

**Scotland's Commissioner  
for Children and Young People**

**Annual Accounts**

**Year Ended 31 March 2012**

**Scotland's Commissioner for Children and  
Young People  
Accounts For The Year Ended 31 March 2012**

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**MANAGEMENT COMMENTARY**

The accounts for the financial year ended 31 March 2012 are presented in accordance with paragraph 11(1) of Schedule 1 of the Commissioner for Children and Young People (Scotland) Act 2003, and prepared in accordance with an Accounts Direction given by Scottish Ministers.

**Background Information**

1. Scotland's Commissioner for Children and Young People (the Commissioner) was constituted under Section 1 of the Commissioner for Children and Young People (Scotland) Act 2003 which was passed by Parliament on 26 March 2003 and received Royal assent on 1 May 2003.

**Statutory Powers and Responsibilities**

2. The Commissioner's general function is to promote and safeguard the rights of children and young people in Scotland, up to age 18, or up to 21 if they have ever been in care or looked after by a local authority. In particular, the Commissioner must:

- promote awareness and understanding of the rights of children and young people;
- review law, policy and practice to assess their adequacy and effectiveness as regards those rights;
- promote best practice by service providers; and
- promote, commission, undertake and publish relevant research.

3. In carrying out this work, the Commissioner must have regard to the United Nations Convention on the Rights of the Child, and to equal opportunity requirements. There is a duty to encourage the involvement of children and young people in the Commissioner's work, and to prepare a strategy for achieving this.

4. Children and young people must be made aware of the functions of the Commissioner, and how to get in touch. The Commissioner must also consult children and young people, and agencies working with and for them, about the work to be undertaken. Particular attention must be paid to groups of children and young people who do not have other adequate means by which they can make their views known.

5. Section 7 of the Act gives the Commissioner power to carry out an investigation into whether, by what means and to what extent, a service provider has regard to the rights, interests and views of children and young people on relevant matters. Such matters should not relate to the case of only one child or young person, but must focus either on all children and young people or groups of them.

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6. An investigation must not duplicate work that is properly the function of another person. It must not relate to legal proceedings in particular cases. Nor may the Commissioner investigate, under this section, a matter that is reserved to the Westminster Parliament. An investigation in terms of Section 7 gives various legal powers, including the power to cite witnesses for examination under oath, and to compel the production of documents.

**Operational Review of 2011/12**

7. I took over as Scotland's Commissioner for Children and Young People on 26 April 2009 and which is now in its eighth year of operation from 1 April 2011 to 31 March 2012.

The key milestone for the year 2011-2012 has been my Strategic Plan which was laid before Scottish Parliament in March 2012. This will form the basis of the work of the office until 2016.

Report on progress made under each of the Strategic Aims in the plan is as follows.

**Strategic Aim 1**

**To maximise the impact of the United Nations Convention on the Rights of the Child (UNCRC) in Scotland.**

The Scottish Government published a consultation on the Rights of Children and Young People and there has been widespread and generally positive response to the proposals. This is a potentially significant development. At the time of writing the government has indicated that they are likely to respond to the consultation with a consolidated Children and Young People's Bill and we wait to see what further proposals this will bring.

I continue to work with the other Children's Commissioners' offices across the UK and Ireland to exchange good practice and cross fertilisation of ideas. The UK Commissioners published a mid-term report on the UK government response to the UNCRC Concluding Observations. This highlighted the impact of austerity measures and child poverty and called on the government to reconsider its actions.

**Strategic Aim 2**

**To influence and promote the effective and sustainable involvement and widespread participation of children and young people in Scotland's society.**

I visited groups of children and young people in local areas across Scotland, where they took part in specially designed workshops about children's rights and also heard about the results of the national consultation "a RIGHT Blether". I explained to them how I intend to respond to the priorities they identified for me to work on throughout my tenure.

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I also visited a range of early years settings and took part in four GLOW\* meetings to promote and encourage participation of 2 – 5 years olds in my creative conversation with children: “a RIGHT wee blether”. This consultation was built around specially designed materials and involved 12,771 young children. It was supported by and delivered through early years workers in nurseries across Scotland.

*\*Glow is the national intranet for education, developed exclusively for Scotland's educational community to enhance and support pupils' learning,*

**Strategic Aim 3**

**To promote and safeguard the rights of children and young people, particularly the rights of vulnerable groups, through policy scrutiny and by supporting good practice.**

I have established advisory groups on domestic abuse and disability in response to the results of ‘a RIGHT blether’. As a result, I have commissioned a critical review and analysis of current research and policy relating to disabled children and young people in Scotland and research on eligibility criteria and assessment tools for disabled children and young people.

I published a review of work on the rights of children and young people when their parents are in prison. I also provided input to the United Nations General Day of Discussion on Children of Incarcerated Parents.

I have continued to submit evidence to the Scottish Parliament and Scottish Government on a variety of consultations.

I continue to provide information and advice through an Enquiries Service.

**Strategic Aim 4**

**To ensure that the office of the Commissioner is efficient, effective and fit for purpose.**

I was able to consolidate the re-grading of the post of Office Manager as part of adjusting to the lack of a Chief Officer. I have used the opportunity of a period of maternity leave for the Communications Manager to appoint a part-time Communications Manager and a part-time Digital Communications Manager.

I have completed work on the staff handbook, procurement policy and recruitment policy. I have now formalised assistance in HR matters through an agreement with SPSO.

I already made cuts of 7.4% in the 2011–2012 budget and made the necessary internal changes to adjust to the loss of staff. I am confident that I can make further cuts in line with the 15% target (including inflation costs) up to 2014.

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**Future Development**

8. The main influence on the future work of the office will be the impact of the proposed legislation through the Children and Young People's Bill, which is currently out for consultation.

The results of a RIGHT blether form the basis of the ongoing work of the office:

**Domestic abuse**

Work will be commissioned to research the area of 'safe contact', seeking to establish how effectively children's views are taken into account when parents/carers seek involvement of the courts in access arrangements.

**Poverty and low educational attainment and wider achievement**

Research has been commissioned to scope the research already available in this challenging area of work. The report will provide recommendations for future work.

**Promoting respect and challenging prejudice**

This area of work is currently being developed, with strong opportunities for campaigning with children and young people. I expect to make progress in the next year.

**Children and young people with disabilities**

Work already commissioned will produce recommendations for action. In addition, work is being undertaken on the issue of the administration of medication in schools. I expect these reports will form the basis of influencing activity over the coming year.

**Financial Position**

9. The Commissioner's expenditure on operating activities for the year ended 31 March 2012 totalled £1,247,000 (2010-2011: £1,317,000). This was on staffing costs £725,000 (2010-2011: £719,000), other operating expenditure £487,000 (2010-2011: £561,000) and depreciation £35,000 (2010-2011: £37,000). Income for the year was £0 (2010-2011: £0).

10. A further £5,000 (2010-2011: £17,000) was spent on capital additions during the financial year as detailed in note 5 to the Accounts giving total expenditure of £1,252,000. Excluding non cash items (Depreciation £35,000) total expenditure was £1,217,000. This compares to a budget of £1,249,000 representing an underspend of £32,000.

11. The underspend of £32,000 represents 2.6% of the total annual budget of £1,249,000 and demonstrates that high level controls are in place in the monitoring of expenditure against budget. The main reason for this underspend is due to some planned research work not going ahead and a reduction in the budget required for work related to our National consultation, "A RIGHT blether".

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**Payment of Creditors**

12. The Commissioner is committed to the CBI Prompt Payment Code for the payment of bills for goods and services received. Payments are normally made as specified in the agreed contract conditions. Where there is no contractual position or other understanding, they are due to be paid within 30 days of receipt of the goods or services. Payment performance for 2011-12 was 97% (2010-11: 97%).

**Scotland's Commissioner for Children and Young People**

13. ***The Commissioner during the year was:***

Tam Baillie	<b><i>Appointed:</i></b>	26 April 2009
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The Commissioner's current term of office is due to end on 17 May 2017.

**Equal Opportunities**

14. The Commissioner supports the principle of equal opportunities in carrying out his operational functions and employment practices. This means he is committed to pursuing positive action in his organisation's policies and practices to ensure that no individual is discriminated against, either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to race, ethnic or national origin, religion, age, gender, sexual or marital status or disability.

**Provision of Information to Employees**

15. The Commissioner has adopted the principles of openness and participation in his organisation and places a high level of importance on both informing and consulting staff. He does so by providing access to management papers, through oral and written briefings, by staff meetings and events. Information would be withheld only where this could be shown to be justified or a duty of confidence is owed to a third party.

**Pension Costs**

16. The Commissioner and his staff are eligible to become members of the civil service pension scheme.

**Audit**

17. The accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 11 (1) of Schedule 1 of the Commissioner for Children and Young People (Scotland) Act 2003.

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**Register of Interests**

18. The Commissioner maintains a register of interests held by the Commissioner and office staff and this is available on request.

**Disclosure of Information to Auditors**

19. As Accountable Officer, as far as I am aware, there is no relevant audit information of which our auditors are unaware. I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the auditors were aware of that information.

20. As Accountable Officer, I have authorised the accounts for issue on the date below.



Tam Baillie  
Scotland's Commissioner for  
Children and Young People.

Date: 22 November 2012

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**REMUNERATION REPORT**

Remuneration of the Commissioner is set by the Scottish Parliamentary Corporate Body (SPCB). Following nomination by the Scottish Parliament the Commissioner is appointed by Her Majesty the Queen.

The Commissioner's salary and pension entitlement is set out below.

This section of the Remuneration Report is subject to audit.

<b><u>Remuneration</u></b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Salary	70-75	70-75
Benefits in kind	nil	nil

Salaries include basic salaries, and where appropriate performance bonuses payable, reserved rights, recruitment and retention allowances. They do not include employer National Insurance or Superannuation contributions.

**Pension Benefits**

	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 as at 31 March 2012 and related lump sum	CETV at 31 March 2011	CETV at 31 March 2012	Value of CETV increase over year as funded by the employer
	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
<b><i>Commissioner</i></b>					
Tam Baillie	0 – 2.5 Lump sum 0	5.0 – 7.5 Lump sum 0	38	50	13

The highest paid member of the Senior Management Team was the Commissioner. His remuneration was 2.2 times the £33,757 median remuneration paid to the Commissioner's staff in 2011-12.

**The Cash Equivalent Transfer Value (CETV)**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in

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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 pension benefits they have 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 scheme, not just their service in the senior capacity to which the disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

**The real increase in the value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of 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 uses common market valuation factors for the start and end of the period.



Tam Baillie  
Scotland's Commissioner for  
Children and Young People

Date: 22 November 2012

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**STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

The SPCB designated the Commissioner as the Accountable Officer for the Office of Scotland's Commissioner for Children and Young People. The relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Memorandum to Accountable Officers of Other Public Bodies issued by the Scottish Executive and published in the Scottish Public Finance Manual.

Under paragraph 11(1) of Schedule 1 of the Commissioner for Children and Young People (Scotland) Act 2003 the Commissioner is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner's affairs at the year end and of the financial activities of his Office during the year.

In preparing the accounts, the Commissioner is required 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 have been followed and disclose and explain any material departures in the financial statements.
- (iv) prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the Commissioner will continue in operation.

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**SCOTLAND'S COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE:  
GOVERNANCE STATEMENT**

This Statement sets out for our staff and stakeholders the basis on which Scotland's Commissioner for Children and Young People has been established; the way in which it is governed and managed; and how it is accountable for what it does.

**Statement of Accountable Officer's Responsibilities**

Scotland's Commissioner for Children and Young People ("the Commissioner") is the designated Accountable Officer of the office of Scotland's Commissioner for Children and Young People. He was appointed by designation of the Scottish Parliamentary Corporation under Schedule 1, paragraph 10 (1) of the Commissioner for Children and Young People (Scotland) Act, 2003 ("the Act").

The Commissioner's relevant responsibilities as Accountable Officer are set out in *the Memorandum to the Accountable Officer of the Office of the Commissioner for Children and Young People in Scotland from the Scottish Parliamentary Corporate Body*, April 2004, and include responsibility for:

- signing the accounts of the expenditure and receipts of the Commissioner;
- ensuring the propriety and regularity of the finances of the Commissioner; and
- ensuring that the resources of the Commissioner are used economically, efficiently and effectively.

The memorandum is available at

[http://www.sccyp.org.uk/downloads/Governance\\_and\\_Finance/Memorandum\\_to\\_the\\_Accountable\\_Officer.pdf](http://www.sccyp.org.uk/downloads/Governance_and_Finance/Memorandum_to_the_Accountable_Officer.pdf)

Under paragraphs 11(1) and 11(2) of Schedule 1 to the Act, the Accountable Officer is required to prepare annual accounts in respect of each financial year in accordance with such directions as the Scottish Ministers may give him and send a copy of the annual accounts to the Auditor General for Scotland for auditing.

Schedule 1, paragraph 10 (3) provides that as Accountable Officer, the Commissioner is personally answerable to the Scottish Parliament.

**Governance Arrangements**

I took up the post of Accountable Officer on 26 April 2009 and this Statement is, in part, informed by discussions with my senior management team.

As Accountable Officer I am responsible for maintaining a sound system of governance. I understand that governance systems must ensure appropriate levels of internal control, and support the achievement of the organisation's aims and

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objectives, while safeguarding assets and the funds approved by the Scottish Parliamentary Corporate Body for which I am responsible.

I have in place a scheme of control, the key features of which are:

- the Commissioner holds the role of Accountable Officer.
- a Management Team, chaired by the Commissioner, and comprising the Head of Policy, Head of Participation and Education and Head of Corporate Services exercises management of the Commissioner's functions and activities. The Management Team is responsible for leading, agreeing and delivering the Commissioner's strategic vision, policies and services to the public and other stakeholders. The Management Team's Terms of Reference have been agreed.
- the Management Team is responsible for leadership and management across the organisation. It is the ultimate forum for making executive decisions about operational, resource, communications and other administrative matters in order to implement the Strategic and all other Business planning processes, and for monitoring performance. The role of the Management Team in decision making carries recognition that on occasion there will be some issues for which the decision-maker is the Commissioner alone.
- the Management Team has formal meetings each month and minutes of its meetings are published on the Commissioner's website <http://www.sccyp.org.uk/about/governance-and-finance/managing-the-organisation>
- management Team members also meet formally with other members of staff to steer and lead on strategically important areas of work.
- a "Whistle Blowing" Policy is in place for concerns where the interests of the Commissioner's office itself are at risk. This policy has been developed to support staff, including the Commissioner, in raising any serious concerns they may have, and provides a reporting framework and reassurance to staff that they will not be victimised as a result of using this policy.
- the Commissioner operates a performance management system for all staff. This system includes an individual annual development scheme.
- external scrutiny is provided by external auditors appointed by the Auditor General for Scotland. In carrying out their audit, they review and report on system of internal control, governance and risk management arrangements within the organisation.
- an Audit Advisory Board (AAB) was set up in 2006 and meets once a year to advise the Commissioner on, and review, the arrangements in place for corporate governance, managing risk and auditing financial and management performance.

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The scheme of control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives. It can, therefore, provide only reasonable and not absolute assurance of effectiveness. Systems exist and will continue to be developed to identify and evaluate risks, and manage them efficiently, effectively, economically and proportionately. Processes within the organisation have regard to guidance to public bodies in Scotland issued by Scottish Ministers and by HM Treasury.

***Review and assessment of effectiveness***

It is part of my Accountable Officer's responsibility to review the effectiveness of the scheme of control. This process is informed by:

- the work of the AAB in its consideration of risk and internal control measures
- reports and comments made by the external auditors
- the work of the Senior Management Team
- the strategic direction of the organisation
- reports from internal audits and reviews on the adequacy and effectiveness of the scheme of internal control
- ensuring that the office of the Commissioner considers "best value" when contracting for supplies/services.

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

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

**Management of Risk**

The risk management system identifies key risks and evaluates their potential impact on achievement of strategic and operational objectives, and the control measures in place or needed to either eliminate or mitigate the impact and/ or reduce the likelihood of occurrence. The evaluation of risk involves assessing the nature and extent of risk so that effective and affordable control measures can be implemented.

During the year April 2011 to March 2012:

- in line with established practice, a risk register for the new operational year was established and is formally reviewed and managed by the Senior Management Team at its monthly meetings
- the Commissioner attended a meeting of the AAB in August 2011.

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The most significant risks related to the procurement of the new Enquiries Handling System. As well as providing advice and information to individual enquirers, monitoring and tracking enquiries is an important means of identifying emerging issues as they relate to the rights of children and young people. We previously used a Lotus Notes based system to record, monitor and track action on all enquiries received. The company who developed this product and provided us with technical support advised that they could only provide support for a limited time and that this would be at an increasing cost to the office. To ensure that we were not left with an outdated and unsupported enquiry system the Commissioner tendered a contract for a supplier to develop a bespoke system using our existing FileMaker Pro database software.

I can confirm that during 2011-12, there were no lapses in data security.

*Review and assessment of effectiveness*

The current risk management system ensures that there are satisfactory procedures in place to mitigate the risk of fraud and/or error in the system.

In 2012-13 a risk policy will be established which will set out the organisation's approach to risk management. In line with current practice, it will be supported by an actively managed risk register, monitored externally by the AAB. Together they will provide an on-going system designed to identify and evaluate the principle risks to achievement of the Commissioner's aims and objectives.

Thereafter, the first internal review of 2012–2013 will be of the risk management system to assess the effectiveness of the new arrangements in practice.

In preparing this Governance Statement, I have taken into account the views of the AAB, the opinion of external auditors, the reports on risk management and control and the assurances provided by senior staff.

I am satisfied that Scotland's Commissioner for Children and Young People has robust, proportionate and appropriate systems in place that are consistent with the guidance issued to it and to Scottish Public Bodies.

**Review of Governance Statement**

This Governance Statement will be reviewed on an annual basis from July 2012.



Tam Baillie  
Scotland's Commissioner for  
Children and Young People

Date: 22 November 2012

**Scotland's Commissioner for Children and  
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**Independent auditor's report to Scotland's Commissioner for Children and Young People, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of Scotland's Commissioner for Children and Young People for the year ended 31 March 2012 in accordance with the Commissioner for Children and Young People (Scotland) Act 2003. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2011/12 Government Financial Reporting Manual (the 2011/12 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Commissioner for Children and Young People (Scotland) Act 2003 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Respective responsibilities of Accountable Officer and auditor**

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

**Scope of the audit of the financial statements**

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

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**Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the Commissioner for Children and Young People (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2012 and of its net operating cost 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 2011/12 FReM; and
- have been prepared in accordance with the requirements of the Commissioner for Children and Young People (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers.

**Opinion on regularity**

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

**Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Commissioner for Children and Young People (Scotland) Act 2003 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I am required to report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit;  
or

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- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

*Mark Ferris*

Mark Ferris BA FCCA  
Senior Audit Manager  
Audit Scotland  
18 George St  
Edinburgh  
EH2 2QU

Date: 22 November 2012

**Scotland's Commissioner for Children and  
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**Statement of Comprehensive Net Expenditure for the year ended 31  
March 2012**

	<u>Notes</u>	<u>2012</u> £'000	<u>2011</u> £'000
<b><u>Administrative Costs</u></b>			
Staff Costs	2,3	725	719
Other Administration costs	4	487	561
Depreciation	5	35	37
Operating Income		-	-
<b><u>Net Administration Costs</u></b>		1,247	1,317
<b><u>Net Operating Cost</u></b>		<b>1,247</b>	<b>1317</b>

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

The accompanying notes on pages 21 to 28 form an integral part of these accounts.

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**Statement of Financial Position**  
**As at 31 March 2012**

	<u>Notes</u>	<u>2012</u> £'000	<u>2011</u> £'000
<b><u>Non Current Assets</u></b>			
Property, Plant and Equipment	5	78	108
Intangible Assets	5	2	2
<b><i>Total Non Current Assets</i></b>		<b>80</b>	<b>110</b>
<b><u>Current Assets</u></b>			
Trade and Other Receivables	6	23	39
Cash and Cash Equivalents	7	4	3
<b><i>Total Current Assets</i></b>		<b>27</b>	<b>42</b>
<b><i>Total Assets</i></b>		<b>107</b>	<b>152</b>
<b><u>Current Liabilities</u></b>			
Trade and other payables	8	(32)	(35)
<b><i>Total Current Liabilities</i></b>		<b>(32)</b>	<b>(35)</b>
<b><i>Non Current Assets plus Net Current Assets</i></b>		<b>75</b>	<b>117</b>
<b><u>Assets less Liabilities</u></b>		<b>75</b>	<b>117</b>
<b><u>Taxpayers Equity</u></b>			
General Fund		75	117
<b><u>Total Taxpayers Equity</u></b>		<b>75</b>	<b>117</b>



Tam Baillie  
Scotland's Commissioner for  
Children and Young People

Date: 22 November 12

The accompanying notes on pages 21 to 28 form an integral part of these accounts.

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**Statement of Cash Flows**  
**For Year Ended 31 March 2012**

	<u>2012</u>	<u>2011</u>
	£'000	£'000
<b><u>Cash Flows From Operating Activities</u></b>		
Net Operating Cost	(1,247)	(1,317)
Adjustment for Non Cash Transactions		
Depreciation	35	37
Movements in Working Capital		
(Increase)/ Decrease in Trade and Other Receivables	16	(7)
Increase/(Decrease) in Trade and Other Payables	(3)	(14)
<b>Net Cash Outflow from Operating Activities</b>	<b>(1,199)</b>	<b>(1,301)</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Property, Plant and Equipment	(5)	(17)
<b>Net Cash Outflow from Investing Activities</b>	<b>(5)</b>	<b>(17)</b>
<b>Total Net Cash Outflows</b>	<b>(1,204)</b>	<b>(1,318)</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Financing from the Scottish Parliamentary Corporate Body	1,205	1,318
<b>Net Cash Inflow from Financing Activities</b>	<b>1,205</b>	<b>1,318</b>
<b><u>Net Increase/(Decrease) in Cash and Cash Equivalents</u></b>		
Cash and Cash Equivalents at the beginning of Period	3	3
Cash Flow in Year	1	-
Cash and Cash Equivalents at the end of Period	<b>4</b>	<b>3</b>

The accompanying notes on pages 21 to 28 form an integral part of these accounts.

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**Statement of Changes in Taxpayers' Equity  
For Year Ended 31 March 2012**

	<b><u>General Fund</u></b> £'000	<b><u>Total Reserves</u></b> £'000
<b>Balance at 31 March 2011</b>	117	117
Net Operating Costs for the Year	(1,247)	(1,247)
Funding From the SPCB	1,205	1,205
<b>Balance at 31 March 2012</b>	<b>75</b>	<b>75</b>

The accompanying notes on pages 21 to 28 form an integral part of these accounts.

## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the *Government Financial Reporting Manual*, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Scottish Government are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Changes in accounting policies which do not give rise to a prior year adjustment are reported in the relevant note.

#### **1.1 Accounting Convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, financial instruments and inventories where material, at their value to the organisation by reference to their current costs.

#### **1.2 Property, Plant and Equipment**

##### **1.2.1 *Capitalisation***

Purchases of assets for a value exceeding £500 inclusive of irrecoverable VAT are treated as capital. IT equipment threshold is where the group value exceeds £500.

##### **1.2.2 *Valuation***

Non current assets are valued at depreciated historic cost as a proxy for fair value.

##### **1.2.3 *Depreciation***

Depreciation is provided on all tangible and intangible non current assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Leasehold improvements	Over the period of the lease
Furniture and equipment	5 years
Fixtures & Fittings	5 years
IT Equipment & Software	3 years

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**1.3 Intangible assets**

Software and licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the asset

**1.4 Funding Receivable**

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

**1.5 Lease incentive**

Income received from the landlord as contribution towards property improvements is released to income over 4 years.

**1.6 Leases**

The Commissioner holds no finance leases. Costs in respect of operating leases are charged to the Statement of Comprehensive Net Expenditure as they fall due.

**1.7 Pension Costs**

***The Commissioner***

The Commissioner is paid through the Scottish Parliamentary Corporate Body's payroll. The Commissioner is a member of the Principal Civil Service Pension Scheme (PCSPS).

**1.8 Value Added Tax**

The office of the Commissioner is not VAT registered. All VAT is charged to the Operating Cost Statement or capitalised with the relevant asset as appropriate.

**2. Staff Numbers and Costs**

**2.1 *Average Staff Employed (Full Time Equivalent)***

The average number of full time equivalent persons employed in the Office of the Commissioner during the period was as follows:

	<u>2012</u>	<u>2011</u>
Commissioner	1	1
Staff	13	12
	<u>14</u>	<u>13</u>

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**2.2 Breakdown of Staff Costs-  
Administration costs**

	<b>Total 2012 £'000</b>	<b>Commissioner 2012 £'000</b>	<b>Staff 2012 £'000</b>	<b>Total 2011 £'000</b>
Salaries / wages	565	75	490	571
Social security costs	47	8	39	44
Pension costs	113	18	95	104
	<b>725</b>	<b>101</b>	<b>624</b>	<b>719</b>

**3 Pension Costs**

All of the Commissioner's staff are members of the PCSPS. This is an unfunded multi-employer defined benefit scheme. The Commissioner is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation section ([www.civilservice.gov.uk/pensions/governance-and-rules/actuarial-review/](http://www.civilservice.gov.uk/pensions/governance-and-rules/actuarial-review/)).

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal actuarial valuations shall be four years, with approximate assessments in intervening years."

The last formal actuarial valuation undertaken for the PCSPS was completed in 2007. Consequently, a formal actuarial valuation would have been due by 31 March 2011. However, formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates, and these are currently being determined under the new scheme design.

Approximate actuarial assessments in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal actuarial valuation now exceeds four years, the amounts recognised in these financial statements have been prepared using full membership data as at 31 March 2012, such as would have been provided for a formal valuation. In undertaking this valuation, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

For 2011-12 employers' contributions of £94,782 (2010-11: £86,238) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands (2010-11: 16.7% to 24.3%).

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The Scheme Actuary reviews employer contributions every four years. The last review was in 2009-10.

In addition to the above, employer contributions of £18,225 were payable to the PCSPS for the Commissioner at the rate of 24.3%.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

There were no outstanding or prepaid scheme contributions at 31 March 2012 (2011 £nil).

On death, pensions are payable to the surviving spouse at the rate of half of the member's pension. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, depending on the scheme joined within PCSPS, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions. There were no ill health retirements during 2011-12.

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**4 Other Administration Costs**

	<u>2012</u> £'000	<u>2011</u> £'000
Property Costs	98	105
General Office Running Costs	66	77
Staff Recruitment & Training	15	27
Travel and Expenses and Hospitality	24	29
Promotion & Participation	142	182
Research	41	36
IT Support	39	20
Website Development & Maintenance	15	40
Professional Fees	47	45
	<b>487</b>	<b>561</b>
	<b>487</b>	<b>561</b>

The above total includes £14,412 (2010-2011: £16,500) for external auditor's remuneration. External audit received no fees in relation to non audit work.

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**5 Property, Plant and Equipment**

<b>5.1 <u>Tangible Non Current Assets</u></b>	<b>Leasehold Improvements</b>	<b>Fixtures &amp; Fittings and Equipment</b>	<b>IT Systems</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Cost</u></b>				
At 1 April 2011	205	73	67	345
Additions	-	-	5	5
Disposals	-	-	-	-
At 31 March 2012	<u>205</u>	<u>73</u>	<u>72</u>	<u>350</u>
<b><u>Depreciation</u></b>				
At 1 April 2011	129	66	42	237
Charge for Year	20	4	11	35
On disposals	-	-	-	-
At 31 March 2012	<u>149</u>	<u>70</u>	<u>53</u>	<u>272</u>
<b><u>Net Book Value at 31 March 2012</u></b>	<b><u>56</u></b>	<b><u>3</u></b>	<b><u>19</u></b>	<b><u>78</u></b>
<b><u>Net Book Value at 31 March 2011</u></b>	<b><u>76</u></b>	<b><u>7</u></b>	<b><u>25</u></b>	<b><u>108</u></b>

**5.2 Intangible Non Current Assets**

	<b>Software &amp; Licences</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b><u>Cost</u></b>		
At 1 April 2011	55	55
Additions	-	-
At 31 March 2012	<u>55</u>	<u>55</u>
<b><u>Depreciation</u></b>		
At 1 April 2011	53	53
Charge for Year	-	-
At 31 March 2012	<u>53</u>	<u>53</u>
<b><u>Net Book Value at 31 March 2012</u></b>	<b><u>2</u></b>	<b><u>2</u></b>
<b><u>Net Book Value at 31 March 2011</u></b>	<b><u>2</u></b>	<b><u>2</u></b>

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**6 Trade Receivables and Other Current Assets**

	<u>2012</u> £'000	<u>2011</u> £'000
Trade Debtors	4	-
Prepayments	19	39
	<b>23</b>	<b>39</b>

**7 Cash and Cash Equivalents**

	<u>2012</u> £'000	<u>2011</u> £'000
Balance at 1 April 2011	3	3
Net Change in cash and cash equivalent balances	1	-
Balance at 31 March 2012	<b>4</b>	<b>3</b>

Cash Held at Commercial Banks	<b>4</b>	<b>3</b>
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**8 Trade Payables and Other Current Liabilities  
Amounts falling due within one year**

	<u>2012</u> £'000	<u>2011</u> £'000
Trade Payables	3	8
Accruals	29	27
	<b>32</b>	<b>35</b>

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**9 Operating Leases**

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Operating lease payments commitments expiring:		
Within 1 year of the balance sheet date	60	-
Within 1 - 5 years of the balance sheet date	300	60
Over 5 years of the balance sheet date	120	-
Total	<b>480</b>	<b>60</b>

**10 Capital Commitments**

As at 31 March 2012 there were no capital commitments (2010-2011: £nil).

**11 Contingent Liabilities**

As at 31 March 2012 there were no contingent liabilities. (2010-2011: £nil).

**12 Related Party Transactions**

Scotland's Commissioner for Children and Young People (the Commissioner) was constituted by the Scottish Parliamentary Corporate Body. The Scottish Parliamentary Corporate Body is regarded as a related party.

None of the Commissioner, other staff or related parties has undertaken any material transactions with the SPCB during the year.

**13 Post Balance Sheet Events**

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

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SCOTLAND'S COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE

**DIRECTION BY THE SCOTTISH MINISTERS**

1. The Scottish Ministers, in pursuance of paragraph 11 of Schedule 1 of the Commissioner for Children and Young People (Scotland) Act 2003, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The earlier direction is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated

1 September 2006