



Scottish Information  
Commissioner

# **Scottish Information Commissioner**

## **Annual Accounts**

**Year Ended 31 March 2008**





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## **MANAGEMENT COMMENTARY**

### **Background**

This statement of accounts reports the results of the Scottish Information Commissioner for the year 1 April 2007 to 31 March 2008. It has been prepared in accordance with paragraph 5 of Schedule 2 to the Freedom of Information (Scotland) Act 2002 (FOISA), and also in accordance with the Accounts Direction given by Scottish Ministers.

Kevin Dunion was initially appointed as Scottish Information Commissioner (the Commissioner) on 24 February 2003 for a period of five years. As permitted by FOISA, on completion of his first term Mr Dunion was reappointed for a second and final term of four years.

In terms of section 43 of FOISA, the statutory functions of the Commissioner are to:

- i. enforce FOISA, the Environmental Information (Scotland) Regulations 2004 (the EIRs) and the codes of practice issued under section 60, 61 and 62 of FOISA;
- ii. provide guidance on FOISA and the EIRs to the public and promote the following of good practice by Scottish Public Authorities;
- iii. give advice to any person on these matters.

The Commissioner receives funding through the Scottish Parliamentary Corporate Body (SPCB) following budget approval by the Finance Committee of the Scottish Parliament. He is accountable for his finances to the Scottish Parliament and is the designated Accountable Officer.

### **Financial Position**

The Operating Cost Statement shows the income and expenditure for the year. The Commissioner's net expenditure on operating activities for the year ended 31 March 2008 totalled £1,559,000 (2007: £1,390,000). This includes non-cash items totalling £75,000. In addition there was £23,000 (2007: £29,000) of capital expenditure, giving total net expenditure for the period of £1,582,000 (2007: £1,419,000).

As recorded in note 2 to the accounts, cash expenditure was within the budget for the financial year. The agreed cash budget of £1,525,000 included £90,000 of funding from the Officeholders' Contingency Fund approved by the SPCB to meet legal costs of £187,959 (2007: £123,000) incurred in defending Appeals to the Court of Session and the House of Lords. Under a Memorandum of Understanding between the Commissioner and the SPCB these costs are, in the first instance, met from the Commissioner's agreed budget. Once this is exhausted, it is accepted that the Commissioner may have access to the Officeholders' contingency fund. (This is a separate ring-fenced central contingency fund for use by the Parliamentary nominated Officeholders for any exceptional additional funding requirement which cannot be met from their agreed budget allocation).



During the year an Appeal to the Court of Session which had been successfully defended by the Commissioner was further appealed to the House of Lords. The Commissioner's defence costs for the latter Appeal are currently in excess of £135,000. Fees relating to 2007-8 have been reflected in the financial results for the year.

The Lords ruled on 9 July 2008 to allow the appeal, and have remitted the decision back to the Commissioner, to establish whether or not the statistical information can be released without the risk of identifying individuals. The extent to which the Commissioner will be liable for any additional costs is uncertain at this stage.

Two other appeals to the Court of Session were successfully defended and costs of some £46,100 awarded in favour of the Commissioner.

## **Performance and Development during the Financial Year**

### **Investigation Management**

The main function of the Commissioner and his staff is to determine applications for decision received by the Commissioner in respect of responses made by Scottish public authorities to requests for information.

During the financial year 2007-8, 414 applications were received, 563 cases were closed and 147 cases were carried forward. At the start of the year the Commissioner had 108 more cases on hand than his target caseload and he set an objective to clear this excess caseload during the year. By the end of the year this objective had been achieved.

Key to the successful eradication of the excess caseload was the creation of two investigative teams, each under a Deputy Head of Investigations, with clear individual and team targets.

### **Policy and Information**

The Commissioner has a statutory role to promote FOISA (and good practice relating to it) to public authorities and to the public.

During the financial year a small team was established to promote awareness of the Act and to foster improved practice by public authorities. The team oversaw the complete redevelopment of the Commissioner's website, which now has a fully searchable database of decisions, and new tools for the public to help ensure that requests to authorities and applications to him are valid.

The Commissioner's latest annual public awareness survey, published in October 2007, showed that almost two thirds of respondents believed that Scottish public authorities are becoming more open and accountable and that more information is available from public authorities than ever before. Nearly three quarters of all respondents were aware of FOISA.



A partnership research study with the University of St Andrews and Caledonian Business School examined the extent to which FOI legislation has had an impact on information management arrangements in Scottish public bodies.

The Commissioner's key public guidance booklet "Your Right to Know" was published in ten community languages.

An exhibition stand and event at the Scottish Parliament drew MSPs' attention to the work of the Commissioner and the value of FOI rights in their work with constituents.

The fourth annual Holyrood FOI conference was exceptionally well attended and promoted positive debate on current issues.

### **Operational Management**

Sound management of staff and resources is essential to enable the Commissioner to meet his obligations as an employer and as Accountable Officer.

In the past year a revised performance management system was introduced and a project to further improve the records management arrangements commenced.

Crucial to the success in caseload management was the new 'dashboard' which shows, at a glance, key performance indicators on case numbers, throughput and timescales.

### **Future Developments**

#### **Strategic Planning**

The initial Strategic Plan, covering the first five years of operation, will be superseded by a plan spanning the four years of the Commissioner's second term. There will be six themed areas of strategic endeavour:

1. Case Closure - significantly reduce the journey time to closure
2. Compliance - improve compliance by authorities where repeated failings are identified
3. Awareness - target specific sectors of society to ensure they are aware of their rights
4. Practice - promote good practice by public authorities
5. Development - identify developments which would be beneficial to the FOI regime
6. Reference - publish detailed reference material based on cases and legal advice.

#### **Investigation Management**

With the excess caseload successfully cleared in 2007-8, the focus in 2008-9 will be on improving service to applicants by reducing the time taken to investigate and close cases.



For cases received from 1 April 2008 the Commissioner will set an average case 'journey-time' objective of six months from validation of the case to closure by decision or other determination..

The two-team structure established in 2007-8 will be further enhanced by the Deputy Heads of Investigation adopting line management responsibility for the investigative teams.

### **Policy & Information**

In 2008-9 a member of the investigative teams will be seconded to the Policy and Information team.

The team's objectives during the year will include the approval of thirty publication schemes for central government, publishing the Commissioner's Annual Report and working to ensure sectors of society are aware of their rights and the potential use of FOISA.

### **Operational Management**

A detailed business plan will be prepared to support the budget submission for 2009-10.

A tendering process will be undertaken to procure an internal audit function following expiry of the current arrangements.

A structured review of economy, efficiency and effectiveness will be conducted, and the records management project will be completed. A review of business continuity arrangements will also be completed.

### **Public Interest Reporting**

#### **Payment of creditors**

The Commissioner is committed to the CBI Prompt Payment Code for the payment of invoices for goods and services received. Payments are normally made in accordance with supplier terms and conditions or as specified in agreed contract terms. In accordance with the Scottish Public Finance Manual, where no specific terms are agreed or stated, payment is made within 30 days of the presentation of a valid invoice or similarly valid demand for payment. Payment terms were met in 99% of all undisputed invoices. In the case of disputed invoices, these were paid within 30 days of the dispute being settled.

#### **Equal Opportunities**

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





**Provision of Information to Employees**

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

**Pension Costs**

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

**Audit**

The accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 5 (2) of Schedule 2 of the FOISA 2002.

**Disclosure of information to auditors**

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

Kevin Dunion  
Scottish Information Commissioner

Date: 17.7.2008



## REMUNERATION REPORT

The Commissioner completed a 5-year term in office in February 2008 and was appointed to a second and final term of 4 years. Remuneration of the Commissioner is set by the SPCB. Following nomination by the Scottish Parliament the Commissioner is appointed by Her Majesty the Queen.

The Commissioner's salary and pension entitlement are set out below:

<b>Remuneration</b>	<b>2007-8 £'000</b>	<b>2006-7 £'000</b>
Salary	80-85	80-85
Benefits in kind	nil	nil

Salaries include basic salaries. They do not include employer National Insurance or Superannuation contributions.

### Pension Benefits

	<b>Real increase in pension and related lump sum at age 60  £'000</b>	<b>Total accrued pension at age 60 as at 31 March 2008 and related lump sum  £'000</b>	<b>CETV at 31 March 2007  £'000</b>	<b>CETV at 31 March 2008  £'000</b>	<b>Value of CETV increase over year  £'000</b>
<b>Commissioner</b>					
Kevin Dunion	0 – 2.5 Lump sum	5 – 10 Lump sum	85	120	19

### The Cash Equivalent Transfer Value (CETV)

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



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

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Kevin Dunion  
Scottish Information Commissioner

Date: 17.7.2008



## **STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

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

Under paragraph 5(1) of the FOISA 2002, the Commissioner is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner's affairs at the year end and of the financial activities of his office during the year.

In preparing the accounts, the Commissioner is required to:

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



## **STATEMENT ON INTERNAL CONTROL**

### **Scope of Responsibility**

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

### **Purpose of the System of Internal Control**

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process within the organisation accords with the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts.

### **Risk and Control Framework**

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

A Risk Register, aligned with strategic and operational plans, has been established with the participation of all of my staff. The Register considers the operational, financial and reputational risks to which the organisation is exposed, and the identified risks have been weighted in light of their significance in terms of the impact they would have on the business process and the likelihood of the risk and its associated impacts occurring.

An action plan has been developed, designed to mitigate the risks identified in the Register. The management of risk is embedded in organisational activity; the Register and progress against the action plan's objectives is reviewed in detail by the Senior Management Team on a quarterly basis, and a full review of the Register, involving all staff, is scheduled annually.



More generally, the organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice in this area. In particular, in the period covering the year to 31 March 2008 and up to the signing of the accounts the organisation has:

- Continued the appointment of an Internal Auditor to undertake a series of reviews of key controls.
- Continued the appointment of an Advisory Audit Board to review the system of internal control and provide me with advice on whether the appropriate assurances required for the signing of this Statement have been provided.
- Enhanced the Senior Management Team's process for reviewing the Risk Register by actively regrading risk ratings in light of actions implemented or changes in the external environment.

### **Review of Effectiveness**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

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

In 2007-8 financial controls and the risk management arrangements have been reviewed by the Internal Auditor and recommendations (if any) arising from these reviews implemented.

The Advisory Audit Board reviewed the arrangements for internal control and provided very useful guidance and support.

Collectively, these arrangements have resulted in the provision of strong internal controls and I consider them to be effective.

Appropriate action is in place to address any weaknesses identified and to ensure continuous improvement of the system.

A handwritten signature in black ink, appearing to read 'Kevin Dunion'.

Kevin Dunion  
Scottish Information Commissioner

Date: 17.7.2008



## **INDEPENDENT AUDITOR'S REPORT**

**To the Scottish Information Commissioner, the Auditor General for Scotland and the Scottish Parliament**

We have audited the financial statements of the Scottish Information Commissioner for the year ended 31 March 2008 under the Freedom of Information (Scotland) Act 2002. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in the Government Financial Reporting Manual as requiring to be audited.

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

### **Respective responsibilities of the Scottish Information Commissioner and auditor**

The Scottish Information Commissioner is responsible for preparing the Annual Accounts, which includes the Remuneration Report, and the financial statements in accordance with the Freedom of Information (Scotland) Act 2002, the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. The Scottish Information Commissioner is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

Our responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the management commentary included in the Annual Report, is consistent with the financial statements. We also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.



In addition, we report to you if, in our opinion, any information contained in the statement of accounts is inconsistent with the Annual Report, the Scottish Information Commissioner has not kept proper accounting records, if we have not received all the information and explanations we require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the Commissioner's compliance with the Scottish Government's guidance, and we report if, in our opinion, it does not. We are not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of corporate governance procedures or risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only Management Commentary and Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Scottish Information Commissioner in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Scottish Information Commissioner's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.





## **Opinions**

### *Financial statements*

#### In our opinion

- the financial statements give a true and fair view, in accordance with Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Scottish Information Commissioner as at 31 March 2008 and of the net operating cost and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Freedom of Information (Scotland) Act 2002 and directions made thereunder by the Scottish Ministers and; and
- information which comprises the management commentary included with the Annual Report is consistent with the financial statements.

### *Regularity*

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

*Grant Thornton UK LLP*

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

*29 July 2008*



**OPERATING COST STATEMENT**  
**for the year ended 31 March 2008**

	<u>Notes</u>	2007-8 £'000	restated 2006-7 £'000
<b><u>Income</u></b>	3	(54)	(3)
<b><u>Expenditure</u></b>			
Staff costs	4,5	1,040	804
Other operating costs	6	507	514
Depreciation	7,8	66	75
<b><u>Total expenditure</u></b>		<u>1,613</u>	<u>1,393</u>
<b><u>Net expenditure for the year</u></b>		<u>1,559</u>	<u>1,390</u>

All amounts relate to continuing activities.

There have been no gains or losses other than those recognised in the Operating Cost Statement.

The accompanying notes on pages 17 to 24 form an integral part of these accounts.



**BALANCE SHEET**  
**as at 31 March 2008**

	<u>Notes</u>	2007-8 £'000	restated 2006-7 £'000
<b><u>Fixed Assets</u></b>			
Tangible assets	7	211	244
Intangible assets	8	9	19
<b>Total fixed assets</b>		<b>220</b>	<b>263</b>
<b><u>Current Assets</u></b>			
Debtors	9	85	32
Cash at bank and in hand	10	43	58
		<b>128</b>	<b>90</b>
Creditors - amounts falling due within one year	11	(106)	(86)
		22	4
<b>Net current assets</b>		<b>22</b>	<b>4</b>
<b>Total net assets</b>		<b>242</b>	<b>267</b>
<b>Financed by:</b>			
<b>General Fund</b>	12	242	267
		<b>242</b>	<b>267</b>

The accompanying notes on pages 17 to 24 form an integral part of these accounts.

Kevin Dunion  
 Scottish Information Commissioner

Date: 17.7.2008



**CASH FLOW STATEMENT**  
**for the year ended 31 March 2008**

	2007-8	restated
	£'000	2006-7
		£'000
<b><u>Operating Activities</u></b>		
Net cash flows from operating activities	(i) (1,517)	(1,290)
<b><u>Capital Expenditure</u></b>		
Payments to acquire fixed assets	(23)	(29)
	<u>(1,540)</u>	<u>(1,319)</u>
<b><u>Financing</u></b>		
From the Scottish Parliamentary Corporate Body	(ii) <u>1,525</u>	<u>1,327</u>
Increase / (decrease) in cash	<u>(15)</u>	<u>8</u>

**(i) Reconciliation of operating deficit to net cash inflow from operating activities**

	2007-8	restated
	£'000	2006-7
		£'000
Operating deficit	(1,559)	(1,390)
Decrease / (increase) in debtors	(53)	(13)
(Decrease) / increase in creditors	20	28
Depreciation	66	75
Notional costs	9	10
<b>Net cash outflow from operating activities</b>	<b><u>(1,517)</u></b>	<b><u>(1,290)</u></b>

**(ii) Analysis of changes in cash and bank**

	At 1 April 2007	Cash flow	At 31 March 2008
	£'000	£'000	£'000
Cash at bank and in hand	<u>58</u>	<u>(15)</u>	<u>43</u>



## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

#### **1.1 Basis of Accounting**

These accounts cover the financial year to 31 March 2008. The financial statements have been prepared under the historical cost convention. The accounts meet the requirements of the Government Financial Reporting Manual and of applicable accounting standards.

#### **1.2 Fixed Assets**

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

Purchases of assets for a value exceeding £500 inclusive of irrecoverable VAT are treated as capital with the exception of land and buildings where the threshold is set at £10,000.

##### **1.2.2 *Intangible Fixed Assets***

Software licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the licence (3 years).

##### **1.2.3 *Valuation***

As appropriate, assets are reflected at their value to the organisation by reference to current cost.

##### **1.2.4 *Depreciation***

Depreciation is provided on all tangible fixed assets other than artwork at rates calculated to write off the costs or valuations on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	over the remaining period of the lease
Furniture and equipment	5 years
Fixtures and fittings	5 years
IT equipment	3 years

#### **1.3 Funding receivable**

Funding received from the Scottish Parliamentary Corporate Body (SPCB) is credited directly to the general fund in the period to which it relates.



**1.4 Leases**

The Commissioner holds no material finance leases. Costs in respect of operating leases are charged to the Operating Cost Statement as they fall due.

**1.5 Notional Costs**

The Commissioner includes notional costs for cost of capital at the rate approved by HM Treasury of 3.5% (2006: 3.5%) in real terms on all assets and liabilities.

**1.6 Pension Costs**

***The Commissioner***

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

***Employees***

All the Commissioner's staff are members of the PCSPS. This is an unfunded multi-employer defined benefit scheme, but the Commissioner is unable to identify his share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation section ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

**1.7 Value Added Tax**

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

**1.8 Prior period adjustment**

An error was identified in the 2006-07 depreciation charge. This has resulted in a prior period adjustment of £3,319 which has impacted on the reported values for the General Fund and IT assets.



## 2 Performance Against Budget

The Commissioner is funded through the SPCB. For the financial year 2007-8 the Commissioner was allocated a funding budget of £1,525,000. Outturn at £1,525,000 was on budget.

	2007-8 Budget	2007-8 Expenditure	Variance	2006-7 Expenditure restated
	£'000	£'000	£'000	£'000
Net Operating Cost	1,594	1,559	35	1,390
Capital Expenditure	6	23	(17)	29
<b>Total expenditure</b>	<b>1,600</b>	<b>1,582</b>	<b>18</b>	<b>1,419</b>
<b>Accruals adjustments:</b>				
Non cash items	(75)	(75)	0	(85)
Working capital (inc cash)	-	18	(18)	(7)
<b>Cash Funding from SPCB</b>	<b>1,525</b>	<b>1,525</b>	<b>0</b>	<b>1,327</b>

## 3 Income

	2007-8 £'000	2006-7 £'000
Miscellaneous income	50	0
Bank interest received	4	3
	<b>54</b>	<b>3</b>



**4 Staff costs**

4.1	2007-8 £'000	2006-7 £'000
Salary	808	623
Social security costs	66	52
Pension costs	166	129
<b>Total</b>	<b>1,040</b>	<b>804</b>

Salaries include basic salaries. They do not include employer National Insurance or Superannuation contributions

**4.2 Average number of persons employed:**

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

	2007-8	2006-7
Commissioner	1	1
Staff	23	19
	<b>24</b>	<b>20</b>

**5 Pension Costs**

For 2007-8 employers' contributions of £141,462 (2007: £109,207) were payable to the PCSPS at one of the four rates in the range 17.1 to 25.5 per cent of pensionable pay based on salary bands (2007: 17.1 to 25.5 per cent). From 2008-9 the salary bands will be revised but the rates will remain the same. (The rates will be changing with effect from April 2009). The contribution rates are set to meet the cost of the benefits accruing during 2007-8 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

There were no outstanding or prepaid scheme contributions at the balance sheet date.

Employees can opt to open a partnership account, a stakeholder pension with an employer contribution. Employer's contributions of £3,925 (inc £1,622 for 2006-7) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £142, 0.8% of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.





There were no outstanding or prepaid Partnership scheme contributions at the balance sheet date.

On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, depending on the scheme joined within PCSPS, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions. There were no ill health retirements during 2007-8.

## **6 Analysis of Operating Expenditure**

	<b>2007-8</b>	<b>2006-7</b>
	<b>£'000</b>	<b>£'000</b>
Property costs	73	70
Advertising costs	54	127
Administration costs	156	161
Legal costs for Court of Session hearings	188	123
Travel and Expenses	12	7
Audit Fees	15	16
Notional Cost of Capital	9	10
	<u><b>507</b></u>	<u><b>514</b></u>

The above total includes £15,200 for external auditor's remuneration (2007: £16,230). External audit received no fees in relation to non-audit work (2007: None).

Included within Administration costs is £3,366 (2006: £5,739) equipment rental costs in association with operating leases.



**7 Fixed assets**

	Building and leasehold improvements £'000	Artwork £'000	Fixtures, fittings, equipment & furniture £'000	IT hardware and systems £'000	Total £'000
<b><u>Cost</u></b>					
At 1 April 2007	205	15	106	117	443
Additions	0	0	4	18	22
Disposals	0	0	0	0	0
At 31 March 2008	<b>205</b>	<b>15</b>	<b>110</b>	<b>135</b>	<b>465</b>
<b><u>Depreciation</u></b>					
Restated at 1 April 2007	41	0	66	92	199
Charge for the year	12	0	22	21	55
Disposals	0	0	0	0	0
At 31 March 2008	<b>53</b>	<b>0</b>	<b>88</b>	<b>113</b>	<b>254</b>
<b>Net book value at 31 March 2008</b>	<b>152</b>	<b>15</b>	<b>22</b>	<b>22</b>	<b>211</b>
<b>Restated net book value at 31 March 2007</b>	<b>164</b>	<b>15</b>	<b>40</b>	<b>25</b>	<b>244</b>

**8 Intangible Assets**

	Software £'000
<b><u>Cost</u></b>	
At 1 April 2007	42
Additions	1
Disposals	0
At 31 March 2008	<b>43</b>
<b><u>Depreciation</u></b>	
At 1 April 2007	23
Charge for the year	11
Disposals	0
At 31 March 2008	<b>34</b>
<b>Net book value at 31 March 2008</b>	<b>9</b>
<b>Net book value at 31 March 2007</b>	<b>19</b>



**9 Debtors**

	2007-8 £'000	2006-7 £'000
Debtors	51	1
Prepayments	34	31
	<b>85</b>	<b>32</b>

**10 Cash at Bank and in hand**

	2007-8 £'000	2006-7 £'000
Cash held at commercial bank	43	58

**11 Creditors: amounts falling due within one year**

	2007-8 £'000	2006-7 £'000
Trade creditors	5	28
Accruals	101	58
	<b>106</b>	<b>86</b>

**12 General Fund**

	2007-8 £'000	Restated 2006-7 £'000
As at 1 April 2007	267	323
Net expenditure for the year	(1,559)	(1,393)
Funding from the SPCB	1,525	1,327
Notional costs	9	10
As at 31 March 2008	<b>242</b>	<b>267</b>



**13 Commitments under Operating Leases**

	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>	<b>Total</b>
	<b>2007-8</b>	<b>2007-8</b>	<b>2007-8</b>	<b>2006-7</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£0'000</b>
Operating lease commitments expiring:				
Within 1 year	0	0	0	0
Within 1-5 years	0	4	4	4
After 5 years	39	0	39	37
	<b>39</b>	<b>4</b>	<b>43</b>	<b>41</b>

**14 Capital Commitments and Contingent Liabilities**

There were no contracted capital commitments as at 31 March 2008 (2007: NIL).

During 2007-08, third parties have sought to appeal the Commissioner's rulings in both the Court of Session and the House of Lords. The Commissioner has defended these cases and is liable to pay legal costs if the Court of Session upholds the appeals. (2007: None)

Following the ruling on July 9th 2008 on the House of Lords case, it is possible that the Commissioner may be liable for additional costs. At this stage, however, no reliable estimate of these costs can be made.

**15 Related Party Transactions**

The Scottish Information Commissioner receives its funding from the SPCB following an annual Parliamentary budget approval process. The SPCB is regarded as a related party.

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

**16 Post Balance Sheet Events**

None



## **APPENDIX 1 - ACCOUNTS DIRECTION**



### **SCOTTISH INFORMATION COMMISSIONER**

#### **DIRECTION BY THE SCOTTISH MINISTERS**

1. The Scottish Ministers, in pursuance of paragraph 5 of Schedule 2 of the Freedom of Information (Scotland) 2002, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 April 2004 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated

1 September 2006

