

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

**Annual Accounts**

**Year Ended 31 March 2011**

**Scotland's Commissioner for Children and  
Young People  
Accounts For The Year Ended 31 March 2011**

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**FOREWORD AND MANAGEMENT COMMENTARY**

The accounts for the financial year ended 31 March 2011 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. The Commissioner for Children and Young People in Scotland (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 2010/11**

7. I took over as Scotland's Commissioner for Children and Young People on 26 April 2009 and which is now in its seventh year of operation from 1 April 2010 to 31 March 2011.

My second year in office has been characterised by planning for my Strategic Plan 2011-2015. This has been influenced through my consultation with children and young people, called a RIGHT blether, which polled 74,059 responses, making it the largest consultation undertaken in Scotland. I also held a formal consultation with professionals and organisations relevant to children and young people.

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.**

I have continued to adopt a personal approach to the promotion of my role and UNCRC by engaging with key professional contacts. I continue to be encouraged by the extremely positive relationships I have established and maintained at all levels of influence. This includes; Cabinet secretaries and Ministers; senior government civil servants; chief executives and senior officers in local government; and a very wide range of partner organisations.

I have continued to provide regular media comment on matters relevant to children and young people. This has included television, radio and press commentary national and local coverage of topical issues relevant to children and young people.

The website has been updated and rebranded.

**Strategic Aim 2**

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

The consultation, a RIGHT blether included: workshops facilitated by teachers, youth workers, peer educators and pupil councils, using the specially designed resources to help children and young people better understand their rights through UNCRC: creative responses to requests for their RIGHT brilliant things; parties to celebrate the 21<sup>st</sup> anniversary of UNCRC: and the culmination of a vote including 74,059 responses.

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I met children and young people in various settings of schools, youth centres, residential units and attending representative events, most often on a local area basis. This involved over 100 visits, resulting in direct contact by me with around 12,000 children and young people including GLOW meets arranged through Learning and Teaching Scotland.

I have initiated work on a RIGHT wee blether which is a consultation with nursery aged children.

**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 continued specific areas of work to promote and safeguard the rights of children and these are at various stages of development. I have continued to influence legislation passing through Scottish Parliament, particularly in respect of the Children's Hearing System. The work on children of asylum seekers has moved significantly in a positive direction because of a change of UK government policy in terms of child detention. The work with children with a parent in prison has been reviewed to assess the future potential and responsibility for progressing.

I have published research into the implementation of the Early Years Framework and another into Child Trafficking in Scotland

The Enquiry Service provided information and advice to 330 people regarding enquiries about the work of the office and children's rights.

**Strategic Aim 4**

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

I have progressed work on the Employee Handbook, Procurement and Recruitment policies. The Scheme of Delegation has been updated to reflect the current position and the Business Continuity Plan has been revised.

Following the resignation of the Chief Officer in July, 2010, I discontinued the Chief Officer post from the staff team from April 2011. This was driven by the need to make budget savings and required some adjustment in staff responsibilities.

The budget submission for 2011 – 2012 made a cash reduction of 7.4% (£101,000) on the 2010-11 budget and forms the basis for achieving the required cash reduction of 9.1% (£122,850) by 2014.

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**Future Development**

8. I intend to lay my Strategic Plan before Scottish Parliament when the new session allows for final consultation with Scottish Parliament Corporate Body and the relevant parliamentary Committees. This will form the basis of the future work of the office.

The results of a RIGHT blether were children and young people asking for help to:

- Be safe and secure in our home - my response to this is to commit to promoting early intervention and prevention of child abuse and neglect and this has been refined to focus on the issue of children and young people living with domestic abuse.
- Have the same chances, no matter how much money our families have – my response to this is to commit to campaign for more equitable access to opportunities for learning in formal and informal settings, particularly children and young people living in poverty with low educational attainment.
- Feel safe and respected in the community - my response to this is to commit to promoting respect and challenge prejudice and negative perceptions of children and young people in society.
- Include each other, no matter how different we all are - my response to this could potentially include all young people and including many groups so, the initial response to commit to working to ensure that children and young people with disabilities have equal chances in all aspects of their lives.

There is an opportunity to develop work with regard to the incorporation of UNCRC into Scot's Law with the incoming government commitment to introduce new children's legislation. It is early days and it remains to be seen whether we can realise the potential in this area.

**Financial Position**

9. The Commissioner's expenditure on operating activities for the year ended 31 March 2011 totalled £1,317,000 (2010 £1,353,000). This was on staffing costs £719,000 (2010 £663,000), other operating expenditure £561,000 (2010 £646,000) and depreciation £37,000 (2010 £44,000). Income for the year was £0 (2010 £0).

10. A further £17,000 (2010 £26,000) was spent on capital additions during the financial year as detailed in note 6 to the Accounts giving total expenditure of £1,334,000. Excluding non cash items (Depreciation £37,000) total expenditure was £1,297,000. This compares to a budget of £1,350,000 representing an underspend of £53,000.

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11. The underspend of £53,000 represents 3.9% of the total annual budget of £1,350,000 and demonstrates that high level controls are in place in the monitoring of expenditure against budget. The main reason for this underspend is in relation to staff costs with 3 leavers in the year, 2 of whom were replaced by agency staff on fixed term contracts attracting lower salaries. As per previous years, costs of the Commissioner's salary were also estimated to include a percentage increase but this was eventually subject to a pay freeze in 2010 – 11.

### **Payment of Creditors**

12. Invoices are processed by SCCYP. SCCYP 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 either receipt of the goods or services. SCCYP payment performance for 2010-11 was 97% (2009-10, 91%).

### **The Commissioner for Children and Young People in Scotland**

13. *The Commissioner during the year was:*

Tam Baillie	<b><i>Appointed:</i></b>	26 April 2009
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The Commissioner was re-appointed for a further period of 6 years to 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/she 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 Office of the Commissioner has adopted the principles of openness and participation in its organisation and places a high level of importance on both informing and consulting staff. It 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.

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**Audit**

16. 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.

**Disclosure of Information to Auditors**

17. As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.



Tam Baillie  
Commissioner for Children and Young People in Scotland.

Date: 22 August 2011

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**REMUNERATION REPORT**

Remuneration of the Commissioner is set by the 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>Remuneration</b>	<b>2011 £'000</b>	<b>2010 £'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**

	<b>Real increase in pension and related lump sum at age 60</b>	<b>Total accrued pension at age 60 as at 31 March 2010 and related lump sum</b>	<b>CETV at 31 March 2010</b>	<b>CETV at 31 March 2011</b>	<b>Value of CETV increase over year as funded by the employer</b>
	<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	2.5 – 5.0	17	38	18
	Lump sum	Lump sum			
	0	0			

**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 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

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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  
Commissioner for Children and Young People in Scotland

Date: 22 August 2011

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**STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

The SPCB designated the Commissioner as the Accountable Officer for the Office of the Commissioner for Children and Young People in Scotland. 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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**STATEMENT ON INTERNAL CONTROL**

As Accountable Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of organisational policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am responsible.

The system of internal control is an ongoing process, designed to identify the principal risks to achieving our objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system comprises a network of operating procedures intended to provide reasonable assurance that the objectives will be achieved and assets properly managed. It is designed to manage rather than eliminate those risks and can therefore only provide reasonable and not absolute assurance of effectiveness.

The SPCB pays the salaries and allowances of the Commissioner and any expenses incurred by the Commissioner in the exercise of his functions. It also provides that the terms and conditions of staff and the arrangements for pensions, allowances and gratuities all require the approval of the SPCB. From April 2005, responsibility for financial administration, preparation of the annual accounts and maintenance of accounting records transferred to SCCYP.

During the last year,

- The asset register has been revised to include tag numbers of individual assets to assist with identification and traceability, including disposal.
- A Procurement policy has been developed to provide guidance to SCCYP staff and details separate procedures to be followed for

Purchases below £5,000 (excluding VAT)  
Purchases between £5,000 and £30,000 (excluding VAT)  
Purchases between £30,000 and the current EU threshold  
Purchases above the EU threshold

- The Business Continuity Plan has been revised to include additional sections as recommended by internal audit and will be subject to annual review
- Records of monthly expenditure against budget and variances are uploaded to the SCCYP website and forwarded to the Scottish Parliamentary Corporate Body for information.

During the coming year I plan to ensure arrangements are put in place to:

- Implement the recommendations from External and Internal Audit to improve and further strengthen the governance procedures already in place.

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My review of effectiveness of the system of internal control will be informed by senior members of staff, who contribute to the development and maintenance of the internal control framework, from the reports of internal auditors, views of the Advisory Audit Board and comments made by the external auditors in their management letter and other reports.



Tam Baillie  
Commissioner for Children and Young People in Scotland

Date: 22 August 2011

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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**

We have audited the financial statements of Scotland's Commissioner for Children and Young People (SCCYP) for the year ended 31 March 2011 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Comprehensive Statement of 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 2010/11 Government Financial Reporting Manual (the 2010/11 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities set out on page 9, 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 receipts. Our 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 us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and receipts.

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

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and receipts 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, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited

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financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2011 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 2010/11 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

**Opinion on regularity**

In our opinion in all material respects the expenditure and receipts 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 our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

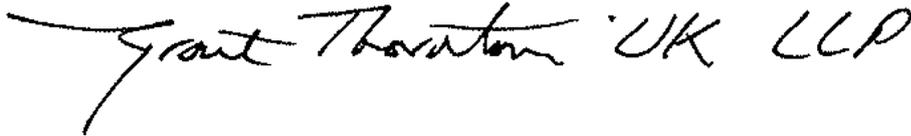
We are required to report to you if, in our opinion:

- 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

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- we have not received all the information and explanations I require for my audit; or
- the Statement on Internal Control does not comply with Scottish Government guidance.

We have nothing to report in respect of these matters.

A handwritten signature in black ink that reads "Grant Thornton UK LLP". The signature is written in a cursive, flowing style.

Grant Thornton UK LLP  
1-4 Atholl Crescent  
Edinburgh  
EH3 8LQ

22 August 2011

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**Operating Cost Statement for the year ended 31 March 2011**

	<u>Notes</u>	<u>2011</u> £'000	<u>2010</u> £'000 (Restated)
<b><u>Administrative Costs</u></b>			
Staff Costs	3,4	719	663
Other Administration costs	5	561	641
Depreciation	6	37	44
Operating Income		-	-
<b><u>Net Administration Costs</u></b>		<hr/> <hr/> 1,317	<hr/> <hr/> 1,348
<b><u>Net Operating Cost</u></b>		<hr/> <hr/> <hr/> 1,317	<hr/> <hr/> <hr/> 1348

All amounts relate to continuing activities. There have been no gains or losses other than those recognised in the Operating Cost Statement.

The accompanying notes on pages 19 to 25 form an integral part of these accounts.

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**Statement of Financial Position**  
**As at 31 March 2011**

	<u>Notes</u>	<u>2011</u> £'000	<u>2010</u> £'000
<b><u>Non Current Assets</u></b>			
Property, Plant and Equipment	6	108	129
Intangible Assets	6	2	1
<b><i>Total Non Current Assets</i></b>		<b>110</b>	<b>130</b>
<b><u>Current Assets</u></b>			
Trade and Other Receivables	7	39	32
Cash and Cash Equivalents	8	3	3
<b><i>Total Current Assets</i></b>		<b>42</b>	<b>35</b>
<b><i>Total Assets</i></b>		<b>152</b>	<b>165</b>
<b><u>Current Liabilities</u></b>			
Trade and other payables	9	(35)	(49)
<b><i>Total Current Liabilities</i></b>		<b>(35)</b>	<b>(49)</b>
<b><i>Non Current Assets plus Net Current Assets</i></b>		<b>117</b>	<b>116</b>
<b><u>Assets less Liabilities</u></b>		<b>117</b>	<b>116</b>
 <b><u>Taxpayers Equity</u></b>			
General Fund		117	116
<b><u>Total Taxpayers Equity</u></b>		<b>117</b>	<b>116</b>



Tam Baillie  
Commissioner for Children and Young People in Scotland

Date: 22 August 2011

The Accountable Officer authorised these financial statements for issue on 22<sup>nd</sup> August 2011

The accompanying notes on pages 19 to 25 form an integral part of these accounts.

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**Statement of Cash Flows**  
**For Year Ended 31 March 2011**

	<u>2011</u> £'000	<u>2010</u> £'000 (Restated)
<b><u>Cash Flows From Operating Activities</u></b>		
Net Operating Cost	(1,317)	(1,348)
Adjustment for Non Cash Transactions		
Depreciation	37	44
Movements in Working Capital		
(Increase)/ Decrease in Trade and Other Receivables	(7)	6
Increase/(Decrease) in Trade and Other Payables	(14)	(18)
<b>Net Cash Outflow from Operating Activities</b>	<b>(1,301)</b>	<b>(1,316)</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Property, Plant and Equipment	(17)	(26)
<b>Net Cash Outflow from Investing Activities</b>	<b>(17)</b>	<b>(26)</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Financing from the Scottish Parliamentary Corporate Body	1,318	1,338
<b>Net Cash Inflow from Financing Activities</b>	<b>1,318</b>	<b>1,338</b>
<b><u>Net Increase/(Decrease) in Cash and Cash Equivalents</u></b>		
Cash and Cash Equivalents at the beginning of Period	3	7
Cash Flow in Year	-	(4)
Cash and Cash Equivalents at the end of Period	<b>3</b>	<b>3</b>

The accompanying notes on pages 19 to 25 form an integral part of these accounts.

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**Statement of Changes in Taxpayers' Equity  
For Year Ended 31 March 2011**

	<b><u>General Fund</u></b> £'000	<b><u>Total Reserves</u></b> £'000
<b>Balance at 31 March 2010</b>	116	116
Net Operating Costs for the Year	(1,317)	(1,353)
Funding From the SPCB	1,318	1,353
<b>Balance at 31 March 2011</b>	<b>117</b>	<b>116</b>

The accompanying notes on pages 19 to 25 form an integral part of these accounts.

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**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.

**Leases**

**1.6**

The Commissioner holds no material finance leases. Costs in respect of operating leases are charged to the Operating Cost statement 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).

***Employees***

The staff employed by the SCCYP are also members of the PCSPS. This is an unfunded multi-employer defined benefit scheme, however SCCYP is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

**1.8 Value Added Tax**

SCCYP is not VAT registered. All VAT is charged to the Operating Cost Statement or capitalised with the relevant asset as appropriate.

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**2 Change in Accounting Policy – Notional Cost of Capital**

HM Treasury, under the Clear Line of Sight (Alignment Project) removed the cost of capital charge from budgets and accounts from 1st April 2010. The cost of capital charge is therefore no longer applicable. The removal of the cost of capital charge is a change in accounting policy under IAS 8. Applying paragraph 31 of IAS 1 and, noting that the removal of the cost of capital charge has no effect on the balance sheets, a specific disclosure is not required. The impact on the prior-year Operating Cost Statement is.

	<b>£'000</b>
Other Administration costs as previously stated	646
Removal of Cost of Capital Charge	(5)
Other Administration costs as restated	<u>641</u>

**3. Staff Numbers and Costs**

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

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

	<b><u>2011</u></b>	<b><u>2010</u></b>
Commissioner	1	1
Staff	12	13
	<u>13</u>	<u>14</u>

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

	<b><u>Total 2011 £'000</u></b>	<b>Commissioner <u>2011 £'000</u></b>	<b>Staff <u>2011 £'000</u></b>	<b><u>Total 2010 £'000</u></b>
Salaries / wages	571	75	496	524
Social security costs	44	8	36	39
Pension costs	104	18	86	100
	<u>719</u>	<u>101</u>	<u>618</u>	<u>663</u>

**4 Pension Costs**

For 2010-11 employers contributions of £86,238 were payable to the PCSPS at one of four rates in the range 16.7 to 24.3 per cent of pensionable pay, based on salary bands. This compares to contributions of £82,468 in 2009-10 with the four rates falling between 16.7 % and 24.3 %.

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The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. 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 2011 (2010 £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 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.

**5 Other Administration Costs**

	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
Property Costs	105	130
General Office Running Costs	77	58
Staff Recruitment & Training	27	49
Travel and Expenses and Hospitality	29	19
Promotion & Participation	182	228
Research	36	64
IT Support	20	31
Website Development & Maintenance	40	5
Professional Fees	45	57
	<b>561</b>	<b>641</b>

The above total includes £16,500 (2010 £17,800) for external auditor's remuneration. External audit received no fees in relation to non audit work.

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**6 Property, Plant and Equipment**

<b><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 2010	205	74	56	335
Additions	-	-	15	15
Disposals	-	(1)	(4)	(5)
At 31 March 2011	<u>205</u>	<u>73</u>	<u>67</u>	<u>345</u>
<b><u>Depreciation</u></b>				
At 1 April 2010	109	58	39	206
Charge for Year	20	9	7	36
On disposals	-	(1)	(4)	(5)
At 31 March 2011	<u>129</u>	<u>66</u>	<u>42</u>	<u>237</u>
<b><u>Net Book Value at 31 March 2011</u></b>	<u><u>76</u></u>	<u><u>7</u></u>	<u><u>25</u></u>	<u><u>108</u></u>
<b><u>Net Book Value at 31 March 2010</u></b>	<u><u>96</u></u>	<u><u>16</u></u>	<u><u>17</u></u>	<u><u>129</u></u>
<b><u>Intangible Non Current Assets</u></b>				
				<b>Software &amp; Licences</b>
				<b>£'000</b>
<b><u>Cost</u></b>				
At 1 April 2010				53
Additions				2
At 31 March 2011				<u>55</u>
<b><u>Depreciation</u></b>				
At 1 April 2010				52
Charge for Year				1
At 31 March 2011				<u>53</u>
<b><u>Net Book Value at 31 March 2011</u></b>				<u><u>2</u></u>
<b><u>Net Book Value at 31 March 2010</u></b>				<u><u>1</u></u>

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**7 Trade Receivables and Other Current Assets**

	<u>2011</u> £'000	<u>2010</u> £'000
Trade Debtors	-	1
Prepayments	39	31
	<u>39</u>	<u>32</u>

**8 Cash and Cash Equivalents**

	<u>2011</u> £'000	<u>2010</u> £'000
Balance at 1 April	3	7
Net Change in cash and cash equivalent balances	-	(4)
Balance at 31 March	<u>3</u>	<u>3</u>
Cash Held at Commercial Banks	<u>3</u>	<u>3</u>

**9 Trade Payables and Other Current Liabilities  
Amounts falling due within one year**

	<u>2011</u> £'000	<u>2010</u> £'000
Trade Payables	8	1
Accruals	27	48
Deferred income	<u>35</u>	<u>49</u>

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**10 Operating Leases**

	<u>2011</u> £'000	<u>2010</u> £'000
Operating lease payments commitments expiring:		
Within 1 year of the balance sheet date	-	-
Within 1 - 5 years of the balance sheet date	-	-
Over 5 years of the balance sheet date	59	59
Total	<u>59</u>	<u>59</u>

**11 Capital Commitments**

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

**12 Contingent Liabilities**

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

**13 Related Party Transactions**

SCCYP was constituted by the Scottish Parliamentary Corporate Body. The Scottish Parliamentary Corporate Body is regarded as a related party.

Neither the Commissioner, other staff or related parties has undertaken material transactions with SCCYP during the year.

**14 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 (FReM) 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