



# **SCOTTISH COMMISSION ON SOCIAL SECURITY ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2021**

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# 1. Chair's statement and summary of the performance report

I am pleased to present the second annual report and accounts for the Scottish Commission on Social Security (SCoSS), covering the financial year 2020-2021.

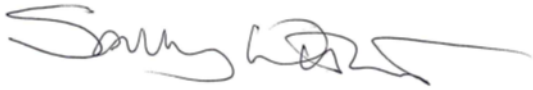
Like every organisation in the country, SCoSS's workload and timetables have been disrupted by the effects of the Covid pandemic. The impact of Covid, and how we have responded, are considered in various parts of the performance report attached below. When Covid arrived we wrote to the Cabinet Secretary and Social Security Scotland to ask how the Social Security Charter commitments, social security principles and human rights obligations would continue to be met during the pandemic. We also set out potential short term roles for SCoSS in light of Covid.

Despite the disruption that Covid caused, we managed to establish ourselves as a significant and influential new voice, building on the achievements of our first year. The performance report provides clear examples of how we have performed in relation to the vision and values described in our [interim report](#), and on our statutory roles. We have also continued to established effective processes and governance arrangements.

SCoSS is still a relatively new body, of an innovative kind for which there is not always a neatly fitting blueprint. Our ways of working continue to evolve as we continue to identify scope for improvement in how we approach the independent scrutiny of the devolved social security system. Our performance report provides examples of how we will achieve this improvement. It also explains how we have taken action to mitigate the risks we face, including by seeking a fifth commissioner to bolster our membership.

Our accounts demonstrate that SCoSS is continuing to spend public money in an effective and responsible manner that is bringing about positive change for those who receive social security assistance.

The SCoSS Board has reviewed this report and is satisfied that it provides an accurate account of its work and finances over the period.

A handwritten signature in black ink, appearing to read 'Sally Witcher', with a long horizontal flourish extending to the right.

Dr Sally Witcher, Chair of the SCoSS Board

## 2. Performance Report

The Performance Report describes:

- SCoSS's purpose: its main statutory roles and its membership
- SCoSS's performance: how well it has performed these statutory roles
- SCoSS's continuous improvement: the steps the SCoSS Board has taken to ensure its work can be as effective as possible
- the risks that could affect SCoSS's performance and the action taken to mitigate them
- SCoSS's strategies and governance: the strategies SCoSS has agreed to ensure strong governance
- The Chair's [statement and summary of the performance report](#) also form part of the Performance Report.

In some instances, the annual report covers the period beyond March 2021 in order to demonstrate how SCoSS's work on governance, risk and performance has continued to develop.

### 2.1 SCoSS's purpose and structure

SCoSS is an independent, advisory non-departmental public body established by the Social Security (Scotland) Act 2018 ('the Act'). It provides expert advice to Scottish Ministers and the Scottish Parliament on devolved social security matters.

The Act sets out SCoSS's main roles, which can be summarised as follows—

1. SCoSS must be consulted by the Scottish Government on most regulations about social security assistance made under the [Act](#)<sup>1</sup>. SCoSS scrutinises and reports on draft regulations. The Scottish Government may change its regulations after considering SCoSS's recommendations. When it lays the regulations in the Scottish Parliament, it must publish its response to SCoSS's report at the same time. The Scottish Parliament's Social Security Committee (now the Social Justice and Social Security Committee) then scrutinises the regulations and may take evidence from SCoSS members when it does so.

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<sup>1</sup> [Social Security \(Scotland\) Act 2018 s. 97](#)

2. SCoSS must report, from time to time, to Scottish Ministers and the Scottish Parliament on whether the expectations in the Scottish social security charter ('Our Charter') are being met and make recommendations for improvement if they are not. Our Charter was published by the Scottish Government and Social Security Scotland. It explains what the social security principles contained within the Act mean in practice and what people are entitled to expect from the Scottish Government and Social Security Scotland. SCoSS must consider reporting if it receives evidence that the Charter expectations are frequently not being fulfilled.
3. The Scottish Parliament or the Scottish Government can ask SCoSS to report on any matter relevant to social security.

In undertaking its statutory duties SCoSS takes full account of the social security principles contained within the [Act](#)<sup>2</sup> and of relevant human rights obligations as defined by the Act.

SCoSS Board members, including the Chair, are non-executive appointments made by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The Chair is responsible for providing leadership to ensure that the Board delivers its functions efficiently and effectively. The Chair is accountable to the Scottish Ministers and may also be held to account by the Scottish Parliament. The role of Board members is to provide direction, support and guidance to ensure that SCoSS delivers its functions effectively and efficiently, in accordance with the Act.

The four current SCoSS members were appointed for periods of three or four years. Members may devote up to 36 days a year to perform their functions, apart from the Chair, who may devote up to 60 days. SCoSS is supported by a small secretariat employed by the Scottish Government.

The Act allows up to five commissioners to be appointed. As Member absence, Commission size and unmanageable workloads are considered risks for Board Members and are recorded in the risk register, in order to ensure that it is able to discharge its statutory functions effectively, SCoSS has requested that the Scottish Government take steps to appoint a fifth Board member. We have

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<sup>2</sup> [Social Security \(Scotland\) Act s. 1](#)

stressed the importance of the appointment process being fully accessible.

In response to a recommendation made by Audit Scotland in its 2019-20 audit report, SCoSS is looking into the possibility of appointing an independent, external consultant to attend appropriate Board meetings to test and advise the Board on the exercise of their audit functions. This appointment would not be a full member of the SCoSS Board and would be, in effect, an adviser appointed by Scottish Ministers to carry out the specific requirements relating to the auditing functions of SCoSS. This is in accordance with the requirement in the [Act](#)<sup>3</sup> that “Scottish Ministers are to provide the Commission with such staff and other resources as it requires to carry out its functions”.

During the course of the year, SCoSS scrutinised and reported on 5 sets of draft regulations. We also carried out some preparatory work with regard to reporting on the Charter but have not yet issued a report. No requests from were received from the Scottish Parliament or Scottish Government to report on matters related to social security. SCoSS held 9 Board meetings between 1 April 2020 and 31 March 2021. SCoSS has no physical offices and whereas in the previous year meetings were primarily held at the Scottish Government building Victoria Quay in Edinburgh, the Covid-19 pandemic meant that all Board meetings were conducted virtually. To ensure that its decision-making and proceedings are transparent, the minutes of all SCoSS’s Board meetings are published on its temporary webpage (the establishment of an independent website is in progress). SCoSS’s scrutiny reports and corporate documents are also publicly available.

## 2.2 SCoSS’s vision and strategic objectives

Our interim report set out SCoSS’s vision, which informs the delivery of our statutory functions:

- **For Scottish social security:** A robust, effective and efficient Scottish social security system that meets its full potential to improve outcomes for the people of Scotland
- **For SCoSS:** To help achieve the vision for Scottish social security by providing independent expert advice that adds demonstrable and significant value.

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<sup>3</sup> [Social Security \(Scotland\) Act 2018 Sch. 1](#) s. 11



## Strategies

SCoSS has continued to develop strategies for discharging its objectives, corporate functions and governance responsibilities. In general, the Board has ensured proportionate compliance with best practice principles and relevant guidance around corporate governance, primarily as described in [‘On Board’](#).

More specifically, SCoSS and the Scottish Government have agreed a joint protocol that describes our respective roles, information needs and timelines to enable effective scrutiny to be undertaken. In last year’s performance report, we noted some significant concerns around the lack of time available to SCoSS to produce reports on draft regulations. We hope the protocol should significantly improve, if not resolve, these issues. However, the SCoSS Board does intend to propose an amendment to the protocol to state that SCoSS may decide not to produce a scrutiny report on draft regulations where the timetable for doing so is clearly unworkable.

While our Framework Document with the Scottish Government was agreed in this reporting year, it was discussed quite extensively in last year’s annual report and accounts. Board members were concerned to ensure that it fully reflects SCoSS’s independence and accountability, in line with the Act. In relation to concerns raised by SCoSS, the Scottish Government has provided an annex to the Framework Document that clarifies delegated spending authority, and lines of financial accountability more generally. The Framework Document will be reviewed in 2022, including to see how the concentration of roles in the Deputy Director is playing out in practice. The Deputy Director is the SCoSS Accountable Officer, is responsible for the sponsor team, line manages the SCoSS Lead Secretary and is the person to whom the SCoSS Chair reports.

Following the agreement of the Framework Document, the Board was able to agree the type and frequency of budgetary information it required to discharge its financial responsibilities. The Board now receives quarterly financial updates showing SCoSS’s expenditure to date and projected for the current financial year, and comparison of spend against the budget. It was further agreed reports should include updates on the progress of the audit and this has been progressed in the following reporting year. This approach reflects SCoSS’s comparatively small budget of £340,000, and the fact a significant proportion of it represents expenditure on secretariat salaries. It is also cognisant of the breadth of

financial controls employed by the Scottish Government to ensure that the SCoSS and its Secretariat discharge their financial responsibilities appropriately. SCoSS also identified areas of savings in its budget for 2020-21, as requested by the Scottish Government.

SCoSS has agreed various other strategies to help it discharge its objectives and establish strong governance, for example—

- The Board agreed a Memorandum of Understanding with the Scottish Government on Freedom of Information and on Information Sharing.
- The Board agreed a draft qualifying disclosures (or 'whistleblowing') policy under the Public Interest Disclosures Act 1998.
- The Board agreed its complaints handling procedure.

## 2.3 Analysis of SCoSS's performance

In common with last year, a considerable proportion of the Board's time this year has been devoted to scrutinising and reporting on draft regulations referred by the Scottish Government. We consider the effectiveness of our scrutiny below, but first reflect on the extent to which we have delivered the priorities outlined in our [interim report](#).

SCoSS had intended to produce a full business plan in 2020, however, the disruption caused by Covid meant there was some uncertainty over the Scottish Government's timetable for referring draft regulations. The interim report, published in October 2020, therefore described the other main pieces of work that SCoSS would seek to progress<sup>4</sup>. The progress made is assessed below (although not all of the priorities were to be delivered in the financial year in question)—

- Monitor how the Scottish Government and the Social Security Committee take account of its reports, to ensure SCoSS is being effective and influential. **SCoSS assesses all Scottish Government responses to its scrutiny reports to understand which of its recommendations have and have not been**

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<sup>4</sup> The [interim report](#) grouped thirteen priorities under three headings: 'Outputs that have impact'; 'Development processes that are inclusive and strengthening relationships'; and 'A robust, transparent and efficient organisation.'

accepted (we consider this in more detail in the following section). Even where a recommendation is not accepted, members will consider the Scottish Government's feedback to understand whether it could inform its subsequent scrutiny. SCoSS also monitors Social Security Committee evidence sessions to understand how it has used our reports to inform its scrutiny. This continues to be an active and ongoing process of continuous improvement.

- Devise an effective and inclusive approach to undertaking SCoSS's reporting duties on the Charter. **As part of SCoSS's Covid response, we asked the Scottish Government and Social Security Scotland about the action they would take to ensure that Charter commitments, social security principles and human rights obligations continued to be met which was completed in this reporting year. We also considered how SCoSS could discharge its statutory responsibility to consider reporting on whether the expectations in the Social Security Charter are being met if it receives evidence suggesting that expectations are frequently not being fulfilled. We will produce a draft statement on this matter in the next reporting year, which will be conveyed to stakeholders.**
- Embed a 'lessons learned' culture, where SCoSS always reviews the effectiveness of its work to identify where improvements could be made. **After the publication of each SCoSS scrutiny report, members will discuss whether SCoSS could have done anything better. Any improvements identified are added to SCoSS's 'scrutiny checklist', which aims to create a consistent approach to scrutinising draft regulations. We say more about SCoSS's continuous improvement below. This has been undertaken in the current reporting year and is an ongoing process as part of SCoSS's continuous improvement.**
- Strengthen the expertise of the SCoSS Board by recruiting an additional member. **The Scottish Government is actively progressing SCoSS's request for a 5<sup>th</sup> Board member to be appointed. It is expected that a 5<sup>th</sup> Board member will be appointed in the next reporting year.**
- Continue developing SCoSS's relationships with the Social Security Committee and the Scottish Government to make sure

SCoSS is adding value while maintaining its independence. **SCoSS has regularly sought feedback from Scottish Government officials, the Cabinet Secretary and the convener of the Social Security Committee on its performance and the value it is adding, while taking care to emphasise its independence. This has been undertaken in this reporting year and will be ongoing as part of SCoSS's continuous improvement.**

- Continue exploring how SCoSS can best involve people with lived experience in its scrutiny work, to help ensure that draft regulations have a positive impact on their lives. **The SCoSS Board has agreed to explore the establishment of a 'lived experience network', which would aim to ensure the voices and experiences of those who use the social security system are captured and embedded in SCoSS's functions. SCoSS is considering how best this goal can be achieved, while taking into account the sometimes significant time constraints it faces in scrutinising draft regulations. It is likely that this work will continue into the next reporting year.**
- Implement a stakeholder engagement plan and strengthen SCoSS's relationships with other key stakeholders including Social Security Scotland, academic and third sector experts, and colleagues in the Social Security Advisory Committee, which scrutinises the UK social security system. **SCoSS has drafted a written agreement with the Disability and Carers Benefits Expert Advisory Group (DACBEAG) that it is seeking to agree formally. Members consider that working together in an appropriate manner could inform SCoSS's scrutiny and allow it to add value, while maintaining its statutory independence. It is anticipated that this will be formally agreed in the next reporting year.**
- Consider whether to establish any sub-committees. **This is still being considered as part of the ongoing discussions on engaging with individuals and groups with lived experience and will continue to be progressed in 2021-22.**
- Consider holding on-line stakeholder consultation events to inform SCoSS's scrutiny of draft regulations. **As above, this is still being considered as part of the ongoing discussions on**

**engaging with individuals and groups with lived experience and will continue to be progressed in 2021-22.**

- Invite feedback from stakeholders on SCoSS's events and reports, and from Scottish Government officials attending Board meetings. **Covid has meant that there have been no formal SCoSS events, however, we have drafted a pro forma to capture feedback from officials who attend our Board meetings. This has been undertaken in this reporting year and will be an ongoing process as part of SCoSS's continuous improvement.**
- Deliver on all of SCoSS's corporate responsibilities, ensuring that it creates a sound governance framework and demonstrates value for money through its audited accounts. **SCoSS has agreed the Memorandum of Understanding with the Scottish Government on Freedom of Information and on Information Sharing, draft disqualifying procedure and complaints handling procedure in this reporting year.**
- Develop a new website that is transparent, inclusive and provides full access to SCoSS's reports and minutes. **The website is in the process of being built and is expected to be live by Autumn 2021.**
- Work to provide information in accessible formats, and invest in accessible, inclusive communications. **SCoSS has accessibility at the core of its website design and build and it is anticipated that documents available in alternative formats will continue to be developed in the next reporting year.**

SCoSS's performance met expectations over the reporting year, despite the challenges and changes that Covid brought, as we produced scrutiny reports that made positive changes to the Social Security system in Scotland and strengthened our governance framework.

## 2.4 SCoSS's scrutiny of draft regulations

Within the reporting period of these accounts SCoSS produced five substantive reports on draft regulations<sup>5</sup>. We are pleased that, similar to last year's performance, more than 80% of SCoSS's recommendations were accepted, at least in part, by the Scottish Government<sup>6</sup>. In addition, officials responded to suggestions for improvement made by SCoSS during our ongoing scrutiny, which were not recorded as formal recommendations in our reports.

The response to our recommendations demonstrates that SCoSS's independent scrutiny, in line with our agreed vision, is adding value and helping to create a social security system that is improving outcomes for the people of Scotland. In particular, we were pleased that every one of our further recommendations on Child Disability Payment draft regulations were accepted. This should result in tangible improvements for disabled children and their parents and carers.

In undertaking its scrutiny, SCoSS has not just made recommendations on the wording of draft regulations or on direct policy considerations, but has also considered the bigger picture. This reflects the fact that we are obliged to scrutinise draft regulations against the principles in the Act and these span the whole policy cycle from policy design through to continuous improvement. For example, we have consistently called on the Scottish Government to ensure that long-term policy success is monitored and assessed, and to provide as much clarity as possible for those receiving or providing advice on benefits. We have also highlighted to Scottish Government officials that we will continue to look for consistency and simplicity across benefits, where possible, as this should help to make the system easier to navigate. For example, we have noted some inconsistencies in the way that residency requirements are dealt with in draft regulations. We are mindful of the potential for complexity that exists in the social security area. This may easily be exacerbated should avoidable inconsistencies be introduced in the early days of establishing the devolved social security system.

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<sup>5</sup> SCoSS published a report on [Disability Assistance for Children and Young People](#) in March 2021, however, this was simply in response to an error contained in previous draft regulations.

<sup>6</sup> Scottish Commission on Social Security: [uprating report 2021](#) Published: 8 Feb 2021  
The Disability Assistance for Children and Young People (Scotland) Regulations: [further scrutiny report on draft regulations](#)

Scottish Child Payment Amendment Regulations 2021: [scrutiny report on draft regulations](#)  
Carer's Allowance Supplement (Qualifying Persons) and Young Carer Grant Amendment (Scotland) Regulations 2020: [scrutiny report](#)  
Winter heating assistance for children and young people (Scotland) regulations 2020: [scrutiny report on draft regulations](#)

The Board has also worked closely with the Social Security Committee, to inform its scrutiny. For example, two SCoSS members gave evidence on our report on draft Winter Heating Regulations. Further, the SCoSS Chair attended an informal business planning meeting held by the Committee to explain how SCoSS could potentially add value to its work.

Looking ahead, we will continue to work with other bodies that have a formal role in the social security system to ensure that our scrutiny is as informed as possible. For example, we will consider with SSAC the various interfaces between devolved and reserved benefits, which will be of particular importance when we formally scrutinise draft regulations on adult disability payment.

SCoSS is also taking steps to ensure that the commissioners have the skills and knowledge they need to ensure their continuous improvement. Commissioners have completed two surveys that will result in the creation of a development and training template, and the development of a programme of briefings. We will also ensure that our work takes accounts of the recommendations made by Audit Scotland on last year's annual report and accounts.

## **2.5 Risks facing SCoSS**

SCoSS noted in last year's annual report and accounts the various inherent risks facing what was, at that point, a body in its first year of operation. In summary, SCoSS had to quickly establish itself as a credible and influential body that would clearly add value, within a devolved social security system that was new and still developing, high profile and spending billions of pounds of public money.

More specifically, the SCoSS Board has continued to review its risk register on a quarterly basis, allowing members to consider risks and how they could be mitigated in a systematic and strategic manner. The Board has agreed that some risks have their wording updated, that risks have increased or decreased and that a new category of inherent risks should be created.

When a risk update is to be presented at a Board meeting, Secretariat undertake the first review of the risk register, considering where any risks scores have increased or decreased, how any mitigating actions have progressed or whether any new actions are required and whether there are any new risks. Risk scores are based on impact and likelihood

and each of these rises in increments of five up to twenty five. Multiplying the impact and likelihood scores creates the overall risk score and Secretariat assign these with a red, amber, green colour depending on the risk score. Any mitigating actions are also assigned to groups or individuals and timelines for actions to be completed are noted and updated.

A dashboard at the start of the risk update comprises of any 'red' risks, risks where there score has increased or decreased and any new risks. The Chair reviews this paper and their comments are incorporated into the update before it is presented to the Board where the Members have the opportunity to provide feedback.

This risk process was created by a Board Member and a member of Secretariat staff who both had risk experience. While not based on any particular guidance, the Board consider that this risk process is proportionate for a body the size of SCoSS.

SCoSS also moved quickly to react to the unexpected, and potentially substantial, risks posed by the Covid pandemic to its ongoing operation and work plan which were that (i) SCoSS was less able to plan work due to the disruption to the legislative timetable, (ii) that capacity to produce a 'section 22 report' could be affected and (iii) that Scottish Government would not be able to provide information to SCoSS due to disruption from Covid. All of these risks had the potential to severely disrupt SCoSS achieving the objective of producing reports. In the late summer of 2020, the risk of (iv) lack of capacity in the Secretariat team also increased as one of the team left on a high priority secondment to a team directly involved with coordinating the governments Covid efforts.

Risks (ii) and (iii) remained unchanged over the reporting year however the risk of (iv) lack of capacity within the Secretariat team increased in March 2021 due to two of the three staff moving to other posts in Scottish Government. The most significant risk SCoSS faced over the reporting year was (i) that SCoSS was less able to plan work however by December 2020 this risk had reduced significantly due to our interim plan being published and a statement from the Cabinet Secretary in the Parliament which provided some clarity on legislative timelines. Members discussed the Coronavirus (Scotland) Act and its potential implications for SCoSS, and considered each item within SCoSS's existing work plan, with a view to considering which should be prioritised and which could be postponed or done differently. This was in addition to the potential short term tasks Members offered to the Cabinet Secretary and Social Security Scotland: to provide scrutiny or



supplementary reports, to report on Charter commitments being met during the Covid pandemic or to identify learning that could be drawn upon to make the system more flexible and robust for the longer term. Members also considered how SCoSS's working practices may be affected by Covid.

At the end of the reporting period, we entered a period of some potential instability with regard to turnover of secretariat staff, a new Deputy Director coming into post and, with a forthcoming election, possible changes in key Government and Parliamentary stakeholders. It will be necessary to ensure any arising risks are effectively managed.

A full review of SCoSS's arrangements for corporate governance and risk management was not undertaken in 2020-21 as some of the corporate governance documents were created in that time. Details of review dates for corporate governance documents are however included in a Work Plan paper that comes to each Board meeting. As the risk management processes were still bedding in during the review period this has not been subject to full review however the process and data presented to the Board has been refined and honed over the reporting period which both the Board and Secretariat have contributed to. It is anticipated that once the Secretariat team are at increased numbers then a full review can be undertaken.

## **2.6 Finance report**

SCoSS was delegated a budget of £0.34m by Ann McVie as the Accountable Officer, as per advice of the Sponsor Team. This was based on SCoSS's forecasted spending requirements that were projected and reviewed at the beginning of the year. At year end, SCoSS had spent £0.17m, a £0.17m underspend against budget. This underspend was due to:

- not requiring the majority of non-staff costs (approx. £0.08m) initially anticipated including costs for focus groups, communications, venue hire and travel and subsistence due, at least in part, to Covid;
- changes to staffing requirements (approx. £0.06m);
- delays in the development of the website (£0.03m).

This underspend was "re-absorbed" into the overall Scottish Government spend at year end. For a full breakdown of costs spent by SCoSS in 2020-21, please refer to Section 5 - Financial Accounts.

Underspend amounts presented to the Board during the reporting period differed to the final underspend due to uncertainty throughout the year from the impact of Covid and the delay to projects such as the website. The breakdown of budget amounts presented to the Board also changed during the reporting year as Secretariat refined and streamlined this process.

## **2.7 Projects**

SCoSS has, via Scottish Government procurement, secured a supplier to design and build a website. SCoSS has a temporary webpage on the Scottish Government's website however the new website will give SCoSS complete control over content and design.

Secretariat have been working with the supplier since early February 2021 to create the new website however the reduced Secretariat capacity has effected a pause to the project. Additional Secretariat staff are being secured to help progress the website and it is expected to be completed in the autumn of 2021.

Ian Davidson, SCoSS Accountable Officer

## **3. Accountability Report**

### **3.1 Corporate Governance Report**

This section reports who the Members and Accountable Officer are for SCoSS's governance framework and the Accountable Officer's responsibilities. SCoSS's governance, audit functions and risk management arrangements are discussed in the Performance Report and further expanded in the Framework Document.

#### **3.1.1 The Chair and Members' Report**

##### **The Chair and Members**

The Social Security (Scotland) Act 2018 provides that there shall be a Chair and at least two but no more than four other members. The Chair and Members have been appointed to SCoSS by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. As at 31 March 2021 there were four Commissioners: Dr Sally Witcher, Chair, Sharon McIntyre, Judith Paterson and Mark Simpson.

There were no changes to the Chair and Members this year.

#### **3.1.2 Statement of Accountable Officer's responsibilities**

Under Schedule 1, Chapter 4 of the Social Security Act (Scotland) 2018, the Scottish Ministers have directed SCoSS 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 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 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 Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a 'going concern' basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Scottish Government, as Principal Accountable Officer for the Scottish Administration, designated that Ian Davidson is the Accountable Officer for the Commission.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in the Scottish Government Memorandum to Accountable Officers of Other Public Bodies and published within the Scottish Public Finance Manual.

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

### **3.1.3 Governance Statement**

As Accountable Officer, I have responsibility for maintaining a sound system of corporate governance and internal control that supports the achievement of SCoSS's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities set out in the "Accountable Officer's Memorandum".

In the discharge of my personal responsibilities I ensure organisational compliance with the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to The Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary, and administrative requirements, emphasises the need for economy, efficiency, and effectiveness, and promotes good practice and high standards of propriety.

The Framework Document, drawn up by Scottish Government, sets out the broad framework within which SCoSS has agreed to operate. It does not convey any legal powers or responsibilities.

The SCoSS Board contains no committees or sub-committees. Since SCoSS's establishment, no written authorities have been provided to the Accountable Officer; there have been no lapses of data security; and no significant risk-related matters have arisen.

This governance statement relates to SCoSS's governance system as it applied during 2020-21 and up to the date of approval of the annual report and accounts.

The operation of the governing Board is referred to at SCoSS's purpose and structure.

The main features that support regular monitoring, review and assurance are detailed in the Performance Report.

A detailed assessment of SCoSS's risk management arrangements is referred to at Risks facing SCoSS.

An assessment of corporate governance arrangements is detailed in SCoSS's [Strategies](#).

A statement on the corporate governance systems being in place during the review year and up to the date of approval of the annual report and accounts is noted at the end of [Risks facing SCoSS](#).

The recommendations from the 2019-20 audit are noted below with actions taken or not taken noted in bold:

- SCoSS should review their year-end processes and accounts preparation timetable for 2020/21 to ensure working papers are provided alongside draft accounts and the accounts are as complete as they can be. **SCoSS, its Accountable Officer, the Sponsor Team and finance colleagues met following the audit recommendation and discussed ways in which to improve the process for the next audit. Changes to staffing levels in SCoSS's Secretariat team hindered how far improvements could be progressed however this recommendation will remain under consideration following the completion of the 2020-21 audit.**
- As SCoSS continue to develop their governance arrangements, it is important that functions which are ordinarily performed by an audit committee are adequately addressed. **SCoSS is in the process of appointing an audit member who will provide guidance and oversight to SCoSS's audit and risk functions.**
- SCoSS should consider supplementing standing orders to ensure their completeness. **Due to the staffing changes SCoSS's Secretariat have undergone this was not able to be progressed in the reporting year however it is due to be reviewed in September 2021.**

### 3.2 Remuneration & Staff Report

All secretariat staff working for SCoSS are civil servants employed by the Scottish Government and bound by the Civil Service Code and other civil service requirements as to their conduct, impartiality and confidentiality. Changes to pay and conditions will be made in line with wider Scottish Government arrangements. SCoSS's budget should be reviewed to reflect any changes to staff remuneration.

Members of SCoSS, including the Chair, are non-executive appointments made by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The role of Members is to contribute their expertise to the development of high quality reports, provide direction, support and guidance to ensure the body delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities identified within the [Act](#)<sup>7</sup>.

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<sup>7</sup> Social Security (Scotland) Act 2018 s. 22

The Chair and Members have been appointed to SCoSS through a public appointment round regulated and monitored by the Ethical Standards Commissioner. As such, their pay and conditions are the responsibility of the Public Appointments branch of the People Directorate within the Scottish Government.

Remuneration (daily fees), allowances and expenses paid to the Chair and Members must comply with the SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

### 3.2.1 SCoSS Board Member Costs

The analysis of staff numbers and costs disclosed below is audited by the external auditors.

	<b>31 March 2021 £'000</b>	<b>31 March 2020 £'000</b>
<b>Board Member</b>		
Sharon McIntyre	5 – 10	5 – 10
Judith Paterson	5 – 10	5 – 10
Mark Simpson	0 – 5	5 – 10
Dr Sally Witcher (Chair)	10 – 15	20 - 25

### 3.2.2 Accountable Officer

Ann McVie was the Deputy Director, Social Security Policy and the Accountable Officer for SCoSS, until 26 March 2021. She was a full-time employee of the Scottish Government and her salary was paid directly from the Scottish Government budget. SCoSS did not contribute to her pay, benefits or pension. She also received no bonuses or benefits in kind.

From 27 March 2021, Ian Davidson became the Deputy Director, Social Security Policy and the Accountable Officer for SCoSS. He is a full-time employee of the Scottish Government and his salary was paid directly from the Scottish Government budget. SCoSS did not contribute to his pay, benefits or pension. He also received no bonuses or benefits in kind.

	<b>31 March 2021</b>	<b>31 March 2021</b>	<b>31 March 2021</b>
<b>Staff Member</b>	<b>Basic Pay Range £'000</b>	<b>Bonus Payments £'000</b>	<b>Benefits in Kind £'000</b>
Ann McVie	80-85	0	0
Ian Davidson	5-10	0	0

	<b>31 March 2020</b>	<b>31 March 2020</b>	<b>31 March 2020</b>
<b>Staff Member</b>	<b>Basic Pay Range £'000</b>	<b>Bonus Payments £'000</b>	<b>Benefits in Kind £'000</b>
Ann McVie	75-80	0	0

### 3.2.3 Staff Report

The staff report contains information relating to staff numbers and costs.

#### Number of senior civil service staff

As at 31 March 2021, SCoSS did not employ any Senior Civil Servants.

As noted above (Section 3.2) the SCoSS Secretariat are all civil servants, employed by the Scottish Government and on Scottish Government Pay, Terms & Conditions.

<b>FTE</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Permanent Staff	1	3
Temporary Staff	-	-
<b>Total</b>	<b>1</b>	<b>3</b>

Staff costs for SCoSS are set out below.



<b>Staff costs</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
Wages & Salaries	96,416	91,707
Social Security Costs	10,048	9,472
Other Pension Costs	26,178	23,893
SCoSS Board Member Fees	27,431	39,337
Interim Manager Costs	0	9,187
Staff Leave Adjustment	(470)	4,043
<b>Total</b>	<b>159,603</b>	<b>177, 639</b>

Wages and salaries include gross salaries, non-consolidated payments, overtime and any other allowance that is subject to UK taxation.

### **3.2.4 Staff Composition & Sickness Absence**

Due to the low number of staff working in SCoSS, this data cannot be disclosed without risk of identifying individual members of staff. As such, this information cannot be disclosed without risk of breaching data security and so has been omitted from the report.

### **3.2.5 Equal opportunities and diversity**

The Social Security Policy Division works in conjunction with SCoSS to ensure that HR policies, practices and systems comply with employment and equality legislation, and standards expected of public sector employers. All SCoSS's permanent staff, as Scottish Government employees, are covered by Scottish Government policies including its Delivering Diversity and Equality policy. Further to this, SCoSS also relies on Scottish Government disability policies, which covers areas such as how we fill posts, monitoring and discussing performance and providing reasonable adjustments. This also includes continuing to implement the recommendations set out in the Scottish Government publication, [“Recruitment and Retention Plan for Disabled People; 2019”](#)

The Scottish Government is also committed to providing all staff, including the SCoSS Secretariat, with opportunities for learning to help staff understand what valuing diversity means in practice, and how to take action to build an inclusive workplace culture.

The Chair and Board Members appointees also adhere to the Code of Practice for Ministerial Appointments to Public Bodies in Scotland in which Diversity and Equality remains a core principle and are expected to abide by the Civil Service Code.

They also have a responsibility to make sure that they are familiar with, and that their actions comply with, the provisions of contained within the agreed Code of Conduct for Board Members which was published in February 2020.

Ian Davidson  
Deputy Director, Social Security Policy (Accountable Officer)

## 4. Independent Auditor's Report

### Independent auditor's report to the members of Scottish Commission on Social Security, the Auditor General for Scotland and the Scottish Parliament

#### Reporting on the audit of the financial statements

##### Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Commission on Social Security for the year ended 31 March 2021 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 Taxpayer's Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Social Security (Scotland) Act 2018 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 20 January 2021. The period of total uninterrupted appointment is nine months. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern basis of accounting**

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

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

### **Risks of material misstatement**

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

### **Responsibilities of the Accountable Officer for the financial statements**

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's

website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

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

## **Reporting on other requirements**

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

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers.

### **Statutory other information**

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

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

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

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

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Social Security (Scotland) Act 2018 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 Social Security (Scotland) Act 2018 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.

Helen Russell BA FCPFA  
Senior Audit Manager  
Audit Scotland  
8 Nelson Mandela Place  
Glasgow  
G2 1BT



# 5. Financial Accounts

## 5.1 Introduction

This statement of accounts reports the results of the Scottish Commission on Social Security (“SCoSS”) for the year from 1 April 2020 to 31 March 2021. It has been prepared in accordance with the Accounts Direction given by the Scottish Ministers under section 19(4) of the Public Finance and Accountability Scotland Act 2000.

These financial statements were authorised for issue by Ian Davidson as the Accountable Officer, on 3 November 2021.

## 5.2 Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

		<b>2020-21</b>	<b>2019-20</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Staff costs	2	159,603	177,639
Purchase of Goods & Services	3	12,801	12,990
<b>Total Operating Expenditure</b>		<b>172,404</b>	<b>190,629</b>
<b>Net Operating Expenditure</b>		<b><u>172,404</u></b>	<b><u>190,629</u></b>

No activities were discontinued during the year.

### 5.3 Statement of Financial Position as at 31 March 2021

	Notes	2020-21 £	2019-20 £
<b>Non-Current Assets</b>		0	
<b>Current Assets</b>	4	13,958	9,043
<b>Total Assets</b>		<u>13,958</u>	<u>9,043</u>
<b>Current Liabilities</b>			
Trade & Other Payables	5	(13,958)	(9,043)
<b>Total Current Liabilities</b>		<u>(13,958)</u>	<u>(9,043)</u>
<b>Total Assets less Liabilities</b>		<u>0</u>	<u>0</u>
<b>Taxpayers Equity and other reserves</b>			
General Fund	SoCTE	0	0
<b>Total Taxpayers Equity</b>		<u>0</u>	<u>0</u>

Ian Davidson  
Deputy Director, Social Security Policy (Accountable Officer)

## 5.4 Statement of Cash flows for the year ended 31 March 2021

		2020-21
		£
<b>Cash flow from Operating Activities</b>		
Comprehensive net expenditure for the year	SoCNE	(172,404)
Movements in working capital:		
Increase/(Decrease) in Payables <sup>8</sup>	5	4,915
<b>Net Cash Outflow from Operating Activities</b>		<u><b>(167,489)</b></u>
<b>Net Cashflow from Investing Activities</b>		<b>0</b>
<b>Cashflow from Financing Activities</b>		
Funding from Scottish Government	SoCTE	158,446
Funding from Scottish Government prior year <sup>9</sup>	4	9,043
<b>Net Cash Inflow from Financing Activities</b>		<u><b>167,489</b></u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>0</b>

<sup>8</sup> Movements in working capital excludes movements in receivables which did not pass through the SoCNE.

<sup>9</sup> This amount is funding received from the Scottish Government in relation to the prior year.

		<b>Restated<sup>10</sup> 2019-20 £</b>
<b>Cash flow from Operating Activities</b>		
Comprehensive net expenditure for the year	SoCNE	(190,629)
Movements in working capital:		
Increase/(Decrease) in Payables <sup>11</sup>	5	9,043
<b>Net Cash Outflow from Operating Activities</b>		<u><b>(181,586)</b></u>
<b>Net Cashflow from Investing Activities</b>		
		<b>0</b>
<b>Cashflow from Financing Activities</b>		
Funding from Scottish Government	SoCTE	181,586
<b>Net Cash Inflow from Financing Activities</b>		<u><b>181,586</b></u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalentents</b>		
		<b>0</b>

<sup>10</sup> Accrued charges of £9,043 were incorrectly stated as non-cash charges in the 2019-20 accounts. This and the corresponding movement in Receivables from Scottish Government have been removed from the Statement of Cash Flows.

<sup>11</sup> Movements in working capital excludes movements in receivables which did not pass through the SoCNE.

## 5.5 Statement of Changes in Taxpayer's Equity for the Year Ended 31 March 2021

	Notes	General Fund
Balance at 31st March 2020		0
Comprehensive net expenditure for the year	SoCNE	(172,404)
Funding Receivable <sup>12</sup>	4	13,958
Net Funding		158,446
<b>Balance at 31st March 2021</b>		<b>0</b>

	Notes	General Fund
Balance at 31st March 2019		0
Comprehensive net expenditure for the year	SoCNE	(190,629)
Funding Receivable <sup>13</sup>	4	9,043
Net Funding		181,586
<b>Balance at 31st March 2020</b>		<b>0</b>

<sup>12</sup> Funding has been accrued in respect of the payables due. This receivable funding has been credited directly to the general fund and does not pass through the SoCNE.

<sup>13</sup> This has been restated in comparison to the prior year's audited accounts in which it was referred to as "Non-cash charges".

## **5.6 Notes to the Accounts for the year ended 31 March 2021**

### **1. Statement of accounting policies**

In line with Schedule 1, Chapter 4 of the Social Security (Scotland) Act 2018, and in accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2020-21 issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) 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 the most appropriate to the particular circumstance for the purpose of giving a true and fair view has been selected. The particular policies adopted by SCoSS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In accordance with the FReM these accounts have been prepared on a going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

#### **(a) Accounting convention**

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard.

#### **(b) Value added tax**

SCoSS is registered for VAT as part of the Scottish Government VAT group registration which is responsible for recovering VAT on behalf of the Commission. Irrecoverable tax is charged to the relevant expenditure category.

#### **(c) Receivables**

The accounts have been prepared on an accruals basis and all material amounts due as at 31 March 2021 have been brought into the account irrespective of when actual payments were received. These can be found below in Note 4.

(d) Payables

The accounts are prepared on an accruals basis and all material amounts outstanding as at 31 March 2021 should be brought into account irrespective of when actual payments were made. These can be found below in Note 5.

(e) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS). These are unfunded multiemployer defined benefit schemes in which SCoSS is unable to identify its share of the underlying assets and liabilities of the scheme. Therefore SCoSS has accounted for the contributions to the scheme as if it was a defined contribution scheme. This is in accordance with FReM requirements.

(f) Short Term Employee Benefits

A liability and an expense are recognised for holiday pay and other short term benefits when employees render their service thereby increasing their entitlement to these benefits. Accruals are recognised for material amounts in respect of these benefits earned but not taken or paid at the date of the Statement of Financial Position.

(g) Going concern

The accounts have been prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future. SCoSS has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, and funding for 2021-22 has been confirmed in the Budget Act. It is therefore considered appropriate to prepare the accounts on a going concern basis. An operating budget will be set annually as part of the SG's normal budget process.

(h) Disclosure of new accounting standards

SCoSS have considered the expected impact of new accounting standards issued but not yet in effect. SCoSS consider the impact is not material. These include: IFRS 16 – Leases: It is expected that this standard will be adopted by the Financial Reporting Manual with effect from 1 April 2022. Initial assessment of the new standard on leases indicates that this will not have a significant impact on SCoSS as it currently does not have any lease agreements.



## 2. Staff costs

Staff costs in 2020-21 amounted to £159,603 (2019-20 £177,639). Staff costs include directly-employed staff, interim managers & staff related expenditure such as travel & subsistence. A breakdown of these costs is given in the Remuneration and Staff Report.

## 3. Purchase of Other Goods & Services

	<b>2020-21</b>	<b>2019-20</b>
	£	£
Audit Fee	5,000	5,000
Recruitment	-	2,591
Conference & Conference Hosting	-	2,492
Travel & Subsistence	54	1,808
Computer Software	-	954
Website Costs	7,310	-
Other Expenditure	437	145
<b>Total</b>	<b>12,801</b>	<b>12,990</b>

## 4. Trade Receivables & Other Current Assets

	<b>2020-21</b>	<b>2019-20</b>
	£	£
Other Receivables	13,958	9,043
<b>Total Receivables</b>	<b>13,958</b>	<b>9,043</b>

£13,958 (2019-20 £9,043) other receivables is for cash from Scottish Government Funding that will be used to cover 2020-21 accruals balance when paid next year.

## 5. Current Liabilities

	2020-21	2019-20
	£	£
Audit Fees	5,000	5,000
Staff Flexi Leave accrual	936	(1,020)
Staff Annual Leave accrual	2,637	5,064
Other	5,385	0
<b>Total Payables</b>	<b>13,958</b>	<b>9,043</b>

## 6. Depreciation & Impairment Charges

SCoSS does not have any assets and have been no impairments.

## 7. Other Operating Expenditure

SCoSS does not have any Other Operating Expenditure.

## 8. Property, Plant and Equipment

SCoSS did not have any assets, as at 31 March 2021.

## 9. Related Party Transactions

SCoSS is a non-departmental public body and it considers that the Scottish Government is a related party within this context. During the year the Commission has had a number of material financial transactions with the Scottish Government including;

- All permanent staff are Scottish Government employees
- SCoSS uses Scottish Government estates, HR & Financial systems and relies on a number of other Scottish Government services.
- SCoSS ledger is part of the wider SG Core accounts hierarchy
- All financial transactions are set up, processed and paid via Scottish Government financial systems

Neither the Board Members nor any key managerial staff have undertaken any material transactions with SCoSS during the year.

## 10. Capital Commitments and contingent liabilities

There are no capital commitments or contingent liabilities.

## **11. Third Party Assets**

SCoSS has no third party assets to report.

## **12. Events after the reporting period date**

The financial statements were authorised for issue on 3 November 2021 by Ian Davidson. There have been no further events to report.

## 6. Annexes

### 6.1 Accounts Direction

Social Security Directorate  
Social Security Policy Division

T: 07800-712197  
E: [Ian.Davidson2@gov.scot](mailto:Ian.Davidson2@gov.scot)

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Dr Sally Witcher OBE  
Chair, Scottish Commission on Social Security  
c/o Secretariat  
Area 1C South  
Victoria Quay  
The Shore  
Edinburgh  
EH6 6QQ  
[info@socialsecuritycommission.scot](mailto:info@socialsecuritycommission.scot)

---

18 May 2021

Dear Dr Witcher,

Scottish Commission on Social Security

#### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with Schedule 1 (Chapter 4(12)) of the Social Security (Scotland) Act 2018 hereby give the following direction.
2. The statement of accounts for the financial period ended 31 March 2021, and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cashflows 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.

Signed by the authority of the Scottish Ministers.

Dated 18 May 2021

Yours sincerely,

A rectangular image showing a handwritten signature in black ink on a light-colored background. The signature is cursive and appears to read 'Ian Davidson'.

**Ian Davidson**  
Deputy Director  
Scottish Government  
Social Security Directorate



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

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**OGL**

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