that have been investigated. • Undertake an investigation into every complaint about a councillor and member of a devolved public body received, unless: <ul style="list-style-type: none"> ○ the conduct referred to in the complaint would not, even if it could be established to have occurred, constitute a contravention of the relevant Code of Conduct; ○ the individual who is the subject of the complaint has passed away prior to it having been made or is an incapable adult; and/or ○ the conduct that has or is alleged to have contravened the relevant Code occurred (or in the case of a course of conduct ended) more than one year before the complaint was received. <p>The aim of the Direction is to ensure there is clarity and consistency in respect of the criteria the ESC uses to assess whether complaints are eligible / admissible for investigation.</p>
<p>Insufficient resources (in terms of staff and Members' time and availability) means Standards Commission is unable to:</p> <ul style="list-style-type: none"> • Make any improvements to its guidance and educational material. • Facilitate training and undertake planned promotional activity. • Hold Hearings in accordance with the timescales outlined in its Rules. 	<p>The Standards Commission conducted a full staffing review in 2020/21. As a result funding was sought for a new Caseworker role. Recruitment for the role was undertaken at the end of the year, with the successful candidate commencing in post at end of the year. The Human Resources Committee continued to monitor staffing performance and attendance to ensure the Standards Commission had sufficient capacity and capability to meet operational requirements. A full review of the policies and procedures in place to support staff during the coronavirus related support (including the arrangements for working from home), was also undertaken.</p> <p>Information about member and staff availability was sought and reviewed before any Hearings were scheduled and before the composition of Hearing Panels was agreed.</p> <p>Hearings, workshops and training events were held online while travel restrictions resulting from the coronavirus pandemic were in place.</p>
<p>Expenditure substantively exceeds or is significantly less than the Standards Commission's agreed budget</p>	<p>The SPCB is aware that the Standards Commission cannot forecast the number of Hearings to be held with any great accuracy, when preparing its budget submission. In addition, it cannot predict whether any statutory appeals will be lodged against decisions made at Hearings during the year. As such, the SPCB has agreed that the Standards Commission can apply for contingency funding if necessary. The Executive Team monitors actual and projected expenditure against budget on an ongoing basis, with formal quarterly reviews then undertaken by Standards Commission.</p> <p>The Standards Commission has arrangements in place to ensure Hearings run as efficiently and cost effectively as possible. These include issuing parties with guidance on the relevancy of evidence, holding pre-Hearing meetings as a matter of course and holding Hearings online or in local authority venues at no cost.</p>

In 2020/21 a direction was issued to the ESC requiring information to be provided about the progress of investigations to assist the Standards Commission in identifying and estimating the number of cases that were likely to be referred for adjudication. The majority of Hearings were held online (and livestreamed) due to the coronavirus related restrictions, meaning travel costs and related expenses were not incurred.

An appeal was made and determined in respect of a decision made at one Hearing. Contingency funding was sought and granted to cover the legal fees incurred in respect of defending the appeal.

The number of complaints made and the consequent number of cases referred to the Standards Commission by the ESC is outwith the control of the Standards Commission; however the volume of referrals by the ESC impacts on the resources required to enable the Standards Commission to undertake its statutory functions. While the Standards Commission puts in place controls and identifies actions to mitigate the risks associated with this, it acknowledges that this will always have the potential to impact on its operational effectiveness and its ability to predict the operating budget.

Going forward, the Standards Commission considers that the key risk being faced in 2021/22 is that there is a loss of confidence in the overall ethical standards framework in Scotland. The Standards Commission identified that this could result from:

- A failure by the ESC to comply with the Directions issued by the Standards Commission under Sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and any associated lack of consistency between Standards Commission and ESC in their respective approaches to interpreting the Codes and in dealing with complaints.
- The Standards Commission's decisions being inconsistent, unfair, poorly reasoned, disproportionate and / or unclear and / or a being based on a procedural impropriety.

Information about the actions the Standards Commission has taken, or intends to take, to mitigate the risks to the organisation's effectiveness and ability to achieve its objectives is outlined in the Corporate Governance Report.

Funding and Going Concern

The Standards Commission is funded by the Scottish Parliament and submits an evidence-based budget for scrutiny and approval each year. The budget is based on planned actions arising from the requirements of the strategic and annual business plans, as well as projections of Hearings related activity. The Standards Commission receives funding on a cash basis from the overall budget of the SPCB.

The Standards Commission's funding model does not provide for the holding of contingency funds. The Standards Commission has access, however, to contingency arrangements through the Scottish Parliament where required. The Standards Commission does not make provision for costs of any legal advice or representation required in respect of any appeal against one of its Hearing Panel's decisions, as it is not known whether any such appeal will be lodged and, if so, whether leave to appeal would be granted. It will, therefore, seek contingency funding to defend appeals if required. The infrequency and irregularity associated with the submission of appeals further inhibits the making of cost projections in this area. The Standards Commission may also seek additional funding for specific projects or initiatives or for any one-off purchases, if there is a sound business reason for doing so.

The Standards Commission will exhaust any potential to absorb costs from its agreed budget before seeking contingency funding. It will also ensure that it advises the SPCB of any potential requirement to seek contingency funding at the earliest possible opportunity and will ensure any proposal is supported by a clear and well-reasoned business case.

The SPCB initially approved a cash budget of £283,000 for 2020/21 (in 2019/20, the approved cash budget was £267,000). Expenditure at the end of the financial year was £291,683, which was £8,683 above the initial overall budget, and included a provision of £5,500 in respect of expenses to be reimbursed to a pursuer following an appeal against a decision made by the Standards Commission in 2020/21. This represented a 3.07% overspend against the initial approved budget.

The overspend largely arose from the costs incurred for legal advice in respect of the extent of the Standards Commission's oversight role and how directions issued to the ESC under Sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 could be enforced. The overspend was partly offset by lower than expected Hearing related costs (including member and staff travel and expenses), as the majority of hearings were held online rather than in person across the country.

Separately in 2020/2021, the Standards Commission sought and received contingency funding of £19,260 in respect of legal costs associated with an appeal and this funding was transferred to the Standards Commission's overall budget, meaning the approved overall budget amounted to £302,260. The actual expenditure incurred in 2020/21 on the appeal was £14,772, resulting in a difference between the contingency funding allocated and that actually spent of £4,488, and overall expenditure of £306,455. As the contingency funds have been allocated and included in the Standard Commission's budget, the net result is an overspend of £4,195 for the year.

In 2019/20, the Standards Commission recovered the sum of £10,871 in respect of expenses from an unsuccessful appeal lodged in 2018 against a decision by one of its Hearing Panels. No similar sums were recovered in 2020/21.

The Statement of Financial Position as at 31 March 2021 shows a deficit on the General Fund of £8,500 (2019/20: £6,000). This is because the SPCB provides funding, on an ongoing basis, to meet invoices and expenses as and when they are approved and submitted for payment (as opposed to providing funds upfront at the start of the year). The SPCB does so to ensure that the Standards Commission receives the exact amount it requires, as agreed, in order to avoid a situation where it is required to operate a bank account. The financial statements in these accounts are, however, prepared on an accrual basis, meaning that they reflect all costs incurred to the end of the year, regardless of whether or not the payment has been sought prior to 31 March 2021. Inevitably a number of goods and services require to be purchased late in each financial year with payment and processing unable to be completed prior to the year end. The General Fund also includes the provision recognised in respect of expenses to be reimbursed to a pursuer following an appeal against a decision made by the Standards Commission in 2020/21. As a result, as at 31 March 2021 the amount of expenditure falling into this category was £8,500. This is described as a deficit in the accounts although this is a result of the accounting procedure under which the Standards Commission operates.

Performance Summary

As noted above, the Standards Commission performed effectively in 2020/21 by achieving its statutory duties and by meeting, or exceeding, the objectives identified in its Business Plan, within its approved funding budget.

PERFORMANCE ANALYSIS

How Performance is Measured

The Standards Commission produced and publishes, on its website, an annual Business Plan outlining the work it will undertake each year in order to meet each of its strategic objectives as outlined in the four-year Strategic Plan in place at the time. The Business Plan provides information on how the Standards Commission will measure its performance. A Risk Register is also agreed at the start of each operational year to ensure that any risks to the achievement of the strategic and operational objectives are identified and monitored on a regular basis. Further details about the work undertaken by the Standards Commission to achieve its objectives in the past year can be found in the Annual Report 2020/21.

Strategic Objectives 2020-24



To have a positive impact on ethical standards in public life



To pursue continuous improvement in the ethical standards framework and the way we do our work



To pursue and develop strong relationships with our stakeholders



To ensure all stakeholders have easy access to high quality information about the organisation, its work and any initiatives.

Performance in 2020/21

Strategic Objective 1: 'To have a positive impact on ethical standards in public life

The Standards Commission's work to achieve this objective in 2020/21 included:

- Holding and concluding 14 Hearings to determine whether 14 councillors had contravened the Councillors' Code of Conduct. In all those cases where the Hearing Panel found that a breach of the Code had been committed, appropriate sanctions were then applied.
- Developing policies and procedures that enabled it to hold 12 of the 14 Hearings online, in accordance with legislative requirements and the Standard Commission's Hearing Rules when travel restrictions arising from the coronavirus pandemic were in place.
- Conducting all Hearings within an average of 15 weeks from receipt of a report from the ESC. This was despite receiving 14 referrals in a seven-month period, with three cases referred in one week and five cases referred in one month (June 2020), and despite four hearings being adjourned at the Respondent's request.
- Holding four online training sessions, on the Councillors' Code of Conduct, for elected members and senior officers of Angus, Borders, Highland and Stirling Councils.
- Producing, issuing and publishing Guidance for the public on the Councillors' Code of Conduct. The Guidance explains what the Code does and does not cover, so that members of the public can see what is expected of a councillor and what could constitute a potential breach of the Code.

Strategic Objective 2: 'To pursue continuous improvement in the ethical standards framework and the way we do our work.'

While the Ethical Standards Commissioner (ESC), being an independent officeholder, is responsible for conducting investigations into eligible complaints about councillors and members of devolved public bodies, the Standards Commission has an oversight role and powers of Direction under the Ethical Standards in Public Life etc. (Scotland)

Act 2000. The Standards Commission has been required to use these powers in the past year, in order to be able to undertake its oversight role effectively. Its work in 2020/21 in respect of this objective included:

- Issuing a Direction requiring the ESC to provide a report to the Standards Commission, at the conclusion of every investigation into a complaint about a councillor or member of a devolved public body received on or after 12 November 2020, outlining her findings and conclusions as to whether or not there has been a contravention of the relevant Code. The Direction means that the Standards Commission will make the final decision on all complaints that have been investigated. It ensures there is a clear separation of functions between the investigatory and adjudicatory functions of the two organisations and helps reduce any concerns about fairness of process or inconsistencies between the two organisations as to how the Codes should be interpreted. The Direction allows any disputed evidence or representations on how the provisions of the Codes should be interpreted to be tested fully at a Hearing (if one is to be held), where evidence is taken on oath or affirmation and where the participants and the Panel can question witnesses and respond to submissions made.
- Issuing a Direction to the ESC requiring an investigation to be undertaken into every complaint about a councillor and member of a devolved public body received, unless:
 - the conduct referred to in the complaint would not, even if it could be established to have occurred, constitute a contravention of the relevant Code of Conduct;
 - the individual who is the subject of the complaint has passed away prior to it having been made or is an incapable adult; and/or
 - the conduct that has or is alleged to have contravened the relevant Code occurred (or in the case of a course of conduct ended) more than one year before the complaint was received.

The aim of the Direction is to ensure there is clarity and consistency in respect of the criteria the ESC uses to assess whether complaints are eligible / admissible for investigation.

- Issuing a Direction requiring the ESC to provide interim reports for investigations on all complaints about councillors and members of devolved public bodies for which a period of three months had already expired, to include:
 - a summary of the investigative work undertaken;
 - an explanation as to what requires to be done to complete the investigation; and
 - an indication of when it is expected that a final report will be issued.

The purpose of the direction is to provide the Standards Commission with assurance that investigations into complaints about councillors and members of devolved public bodies are being progressed without any undue delays and that the parties to any complaint are provided with regular progress updates in order to ensure confidence in the overall ethical standards framework is maintained.

- Continuing to participate in a Working Group established by the Scottish Government to review the Councillors' Code of Conduct and Model Code of Conduct for Members of Devolved Public Bodies and, in particular, leading on the drafting of the amended version of the general conduct section and annexes to the Codes.
- Establishing a process under which Hearing Panels can consider an impact statement provided by anyone who has been affected by the Respondent's conduct, when determining the sanction to be applied in cases where a breach of the respect or bullying and harassment provisions in a Code of Conduct has been found.
- Developing a framework and associated timetable to evaluate the impact of the Standards Commission's promotional and adjudicatory work.
- Reviewing and revising the Standards Commission's Hearing Rules to provide for the possibility of holding the Hearing online (regardless of whether any travel restrictions in place), in cases where little or no facts are in dispute.
- Undertook a full staffing review and subsequent recruitment exercise.

Strategic Objective 3: 'To pursue and develop strong relationships with our stakeholders.'

The Standards Commission identified that actions to achieve this objective included developing the skills and competencies of its Members and staff; identifying and taking forward opportunities to work jointly or in partnership with other public bodies; and making good use of resources and striving for operational efficiency, best value and continuous improvement.

The Standards Commission's work to achieve this objective in the past year included:

- Consulting with COSLA, SOLACE, SOLAR and the ESC on the oversight Directions issued under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- Holding online workshops with Monitoring and Standards Officers to discuss:

- the proposed changes to Codes of Conduct for councillors and members of devolved public bodies;
- any ongoing conduct related issues and trends; and
- how the Standards Commission can best add value in terms of assisting with training and promoting awareness of, and adherence to, the Codes.
- Using our social media platforms to promote awareness of the ethical standards framework, the provisions in the Codes of Conduct and the Standards Commission's role, remit and work (including any forthcoming events and decisions made at Hearings). Followers on Twitter have increased by a further 25%.
- Promoting the Scottish Government's consultation on the review of the Councillors' Code of Conduct and Model Code of Conduct for Members of Devolved Public Bodies.

Strategic Objective 4: 'To ensure all stakeholders have easy access to high quality information about the organisation, its work and any initiatives.'

In 2020/21, the Standards Commission identified that actions to achieve this objective would include publishing information on current issues arising in respect of the ethical standards framework and how provisions in the Code have been interpreted at Hearings in Standards Updates or via standalone communications, and promoting Hearings to be held and Hearings decisions in media, on its website and social media platforms. In meeting this objective in 2020/21, the Standards Commission:

- Published and issued quarterly Standards Updates, which included news about the work of the Standards Commission and future events, along with information about decisions made at Hearings.
- Disseminated and published media releases in respect of all Hearings held and any scheduled, and on an interim suspension decision.
- Published news articles on our website and regular posts on our social media sites in respect of issues affecting the ethical standards framework, work being undertaken by the Standards Commission and our educational material.
- Produced and published a British Sign Language video on the Councillors' Code of Conduct and the complaint process to follow if there are concerns it has been contravened.
- Undertook a full internal annual review of the management of Hearings and the decisions made (including the clarity of the final written determination). This included conducting surveys of participants and attendees on how Hearings are organised, run and managed. The Standards Commission used the review, any suggestions made and any other feedback obtained, to improve processes and decision-making procedures and templates. This included making revisions to the Hearing Rules and our public information literature, to ensure that they all continued to be accessible and fit for purpose.
- Held pre-Hearing meetings when appropriate and proportionate to do so, in order to resolve any procedural issues in advance of Hearings.
- Completed work to ensure the website was fully compatible with the accessibility requirements specified in the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018.

Finance and Expenditure

Key Financial Information

The Standards Commission is funded by the Scottish Parliament and submits an evidence-based budget for scrutiny and approval each year. The budget is based on planned actions arising from the requirements of the strategic and annual business plans, as well as projections of Hearings related activity. The anticipated number of Hearings are forecast using information relating to the previous year and, where available, projections provided by the ESC. The Standards Commission and the Scottish Parliament recognise, however, that it is not possible to accurately determine, before the start of any financial year, how many cases will ultimately be referred to the Standards Commission by the ESC and, of those referred cases, how many Hearings the Standards Commission will decide are required. The costs incurred in holding Hearings 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 complexity of the complaint under consideration.

Expenditure against budget is monitored by the Executive Team on a monthly basis, meaning the Accountable Officer can identify key issues or concerns as they occur, which provides an opportunity for the prompt resolution of any financial matters. Members are provided with quarterly reports detailing expenditure against budget and highlighting variances and projections to the year end. This gives them the opportunity to determine whether the

Executive Team is making sound decisions in respect of the use of resources and is adequately monitoring expenditure to ensure it remains within the allocated budget. It also gives Members an assurance that the Executive Team is working continuously towards meeting, and achieving, objectives while still applying best value principles.

Financial Position

The Statement of Comprehensive Net Expenditure and the Notes to the Accounts show the income and expenditure for the year. The Standards Commission's net expenditure on operating activities for the year ending 31 March 2021 amounted to £307,000 (2019/20, £248,000), against an agreed budget (including contingency funding) of £302,000.

The net expenditure was divided between staff costs of £243,000 (2019/20, £229,000) and other administrative costs of £64,000 (2019/20, £30,000). Staff costs include all remuneration paid to both staff and Members.

Budgeted staff costs were based on the assumption that Members would be awarded a 1% salary increase, but this was confirmed as 3% in March 2021 and backdated to 1 April 2020 leading to higher than expected salaries. However, other staff costs were significantly lower than budgeted as a result of travel and other expenses not being incurred during the pandemic and all but 2 of the 14 Hearings being held online. Overall, staff costs were below budget.

An overspend in other administrative costs was the result of the costs of legal advice in respect of Directions issued to the Ethical Standards Commissioner under Sections 10 and 11 of the Ethical Standards in Public Life (Scotland) Act 2000.

In 2020/21 one appeal against a decision made by the Standards Commission at a Hearing was made and determined. The Sheriff Principal did not consider, or make any finding, on the Panel's decisions on breach and sanction, but determined that the Hearing should not have proceeded in the absence of the Respondent. As such, the Sheriff Principal remitted the matter back to the Standards Commission for a new Hearing Panel to consider the matter afresh. The Sheriff Principal found the Standards Commission to be liable for the pursuer's expenses, albeit ordered that these be restricted to matters concerning the decision to proceed only. The expenses to be reimbursed had not been agreed and finalised by the year-end but have been estimated to be in the region of £5,500 and subsequently a provision for this amount has been recognised.

In 2019/20, the sum of £10,871 was recovered by the Standards Commission in respect of expenses incurred in relation to an unsuccessful appeal against a decision of a Hearing Panel made in 2018. No sums were recovered in 2020/21.

Payment Performance

Payments made to suppliers of goods and services to the Standards Commission are processed by the SPCB through a Shared Service Agreement with the Scottish Parliament's Finance Office. The SPCB aims to comply with the Confederation of British Industry's (CBI) Prompt Payers' Code, which states that organisations should aim to make payments within the agreed contract terms or within 30 days of receipt of an invoice (which are not in dispute), for goods and services received. In 2020/21, the Finance Office processed all invoices on behalf of the Standards Commission within 30 days of receipt of the invoice. In addition, the SPCB aims, under a voluntary initiative, to process payments within seven days of receipt, in order to support business suppliers. In 2020/21, 84% of the Standards Commission's invoices were paid within this timescale.

Social Matters

Sustainability and Environmental Impact

The Standards Commission recognises the importance of environmental issues and sustainability and endeavours to take such matters into consideration when making business decisions. While the Standards Commission is not directly covered by the Greening Government Commitments, as its offices are located within the Scottish Parliament building, it continues to support the Scottish Parliament's efforts in meeting their sustainability and environmental targets through compliance with the SPCB's policies and procedures. This includes choosing sustainable products, making use of waste and recycling facilities and, where possible, encouraging staff and Members to car share or use public transport. Standards Commission staff also have access to the Scottish Parliament's cycle to work scheme.

Further information about sustainability and environmental activities within the Scottish Parliament is available on its website.

The Standards Commission also aims to reduce its carbon footprint and continually seeks to develop and improve its processes to achieve this. Wherever possible and appropriate, the Standards Commission communicates through electronic media and disseminating all educational, promotional and training material via its website, social media and email in a cost effective and environmentally friendly manner.

The Standards Commission had only very limited access to its offices in 2020/21, with staff working almost entirely from home as a result of the coronavirus pandemic. As a result, there was a significant decrease in travel to the offices and to meetings and Hearings. The Standards Commission adopted an entirely paperless filing system and almost all correspondence was issued by email.

Community & Human Rights Issues

The Standards Commission has no specific social, community or human rights issues to report. In general, however, the Standards Commission's role in improving and maintaining ethical standards in public life helps to promote public confidence that decisions made in the public sector, which affect communities, are made objectively, honestly and in the public interest.

The Standards Commission's Hearings are conducted in public, either in person or online. If the Respondent is a councillor, an in-person Hearing will usually be held in the local authority area 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 local community and press who may wish to view proceedings. Online Hearings are held when travel restrictions are in place and also in cases where there is little dispute between the parties and no witnesses (other than the Respondent) are to appear. All online Hearings are livestreamed through the Standards Commission's website, which again means members of the public and press can view the proceedings. The Standards Commission issues press releases both before and after Hearings to help increase awareness of the Codes of Conduct and ethical standards framework in general.

In terms of human rights and, in particular, the right under Article 6 of the European Convention on Human Rights (ECHR) to a fair trial, the Standards Commission ensures that Hearings are conducted in a fair, transparent and accessible manner. It does so by publishing, issuing, and adhering to Rules, which outline the procedures to be followed at Hearings. All parties to a Hearing have the right to attend, to seek legal advice and to instruct representation. Guidance on procedures is provided to all Respondents particularly those who chose not to have legal representation at or prior to a Hearing. Hearing Panels carefully consider all relevant evidence and submissions before determining, on the balance of probabilities, whether there has been a breach of a Code of Conduct. Hearing Panels also take a three-stage approach when issues that concern the application of Article 10 of the ECHR and the right to freedom of expression arise. In determining whether there has been a breach of a Code of Conduct in such cases, the Hearing Panel will consider:

- Whether the facts found lead it to conclude on the balance of probabilities that the Respondent has failed to comply with the applicable Code of Conduct;
- If so, whether such a finding in itself is prima facie a breach of the right to freedom of expression under Article 10;
- If so, whether the restriction involved by the finding was justified by Article 10(2), which allows restrictions that are necessary in a democratic society.

Information on this approach is published on the Standards Commission's website and sent to parties in advance of Hearings.

The Standards Commission has published a British Sign Language (BSL) Plan, which outlines the actions which the Standards Commission will take in the period from 2018 to 2024 to improve access to information and services for BSL users. The Standards Commission has published a BSL video on its website explaining its role and remit and how to make a complaint about a breach of a Code of Conduct by a councillor or member of a devolved public body. In

2020/21, the Standards Commission also published a BSL video outlining and explaining the main provisions in the Councillors' Code of Conduct.

The Standards Commission complies with the requirements of the Data Protection Act 2018 and the GDPR and has published a Data Protection Privacy Statement and Data Protection Policy outlining how it processes personal data.

Anti-bribery and Anti-corruption matters

The Standards Commission takes actions and has policies and procedures in place to mitigate against the potential for bribery and corruption. These include:

- Ensuring transparency in decision-making with the organisation's Strategic and Business plans, minutes, governance related policies and procedures and Hearing decisions being published on the Standards Commission's website;
- Keeping and publishing Registers of Interest. Members complete, and regularly review, the information detailed in their entry;
- Ensuring that procurement activity aligns with the requirements detailed in the Scottish Parliament's procurement policies, which are published on its website;
- Adhering to a Whistleblowing Policy, which outlines how Members and staff can report any concerns they may have about wrongdoing and malpractice which they believe has occurred or is likely to occur;
- Assisting in the completion of a range of audits (both internal and external), which gave assurance on the effective governance and efficient running of the organisation; and
- Ensuring Members and staff declare and withdraw from the discussion and decision-making if they have any financial or non-financial interest in an item before the Standards Commission. This includes taking no part in any discussion or decision-making in respect of cases referred to the Standards Commission by the ESC, for example, if a Member has an association with or has worked alongside any potential party or witness to the case.

The Standards Commission reviews its Fraud Prevention and Whistleblowing Policy on a biennial basis to ensure it continues to be relevant and accord with best practice.

Equal Opportunities

The Standards Commission supports the principle of equal opportunities in its work 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. The Standards Commission is recognised by Carers Scotland as being a Carer Positive Engaged employer.

In 2020/21, the Standards Commission revised its publicly available Service Charter to ensure it fully incorporated and reflected the Standards Commission's values. The Standards Commission also undertook work to ensure its website was fully compatible with the accessibility requirements specified in the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018.

Future Development

The Standards Commission's Strategic Plan identifies the following four key aims:

1. To have a positive impact on ethical standards in public life.
2. To pursue continuous improvement in the ethical standards framework and the way we do our work.
3. To pursue and develop strong relationships with our stakeholders.
4. To ensure all stakeholders have easy access to high quality information about the organisation, its work and any initiatives.

The Standards Commission's [Business Plan for 2021/22](#) outlines its objectives for the forthcoming year that will contribute to the achievement of these aims. In particular, the Standards Commission intends to support these aims by obtaining and undertaking detailed analysis of qualitative and quantitative evidence on its work to promote the

Codes of Conduct so that it can evaluate its impact in a meaningful way. Following a consultation exercise, the Standards Commission will publish and promote Guidance and Advice Notes to support the revised Codes of Conduct for Councillors and Members of Devolved Public Bodies. The Standards Commission aims to identify alternative formats for its educational material to ensure it is as accessible as possible. It will continue to work with the Scottish Government and other stakeholders to promote the revised Codes of Conduct and to increase awareness of the ethical standards framework and how to make a complaint if any provisions in the Codes are contravened.

The Standards Commission further intends to offer training events for councillors on the Councillors' Code of Conduct, and for the chairs of devolved public bodies on the ethical standards framework (in particular on how to promote the key principle of respect and identify and deal with conflicts of interests).

<i>Lorna Johnston</i>	
Lorna Johnston Accountable Officer	Date: 26 July 2021

ACCOUNTABILITY REPORT: CORPORATE GOVERNANCE: DIRECTOR'S REPORT

Convener and Members of the Standards Commission

The Standards Commission comprises the Convener and four other Members who are all appointed by the Scottish Parliamentary Corporate Body (SPCB) with the agreement of the Scottish Parliament. The Convener and Members are appointed to work 36 and 24 days per year respectively plus additional days, as and when required, for Hearings.

Kevin Dunion was appointed as Convener with effect from 1 February 2017.

	<u>Date of appointment</u>	<u>Date Appointment ends</u>
Convener: Kevin Dunion	1 Sep 2015	31 Aug 2021
Members: Michael McCormick	1 Feb 2017	31 Jan 2023
Patricia Stewart	1 Apr 2017	31 Mar 2023
Paul Walker	7 May 2018	6 May 2024
Ashleigh Dunn	4 Mar 2019	3 Mar 2025

Executive Director

Lorna Johnston was appointed by the Standards Commission as the Executive Director on 1 December 2014.

Register of Interests

The Standards Commission maintains a register of interests for the Convener and Members of the Standards Commission, which is published on the Standards Commission's website at:

www.standardscommissionscotland.org.uk/about-us/who-we-are.

During 2020/21, no interests were assessed as being so significant that they might conflict with the organisation's responsibilities. Any significant interests of staff are also registered. No interests were assessed as significant.

Personal Data Related Incidents

There were no personal data related incidents during 2020/21.

CORPORATE GOVERNANCE: STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Schedule 1 paragraph 10E of the Ethical Standards in Public Life etc. (Scotland) Act 2000 (the Act), as amended, Scottish Ministers have directed the Standards Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Standards Commission and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accountable Officer, is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- (i) observe the Accounts Direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- (ii) make judgements and estimates on a reasonable basis;
- (iii) state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements;
- (iv) prepare the financial statements on a "going concern" basis; and
- (v) confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Scottish Parliament Corporate Body (SPCB) appointed Lorna Johnston as Accountable Officer of the Standards Commission. The responsibilities of an Accountable Officer including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Standards Commission's assets, are set out in the Memorandum of the Accountable Officer of the Standards Commission issued by the SPCB on 1 December 2014.

Disclosure of Information to Auditors

As Accountable Officer, I can confirm that:

- As far as I am aware, there is no relevant audit information of which the Standards Commission's auditors are unaware, and 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.
- I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

CORPORATE GOVERNANCE 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 aims, objectives and statutory duties while safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me.

The Standards Commission has the following governance arrangements in place. I am satisfied, for the reasons outlined below, that they operated effectively in 2020/21.



The Standards Commission has five Members who are appointed on a part-time basis by the SPCB, with the agreement of the Scottish Parliament. The SPCB is responsible for determining the terms and conditions of Members’ appointments. Members are supported by three members of staff employed directly by the Standards Commission.

The Standards Commission is funded through the SPCB and, each year, an evidence-based budget bid is submitted for scrutiny and approval. The budget is based on the aims outlined in the Standards Commission’s four-year strategic plan in place at the time, and the proposed actions identified in its annual business plan. The budget is scrutinised and approved by the Standards Commission prior to submission to the SPCB, to ensure it reflects requirements and best value. Expenditure against budget is analysed by the Executive Team on a monthly basis,

with formal quarterly reports on this being reviewed and scrutinised by the Standards Commission. This system allows for any budgetary and financial concerns to be identified and addressed at any early stage.

As noted above, the Standard Commission operates against a four-year Strategic Plan, the objectives of which are delivered through the implementation of annual business plans. All actions in the business plan are linked to one of the strategic objectives, with specific targets and measurement identified for each activity. In addition, reference is made to any applicable risks as identified in the Standards Commission's annual Risk Register. The Standards Commission reviews progress against the Business Plan at the end of every quarter, with any new actions identified being added and any slippage against targets being kept under review.

The Standards Commission meets ten times a year. Two Members of the Standards Commission have been nominated to sit on its Audit & Risk Committee, with a further two on its Human Resources Committee. Agendas for all Standards Commission and Committee meetings are prepared in consultation with the Convener and relevant Chair. Minutes are taken of all meetings and a log of matters arising is kept and reviewed as a standard agenda item at the following meeting.

The Standards Commission's Audit & Risk Committee is responsible for ensuring appropriate corporate governance and risk management procedures, policies and controls are in place and are effectively managed. The Committee meets three times a year and provides the Standards Commission with advice and assurance on these matters.

The Human Resources Committee meets once a year and is responsible for providing assurance and support in respect of matters relating to staff, including staffing and human resource arrangements.

Risk Control and Management

The Standards Commission operates a risk management strategy in accordance with accepted best practice principles and guidance. This includes identification, assessment, addressing, reviewing and reporting on risks that could deflect the Standards Commission from the achievement of its objectives as identified in the strategic and business plans, in the context of the Standards Commission's risk appetite. The strategy is designed to manage, rather than eliminate, risks which could impact on the Standards Commission's ability to achieve its statutory duties and strategic aims and objectives.

The Standards Commission agrees its risk register annually at the start of each operational year to ensure that risks to the implementation of the strategic and operational objectives are identified going forward. The Standards Commission's Executive Team monitors and updates the risk register as necessary, and no less than once a quarter, in order to:

- discuss and evaluate the key business risks which might affect the ability to deliver the business plan;
- recommend any risks be removed or added to the register, as appropriate;
- assess existing controls (the measures in place to reduce or limit risk);
- determine the appropriate response to each risk;
- allocate responsibility for managing each risk; and
- identify and record activities undertaken since the previous review to reduce or limit risks on the register.

The Executive Team considers and rates the likelihood of each risk occurring and its impact should it occur, in light of the controls in place and actions taken. The Executive Team then makes a recommendation to the Audit & Risk Committee about the rating value attached to each risk. The Audit & Risk Committee reviews the Risk Register to check it contains all relevant and material risks at each of its meetings. The Committee also reviews the rating value for each risk and the risk tolerance level, to ensure these reflect changing priorities and the evolving business and political landscape. A report of the review is thereafter provided to Members for consideration at the next meeting of the Standards Commission.

Internal and External Audit

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

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

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

An annual internal audit programme for the Standards Commission is agreed with the Scottish Parliament's Head of Internal Audit as part of a shared service agreement supported by a Memorandum of Understanding. It was agreed the internal auditor would review the Standards Commission's response to the challenges posed by the coronavirus pandemic, as part of the 2020/2021 audit. The review aimed to provide assurance that the arrangements and measures to respond to Government Regulations and Guidance were robust and had operated effectively, thereby ensuring risk was maintained at an acceptable level.

The internal auditor reported that there was significant audit evidence in place to confirm that the Standards Commission had responded effectively to the coronavirus pandemic by the early identification and managed implementation of alternative ways of working and holding Hearings. The internal auditor reported that key decisions were taken at an appropriate level and were transparently and accurately recorded in publicly available minutes.

During 2020/21 the External Audit oversight was provided by Audit Scotland, who audited the annual report and accounts and reported to the Audit & Risk Committee.

Review of the Effectiveness of Governance Arrangements

I am satisfied that the governance arrangements outlined above comply with generally accepted best value principles and relevant guidance.

The internal auditor has affirmed the strength of the Standards Commission's existing controls and governance arrangements. I can confirm that the Standards Commission adhered to the governance arrangements outlined above in 2020/21 and that, as such, assurance can be given that the Standards Commission continued to have a strong control framework. This, and the relatively limited scope of the Standards Commission's activities and overall budget, provides further assurance that the areas of risk are limited.

The Standards Commission met on ten occasions in 2020/21 in order for Members to undertake their strategic direction setting and scrutiny roles. Members also held a strategy and development day, during which they reviewed and discussed potential ways of evaluating the impact of the Standards Commission's promotional and adjudicatory work. An evaluation framework and associated timetable was thereafter agreed and embedded in the workplans to support the 2020/24 Strategic Plan (including the Business Plan for 2020/21).

During 2020/21, the Standards Commission identified the principal risks and uncertainties for the organisation as being, firstly, a loss of confidence in the overall ethical standards framework as a result of:

- The Standards Commission being unable to hold Hearings in a timely, fair and appropriate manner due to restrictions in place as a result of the coronavirus pandemic.
- Delays at the investigation stage.

- A lack of engagement between the Standards Commission and the Ethical Standards Commissioner (ESC); and / or a lack of consistency between Standards Commission and ESC in their respective approaches to interpreting the Codes and dealing with complaints.
- A failure by the Standards Commission to adhere to the timescales outlined in its Service Standards and Hearing Rules.

Work the Standards Commission undertook to mitigate this included developing policies and procedures that enabled it to hold and livestream Hearings online, when travel restrictions relating to the coronavirus pandemic were in place. As a result, the Standards Commission was able to conduct all Hearings in accordance with legislative requirements and its Hearing Rules within an average of 15 weeks from receipt of a report from the ESC. The Standards Commission also mitigated the risk by exercising its oversight role and issuing Directions to the ESC under Sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) Act 2000. Further detail on actions taken to mitigate these risks have been detailed in the Key Issues and Risks section of the Performance Report.

As previously noted in the Performance Report, the Standards Commission has identified the key risks for 2021/22 as being a loss of confidence in the overall ethical standards framework in Scotland. The Standards Commission identified that this could result from:

- A failure by the ESC to comply with the Directions issued by the Standards Commission under Sections 10 and 11 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, and any associated lack of consistency between Standards Commission and ESC in their respective approaches to interpreting the Codes and in dealing with complaints.
- The Standards Commission not being adequately prepared to deal with impact of compliance with Directions, in terms of its procedures, workload and communications.
- The Standards Commission's decisions being inconsistent, unfair, poorly reasoned, disproportionate and / or unclear and / or a being based on a procedural impropriety.

Controls and actions to mitigate these risks have been identified and outlined in the Standards Commission's Risk Register for 2021/22. These include:

- Seeking confirmation and evidence that the ESC will comply with the Directions issued.
- Inducting and training a new Caseworker to assist with casework and the management of Hearings (including the preparation of written decisions).
- Developing processes, standard correspondence and decision templates for issuing of decisions under Section 16 to determine whether to take no action or to direct further investigation be undertaken.
- Developing policies and processes for the conduct of Hearings to be held in respect of cases where the ESC does not consider there has been a breach of the relevant Code of Conduct.
- Conducting a review of all Hearings held at the following Standards Commission meeting to analyse and discuss what went well or otherwise, and what could have been done differently.

The Standards Commission is committed to a process of continuous development and improvement and seeks 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 this regard.

Significant Issues

During the financial year to 31 March 2021 and to the date of this statement, no significant control weaknesses or issues have arisen, and no significant failures have arisen in respect of the expected standards for good governance and risk management.

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 information through oral and written briefings, staff meetings and by involving staff at events. Information is only withheld where this can be shown to be justified and / or where a duty of confidentiality is owed.

Events Subsequent to the date of the Statement of Financial Position

No material events which had a bearing on the accounts occurred after the year-end.

Conclusion

On the basis of the assurances provided from the sources of assurance outlined above, I can confirm that sound systems of governance, risk management and internal control have operated for the year ended 31 March 2021 and up to the date of approval of the Annual Accounts.

REMUNERATION and STAFF REPORT

The sections marked with an asterisk (*) in the remuneration and staff report are subject to separate opinion by Audit Scotland. The other sections of the remuneration and staff report were reviewed by Audit Scotland to ensure they were consistent with the final statements.

Remuneration – Members*

Members' remuneration is determined by the SPCB. The Convener is paid £11,330.28 per annum (2019/20, £11,000) and Members receive £6,307.92 per annum (2019/20, £6,124). In addition, an hourly rate of £35.04 (2019/20, £34.02) is paid for Hearings related activity. Members' remuneration does not include Employer National Insurance contributions. Appointment as a Member of the Standards Commission is not pensionable.

	<u>2020/21</u> £'000	<u>2019/20</u> £'000
Kevin Dunion	10-15	10-15
Ashleigh Dunn	5-10	5-10
Michael McCormick	5-10	5-10
Patricia Stewart	5-10	5-10
Paul Walker	5-10	5-10
Benefits in kind	Nil	Nil

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

Remuneration - Staff

The Standards Commission adheres to the remuneration policies applied to staff employed by the SPCB. No members of staff were seconded from other organisations.

Single total figure of remuneration*

Senior Officer	Salary (£'000)		Bonus Payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £,000)		Total (£'000)	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Lorna Johnston	70-75	65-70	-	-	-	-	28 [§]	27 [§]	98-103	92-97

[§] The value of contributions made by the employer to the Executive Director's pension scheme.

Pensions Benefits*

	Accrued pension at pension age as at 31/03/21	Real increase in pension and related lump sum at pension age	CETV at 31/3/2021	CETV at 31/3/2020	Real increase in CETV
Standard Commission Senior Staff	£'000	£'000	£'000	£'000	£'000
Lorna Johnston	10-15	0-2.5	136	113	13

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.

Employees' Pension

Details of the pension scheme and contributions can be found in notes 1.5 and 3 of the Accounts.

Fair Pay Disclosure*

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. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as any severance payments. It does not include employer pensions 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). In addition to the Executive Director, there are two employees, therefore, the average salary has been disclosed instead of the median salary.

	2020/21 £'000	2019/20 £'000
Highest paid member of staff – salary band (full year equivalent £'000)	70-75	65-70
Average remuneration	35,763	33,463
Ratio	2.0	2.0

The mid-point of the banded remuneration of the highest-paid senior staff member employed by the Standards Commission in the financial year 2020/21 was £72,500 (2019/20, £67,500). This was 2.0 times (2019/20, 2.0) the average remuneration of the workforce, which was within the band £35-40k (2019/20, £30-35k).

In 2020/21 no employees received remuneration in excess of the highest-paid senior staff member (2019/20, nil).

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

STAFF REPORT

Executive Director / Accountable Officer

Lorna Johnston, the Executive Director and senior manager, was appointed by the SPCB as the Accountable Officer with effect from 1 December 2014.

Breakdown of Staff Costs*

	2020/21			2019/20		
	£'000	£'000	£'000	£'000	£'000	£'000
	Total	Convener & Members	Staff	Total	Convener & Members	Staff
Salaries and wages	189	51	138	177	47	130
Social security costs	17	2	15	16	2	14
Pension costs	37	0	37	36	0	36
	243	53	190	229	49	180

Salaries include a provision covering the value of outstanding leave (the leave accrual). The Standards Commission adopts the SPCB's pay scales and its Members' remuneration is determined by the SPCB. Salaries increased in 2020/21 as a result of staff progressing along incremental pay scales and the implementation of the SPCB's pay awards.

Employee Numbers and Gender Breakdown*

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

	2020/21	2019/20
	FTE	FTE
Members	0.5	0.5
Employees	2.8	2.8

For the purposes of reporting in a consistent format across the Public Sector, Commission Members are deemed to be 'Directors' and the Executive Director is identified as the 'Senior Manager'. At 31 March 2021, the gender breakdown was as follows:

	2021		2020	
	Female	Male	Female	Male
Directors	2	3	2	3
Senior Manager	1	0	1	0
Employees	2	0	2	0

Average Sickness Absence Report

For the 12-month period from 1 April 2020 to 31 March 2021, no working days were lost as a result of sickness absence (2019/20, nil).

Recruitment and employment policies applied during the financial year

Staff employed by the Standards Commission are appointed on merit following the completion of a fair and open competition process. The Standards Commission follows the SPCB's principles in respect of recruitment and appointment, which are outlined on the Scottish Parliament's website under the heading of The Parliamentary Service/Recruitment.

The SPCB's recruitment and employment policies state that all job applicants and staff are treated fairly, with respect and without bias. The SPCB policies that apply specifically to the employment of disabled persons, which have been adopted by the Standards Commission, include:

- An accessibility commitment under which applications for employment made to the Standards Commission by disabled persons are given full and fair consideration having regard to their particular aptitudes and abilities;
- One on reasonable adjustments and continued support for the continuing employment of, and arrangements for appropriate training of, employees who have become disabled persons during the period when they were employed by the Standards Commission; and
- The training, career development and promotion of disabled persons supported through the disabled staff in the workplace policy.

Recruitment to replace the Business Manager (who retired on 31 March 2021) was carried out in March 2021, with a new Office Manager appointed and due to start at the beginning of 2021/22. As noted above, a Caseworker was also appointed.

Provision of Information to Employees

The principles adopted by the Standards Commission are set out in the Governance Report.

Other employment matters

The Standards Commission has adopted the SPCB's employment related policies where these can be supported by the Standards Commission's business activities and objectives. These include policies on health, safety and wellbeing, absence management, and pay and grading. The SPCB's employment policies are outlined in its 'Employee Handbook', a copy of which can be found on the Scottish Parliament's website.

Expenditure on consultancy and off payroll arrangements

The Standards Commission did not incur any expenditure on consultants or any other off payroll arrangements during the financial year (2019/20, nil).

Staff Exit Report*

No member of staff left under voluntary or compulsory exit schemes in 2020/21 (2019/20, Nil).

PARLIAMENTARY ACCOUNTABILITY REPORT

Auditors Remuneration

The annual accounts of the Standards Commission are audited by Claire Gardiner, Senior Audit Manager, Audit Scotland, who is appointed by the Auditor General for Scotland in accordance with Schedule 1 paragraph 10E of the Ethical Standards in Public Life (Scotland) Act 2000. The auditors will be paid the sum of £2,790 in respect of the statutory audit services for the financial year 2020/21.

No payments were made in respect of non-audit work

Political Expenditure

The Standards Commission made no political donations or incurred no political expenditure in the financial year.

Gifts and Charitable Donations

The Standards Commission made no gifts or charitable donations in the financial year.

Losses and Special Payments

The Standards Commission incurred no losses or made special payments in the financial year.

Remote Contingent Liabilities

The Standards Commission had no remote contingent liabilities in the financial year.

<i>Lorna Johnston</i>	
Lorna Johnston Accountable Officer	Date: 26 July 2021

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Standards Commission for Scotland for the year ended 31 March 2021 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 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 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying 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 2021 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 2020/21 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.

Basis for opinion

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 23 March 2020. The period of total uninterrupted appointment is two years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

My 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 my 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result 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.

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 my auditor's report.

Reporting on regularity of expenditure and income

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.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report 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.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my 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 Ethical Standards in Public Life etc (Scotland) Act 2000 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 Ethical Standards in Public Life etc. (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my 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
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Claire Gardiner, Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN
26 July 2021

Statement of Comprehensive Net Expenditure For Year Ended 31 March 2021

	Notes	2020/21 £'000	2019/20 £'000
Administration costs			
Staff costs	2	243	229
Other administration costs	4	64	30
Gross administration costs		<u>307</u>	<u>259</u>
Operating income	5	-	(11)
Net operating costs		<u>307</u>	<u>248</u>

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 32 to 35 form an integral part of these accounts.

Statement of Financial Position As at 31 March 2021

	Notes	31 March 2021	31 March 2020
		£'000	£'000
<u>Non-current assets</u>			
IT equipment	6	-	-
Total non-current assets		-	-
<u>Current assets</u>			
Trade and other receivables	7	2	-
Total assets		2	-
<u>Current liabilities</u>			
Trade and other payables	8	(5)	(6)
Provisions	9	(6)	-
Total current liabilities		(11)	(6)
Assets less liabilities		(9)	(6)
<u>Taxpayers' equity</u>			
General fund		(9)	(6)
Total taxpayers' equity		(9)	(6)

The financial statements were approved by the Standards Commission for Scotland on 26 July 2021 and authorised for issue by:

<i>Lorna Johnston</i>	
Lorna Johnston Accountable Officer	Date: 26 July 2021

The accompanying notes on pages 32 to 35 form an integral part of these accounts.

Statement of Cash Flows For Year Ended 31 March 2021

	Notes	2020/21 £'000	2019/20 £'000
<u>Cash flows from operating activities</u>			
Net operating cost		(307)	(248)
Adjustment for non-cash item			
Depreciation	6	-	-
Movements in working capital			
(Increase)/decrease in trade and other receivables	7	(2)	-
Increase/(decrease) in trade and other payables	8	(1)	1
Increase/(decrease) in provisions for liabilities and charges	9	6	-
Net cash outflow from operating activities		<u>(304)</u>	<u>(247)</u>
<u>Cash flows from investing activities</u>			
Purchase of IT equipment	6	-	-
Net cash outflow from investing activities		<u>-</u>	<u>-</u>
Total Net cash outflows		<u>(304)</u>	<u>(247)</u>
<u>Cash flows from financing activities</u>			
Financing from the Scottish Parliamentary Corporate Body		304	247
Net cash inflow from financing activities		<u>304</u>	<u>247</u>
<u>Net increase/(decrease) in cash and cash equivalents</u>		<u>-</u>	<u>-</u>
Cash and cash equivalents as at 1 April		-	-
Cash and cash equivalents as at 31 March		-	-
Net increase/(decrease) in cash and cash equivalents		<u>-</u>	<u>-</u>

Statement of Changes in Taxpayers' Equity For Year Ended 31 March 2021

	Notes	2020/21 £'000	2019/20 £'000
General Fund			
Balance at 31 March 2020		(6)	(5)
Net operating costs for the year	SoCNE	(307)	(248)
Funding from the SPCB	SoCF	304	247
Balance at 31 March 2021		(9)	(6)

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.

The accounts have been prepared on a going concern basis as explained in the Performance Report on page 6.

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.

1.3 Funding

The accounts are prepared on an accrual basis, but the body is funded on a cash received basis. 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.

1.4 Provisions

The Standards Commission provides for legal or constructive obligations that are of uncertain timing or amount at the year end date on the basis of the best estimate of the expenditure required to settle the obligation.

1.5 Staff Pension Arrangements

Employees of the Standards Commission, while not Civil Servants, are nevertheless eligible to join the Civil Service pension arrangements. These statutory arrangements are unfunded multi-employer defined benefit schemes but the Standards Commission is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2016. Details of the resource accounts of the Cabinet Office: Civil Superannuation can be found at www.civilservicepensionscheme.org.uk.

For the purposes of this Statement of Account, it is therefore accounted for on the same basis as a defined contribution scheme and no liability is shown in the Statement of Financial Position.

1.6 Value Added Tax

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

2 STAFF

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:

	2020/21	2019/20
	FTE	FTE
Convener and Members	0.5	0.5
Staff	2.8	2.8
	<u>3.3</u>	<u>3.3</u>

2.2 Breakdown of Staff Costs – Administration Costs

	2020/21	2020/21	2020/21	2019/20
	£'000	£'000	£'000	£'000
	Total	Convener & Members	Staff	Total
Salaries and wages	189	51	138	177
Social security costs	17	2	15	16
Pension costs	37	-	37	36
	<u>243</u>	<u>53</u>	<u>190</u>	<u>229</u>

3 STAFF PENSION COSTS

For 2020/21, employers' contributions of £37,287 were payable to the Civil Service Pension arrangements (2019/20: £35,692) at one of four increased rates in the range 26.6 to 30.3 per cent (2019/20: 26.6 to 30.3 per cent) of pensionable pay, based on salary bands which remained unchanged from those applied during 2019/20.

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 2021 amounted to £3,110 (2020: £2,976).

4 ADMINISTRATION COSTS

	2020/21	2019/20
	£'000	£'000
Fees for legal advice and representation	42	-
Audit fee	3	3
Hearing & Room Hire costs	-	1
Information technology costs	2	2
Printing and promotion costs	10	8
General administration costs	2	4
Recruitment	2	-
Members' travel and expenses	1	6
Staff travel and expenses, and staff and members' training costs	2	6
	<u>64</u>	<u>30</u>

5 OPERATING INCOME

	2020/21	2019/20
	£'000	£'000
Miscellaneous income	<u>-</u>	<u>(11)</u>

6. TANGIBLE NON-CURRENT ASSETS

	2020/21	2019/20
	£'000	£'000
IT equipment		
Cost		
At 1 April 2020	-	3
Additions	-	-
Disposals	-	(3)
At 31 March 2021	<u>-</u>	<u>-</u>
Depreciation		
At 1 April 2020	-	3
Charged in year	-	-
Disposals	-	(3)
At 31 March 2021	<u>-</u>	<u>-</u>
Net Book Value:		
At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>-</u>

7 TRADE AND OTHER RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020/21	2019/20
	£'000	£'000
Event deposit	<u>2</u>	<u>-</u>

8 TRADE AND OTHER PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020/21	2019/20
	£'000	£'000
Payroll accrual	2	3
General accruals	2	3
Ministry of Justice	1	-
	<u>5</u>	<u>6</u>

9 PROVISIONS FOR LIABILITIES AND CHARGES

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	-	-
Increase in provision	<u>6</u>	-
Balance at 31 March	<u>6</u>	-
Amount due within one year	<u>6</u>	-
Balance at 31 March	<u>6</u>	-

10 CAPITAL COMMITMENTS

There were no contracted capital commitments as at 31 March 2021 (2020, Nil).

11 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 Convener), member of staff or related parties have undertaken material transactions with the SPCB during the year.

12 EVENTS SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

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

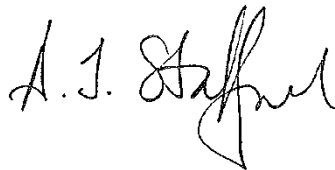
Appendix 1



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 (FRoM) 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



Standards Commission for Scotland
Room T2.21,
The Scottish Parliament
Edinburgh EH99 1SP

www.standardscommission.org.uk

I N T E G R I T Y I N P U B L I C L I F E