

ANNUAL ACCOUNTS 2019/20

SCOTTISH CHILDREN'S REPORTER ADMINISTRATION



ENSURING POSITIVE FUTURES FOR CHILDREN AND YOUNG PEOPLE

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Introduction

The Scottish Children's Reporter Administration (SCRA) is a national body focused on children and young people most at risk. SCRA was formed under the Local Government (Scotland) Act 1994 and became fully operational on 1st April 1996.

The Children's Hearings System provides the operational setting in which SCRA and our partner agencies work. The aim is to provide a safety net for vulnerable children and young people, and deliver tailored solutions which meet the needs of the individuals involved, while helping to build stronger families and safer communities.

Our main responsibilities as set out in the Act are:

- To facilitate the work of Children's Reporters;
- To deploy and manage staff to carry out that work;
- To provide suitable accommodation for Children's Hearings.

Our Vision

Children and young people will be listened to, protected and supported to have a positive future where they are safe, valued and respected

Our Mission

We protect and support Scotland's children and young people, by making high quality decisions, upholding their rights and working collaboratively as compassionate, inclusive Corporate Parents to enable the most positive and personalised experience of the Children's Hearings System

Our Values

Our values are the shared motivations, beliefs and behaviours that underpin all that we do.

Supportive

We work with kindness to support children, young people and families, our partners and each other.

Child Centred

Children and young people are at the heart of everything we do.

Respectful

Everyone is respected and treated fairly, inclusively and lawfully.

Accountable

We are responsible for our decisions, our ethics and our learning.

Strategic Aims

SCRA’s Corporate Plan for 2017/20 set out three strategic aims, which include

A progressive, user focused service

Anticipating the needs, expectations and priorities of all children, young people and their families that come into contact with us.

High quality decisions

Ensuring that we consistently achieve the stretching professional standards that we set for ourselves.

Effective collaboration

Enhancing alignment of our activity with that of other agencies with whom we work to jointly progress core areas of service delivery.

Strategic Objectives

SCRA’s aims are delivered through annual business plans which set out the strategic objectives, and the objectives are then delivered through action plans. The strategic objectives for the 2019/20 Business Plan are outlined in figure 1.

Figure 1.



Performance Framework

The Corporate Plan and Business Plans are monitored using a performance framework which links everything we do to our organisation's vision and values; ensuring that it aligns what we think, say and do.

We review our strategies on a regular basis to ensure they are fit for purpose, and report on our performance against these plans to the Board on a six-monthly basis and provide detailed annual reports on our outcomes.

Figure 2.



This report is divided into four parts:

1. Performance Report

Provides an overview and analysis of our performance and progress, our vision and values and our strategic aims and outcomes.

3. Independent Auditor's Report

Incorporates reports on the audit of the financial statements, regularity of expenditure and income.

2. Accountability Report

Includes an overview and analysis of accountability and consists of various reports including the Directors report, Statement of Governance and Remuneration and Staff report.

4. Financial Statements

Consists of Net expenditure, Financial position, Cash flows and Taxpayer's equity.

1. Performance Report

1.1 Welcome from Chief Executive

Welcome to SCRA's 2019-20 Annual Performance Report. This 2019-20 performance report sees the final year of the 2017-20 Corporate Plan come to a close and has allowed reflection, evaluation and consideration of what comes next.

We set ourselves an ambitious Business Plan for 2019-20 with 58 organisational actions, of which 38 were fully delivered, 14 in part or with some delay and six were incomplete as at 31 March 2020. In amongst these achieved deliverables, were some key milestones in our work as Corporate Parents – further re-design of Hearings rooms to make them more family friendly, the provision of sensory toolkits in all centres, trauma training for all of our managers.

SCRA continued to lead out the national, multi-agency implementation of the Better Hearings standards – with all local managers being encouraged to use improvement methodology and work with the service improvement team at the Scottish Government to enhance their plans.

Throughout 2019-20, SCRA were part of a working group for the Independent Care Review – a review that stood to test the system in its entirety and develop a way forward for it. SCRA were heartened to see both their own input visible within the final conclusion, and that the findings mirrored work already being planned for, in line with the ambition of Better Hearings.

A major part of the SCRA landscape over 2019-20 has been the delivery of the Joint Digital Strategy - the development of core systems for the processing of children's cases as well as that of a modular digital platform to allow further developments in future – to be able to interact with partners, children and families and to ensure secure transfer of inter-agency information.

The headline performance indicators for SCRA showed that six of the ten concluded as green in the year, with two operational indicators, just missing, at amber. There were two indicators at red – long term sickness and capital budget variance.

Throughout the year, again, phenomenal strides have been taken across the organisation to deliver on a comprehensive set of objectives from within our Equalities and Inclusion Strategy – which saw the organisation nominated for two awards, and achieve the LGBT Youth Scotland Charter.

You will see from the information and examples provided, the hard work and dedication that has gone into the delivery of the operational service, the Business Plan and the supporting structures across the organisation and that areas such as Quality improvement, Equalities and Inclusion and Corporate Parenting are now fully enshrined in all areas of the business.

Throughout 2019-20 a wide-ranging consultation has taken place – with the full staff group, with partners and with children and young people – through linked work and research, to develop the new Corporate Plan for 2020-23.

A handwritten signature in dark ink, appearing to read 'N Hunter', is positioned above the printed name.

Principal Reporter
Neil Hunter

1.2 Performance Report – Overview

All SCRA's activity works towards achieving SCRA's vision and the Scottish Government's overall purpose for government. SCRA's engagement on social matters is documented in the Chief Executive's welcome (page 6), our performance review (page 10) and our statement on equalities, inclusion and corporate parenting (page 17).

SCRA's 2017-20 Corporate Plan set out the strategic direction, with aims and objectives that are delivered through our Business Plans - each containing a number of specific actions either directly targeting delivery or providing a supporting infrastructure (**Figure 1**). We used a performance framework to monitor, review and report on our progress throughout the course of our three-year Corporate Plan and Business Plans (**Figure 2**).

The following sections highlight some of our key performance outcomes during 2019-20, showing how we have worked collaboratively across the organisation and with partners towards achieving our vision, aims and objectives. A substantial review of our progress against our strategic objectives can be found in the SCRA Annual Report 2019-20.

Financial Performance

The following section provides a summary of our financial performance for the year against our annual operating budget. Our operating expenditure for the year was £92k less than budget mainly as a consequence of net staffing savings particularly in a number of Head Office teams.

Expense Head	Budget 2019/20 £000	Outturn 2019/20 £000	Variance £000
Staff Costs	18,906	18,613	-293
Property Costs	2,987	3,005	18
Travel Costs	216	253	37
Other Operating Charges	2,321	2,374	52
Capital Financing	3	5	2
Other Income	-462	-442	20
Total expenditure	23,973	23,809	-164
Revenue Grant In Aid	-23,800	-23,728	72
Net Expenditure	173	81	-92

The operating budget and outturn above do not include the annual pension adjustments shown in note 11 of the financial statements.

Net capital expenditure, excluding the Digital programme, in the period to March 2020 was £668k against Capital Grant in Aid of £750k. The capital investments we made in 2019/20 were:

Capital Investments	Cost
Property Upgrades (Kilmarnock, Glasgow, Greenock)	£381k
Hearing room improvements	£48k
Minor property works	£128k
Capital element of finance lease (Livingston)	£43k
Purchase of VCs, MFDs, desktops, laptops	£31k
Boardroom and Edinburgh Hearing room upgrades	£31k
Film for Young People	£6k

More detail regarding SCRA's income and expenditure can be found in the financial statements section starting on page 55. The Statement of net comprehensive expenditure shows net expenditure for the year of £30m (page 55) including pensions and depreciation costs of £6m, which are excluded from the table above. It also excludes total Grant in Aid income of £26.7m which under international accounting standards is taken directly to the general fund reserve.

The Statement of Financial Position (page 56) shows SCRA liabilities exceed assets by £27.5m. This is caused mainly by a pensions deficit at the year-end of £36m.

The Financial Statements have been prepared on a going concern basis, as the Board believe that SCRA will be able to pay its pension contributions in years to come from future Government grants and this position is supported by Scottish Government.

The three yearly formal valuation of the pension's scheme deficit was completed in 2017 and set the employer's contribution rate for 2018/19, 2019/20 and 2020/21. The next valuation will take place this year and set the rates for the three years from 2021/22.

A full 5 yearly valuation of SCRA's land and buildings was carried out at 31 March 2020 resulting in a total market value of £5.1m.

Performance Review

The following section provides an insight into some of the work we have undertaken during 2019-20 to achieve our aims and objectives, with further key outcomes for the aims and objectives summarised in figures 3, 4 and 5.

Corporate Plan Aim 1: A progressive, user focused service

Digital Implementation:

SCRA continued in 2019-20 to work through their ambitious Digital Strategy with critical work taking place to develop a new case management system for the processing of Children's cases in the Hearings System. One element of the development has been preparing for the secure and full transfer over of all data meeting agreed criteria. This data migration has seen a project develop to take into account data protection, GDPR legislation, internal prioritisation, and operational requirements as it develops a strategy to migrate data into the new platform in 2020. Bi-weekly meetings have taken place involving key members of the digital delivery team, the data team and the Information Governance leads to ensure robust and transparent decision making and assurance around the work to be complete prior to the migration taking place.

A second area of work in the digital implementation has been user research to inform the next phase – digital hearings. Focus groups have been held with Children and Young People to understand from them what would support them to participate in hearings, what would make hearings more accessible and what the options would be for communicating with them about their hearings.

The outputs from these focus groups informed some small-scale testing of digital tools in the hearings setting – to test what digital participation could look and feel like and to look at what a virtual hearing could offer.

During the focus groups with young people and from various recent research, the issue of privacy and confidentiality arose numerous times and enough for us to determine that we had to look further into this to inform both our ongoing approach to digital and our service delivery more generally. To that end a research proposal was developed to explore this and we successfully appointed Who Cares? Scotland to undertake this. The research will be published in Autumn 2020.

Corporate Parenting & Finance and Resources:

Good participation is about working with children and young people through all stages – not just at the end once decisions have been made, it is about involving them *in* decision making, in the planning process and then in the evaluation too. It is using this approach that we

remodel our Hearings rooms. Children and Young People have worked with the SCRA property team, Participation Officer and with external interior designers to develop a series of design options for localities to pick from as they move towards more child and young person friendly Hearings rooms.

During 2019/20 three further localities underwent Hearings rooms re-modelling – Dundee, Aberdeen and Arbroath – working with local groups of hearings experienced young people, the local management teams opted for a design to be used to upgrade the local centre. The modernised hearings rooms have received enormous praise with people using them – families, panel members, partner organisations and SCRA will continue to work towards full modernisation of all core centres.

Corporate Parenting & Sustainability Service Delivery:

As Corporate parents and as responsible employers in the child protection arena, understanding trauma and the impact of trauma is critical to our staff group – how trauma is the narrative for most of the children and young people that come into the system, the impact that this trauma plays in their ability to develop resilience and recover as they move on through their care experience, the cycle of trauma that occurs in many of the families that we interact with and the impact that trauma and indeed secondary trauma has on the staff group.

To that end, In partnership with CELCIS (Centre for Excellence for Children's Care and Protection), SCRA developed a training course for all managers in SCRA to ensure that all had a full awareness of trauma, its impact on children and families, the long terms effect, building resilience and secondary trauma – which has the potential to impact on the staff group.

Following this training, managers were supported to roll out training to the wider staff group and to ensure that all staff were aware of the causes, effects, impact and support available.

Equalities and Inclusion, Corporate Parenting & Practice and Policy:

Another key area for staff training and awareness was the LGBT Youth Scotland Charter which SCRA successfully achieved in January 2020. The organisation's LGBT sub-group worked towards the Foundation level of the Charter over the year. A key part of the Charter journey was training and awareness raising for staff.

In addition, there was a focus on ensuring our policies, practice and resources were not only meeting legislative needs, but were as inclusive as possible. In working towards completion of the Charter, consultation sessions with Hearings-experienced young people were held as well as a workshop with staff and an online survey for LGBT staff to complete (if they wished).

Consultation has been carried out across 2019 to consider the new Equalities and Inclusion outcomes for 2020-23. These outcomes will both align with SCRA's strategic aims going forward and will inform the development of all delivery strategies.

Aligned to our Corporate Parenting, Hearing rooms improvements and our commitment to Equalities and Inclusion, SCRA has been working with the charity Atlas (previously called Reach for Autism) to make our services, communications and facilities better for children and young people with autism.

In August 2019, we launched a new short film on our external website aimed at helping young people with autism attending Children's hearings. We created autism-friendly sensory kits for children and young people with autism and a variety of sensory difficulties. These kits are now available in all of our hearings centres. We re-launched our guidance for staff 'Arranging a Hearing – Autism Guide' and developed sensory gardens in our Stirling and Falkirk Hearings Centres.

Figure 3.



Corporate Plan Aim 2: High quality decisions

Practice and Policy:

Core Modules were delivered 23 times during the year, totaling 37 days of training. In addition Specialised Modules were delivered 11 times, totaling 22 days of training. National external training was delivered on 36 occasions. This included inputs for police probationers, other police officers, procurators fiscal, and to joint investigative interview training.

Revised and extended training on the Drafting Statement of Grounds into a 2-day course which was delivered on one occasion during the year. It now forms part of the Core Module programme.

Developed and delivered training to Assistant Reporters on Domestic Abuse on 3 occasions.

Hearing forms were produced by the Core Hearings System and Application Solution (CSAS). Practice Direction will be revised to fit with implementation of CSAS.

Developed reference materials on submissions and Practice Notes, of which 4 Practice Notes were published during the year. Also 2 Practice Directions were updated, 2 interagency protocols were updated and 7 law reports published. No further submissions were published.

Case Sampling:

The Audit and Risk Committee scrutinised two reports presented under the Quality Assurance programme:

In August 2019, national findings and an action plan were approved in relation to sampling of two types of non-disclosure provisions (whereby a child's whereabouts can be withheld from a person if it would cause significant harm to the child if they were disclosed). The findings highlighted the specific practice improvements that were required - the proper application and use of the legal test for withholding whereabouts under the 'Rule 16' type, and understanding of the minimum requirements under the 'Measure in an order' type. Significant process improvements to reduce duplication of effort and inconsistent recording were highlighted. The lessons from this exercise have been fed into the new case management system design to reduce duplication of effort and streamlining of process.

In November 2019, the Committee scrutinised a report on national sampling of reporter decision making on referrals. This is core activity of reporters, and the exercise was conducted following mandatory refresher training for all reporters. The findings provided a significant level of assurance that for the majority of cases (92%) the levels of investigation and decision making were appropriate, proportionate and justified. An identified area for

improvement was in the recording of the rationale for decision making, which should continue to be promoted through supervision and local sampling. The design of the recording screens on the new case management system, with more structure and alignment to the Decision Making Framework, should support better recording.

The action plans from both exercises have been progressed and kept under review by the Executive Management Team and Audit and Risk Committee.

Figure 4.



Corporate Plan Aim 3: Effective Collaboration

Practice & Policy, Corporate Parenting and Enhanced Partnership Capability:

The Independent Review of Care (IRC) has been one of the most prominent and influential reviews of our time. The IRC had the permission to get underneath every aspect of 'care' in Scotland, explore it, assess it, re-imagine it, and develop recommendations for its future.

SCRA were honoured to be part of this journey as a member of the Justice and Care journey group and chaired the Children's Hearings sub-group of this.

The findings in the recommendations, reaffirmed the principles that we work to and the suggested improvements and trajectory of these, are reflected in the new 2020-23 Corporate Plan – many mirroring and reaffirming our ongoing commitment to Corporate Parenting and our delivery through the Better Hearings programme. Key areas of alignment across the plan and the recommendations are around – digital enablement, trauma informed practice, participation and inclusion, and fundamentally kindness and compassion.

Since research was published in 2016 following the legislative change to make SCRA, along with other organisations in the care sector, corporate parents, SCRA have been working towards full implementation across the Hearings system of the Better Hearings Standards.

During the previous year, SCRA locality managers took the lead in setting up multi-agency groups in each local authority to evaluate their collaborative performance against the standards, consider areas for improvement and agree a set of priorities for that improvement. Across 2018/19, plans were developed and during 2019/20, these plans were actioned. Each plan was developed and implemented locally.

All areas were encouraged to utilise improvement methodology in their plans and SCRA provided all Locality Reporter Managers with the opportunity to attend a training event on Improvement Science, and later, a further event to bring in partners in support of the local action plans.

A key component of Better Hearings and being a good Corporate Parent is that of ensuring that the voice of children and young people is present throughout all of the planning, designing and implementing.

The Better Hearings standards were developed to respond to what children, young people and practitioners had said would make coming to a hearing a better experience and it was therefore important that standards continued. Most local multi-agency groups align themselves to a local champions board and in some cases bring the young people in to take the lead and determine the priorities for the professionals to work to, to enable Better Hearings for them and others.

Through the internal management development programme and in support of the Better Hearings work, some intensive focus around partnership working – skills, protocols and expectation was carried out throughout the year. This involved consultation with all managers around their own training needs and in the development of supporting materials for managers. These materials cover themes and tiers for partnerships – identifying priority and scope for these to provide new and experienced managers with a blueprint.

Equalities and Inclusion, Corporate Parenting, Practice & Policy and Enhanced Partnership Capability:

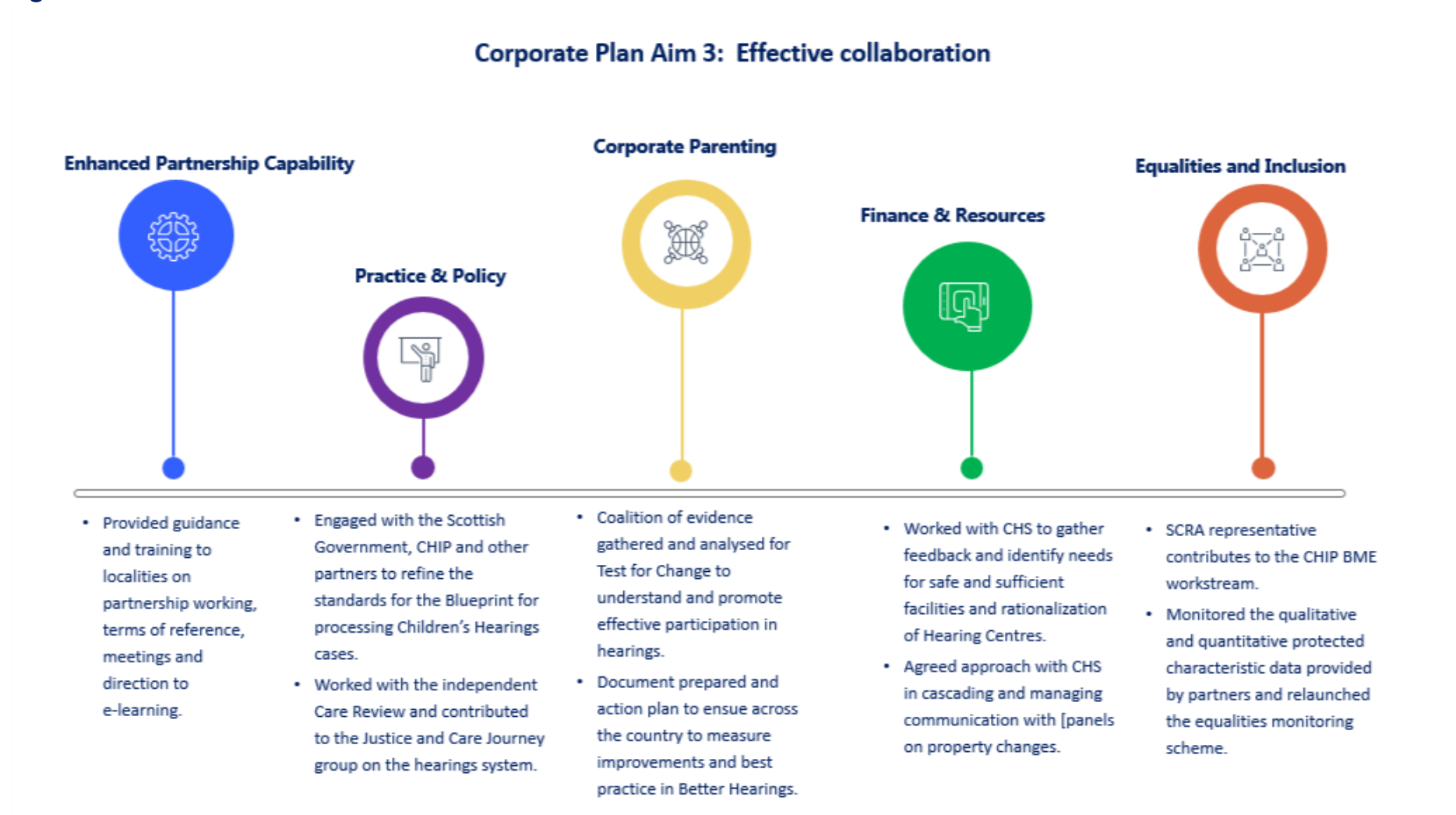
SCRA worked with the strategic partnership forum – CHIP (Children’s Hearings Improvement Partnership), to evaluate the Better Hearings work and shared the findings with professionals, Children and Young People. The report reflected the work to date, the learning and the ambition for the future on how further work will be shared and developed.

Support has been provided to localities (and local multi-agency groups by proxy) by the Quality and Performance team to analyse improvement priorities, evaluate them and then develop them for further roll out across all localities to enable sharing of good practice and to avoid duplication of effort. The implementation work of Better Hearings will continue into the new Corporate Plan supported by our Corporate Parenting duties and the findings of the Independent Review of Care.

The Blueprint for Children’s Hearings has been the document/targets that all agencies in the Hearings system have worked to since its publication in 2001. Over the past three years, SCRA have worked with others in the system to review this Blueprint and the standards within and develop new, revised standard to agencies to work to – or indeed, reaffirm that the standards are still right and relevant. This work took place, was piloted, evaluated and further refined.

The standards are now revised, agreed and signed off by the multi-agency partnership (CHIP). A key development in the new ‘Time and Quality Standards’ is the inclusion of the Better Hearings Standard within the framework to ensure both quantitative and qualitative elements of the system are linked, described and are measurable. The new Time and Quality Standard are due to be rolled out over 2020.

Figure 5.



Key issues and risks

The key strategic risks monitored throughout 2019/20 that have affected, and potentially continue to affect, SCRA in fully delivering all of its objectives, are:

- Failure to protect the personal data of children, young people and families, as well as staff members, resulting in a risk to their rights and freedoms through a breach of their personal data;
- Loss of management skills, knowledge and experience in key roles due to inadequate succession planning;
- IT Security measures are insufficient to prevent a successful cyber-attack on SCRA case information which results in loss of data which cannot be recovered;
- The employer costs of the Falkirk LGPS increase significantly making the scheme unaffordable within current resources;
- The 2018 Spending Review does not deliver level of resources required for medium term financial sustainability;
- 2019/20 Pay Offer in line with SG pay guidance is not accepted by SCRA staff with resultant service disruption; and
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed.

1.3 Performance Analysis

Key Performance Indicators

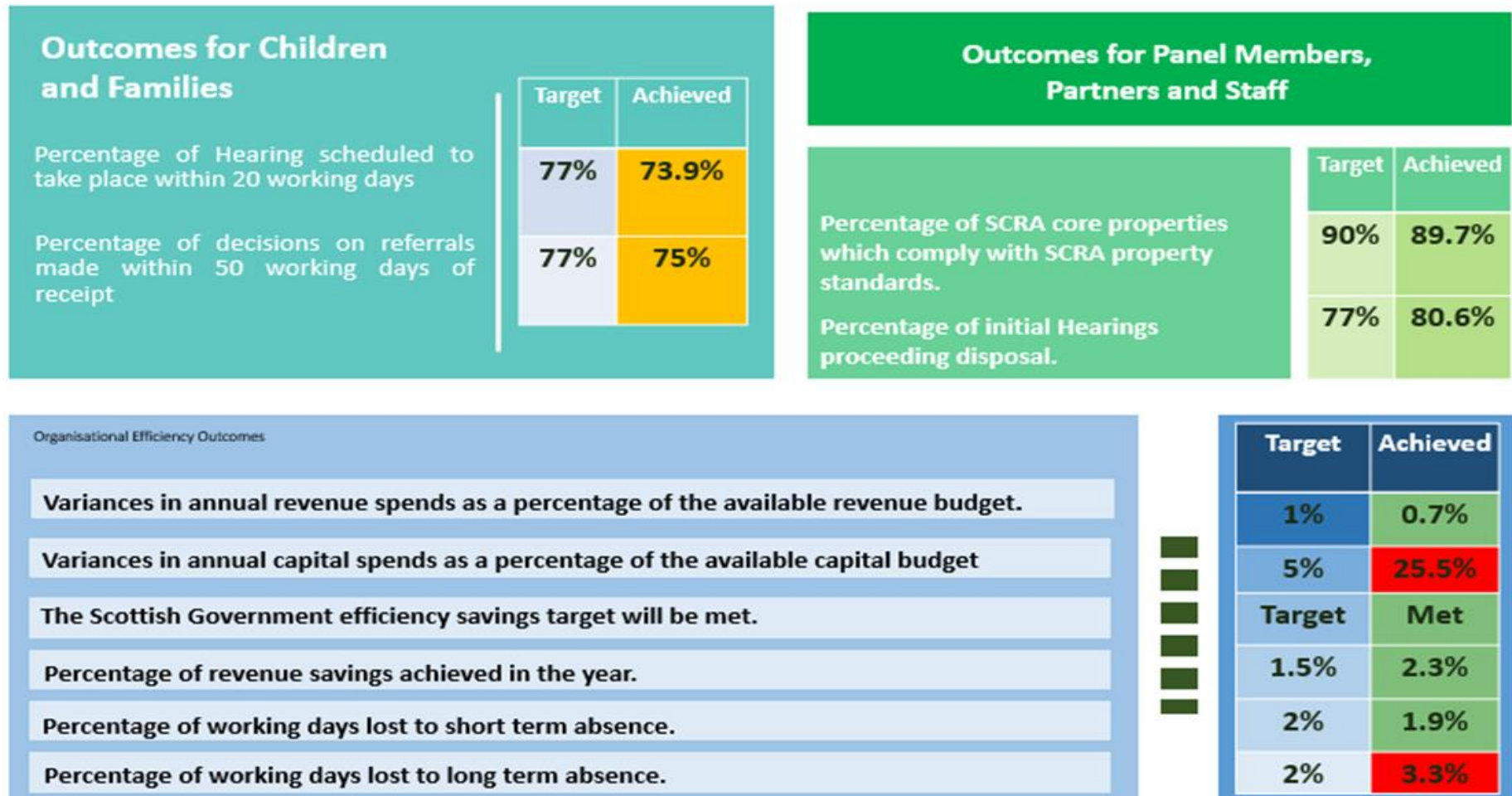
This section will provide detail around SCRA's achievements in the year in terms of its key performance Indicators (**figure 6**) and information is provided in the summary of key performance indicators. The Operational performance provides context in how these have been achieved.

Performance Measures

SCRA has ten key performance indicators which are reported to the Board on a quarterly basis.

Figure 6. Key Performance Indicators

Key (Achieved):- **Green** - Target Met. **Amber** - Target nearly met. **Red** - Target missed.



Summary of Key Performance Indicators

Overall, six of the ten indicators were met (green), with a further two nearly met (amber) and two missed (red). This compares to the prior year where five of the ten indicators were met and rated as green, with a further two nearly met (amber), and three missing the target (red).

The percentage of decisions on referrals within 50 working days indicator decreased by 2.5pp to 75.0% from 2018/19 and was rated as amber against the 77% target. Continued focus on performance around this measure ensures that children and young people are receiving a timely service from SCRA. Hearing scheduling was down 0.9pp in the year to 73.9%, leading to the indicator being rated as amber and missing the target by 3.1pp. Missing these targets has been partly due to the Better Hearings approach which is reflected in exceeding targets on deferrals, a significant increase in the volumes of referrals, staff absences and performance inconsistencies across some areas, which are being addressed.

The other operational indicator, initial Hearings proceeding to disposal at 80.6% was 3.6pp above target and 1.1pp above the prior year.

Four of the seven finance, property and human resources targets were met. This was the same as 2018/19 with the same targets met and the same targets missed. Long term absence increased by 0.3pp on last year to 3.3%. The first two quarters of 2019/20 saw the long term absence rate at 2.40%, with the first quarter at 1.70%. The long term absence rate increased across the remainder of the year peaking at 5.63% in January 2020. There were four ill health retirements in 2019/20 as a result of long term health conditions. These long term absences and an increase in Musculoskeletal & Joint Disorder related absences contributed to the long term absence rate being above target.

Absence rates have an impact on available resources and therefore affect the ability to meet operational targets. All long term sickness cases have the appropriate management plans in place via regular contact, Occupational Health intervention (where appropriate), support plans from GPs as well as discussions around potential return to work scenarios.

Short term absence at 1.9% met the target.

Revenue spend forecasts were below the 1% variance target so this indicator is green while capital spend variance at 25.5% was above the 5% target and was mainly due to minor works slippage and a review of capital spend which resulted in substantial spends being charged to revenue.

In addition to Key Performance Indicators, 58 Business Plan actions were monitored throughout the year. At the year-end, 38 actions are rated as green, 14 as amber and six as red (some outcomes are outstanding and these will be reported on in the 2019-20 Annual Report). In general, actions rated as amber or red have been moved into the 2020-21 Business Plan. Digital strategy work is not included in the Business Plan as this is being monitored through a separate Governance structure in collaboration with Children's Hearings Scotland.

Operational Performance

This section provides the operational context for the report, focussing on key aspects of the Children's Hearings System and the changes from the prior year.

The figures provided in this section are accurate as of 1 June 2020. Finalised figures will be published in the 2019-20 Annual Report.

Children and young people referred

The reasons (grounds) on which children and young people are referred to the Reporter are those set out in section 67(2) of the Children's Hearings (Scotland) Act 2011, and are summarised below.

Section 67 ground	
(a)	Lack of parental care
(b)	Victim of a Schedule 1 offence
(c)	Close connection with a Schedule 1 offender
(d)	Same household as a child victim of Schedule 1 offender
(e)	Exposure to persons whose conduct likely to be harmful to child
(f)	Close connection with a person who has carried out domestic abuse
(g)	Close connection with Sexual Offences Act offender - Parts 1, 4 & 5
(h)	Accommodated and special measures needed
(i)	Permanence order and special measures needed
(j)	Offence
(k)	Misuse of alcohol
(l)	Misuse of a drug
(m)	Child's conduct harmful to self or others
(n)	Beyond control of a relevant person
(o)	Failure to attend school without reasonable excuse
(p)	Pressure to enter into civil partnership (or same household as such a child)
(q)	Force to marry (or same household as such a child)

For ease of reference, referrals on (j) Offence grounds are classed as offence referrals with the others being classed as non-offence.

In 2019/20, 10,817, children were referred on non-offence grounds, this is largely unchanged from the prior year despite decreases seen in the second half of the year. Likewise, the number of children and young people referred on offence grounds in the year at 2,840 was largely unchanged (up <1%), which equates to 15 more children and young people.

There are certain types of referrals that indicate greater or immediate concern about the child or young person's safety. These include Child Protection Orders (CPOs). At 547, 20 fewer CPOs (2.7%) were received in the year.

Reporter Decisions

Reporters investigate where necessary, when a referral is received, to assist them in considering the likely need for compulsory measures. They do so by obtaining information on the child or young person and their circumstances from relevant agencies. Some of this information may now be provided at the point of referral rather than requiring to be requested. In the year, 27% of referrals, where a child or young person was not subject to a Compulsory Supervision Order at receipt, had a decision to arrange a Hearing.

Pre-Hearing Panels and Hearings

Pre-Hearing Panels (PHPs) are convened before some Children's Hearings to consider any special arrangements needed for the Children's Hearing. These are:

- Whether to deem/undeem an individual as a relevant person; and
- Whether to excuse a child or young person or relevant person from the obligation to attend the Children's Hearing.

In addition, PHPs can also appoint a Safeguarder for the child or young person or arrange legal representation for a child, young person or relevant person. The number of PHPs increased by 1.7% to 3,873 against 3,809 last year.

Children's hearings decide whether compulsory measures of intervention are necessary (in respect of the child or young person) to protect the child or young person and/or address their behaviour. The number of hearings decreased by 4.1% to 30,363 against 31,653 in the prior year, a drop of 1,290.

One measure of how long it takes cases from being received by SCRA to disposal at Children's Hearings (for those cases where compulsory measures are considered necessary or the existing compulsory measures require review as a result of the referral) is the median number of working days from the receipt of referral to the final Hearing decision. The median for referrals with offence grounds was 69 days, while the median for referrals with non-offence grounds was 116 days.

In addition, SCRA have to send written notifications of Hearing decisions to children and families within five calendar days of the Hearing. At 95% for 2019/20, the percentage sent within five calendar days was 2pp below the prior year.

Applications to the Sheriff for proof

If the child or young person and/or their relevant persons do not accept some or all of the statement of grounds for referral which form the basis of the Children's Hearing, or the child or young person does not or cannot understand the grounds, the Children's Hearing may direct the Reporter to apply to the Sheriff to establish the statement of grounds for referral (sections 93 and 94 of the Children's Hearings (Scotland) Act 2011). Overall, 2,763 applications were determined in 2019/20 and 91.5% were held to be established by the Sheriff. This was 74 fewer applications determined in the year (2.6%).

Compulsory measures of supervision

Compulsory Supervision Orders (CSOs) are the most common form of compulsory intervention made by Children's Hearings. They are also the only longer-term option available to Children's Hearings. It is the statutory responsibility of local authorities to implement CSOs. At the year-end, 8,875 children and young people were subject to CSOs. This is 331 fewer than the prior year end, a decrease of 3.6%.

Appeals

Children and young people and/or their relevant persons can appeal to the Sheriff against decisions made by Children's Hearings and Pre-Hearing Panels. In 2019/20, 557 children and young people had 686 appeals concluded, a 16.7% decrease from the prior year. (A child or young person may have several appeals within the year) Of these, 56% of the appeals were refused by the Sheriff or abandoned by the appellant. This is a 1pp decrease from the prior year.

Equalities and Inclusion

To align with SCRA's Corporate Plan, SCRA has developed an Equalities and Inclusion Strategy, which sets out how we will meet our Public Sector Equality Duty and mainstream equality duties across all parts of our organisation and in the provision of our service to children, young people and their families.

SCRA is fully committed to eliminating discrimination and providing an environment based on fairness, equality, cultural diversity, dignity and respect where everyone is supported to flourish and fulfil their potential, irrespective of their sex, gender identity, care experience, ethnicity, sexual orientation, disability, faith, age, or socio-economic background. SCRA fully respects the human rights of every individual.

SCRA is committed to promoting the practice of equality and diversity in all its services, operations and dealings with employees, children, young people and their families and all partner agencies. SCRA aims to ensure that it employs and deploys a workforce that is diverse and equipped with the right mix of skills and experience to deliver a quality service to children and young people.

Our Equalities Strategy and Mainstream Report 2020 was published in March 2020 and demonstrates our continued commitment to developing and embedding quality, diversity and inclusion in our culture and behaviours and as an intrinsic part of our day to day business and decision making. It provides an overview of key achievements and mainstreaming progress made within the SCRA in 2019/20 as follows:

	We held a development day to identify and share good areas of practice and to consult with our Inclusion Ambassadors We continue to promote requirements to mainstream equality within our Policies and Procedures and launched our Transgender guidance for managers and staff and revised Bullying and Harassment policies.
	We continue to embed equality, diversity and inclusion across through our role as Corporate Parents and publicly recognising Care Experience as a protected characteristic.

	We developed an integrated approach to Equality and Human Rights Assessments and trained the senior team on the new approach.
	We prioritised mental health in the workplace by developing and delivering a systematic programme of activity.
	We were awarded the LGBT Charter Accreditation.
	We supported National Carers Week and started our work towards becoming a Disability Confident Leader.
	We launched our second Equalities Monitoring Campaign.
	We delivered Inclusion and Bullying and Harassment training to all staff to support our progressive approach to inclusion and equalities.
	Our Women into Leadership Network met twice and heard from inspiring external speakers who shared their journey into and through leadership.
	We were active members of a number of forums e.g. Employers Network for Equality and Inclusion, NDPB Equality Forum and the SG British Sign Language-led Advisory Group to ensure we influenced best practice and draw expertise from a range of partners.

SCRA's approach is to go beyond its compliance obligations and to develop an inclusive ethos within the organisation based on fairness, equality, cultural diversity, dignity and respect. SCRA recognises care experience as a "tenth protected characteristic" and we continue to review our practice, policies and processes to reflect this.

All published equality documents can be found on our website:

<http://www.scra.gov.uk/about-scra/equality-and-diversity>

Consultation with employees

SCRA is committed to involving staff throughout the organisation in its decision-making process.

SCRA works in partnership with staff and has a partnership agreement with UNISON as the recognised Trade Union. Working in partnership mainstreams consultation and engagement with staff in all aspects of SCRA's working environment through employment issues to service delivery issues. There is an embedded structure of consultation and engagement through the National Partnership Forum which has a number of sub-groups like the HR Sub Group, Health/Wellbeing and Staff Survey Group, Equalities Network and more standalone networks such as the Joint Negotiating and Consultation Committee, Health and Safety Committee, Participation Group etc. Staff from across the organisation are represented on each of these groups to ensure that we engage fully. In addition, there are specific consultations and engagement activities that arise as part of programme and strategy work such as consultation on the development of the Corporate Plan and other strategies, development of our new case management system and our annual staff survey.

SCRA's new People Strategy seeks to develop local organisational conversations to engage with staff on all aspects of organisational development. National and Local Partnership arrangements are the established mechanism for staff engagement and involvement across SCRA. The Partnership model has brought significant benefits to SCRA in the way we listen to and work with our staff and it is now embedded well within our business model.

As part of the Partnership Agreement with UNISON, SCRA has an established Recognition and Procedure Agreement, which governs the negotiations of pay and national conditions of service for all staff. It formally acknowledges the importance of establishing and maintaining confidence in the negotiating arrangements voluntarily established under the Agreement and recognises the need to negotiate in good faith.

Payment Performance

In line with Scottish Government guidance, SCRA's policy is to pay all invoices, not in dispute, within the lesser of 10 working days and the agreed contractual terms. During the year ended 31 March 2020, SCRA paid 70% (31 March 2019: 67%) of all invoices within the terms of its payment policy. SCRA will continue to reduce its volume of invoices and work to improve the processing time of invoices in order to improve performance in 2020/21.

Anti-bribery

SCRA's Executive Management Team and Board have taken steps to ensure SCRA has policies in place to guard against corruption and bribery, including SCRA's procurement policy, Financial Regulations and Fraud and Corruption Policy

Environmental Performance

As a public body, SCRA is committed to meeting its duties under the climate change duties introduced by the Scottish Government. The main environmental legislation is the Climate Change (Scotland) Act 2009 which was amended by further legislation in 2019. The Climate Change legislation creates a requirement for public sector bodies to contribute towards meeting government targets and put in place the necessary steps for adapting to a changing climate.

Annual reporting supports compliance with the public bodies' duties and consolidates climate change information from the public sector. The Public Bodies Climate Change Duties report for 2018/19 was submitted at the end of November 2019 and then reviewed by the Scottish Sustainability Network. Reports submitted for last year and previous years can be found at <https://sustainablesotlandnetwork.org/reports>

Our most recent data (2018/19) points to a further reduction in emissions. Our greenhouse gas emissions are generally decreasing each year and were calculated to be 654 tonnes (tCO₂e). The data indicates that we are benefitting from more environmentally friendly methods of electricity production rather than reducing our consumption. Our Transport and Water emissions have increased slightly when compared with previous years. The breakdown of our emissions data is as follows:

Buildings - Heat & Power	556.0 tCO ₂ e	(17/18: 664.2 tCO ₂ e)
Transport - Business Travel	87.2 tCO ₂ e	(17/18: 85.0 tCO ₂ e)
Waste Produced	6.5 tCO ₂ e	(17/18: 7.2 tCO ₂ e)
Water Provision	4.7 tCO ₂ e	(17/18: 3.9 tCO ₂ e)

Property, and how we use our buildings, continues to be SCRA's largest source of GHG emissions. Business related travel is the second largest category of emissions and this is mainly related to travel necessary for the local delivery of our services across the country.

To reduce our carbon footprint and contribute to our climate change duties, the following main areas continue to be targeted for action:

- Property Use and Energy Consumption
- Business Travel
- Waste Minimisation
- Sustainable Procurement
- Biodiversity
- Staff Awareness, Engagement and Behavioural Change
- Improving Data Capture & Analysis

Progress continues to be made on these areas and our climate change duties form a key part of our new corporate plan and annual business planning. The remit of the Health & Wellbeing and Business Continuity Groups has been expanded to consider staff engagement, biodiversity and adaptation of our services (and the resources that support them), to a changing climate.

Neil Hunter
Accountable Officer
23 September 2020

2 Accountability Report

2.1 Director's Report

The table below shows the date of appointment for Board members in 2019/20.

Board Member	Appointment Date
Michelle Miller (Chair)	01 May 18
Sam Anderson	01 Jun 16
Anela Anwar	01 Dec 14
Tam Baillie	01 Sep 18
James Edgar	01 Oct 17
Catherine Robertson	01 Nov 13
Martin Toye	01 Jun 16
Suzanne Vestri	01 Oct 16

All Board members have fixed term contracts and of the above five are female and three are male.

The Board members have been appointed by the Scottish Ministers. They are appointed on the basis of having knowledge or experience relevant to the general purpose of SCRA or to the functions of the Principal Reporter/Chief Executive.

The table below shows the date of appointment for Executive Management Team members in 2019/20.

EMT Member	Job Title	Appointment Date
Neil Hunter	Principal Reporter/Chief Executive	04 Apr 11
Edward Morrison	Head of Finance and Resources	01 Dec 10
Malcolm Schaffer	Head of Practice and Policy	05 Oct 09 - 31 May 19
Thomas Philliben	Senior Operational Manager	05 Oct 09
Alistair Hogg	Senior Operational Manager	05 Nov 12 - 31 May 19
	Head of Practice and Policy	01 Jun 19
Susan Deery	Head of Human Resources	01 Oct 14
Lisa Bennett	Head of Strategy and Organisational Development	14 Sep 15
Helen Etchells	Senior Operational Manager	12 Aug 19
Paul Mulvanny	Senior Operational Manager	12 Aug 19
Lawrie McDonald	Head of Information Technology (SCRA/CHS)	01 Sep 15

All EMT members have permanent UK contracts and of the above three are female and seven are male. The Principal Reporter/Chief Executive has specific responsibility for the discharge of Reporters' statutory functions.

Audit

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each central government body in Scotland. For the financial years 2016/17 to 2020/21 the Auditor General appointed Audit Scotland to undertake the audit of SCRA. The general duties of the auditors of central government bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Register of Interests

A Register of Interests for Board members and senior staff is maintained by SCRA and may be accessed by contacting the Governance Officer at Ochil House, Springkerse Business Park, Stirling, FK7 7XE, or on SCRA's website, <https://www.scra.gov.uk/about-scra/our-board/> and <https://www.scra.gov.uk/about-scra/senior-management/>

Report of personal data incidents

SCRA reports all reportable breaches to the Information Commissioner's Office in compliance with legislation.

Non-Disclosure Orders

A Non-Disclosure Order is a special provision attached to a child's case in instances when it is considered necessary to protect the whereabouts of a child, or relevant person with whom the child is residing, due to significant concerns about their safety.

There were 44 incidents in 2019-20 where Non-Disclosure Orders were breached. In comparison there were 20 such incidents in 2018-19, and 30 in 2017-18.

In 2019-20, twenty of these breaches were caused by SCRA (in 2018-19 ten were caused by SCRA, and in 2017-18 twenty were). Other sources of breaches included local authorities, NHS, solicitors, Police Scotland, and Panel Members. The cause of most breaches of Non-Disclosure Orders was documents not being adequately redacted; with a minority caused when information was disclosed verbally in a Children's Hearing.

Case Information

SCRA holds information on children and their families, who are involved in the Children's Hearings System. Much of this information is special category data as defined by the GDPR and by The Data Protection Act 2018.

SCRA continues to monitor breaches of case information and Non-Disclosure Orders as part of its activities to improve information security and data protection compliance. Each Locality has an Information Governance Lead and the Information Governance Leads Group meets regularly to monitor activity including lessons learnt from breaches, updating policies and reviewing training plans. All staff have been trained on GDPR; they are also required to do

annual GDPR refresher training and role specific data protection training. The Audit and Risk Committee of the Board receives a report every six months on Information Governance including an update on breaches and actions taken by SCRA to manage them and mitigate risk.

SCRA and Children's Hearings Scotland established a Joint Information Governance Group in October 2014. Its aim is to improve information governance across both organisations, ensure best practice and effective information governance in the operation of Children's Hearings and identify opportunities for partnership working. We also continue work with our key partners on information governance including establishing effective and lawful information sharing on vulnerable children, and in preventing and managing breaches.

SCRA's activities on data protection and Non-Disclosure have continued through the COVID-19 pandemic to ensure that the rights of children and families involved in the Children's Hearings System are maintained.

2.2 Statement of Accountable Officer's Responsibilities

Under Schedule 3 of the Children's Hearing Scotland Act (2011), the Scottish Parliament has directed the SCRA 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 SCRA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Scottish Parliament, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual (FReM) have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Accountable Officer of the Scottish Government Directorate with responsibility for sponsorship of SCRA designated the Principal Reporter/Chief Executive of SCRA as the Accountable Officer for the Administration. The Head of Finance and Resources is designated as Deputy Accountable Officer. 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 Administration's assets, are set out in *Managing Public Money* by the HM Treasury.

As Accountable Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the 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.
- 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.

2.3 Statement of Governance

2.3.1 Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of SCRA's policies, aims and objectives, as set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Memorandum to Accountable Officers for Other Public Bodies.

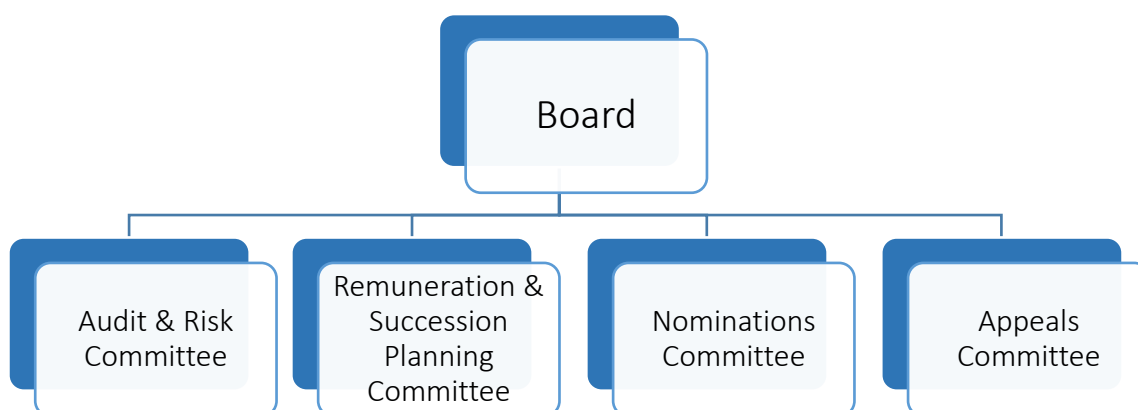
2.3.2 Governance framework

SCRA's governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2020 and up to the date of the approval of the financial statements. The SPFM provides guidance to the Scottish Government, and other relevant bodies, on the proper handling of public funds. It is designed to ensure compliance with statutory and parliamentary requirements, promote value for money, high standards of propriety, effective accountability and robust systems of internal control.

The impact of COVID-19 at the end of 2019/20 has not led to any relaxation of key aspects of the governance framework and statutory duties continued to be fulfilled albeit in the context of applying the full range of options in SCRA's Business Continuity Plan and the Scottish Government's initial COVID-19 guidance for public bodies.

2.3.3 Board and committee structure

The Board Committee structure encompasses an Audit and Risk Committee, a Remuneration and Succession Planning Committee, a Nominations Committee and an Appeals Committee. The Committees report into the Board, on a routine basis, on the business conducted at their meetings.



Operation of the board

SCRA's Board comprises the Chair and seven non-executive members. The Principal Reporter/Chief Executive attends ex-officio. Members of the Board are appointed by Ministers and the normal term of office for a non-Executive member is four years. Board members may serve for a maximum of eight years. The Board has responsibility for ensuring that SCRA fulfils the aims and objectives set by Scottish Ministers.

The role of the Board is to:

- Establish the overall strategic direction within the policy and resources framework agreed with the Scottish Government;
- Ensure that the organisation meets its objectives;
- Demonstrate high standards of corporate governance at all times;
- Ensure that any statutory or administrative requirements for the use of public funds are complied with.

The Board met five times during 2019/20 (June 2019, September 2019, December 2019, January 2020 and March 2020) on regular business. One Board Development day was held in November 2019. The Board regularly review the organisation's key policies which include the Human Resources Policies, Health & Safety Policies, Information Security Policies, Data Protection Policies, Risk Management Policy, Fraud Policy, Location Policy (part of Property Strategy), Procurement Policy, Media Handling Policy, Environmental Policy and Complaints Policy.

Board programme of business:

Standing Items	Specific Items for 2019/20
<ul style="list-style-type: none"> • Committee Minutes • Chief Executive's Report • Budget Monitoring • Organisational Performance • New Risks 	<ul style="list-style-type: none"> • Digital Strategy Update • 5 year Financial Plan • Annual Procurement Report • Corporate Plan consultation and 2020-23 Plan • Business Plan 2020/21 • Engagement and Participation <ul style="list-style-type: none"> ○ Modern Apprenticeship Programme in SCRA • Finance and Resources <ul style="list-style-type: none"> ○ Budget Planning 2020/21 ○ VER Business Case • Property Strategy • Independent Care Review
Annual	
<ul style="list-style-type: none"> • Budget • Draft Accounts • Annual Accounts and Management Representation Letter • Annual Report • Corporate and Business Plans • Complaints • Environmental Report • Committee Annual Reports • Health & Safety • Workforce Report • Overview of Policies • Research Programme • Equalities Network Annual Report • Locality Performance Review • Standing Orders 	
Bi-annual	
<ul style="list-style-type: none"> • Influencing Report • Strategic and Operational Risk Registers 	

2.3.4 Board Development Meetings

Business conducted at the Board Development Day (November 2019) included:

- Appeals Committee training
- Quality Assurance Programme options discussion
- Reviewed SCRA Corporate Plan
- Our Hearings Our Voice (OHOV) progress report
- Digital Strategy practical update

2.3.5 Audit and Risk Committee

The Audit and Risk Committee comprises the Chair and three non-executive members. The Principal Reporter/Chief Executive attends ex-officio. It meets quarterly and reviews the adequacy of the arrangements for ensuring sound internal control and in particular scrutinises all audit reports and the actions taken by managers in response to audit recommendations.

Audit and Risk Committee Programme of Business (meetings held May 2019, August 2019, November 2019 and February 2020):

Standing Items	Other Business Items
Information Governance <ul style="list-style-type: none"> Data Protection and Information Governance Six-monthly Report 	Annually <ul style="list-style-type: none"> Report to the Board on the Audit and Risk Committee's business Meeting with Internal/External Auditors Fraud Report External Audit Report to those charged with Governance on the Audit Management Representation Letter Annual Accounts, Governance Statement, Accounting Policies Internal and External Audit Plans Quality Assurance Programme Joint Inspection of Children's Services – Overview
Quality Assurance and Performance <ul style="list-style-type: none"> Case Sampling Reports 	
External Audit <ul style="list-style-type: none"> Update on Topical/Regulatory Issues 	
Internal Audit <ul style="list-style-type: none"> Reports on fieldwork Annual Plan Progress 	
Digital Strategy <ul style="list-style-type: none"> Update from Oversight Committee 	
Risk Management <ul style="list-style-type: none"> New Risks 	Bi-annual <ul style="list-style-type: none"> Review of Strategic and Operational Risk Registers Internal Audit Recommendations Follow-up Pensions Update
Topical/Regulatory/Governance Issues	
Specific Items during 2019/20 (in addition to above) <ul style="list-style-type: none"> Tracked review of LGPS Scheme Structure consultation exercise. Considered the report on the Internal Review of NHS Highland. 	

The Audit and Risk Committee carries out an annual self-assessment and reports annually on its activities to the Board. The Audit and Risk Committee receives regular updates from the Digital Strategy Oversight Committee which meets quarterly and comprises the Chairs of Audit of SCRA and CHS and an independent member.

2.3.6 Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee comprises the Chair and two non-executive members and meets at least twice per year. It is responsible for governance of the pay and remuneration policy for the organisation and the approval of Principal Reporter/Chief Executive appraisal and pay. It also monitors progress on the organisation's succession planning arrangements.

Business dealt with during 2019/20 (meetings held June 2019 and January 2020):

- Performance and Objective Setting for Principal Reporter/Chief Executive for period 2018/19 and 2019/20
- Pay Award Proposal – Principal Reporter/Chief Executive
- Pay Award Update 2019/20 and 20/21
- Annual Committee Report
- Succession Planning Update
- Women Into Leadership

2.3.7 Nominations Committee

The Nominations Committee comprises the Chair, two non-executive members and one Sponsor Team official and meets at least annually. The role of the Committee is to:

- Lead the process for Board appointments and make recommendations to the Board;
- Offer advice to the Board on future Board appointments;
- Review and evaluate skills, knowledge, expertise of current Board Members on an annual basis.

The Committee did not meet in 2019/20.

2.3.8 Appeals Committee

The Appeals Committee comprises a Chair and two non-executive members and meets as required. Its remit is to:

- hear appeals from SCRA staff in respect of any of the matters set out in SCRA's Manual of Personnel Policies & Procedures and in accordance with the arrangements set out therein;
- come to a substantive decision on any appeal; and
- report the outcome to the Board at its next meeting following any appeal.

The Committee did not meet in 2019/20.

2.3.9 Executive management

The Executive Management Team (EMT) comprises the senior managers in the organisation who are responsible for establishing and maintaining a sound internal control system. The EMT meets monthly and is supported by a Health and Safety Committee, Equalities Group, an Information Governance Leads Group and a Digital Delivery Board. The EMT receives regular reports on budget management, organisational performance and changes in strategic/operational risks, whereas the Board focuses on strategy, performance and behaviour. The Principal Reporter advises the Board on all matters and is solely responsible for operational issues. Board members have no authority to instruct the Principal Reporter/Chief Executive or any member of staff on operational matters.

2.3.10 Internal controls

The internal control framework comprises a network of systems designed to provide assurance that organisational objectives will be achieved, with particular reference to:

- risk management;
- the effectiveness of operations;
- the economical and efficient use of resources;
- compliance with applicable policies, procedures, laws and regulations;
- safeguards against losses, including those arising from fraud, irregularity or corruption; and
- the integrity and reliability of information and data.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact should they be realised. The system of internal control has been in place in SCRA for the year to 31 March 2020, and up to the date of approval of the annual report and accounts.

The following internal control systems are assessed annually as part of the Scottish Government Certificates of Assurance process which must be completed by the Chief Executive. This process was completed in May 2020 and no major control gaps have been identified.

- | | |
|------------------------|--------------------------|
| • Risk Management | • Procurement |
| • Business Planning | • Human Resources |
| • Major Investment | • Equality and Diversity |
| • Project Management | • Information |
| • Financial Management | • Health & Safety |
| • Fraud | • Compliance |

2.3.11 Risk management arrangements

A framework for measuring, controlling and monitoring strategic risks has been in place throughout the financial year. A regular review of the Strategic Risk Register is undertaken by the Executive Management Team and the Strategic Risk Register is reported to the Audit and Risk Committee and Board every six months. Strategic risk management is fully established in the corporate planning and decision making processes of SCRA. The Operational Risk Register is overseen by the Senior Operational Managers. Localities maintain their own Risk Registers. Digital Strategy risks are monitored by the Digital Delivery Board. EMT is supported in discharging its risk management responsibilities by the Planning and Performance Network.

The key strategic risks tracked throughout 2019/20 included:

- failure to protect the personal data of children, young people and families, as well as staff members, resulting in a risk to their rights and freedoms through a breach of their personal data;
- loss of management skills, knowledge and experience in key roles due to inadequate succession planning;
- IT Security measures are insufficient to prevent a successful cyber-attack on SCRA case information which results in loss of data which cannot be recovered;
- the employer costs of the Falkirk LGPS increase significantly making the scheme unaffordable within current resources;
- SR2018 does not deliver level of resources required for medium term financial sustainability
- 2019/20 Pay Offer in line with SG pay guidance is not accepted by SCRA staff with resultant service disruption; and
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed.

SCRA's internal auditors are BDO, appointed for the period 1 July 2017 to 30 June 2020 with an option to extend to 30 June 2021 which has now been exercised. The Internal Auditor reviewed risk management arrangements in 2017/18 and identified a number of areas of good practice and some improvements which have been implemented including:

- completion of all Locality Risk Registers;
- review Risk Identification processes;
- developing a detailed risk scoring system which includes consideration of both financial and operational factors to facilitate greater consistency;
- developing a risk management training plan/programme and include risk management training within the induction of staff with Risk Management responsibilities;
- regularly review the Risk Management Policy; and
- developing a Risk Assurance map.

2.3.12 Digital programme

In November 2017 a joint meeting of Children's Hearings Scotland (CHS) and SCRA Boards approved a joint digital delivery plan and the award of contract to an identified supplier, following a competitive tender exercise. The main focus of activity throughout 2019/20 has been on the Alpha and Beta phases of delivery of the services that comprise the new Core Systems and Applications and engaging in the Digital Strategy Health Check and Digital First Service Standards assessment. A Business Readiness team has been resourced from within the organisation to support product development, development of training and guidance and preparing Locality teams for implementation of the system in 2020/21.

2.3.13 Information governance

All Information Governance duties are carried out by Information Governance (IG) Leads who meet frequently as a Group with the SCRA Senior Information Risk Officer (SIRO) as Chair. A Board Member has been nominated to link with the IG Leads Group. The day to day work of the Information Governance Team includes General Data Protection Regulation (GDPR) compliance.

2.3.14 Data security

A number of data breaches, including breaches of non-disclosure orders, have been reported to me by SCRA's SIRO who also ensures appropriate reporting to the Information Commissioner's Office. Controls are in place to mitigate the risk of information loss. SCRA works proactively with partners to highlight information security and assist them in managing their information more securely in their own locations/settings.

2.3.15 Quality and performance

SCRA's Quality Assurance and Performance Team is responsible for providing assurance on the effectiveness of the arrangements within SCRA for discharging the Principal Reporter/Chief Executive's statutory responsibilities towards children referred to the Reporter and meeting agreed quality standards. A Quality Assurance work programme is approved by the Audit and Risk Committee at the start of each business year and the team provides regular reports on case sampling, Inspection and self-assessment to the Audit and Risk Committee which monitors the actions taken by managers in response to recommendations made. The Practice and Quality networks meet throughout the year with a purpose to share best practice and to help improve the quality of the service provided to children and young people.

2.3.16 Internal audit

In addition to the Quality Assurance and Performance Team, SCRA has an internal audit service provided under contract, which operates to the Public Sector Internal Audit Standards. They submit regular reports to the Audit and Risk Committee which include an independent opinion on the adequacy and effectiveness of SCRA's system of internal control together with recommendations for improvement.

No high risk recommendations were identified by the auditors in 2019/20. In the auditors opinion, the risk management activities and controls in the areas which they examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on their verification reviews and sample testing the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.

2.3.17 Assessment of corporate governance arrangements

As Accountable Officer, I have reviewed the effectiveness of corporate governance arrangements. My review is informed by:

- the executive managers within SCRA who have responsibility for the development and maintenance of the internal control framework, including the organisation's Senior Information Risk Officer;
- the work of the internal auditors and the Quality Assurance and Performance Team who submit to the Audit and Risk Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of SCRA's system of internal control together with any recommendations for improvement;
- comments made by the external auditors in their management letters and other reports;
- assurances from senior staff in SCRA's 2019/20 Internal Control Checklist which will be submitted to the Sponsor Division as part of the Scottish Government's Certificates of Assurance process;
- a range of other accountability mechanisms including quarterly organisational performance reviews, end to end process reviews, regular assessment of management of key risks, regular review of organisational policies and potentially, information from whistle-blowers in line with the Whistleblowing Policy.

During the financial year 2019/20, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

2.4 Remuneration and Staff Report

2.4.1 Unaudited remuneration report

Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee, a sub-committee of the full SCRA Board, oversees the remuneration and succession planning arrangements of all staff.

For the financial year under review, the Remuneration and Succession Planning Committee consisted of:

- Catherine Robertson (chair)
- Sam Anderson
- Suzanne Vestri

Policy on remuneration

SCRA's overall remuneration policy aims to:

- attract, retain and motivate competent and skilled staff at all levels of the organisation
- reward staff for their contribution to SCRA by arrangements which are simple, fair and transparent.

Performance assessment methods

Performance is measured in accordance with a performance appraisal scheme that includes annual objective setting and performance review. For senior managers these objectives relate to both individual performance and corporate performance.

Where performance is satisfactory, staff not at the maximum of their salary scale will progress to the next step in the scale.

Policy on duration of contracts, notice periods and termination payments

It is SCRA's policy normally to offer open-ended appointments, subject to operational and resource considerations. The notice period for senior managers is three months. Any payment in relation to termination of employment through retirement or redundancy is governed by SCRA's relevant policies and procedures. Any discretionary payment made to any member of staff on termination is subject to approval by the Board and Scottish Government.

Staff Absence

In the year to 31 March 2020 average staff absence was 5.2% (31 March 2019: 4.8%). The target for the year to 31 March 2020 was 4% (31 March 2019: 4%). Further detail can be found in the Performance Report.

2.4.2 Audited remuneration report

Senior managers' service contracts

In the event of early termination of a senior manager service contract, a payment in lieu of notice up to a maximum of 3 months' salary may be made.

Name / Title	Date of contract	Unexpired term	Notice period
Neil Hunter <i>Principal Reporter/Chief Executive</i>	04 April 2011	Open-ended contract	3 months
Edward Morrison <i>Head of Finance and Resources</i>	01 December 2010	Open-ended contract	3 months
Susan Deery <i>Head of Human Resources</i>	01 May 2016	Open-ended contract	3 months
Malcolm Schaffer <i>Head of Practice and Policy</i>	05 October 2009	31 May 2019	3 months
Helen Etchells <i>Senior Operational Manager</i>	12 August 2019	30 September 2020	3 months
Paul Mulvanny <i>Senior Operational Manager</i>	12 August 2019	30 September 2020	3 months
Thomas Philliben <i>Senior Operational Manager</i>	01 May 2011	30 June 2020	3 months
Alistair Hogg <i>Head of Practice and Policy</i>	01 June 2019	Open-ended contract	3 months
Lisa Bennett <i>Head of Strategy and Organisational Development</i>	14 September 2015	Open-ended contract	3 months

Board members' and Senior Managers' remuneration

Non-executive Board Members	Salary and allowances 2019-20 £000	Salary and allowances 2018-19 £000
Michelle Miller (Chair)	20-25	15-20
Sam Anderson	0-5	0-5
Anela Anwar	0-5	0-5
Tam Baillie	0-5	0-5
James Edgar	0-5	0-5
Catherine Robertson	0-5	0-5
Martin Toye	0-5	0-5
Suzanne Vestri	0-5	0-5

SCRA does not make any contribution to the Local Government Pension Scheme, nor provide any other form of pension benefit, in respect of any Non-Executive Board Member.

Name / Title	Salary and allowances 2019-20	Pension benefits 2019-20	Single total figure of remuneration 2019-20	Salary and allowances 2018-19	Pension benefits 2018-19	Single total figure of remuneration 2018-19
	£000	£000	£000	£000	£000	£000
Executive Management Team Members						

Neil Hunter <i>Principal Reporter/Chief Executive</i>	115-120	32	145-150	115-120	26	140-145
Edward Morrison <i>Head of Finance and Resources</i>	80-85	30	110-115	75-80	19	95-100
Susan Deery <i>Head of Human Resources</i>	80-85	58	140-145	75-80	24	100-105
Malcolm Schaffer¹ <i>Head of Practice and Policy</i>	10-15	15	25-30	75-80	19	95-100
Helen Etchells² <i>Senior Operational Manager</i>	45-50	6	50-55	n/a	n/a	n/a
Paul Mulvanny³ <i>Senior Operational Manager</i>	20-25	-5	15-20	n/a	n/a	n/a
Thomas Philliben <i>Senior Operational Manager</i>	80-85	32	110-115	80-85	19	100-105
Alistair Hogg <i>Head of Practice and Policy</i>	80-85	29	110-115	75-80	28	105-110
Lisa Bennett <i>Head of Strategy and Organisational Development</i>	80-85	27	105-110	75-80	25	100-105

¹ Left office on 31 May 2019

² Appointed 12 August 2019

³ Appointed 12 August 2019 and holds two part-time posts within SCRA: only remuneration relating to the executive management team post is shown here

	2019-20	2018-19
Mid-point of highest paid Executive Management Team member's total remuneration*	£96,163	£94,563
Median total remuneration*	£30,543	£29,368
Ratio	3.1 : 1	3.2 : 1

* Remuneration figures exclude cash equivalent transfer values and these figures exclude employer pension contributions.

The full-time equivalent remuneration paid to SCRA staff ranged from £16,443 to £68,602 (2018-19: £15,986 to £66,604).

No senior manager received any benefits in kind or non-cash remuneration in 2019-20 (2018-19: £nil).

Senior managers' pension entitlements

Name / Title	Real increase in pension in year to 31 March 2020	Real increase in lump sum in year to 31 March 2020	Total accrued pension at 31 March 2020	Total accrued lump sum at 31 March 2020	CETV* at 31 March 2019	CETV* at 31 March 2020	Real increase in CETV* during year
	£000	£000	£000	£000	£000	£000	£000
Executive Management Team Members							
Neil Hunter <i>Principal Reporter/Chief Executive</i>	0-2.5	0	15-20	0	206	256	37
Edward Morrison <i>Head of Finance and Resources</i>	0-2.5	0-2.5	30-35	60-65	562	640	63
Susan Deery <i>Head of Human Resources</i>	2.5-5	2.5-5	30-35	60-65	501	601	85
Malcolm Schaffer <i>Head of Practice and Policy</i>	0-2.5	0-2.5	40-45	85-90	828	869	27
Helen Etchells <i>Senior Operational Manager</i>	0-2.5	0	20-25	0	248	257	2
Paul Mulvanny <i>Senior Operational Manager</i>	(2.5)-0	(2.5)-0	20-25	35-40	393	405	4
Thomas Philliben <i>Senior Operational Manager</i>	0-2.5	0-2.5	35-40	70-75	781	874	74
Alistair Hogg <i>Head of Practice and Policy</i>	0-2.5	0-2.5	20-25	25-30	332	389	46
Lisa Bennett <i>Head of Strategy and Organisational Development</i>	0-2.5	0-2.5	15-20	10-15	163	205	33

* Cash Equivalent Transfer Value

Senior managers' pension entitlements: prior year comparatives

	Real increase in pension in year to 31 March 2019	Real increase in lump sum in year to 31 March 2019	Total accrued pension at 31 March 2019	Total accrued lump sum at 31 March 2019	CETV* at 31 March 2018	CETV* at 31 March 2019	Real increase in CETV* during year
	£000	£000	£000	£000	£000	£000	£000
Executive Management Team Members							
Neil Hunter <i>Principal Reporter/Chief Executive</i>	0-2.5	0	15-20	0	177	206	14
Edward Morrison <i>Head of Finance and Resources</i>	0-2.5	0	30-35	55-60	517	562	23
Susan Deery <i>Head of Human Resources</i>	0-2.5	0-2.5	25-30	55-60	457	501	25
Malcolm Schaffer <i>Head of Practice and Policy</i>	0-2.5	0	40-45	85-90	800	828	(2)
Thomas Philliben <i>Senior Operational Manager</i>	0-2.5	0	35-40	70-75	756	781	(4)
Alistair Hogg <i>Senior Operational Manager</i>	0-2.5	0-2.5	20-25	25-30	281	332	37
Lisa Bennett <i>Head of Strategy and Organisational Development</i>	0-2.5	0-2.5	15-20	10-15	142	163	11

* Cash Equivalent Transfer Value

Amounts payable to and from third parties for the services of a senior manager

SCRA paid Children's Hearings Scotland (CHS) £nil in 2019/20 in respect of senior management services from Lawrie McDonald, Head of IT (2018/19: £nil). Lawrie McDonald joined SCRA's Executive Management Team in September 2015.

CHS paid SCRA £18,273 and £7,040 in 2019/20 in respect of senior management services from Edward Morrison and Susan Deery respectively (2018/19: £18,357 and £4,640 respectively).

Significant awards made and compensation payable to former senior managers

No senior managers received redundancy in accordance with SCRA's policy in 2019/20 (2018/19: none). There was no compensation payable to former senior managers in 2019/20 (2018-19: £nil).

Staff numbers and related costs

(i) Staff costs – staff with a permanent (UK) employment contract

	2019-20 £000	2018-19 £000
Salaries and wages	12,608	12,465
Social security costs	1,205	1,197
Contributions to pension scheme	2,470	2,308
Cost of early retirement	192	172
IAS 19 adjustment to pension scheme contributions	3,887	2,381
Total	20,362	18,523

(ii) Staff costs – other staff

	2019-20 £000	2018-19 £000
Salaries and wages	1,592	1,017
Social security costs	172	97
Contributions to pension scheme	311	173
Total	2,075	1,287

(iii) Staff costs – all staff

	2019-20 £000	2018-19 £000
Salaries and wages	14,200	13,482
Social security costs	1,377	1,294
Contributions to pension scheme	2,781	2,481
Cost of early retirement	192	172
IAS 19 adjustment to pension scheme contributions	3,887	2,381
Total	22,437	19,810

(iv) Average number of employees

The average number of whole-time persons employed during the year was as follows:

	2019-20	2018-19
Staff with permanent contract - Male	49	54
Staff with permanent contract - Female	304	308
Agency staff/staff with short-term contract - Male	5	4
Agency staff/staff with short-term contract - Female	42	29
Total	400	395

Average numbers are calculated using actual whole-time person equivalents at 1 April 2019, 30 June 2019, 30 September 2019, 31 December 2019 and 31 March 2020.

(v) Exit packages

A summary of exit packages agreed during 2019/20 is as follows:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed (total cost)	Total number of exit packages by cost band (total cost)	Number of departures where special payments have been made (special payment element (totalled))
< £20,001	0	1 (£17k)	1 (£17k)	0
£20,001 - £40,000	0	1 (£28k)	1 (£28k)	0
£40,001 - £60,000	0	1 (£43k)	1 (£43k)	0
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
> £100,001	0	1 (£122k)	1 (£122k)	0
Total number of exit packages by type	0	4 (£210k)	4 (£210k)	0

A summary of exit packages agreed during 2018/19 is as follows:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed (total cost)	Total number of exit packages by cost band (total cost)	Number of departures where special payments have been made (special payment element (totalled))
< £20,001	0	2 (£36k)	2 (£36k)	0
£20,001 - £40,000	0	2 (£63k)	2 (£63k)	0
£40,001 - £60,000	0	0	0	0
£60,001 - £80,000	0	1 (£67k)	1 (£67k)	0
£80,001 - £100,000	0	1 (£94k)	1 (£94k)	0
> £100,001	0	0	0	0
Total number of exit packages by type	0	6 (£259k)	6 (£259k)	0

(vi) Consultancy

In 2019/20, SCRA spent £4,509 on consultancy (2018/19: £10,617).

Disability

SCRA is a Disability Confident Employer. We have recently submitted our portfolio for assessment to become a Disability Confident Leader. Being a Disability Confident Leader means that we will support aspiring Disability Confident Employers to progress their journey. Currently, as a disability confident employer means we are committed to and can demonstrate the following:

- We provide a fully inclusive and accessible recruitment process
- We offer an interview to disabled people who meet the essential criteria for the role
- We are flexible when assessing people so disabled job applicants have the best opportunity to demonstrate that they can do the job
- We plan for, and make reasonable adjustments to, the assessment and interview process
- We make sure people involved in the interviewing process understand the Disability Confident commitment and know how to offer and make reasonable adjustments
- During employment, we proactively offer and make reasonable adjustments as required
- We have appointed Disability Inclusion Ambassadors and have provided them with the appropriate awareness raising/training
- We provide paid employment both on a permanent and fixed term basis, including Modern Apprenticeships, to employees with a wide range of disabilities
- We engage with Jobcentre Plus, Work and Health Programme providers to provide training and/or access support as required
- We provide an environment that is inclusive and accessible for staff and children, young people and their families

- We support employees to manage their disabilities or health concerns
- We ensure there are no barriers to development and progression for disabled staff
- We ensure managers are aware of how they can support staff who are sick or absent from work
- We promote information and advice on mental health conditions
- We have signed up to the Mental Health at Work Standards and Commitments and have developed an action plan of activity to improve mental health supports to all staff
- We provide occupational health services and an employee assistance programme
- We have a Disability Leave Policy which supports staff with a disability in managing their time off related to their disability

Facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations SCRA is required to publish the following information.

Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
13	11.49

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	2
1%-50%	10
51%-99%	1
100%	0

Percentage of paybill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time	£54,919
Provide the total paybill	£18,358,007
Provide the percentage of the total paybill spent on facility time, calculated as: (total cost of facility time ÷ total paybill x 100)	0.30%

Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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2.5 Parliamentary Accountability Report

SCRA is required to report on any high-value losses and special payments incurred in the financial year, any fees and charges receivable in the financial year and any remote contingent liabilities as at the date the accounts were signed by the Accountable Officer.

- No reportable losses were incurred in the financial year to 31 March 2020.
- No reportable special payments were made in the financial year to 31 March 2020.
- No reportable fees or charges were received in the financial year to 31 March 2020.
- There are no remote contingent liabilities at the date the accounts were signed.

Neil Hunter
Accountable Officer
23 September 2020

3 Independent Auditor's Report

Independent auditor's report to the members of Scottish Children's Reporter Administration, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Children's Reporter Administration for the year ended 31 March 2020 under the Public Finance and Accountability (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 2019/20 Government Financial Reporting Manual (the 2019/20 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2020 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 FReM; and
- have been prepared in accordance with the requirements of the Children's Hearings (Scotland) Act 2011 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 26 January 2018. The period of total uninterrupted appointment is 3 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.

Emphasis of matter: fair value of land and buildings

I draw attention to note 5 to the financial statements, property, plant and equipment which describes the effects of uncertainties, caused by Covid-19, on the fair value of land and buildings. My opinion is not modified in respect of this matter.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the 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.

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

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

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and my independent auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report 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. 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.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

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 Children's Hearings (Scotland) Act 2011 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 Children's Hearings (Scotland) Act 2011 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.

Alasdair Craik FCCA
Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

23 September 2020

4. Financial Statements

4.1 Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

	Note	2019-2020 £000	2018-2019 £000
Expenditure			
Staff costs	3	22,437	19,810
Other expenditure	4	6,121	5,566
Depreciation and amortisation		1,266	979
		<u>29,824</u>	<u>26,355</u>
Income	2	<u>(442)</u>	<u>(391)</u>
Net expenditure		29,382	25,964
Interest payable		5	2
Interest receivable		-	-
Pension scheme finance cost	11	1,108	984
Net expenditure before Scottish Government funding		<u>30,495</u>	<u>26,950</u>
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial (gain) / loss on pensions		(13,195)	6,050
Revaluation (surplus)/ loss on property		<u>(1,277)</u>	<u>(31)</u>
Comprehensive net expenditure for the year		<u>16,023</u>	<u>32,969</u>

4.2 Statement of Financial position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Property, plant and equipment	5	7,467	6,789
Intangible assets	7	4,553	2,765
<i>Total non-current assets</i>		12,020	9,554
Current assets			
Trade and other receivables	8(i)	717	523
Cash and cash equivalents	9	294	942
Assets held for sale	6	0	0
<i>Total current assets</i>		1,011	1,465
Total assets		13,031	11,019
Current liabilities			
Trade and other payables	10(i)	2,437	2,697
Other provisions	14	50	0
Finance lease	13(ii)	44	43
<i>Total current liabilities</i>		2,531	2,740
Non-current assets less net current liabilities		10,500	8,279
Non-current liabilities			
Payables	10(ii)	116	82
Pension liability	11	36,298	44,657
Provision for unfunded pensions	12	434	489
Finance lease	13	1,197	1,241
<i>Total non-current liabilities</i>		38,045	46,469
Assets less liabilities		(27,545)	(38,190)
Taxpayers' equity			
General fund		(7,729)	(3,903)
Pension reserve		(22,021)	(35,216)
Revaluation reserve		2,205	929
Total taxpayers' deficit		(27,545)	(38,190)

The Accountable Officer authorised these financial statements for issue on 23 September 2020.

Neil Hunter
Accountable Officer

4.3 Statement of cash flows for the year ended 31 March 2020

	Note	2019-2020 £000	2018-2019 £000
Cash flows from operating activity			
Net expenditure		(29,382)	(25,964)
Adjustments for non-cash items			
Increase/(Decrease) in pension fund liability		(8,359)	9,264
(Decrease)/Increase in pension reserve		13,194	(6,051)
Depreciation and amortisation charges		1,266	979
Permanent diminution	4	0	0
Loss on disposal of tangible non-current assets	4	9	0
Decrease in revaluation reserve		0	0
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	8(i)	(194)	458
Decrease in trade and other payables	10, 13(ii)	(219)	(491)
<i>Movements in provisions</i>			
Provision for unfunded pension contribution	12	(55)	2
Net cash outflow from operating activities		(23,740)	(21,803)
Cash flow from investing activities *			
Purchase of property, plant and equipment	5	(665)	(447)
Purchase of intangible assets	7	0	(1)
Purchase of assets under construction	5, 7	(1,799)	(2,332)
Proceeds of disposals of property, plant and equipment		0	0
Interest received		0	0
Cash flow from financing activities			
Scottish Government funding for year		26,669	25,823
Interest paid		(5)	(2)
Net interest expense on pension asset	11	(1,108)	(984)
Net (decrease)/increase in cash and cash equivalents		(648)	254
Opening Cash Balance		942	688
Closing Cash Balance		294	942

* Comparatives re-categorised in this section only

4.4 Statement of changes in Taxpayers' equity

	General Fund £000	Pension Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2018	(2,776)	(29,166)	898	(31,044)
Changes in taxpayers' deficit for 2018-19				
Net gain/(loss) on revaluation of property	0	0	31	31
Actuarial loss on pension reserve	0	(6,052)	0	(6,052)
Actuarial gain on group assurance	0	2	0	2
Total recognised income and expense for 2018-19	(26,950)	0	0	(26,950)
Funding from Scottish Government	25,823	0	0	25,823
Balance at 31 March 2019	(3,903)	(35,216)	929	(38,190)
Changes in taxpayers' deficit for 2019-20				
Net gain/(loss) on revaluation of property	0	0	1,276	1,276
Actuarial gain on pension reserve	0	13,194	0	13,194
Actuarial gain on group assurance	0	1	0	1
Net expenditure for the year	(30,495)	0	0	(30,495)
Total recognised income and expense for 2019-20	(34,398)	(22,021)	2,205	(54,214)
Funding from Scottish Government	26,669			26,669
Balance at 31 March 2020	(7,729)	(22,021)	2,205	(27,545)

4.5 Notes of the financial statements

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2019-20 *Government Financial Reporting Manual* (FReM) issued by HM Treasury.

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

a. Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, investment properties, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. The financial statements have been prepared on a going concern basis.

b. Employee benefits

SCRA has an agreement with Falkirk Council under which all staff are eligible to enter the Local Government Pension Scheme managed by the Council in accordance with the rules thereof. It is a defined benefit scheme providing pension benefits and life assurance for all staff members.

The defined benefits pension scheme's assets are included at market value and this is compared to the present value of the scheme liabilities using a projected unit method and discounted at a rate in accordance with the FReM and consistent with IAS 19. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to net expenditure. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in pension scheme finance cost. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves and are recognised in the Statement of Comprehensive Net Expenditure.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The valuation used was at 31 March 2020. Details of this valuation are included in a report published by Falkirk Council.

The contribution rates for 2019/20 were an average of 6.2% by employee and 19.72% by employer.

c. Property, plant and equipment

SCRA's policy is to carry out a full external valuation of land and buildings every five years supplemented by annual desktop valuations. The full estate of Land and Buildings was valued on an open market basis as at 31 March 2020 by independent RICS registered valuers from Ryden LLP.

Other property, plant and equipment are stated at depreciated historical cost as a proxy for fair value as the assets in this category have a low value and short useful life. It is SCRA's policy to capitalise assets which have an expected useful life in excess of one year and cost more than £1,000 including VAT. Purchases as part of a project are considered together when applying the £1,000 minimum limit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to SCRA, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserve. Decreases that offset previous increases of the same asset are charged against revaluation reserve; all other decreases are charged to the Statement of Comprehensive Net Expenditure.

d. Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or revalued amounts to their residual values over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

Land	Not depreciated
Assets under construction	Not depreciated
Buildings	5-50 years
Fixtures & Fittings	4 years
Plant & Machinery	10 years
Computer Equipment	2-4 years
Software (including Developed Software)	2-10 years
Other Equipment	4 years
Leasehold Improvements	over lesser of 10 years or the remaining term of the lease

e. Impairment

Assets which are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised by the amount by which the carrying amount exceeds its recoverable amount.

f. Assets held for sale

A property is derecognised and held for sale under IFRS 5 when all the following requirements are met:

- A management decision has been made to dispose of the property;
- The property is being actively marketed for sale;
- The sale is highly probable within 12 months of classification as held for sale.

g. Government grants

It is SCRA's policy to credit all government grants and grant-in-aid to the General Reserve in line with the FReM.

h. Liabilities

All material amounts outstanding as at 31 March 2020 have been included in the Statement of Comprehensive Net Expenditure irrespective of when actual payment was made.

i. Provisions

Provision is recognised in the Statement of Financial Position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

j. Other income

SCRA recognises other income in the year to which it relates.

k. Leases

Where substantially all the risks and rewards of a leased property are borne by SCRA it is recorded as a non-current asset and a corresponding creditor recorded in respect of debt due to the lessor, with the interest element of the finance lease payment charged to the Statement of Comprehensive Net Expenditure. Payments made under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. IFRS 16 is not effective, the impact will be in relation to recording of assets and liabilities in the Statement of Financial Position.

l. Intangible assets

Intangible assets are stated at historic purchase cost less accumulated amortisation. Acquired computer software licences and developed software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over the asset's useful finite life.

m. Other administration and programme costs

The costs reported in the Statement of Comprehensive Net Expenditure include other administration costs but there is no specific expenditure on programme costs.

n. Pensions

The accounts have been prepared incorporating the requirements of International Accounting Standard 19 - Employee Benefits (IAS 19) and include an actuarial valuation of the pension scheme liability as explained in note 11 to the accounts. This reflects the inclusion of liabilities falling due in future years in respect of pension liabilities arising from the application of IAS 19 to SCRA. Hymans Robertson, the actuary to the pension scheme who has collated the information from the various Local Government Pension Scheme (LGPS) funds in which SCRA participate, has calculated the liability arising under IAS 19. The actuary to each of the LGPS funds in which SCRA participate conducts a triennial review of the funding basis of the pension scheme, along with yearly reviews when appropriate. The last formal valuation of the funds was conducted as at 31 March 2020. In preparing the projected pension expense for the year to 31 March 2020, the actuary has assumed employees continue to earn new benefits in line with the regulations as they currently stand and that the pensionable payroll remains stable with new entrants replacing leavers. The other main financial assumptions are set out in note 11.

To the extent that the pension deficit is not met from SCRA's sources of income it may only be met by future grant in aid from SCRA's sponsoring department, the Scottish Government Education Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be paid in advance of need.

SCRA is required to meet the additional costs of benefits beyond the normal pension scheme benefits in respect of employees who retire early. SCRA provides in full for these costs when the early retirement has been agreed. SCRA, rather than the pension scheme, is liable for that portion of pensions relating to early retirement.

o. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Currently SCRA has no trade payables classified as non-current liabilities.

p. Value Added Tax

SCRA is not registered for VAT and all costs are shown inclusive of VAT.

q. Review of accounting policies and estimation techniques

These financial statements have been prepared under International Financial Reporting Standards (IFRS).

Areas of judgement in how SCRA's accounting policies are applied include:

- the fair values of properties; and
- pension estimation technique.

Sensitivity Analysis

The most significant financial impact arising by assumptions are those used to calculate the pension's deficit. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2020	Approximate % increase to SCRA	Approximate monetary amount £000
0.5% decrease in Real discount Rate	11%	15,705
0.5% increase in the Salary Increase Rate	2%	3,082
0.5% increase in the Pension Increase Rate	9%	12,377

Notes:

In order to quantify the impact of a change in the financial assumptions used, the value of the scheme liabilities as at 31 March 2020 have been calculated and compared on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in these financial statements.

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Please note the above figures have been derived based on the membership profile of SCRA as at the date of the most recent actuarial valuation.

The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

r. Accounting standards not yet adopted

As at the date of authorisation of these financial statements, the following key standards were not yet adopted.

- IFRS 16 – Leases

The FReM, issued by HM Treasury, interprets and adapts IFRS 16 for the public sector in several years. IFRS16, as adapted and interpreted by the FReM, was to be effective from 1 April 2020, however, in light of Covid-19 pressures, HM Treasury and the Financial Reporting Advisory Board (FRAB) have decided that IFRS 16 implementation will be deferred until 1 April 2021. While the impact on the financial statements has yet to be fully determined, lease obligations (£3.754m, without discounting at 31 March 2020 and as disclosed in note 13) will be recognised as right of use assets at 1 April 2021.

2 Income

Income of £442k (2018-19: £391k) is comprised mainly of shared services income, including rents.

3 Staff Costs

A detailed breakdown of Staff Costs and Numbers is contained within the Remuneration and Staff Report section of the Accountability Report.

4 Other expenditure

	2019-20 £000	2018-19 £000
Other property costs	1,926	1,664
Running costs	2,218	1,945
Rentals under operating leases	1,079	1,076
Hearing and legal costs	423	395
Training, recruitment and other staff costs	356	381
Board Fees and Expenses	46	47
Auditor remuneration	33	32
Internal auditors' remuneration	31	26
Non-cash items		
Permanent diminution	0	0
Loss on disposal of non-current assets	9	0
	6,121	5,566

5 Property, plant and equipment

	Land	Buildings	Assets under Construction	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Other Equipment	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost/Valuation									
At 1 April 2019	1,106	5,705	228	4,521	1,170	822	2,248	145	15,945
Additions	0	247	11	158	166	17	77	0	676
Transfers	0	214	(224)	0	0	0	0	0	(10)
Disposals	0	(5)	0	(344)	(37)	(6)	(46)	0	(438)
Transferred from asset group classified as Held for Sale	0	0	0	0	0	0	0	0	0
Transferred from asset group classified as Investment Assets	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Indexation / Revaluation	359	(751)	0	0	0	0	0	0	(392)
At 31 March 2020	1,465	5,410	15	4,335	1,299	833	2,279	145	15,781
Accumulated depreciation									
At 1 April 2019	0	1,703	0	3,661	1,108	396	2,188	100	9,156
Provided in year	0	391	0	308	40	184	27	21	971
Withdrawn on disposal	0	(3)	0	(338)	(37)	(5)	(46)	0	(429)
Withdrawn on revaluation	0	(1,384)	0	0	0	0	0	0	(1,384)
At 31 March 2020	0	707	0	3,631	1,111	575	2,169	121	8,314
Net Book Value									
At 31 March 2020	1,465	4,703	15	704	188	258	110	24	7,467
At 31 March 2019	1,106	4,002	228	860	62	426	60	45	6,789

The net book value for Property, Plant and Equipment at 31 March 2020 includes £1,074k (2019: £1,139k) in respect of a building held under a finance lease. All other assets noted above are owned.

Land and buildings were valued on an open market basis as at 31 March 2020 by independent RICS registered valuers from Ryden LLP. The valuation was commissioned and the report was provided to SCRA before UK lockdown.

Ryden expressed a reduced level of certainty in their valuation, due to Covid-19 but exercised professional judgement. The pandemic has been unprecedented, therefore as recommended by Ryden, SCRA will instruct a review of the valuation within the next 12 months.

	Land	Buildings	Assets under Construction	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Other Equipment	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost/Valuation									
At 1 April 2018	1,075	5,377	130	4,397	1,157	924	2,579	145	15,784
Additions	0	238	227	124	22	27	36	0	674
Transfers	0	129	(129)	0	0	0	0	0	0
Disposals	0	0	0	0	(9)	(129)	(367)	0	(505)
Transferred from asset group classified as Held for Sale	0	0	0	0	0	0	0	0	0
Transferred from asset group classified as Investment Assets	0	0	0	0	0	0	0	0	0
Impairment	0	(21)	0	0	0	0	0	0	(21)
Indexation / Revaluation	31	(18)	0	0	0	0	0	0	13
At 31 March 2019	1,106	5,705	228	4,521	1,170	822	2,248	145	15,945
Accumulated depreciation									
At 1 April 2018	0	1,349	0	3,344	1,090	346	2,522	79	8,730
Provided in year	0	372	0	317	27	179	33	21	949
Withdrawn on disposal	0	0	0	0	(9)	(129)	(367)	0	(505)
Withdrawn on revaluation	0	(18)	0	0	0	0	0	0	(18)
At 31 March 2019	0	1,703	0	3,661	1,108	396	2,188	100	9,156
Net Book Value									
At 31 March 2019	1,106	4,002	228	860	62	426	60	45	6,789
At 31 March 2018	1,075	4,028	130	1,053	67	578	57	66	7,054

6 Assets held for sale

SCRA has no assets held for sale as at 31 March 2020 (31 March 2019: £nil).

7 Intangible assets

	Intangible assets under construction	Software licences	Information Technology	Total
	£000	£000	£000	£000
Cost/Valuation				
At 1 April 2019	2,751	283	4,532	7,566
Additions	1,787	0	0	1,787
Transfers	0	11	0	11
Disposals	0	(29)	0	(29)
At 31 March 2020	4,538	265	4,532	9,335
Accumulated depreciation				
At 1 April 2019	0	269	4,532	4,801
Provided in year	0	10	0	10
Withdrawn on disposal	0	(29)	0	(29)
At 31 March 2020	0	250	4,532	4,782
Net Book Value				
At 31 March 2020	4,538	15	0	4,553
At 31 March 2019	2,751	14	0	2,765

	Intangible assets under construction	Software licences	Information Technology	Total
	£000	£000	£000	£000
Cost/Valuation				
At 1 April 2018	646	282	4,532	5,460
Additions	2,105	1	0	2,106
Transfers	0	0	0	0
Disposals	0	0	0	0
At 31 March 2019	2,751	283	4,532	7,566
Accumulated depreciation				
At 1 April 2018	0	262	4,532	4,794
Provided in year	0	7	0	7
Withdrawn on disposal	0	0	0	0
At 31 March 2019	0	269	4,532	4,801
Net Book Value				
At 31 March 2019	2,751	14	0	2,765
At 31 March 2018	646	20	0	666

8 Trade and other receivables

(i) Current assets:

	2019-20 £000	2018-19 £000
Other receivables	125	70
Prepayments	592	453
At 31 March	717	523

(ii) Intra governmental balances

	2019-20 £000	2018-19 £000
Balances with other central government bodies	79	81
Balances with local authorities	74	22
Balances with bodies external to government	564	420
At 31 March	717	523

9 Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April	942	688
Net change in cash and cash equivalents	(648)	254
Balance at 31 March	294	942
Bank accounts	288	939
Petty cash balance	6	3
	294	942

All bank balances at 31 March 2020 are held in commercial banks.

10 Trade and other payables

(i) Current liabilities

	2019-20 £000	2018-19 £000
Trade payables	411	1,000
Tax and social security	362	326
Other payables	188	417
Accruals	1,476	954
	2,437	2,697

(ii) Non-current liabilities

	2019-20 £000	2018-19 £000
PWLB loans	37	37
Other payables, accruals and deferred income	79	45
	116	82

(iii) Intra governmental balances

	Payables: current 2019-20 £000	Payables: non-current 2019-20 £000	Payables: current 2018-19 £000	Payables: non-current 2018-19 £000
Balances with other central government bodies	469	1	359	0
Balances with local authorities	121	36	421	37
Balances with bodies external to government	1,847	79	1,917	45
At 31 March	2,437	116	2,697	82

11 Pensions

Information about the assumptions underlying the figures in this note are as follows.

Financial assumptions

The assumptions the actuary has been instructed to use by SCRA are summarised below:

Period Ended	31 March 2020 % p.a.	31 March 2019 % p.a.
Pension Increase Rate	1.9%	2.5%
Salary Increase Rate	2.3%	3.0%
Discount Rate	2.3%	2.4%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model with allowance for smoothing of recent mortality experience and long term rate of 1.25%.

	Males	Females
Current Pensioners	20.5 years	22.8 years
Future Pensioners*	21.7 years	24.3 years

* Figures assume members aged 45 as at last formal valuation date.

Historic mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future life expectancies are shown below.

Period Ended	Prospective Pensioners	Pensioners
31 March 2019	CMI 2016 model with allowance for smoothing of recent mortality experience and long term rate of 1.25%	CMI 2016 model with allowance for smoothing of recent mortality experience and long term rate of 1.25%

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Retirement benefits

Change in the fair value of plan assets, defined benefit obligation and net liability for the year end 31 March 2020

	Assets £000	Obligations £000	Net (liability) / asset £000
Fair value of plan assets	112,097	0	112,097
Present value of funded liabilities	0	152,862	(152,862)
Present value of unfunded liabilities	0	3,892	(3,892)
Opening position as at 31 March 2019	112,097	156,754	(44,657)
Service cost			
- Current service cost	0	5,943	(5,943)
- Past service cost (including curtailments)	0	735	(735)
- Effect of settlements	0	0	0
Total service cost	0	6,678	(6,678)
Net interest			
- Net income on plan assets	2,702	0	2,702
- Net cost on defined benefit obligation	0	3,810	(3,810)
Total net interest	2,702	3,810	(1,108)
Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure	2,702	10,488	(7,786)
Cash flows			
- Plan participants' contributions	869	869	0
- Employer contributions	2,791	0	2,791
Estimated benefits paid	(2,662)	(2,662)	0
Estimated unfunded benefits paid	(160)	(160)	0
Estimated contributions in respect of unfunded benefits paid	160	0	160
Effect of business combinations and disposals	0	0	0
Expected closing position	115,797	165,289	(49,492)
Remeasurements			
- Change in demographic assumptions	0	(5,409)	5,409
- Change in financial assumptions	0	(17,003)	17,003
- Other experience	0	(1,006)	1,006
- Return on assets excluding amounts included in net interest	(10,224)	0	(10,224)
Total remeasurements recognised in Statement of Taxpayers' Deficit	(10,224)	(23,418)	13,194
Fair value of employer assets	105,573	0	105,573
Present value of funded liabilities	0	138,598	(138,598)
Present value of unfunded liabilities	0	3,273	(3,273)
Closing position as at 31 March 2020	105,573	141,871	(36,298)

Change in the fair value of plan assets, defined benefit obligation and net liability for the year end 31 March 2019

	Assets £000	Obligations £000	Net (liability) / asset £000
Fair value of plan assets	102,052	0	102,052
Present value of funded liabilities	0	133,938	(133,938)
Present value of unfunded liabilities	0	3,507	(3,507)
Opening position as at 31 March 2018	102,052	137,445	(35,393)
Service cost			
- Current service cost	0	4,876	(4,876)
- Past service cost (including curtailments)	0	0	0
- Effect of settlements	0	0	0
Total service cost	0	4,876	(4,876)
Net interest			
- Net income on plan assets	2,763	0	2,763
- Net cost on defined benefit obligation	0	3,747	(3,747)
- Impact of asset ceiling on net interest	0	0	0
Total net interest	2,763	3,747	(984)
Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure	2,763	8,623	(5,860)
Cash flows			
- Plan participants' contributions	823	823	0
- Employer contributions	2,495	0	2,495
- Contributions in respect of unfunded pensions	153	0	153
- Benefits paid	(2,632)	(2,632)	0
- Unfunded benefits paid	(153)	(153)	0
Expected closing position	105,501	144,106	(38,605)
Remeasurements			
- Change in demographic assumptions	0	0	0
- Change in financial assumptions	0	12,348	(12,348)
- Other experience	0	300	(300)
- Return on assets excluding amounts included in net interest	6,596	0	6,596
- Changes in asset ceiling	0	0	0
Total remeasurements recognised in Statement of Taxpayers' Deficit	6,596	12,648	(6,052)
Fair value of employer assets	112,097	0	112,097
Present value of funded liabilities	0	153,161	(153,161)
Present value of unfunded liabilities	0	3,593	(3,593)
Closing position as at 31 March 2019	112,097	156,754	(44,657)

Fair value of employer assets at 31 March 2020

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
Equity securities:				
Consumer	6,858	0	6,858	7%
Manufacturing	6,261	0	6,261	6%
Energy and utilities	4,185	0	4,185	4%
Financial institutions	7,839	0	7,839	8%
Health and care	3,682	0	3,682	3%
Information technology	8,455	0	8,455	9%
Other	375	0	375	0%
Debt securities:				
Corporate bonds(investment grade)	0	0	0	0%
Corporate bonds (non-investment grade)	0	0	0	0%
UK Government	1,680	0	1,680	2%
Other	0	0	0	0%
Private equity:				
All	0	2,362	2,362	2%
Real estate:				
UK property	0	6,481	6,481	6%
Overseas property	0	26	26	0%
Investment funds and unit trusts:				
Equities	21,490	0	21,490	20%
Bonds	5,521	0	5,521	5%
Hedge funds	0	0	0	0%
Commodities	0	0	0	0%
Infrastructure	0	12,024	12,024	11%
Other	10,039	2,057	12,096	11%
Derivatives:				
Inflation	0	0	0	0%
Interest rate	0	0	0	0%
Foreign exchange	0	0	0	0%
Other	0	0	0	0%
Cash and cash equivalents:				
All	6,238	0	6,238	6%
Totals	82,623	22,950	105,573	100%

Fair value of employer assets at 31 March 2019

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
Equity securities:				
Consumer	8,945	0	8,945	8%
Manufacturing	6,785	0	6,785	6%
Energy and utilities	4,227	0	4,227	4%
Financial institutions	8,357	0	8,357	7%
Health and care	3,711	0	3,711	3%
Information technology	9,926	0	9,926	9%
Other	40	0	40	0%
Debt securities:				
Corporate bonds (investment grade)	0	0	0	0%
Corporate bonds (non- investment grade)	0	0	0	0%
UK Government	0	0	0	0%
Other	0	0	0	0%
Private equity:				
All	0	2,915	2,915	3%
Real estate:				
UK property	0	6,597	6,597	6%
Overseas property	0	979	979	1%
Investment funds and unit trusts:				
Equities	23,486	0	23,486	21%
Bonds	8,364	0	8,364	8%
Hedge funds	0	0	0	0%
Commodities	0	0	0	0%
Infrastructure	0	9,352	9,352	8%
Other	10,875	641	11,516	10%
Derivatives:				
Inflation	0	0	0	0%
Interest rate	0	0	0	0%
Foreign exchange	0	0	0	0%
Other	0	0	0	0%
Cash and cash equivalents:				
All	6,897	0	6,897	6%
Totals	91,613	20,484	112,097	100%

12 Provision for unfunded pensions

	2019-20 £000	2018-19 £000
Balance at 1 April	489	487
Provisions utilised during the year	(40)	(38)
Actuarial valuation adjustment	(15)	40
Balance at 31 March	434	489

13 Commitments under leases

(i) Total commitments under non-cancellable operating leases are as follows:

	2019-20 £000	2018-19 £000
Buildings		
Not later than one year	967	1,024
Later than one year and not later than five years	2,228	1,075
Later than five years	559	119
	3,754	2,218

	2019-20 £000	2018-19* £000
Other		
Not later than one year	49	47
Later than one year and not later than five years	12	59
Later than five years	0	0
	61	106

* 2018-19 figures restated

	2019-20 £000	2018-19 £000
(ii) Finance leases		
Gross lease liabilities		
Within one year	92	92
Between 2 and 5 years	366	366
After 5 years	1,321	1,413
	1,779	1,871
Future interest	(538)	(587)
Net lease liabilities	1,241	1,284

Net lease liabilities are repayable as follows:

Within one year (current liability)	44	43
Between 2 and 5 years	196	188
After 5 years	1,001	1,053
Total over one year (non-current liability)	1,197	1,241

There is no provision within the lease for early termination. In the event of this finance lease being terminated prior to its expiry, the outstanding gross lease liability would be payable in full. The present value of minimum lease payments amounts to £1,261k (31 March 2019: £1,305k).

14 Other provisions

Other provision comprise property dilapidations in respect of lease obligations.

	2019-20 £000	2018-19 £000
Balance at 1 April	0	0
Provided in year	50	0
Balance at 31 March	50	0

15 Events after the reporting date

A revised actuarial report was obtained as a result of the Government's announcement on the McCloud remedy consultation, announced on 16 July. The impact on the pension fund as a result of the consultation reduces total past service costs in the accounts to £401k from £735k, as stated in note 11. With the effect of reducing the general fund deficit from £7,729k to £7,395k and reducing the pension liability by £333k.

No other events occurred between the reporting date and the authorisation date that materially affect any of the information contained in these financial statements.

16 Financial instruments

As the cash requirements of SCRA are met through grant-in-aid, financial instruments play a more limited role in creating and managing risk than would apply in a non public sector body of a similar size.

The majority of financial instruments relate to cash or cash equivalents and to contracts for non-financial items in line with SCRA's expected purchase and usage requirements. SCRA is therefore exposed to little credit, liquidity or market risk.

17 Related party transactions

SCRA is a Non-Departmental Public Body sponsored by Scottish Government Education Department. SCRA receives funding from SGED which is regarded as a related party. During the year SCRA had a number of transactions with other government departments and agencies. No Board Member, key manager or other related party has undertaken any material transactions with SCRA during the year (2018/19: £nil).

18 Capital commitments

SCRA has no capital commitments as at 31 March 2020 (31 March 2019: £nil).

5 Appendices

5.1 Direction by the Scottish Ministers



SCOTTISH CHILDREN'S REPORTER ADMINISTRATION

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 3 of the Children's Hearing Scotland Act (2011), hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2020, 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 direction given on 15 May 2019 is hereby revoked.



W. Scott-Watson

A member of the staff of the Scottish Ministers

Dated: 30 April 2020

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