



Community Justice Scotland

Ceartas Coimhearsnachd Alba

Annual Report and Accounts

2018-19

Laid before the Scottish Parliament by the Scottish Ministers
under Section 11 (4) of the Community Justice (Scotland) Act
2016 SG/2019/138

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1. Foreword



Community Justice Scotland (CJS) has a key national leadership role within the community justice sector in Scotland. As we have grown into that role our understanding of leading change and improvement has matured and we have progressively sharpened our focus on delivery of the ambitious outcomes specified in the national strategy for community justice.

This is our second annual report and records how we have made more progress toward achieving the outcomes laid out in our Corporate Plan and describes how we built upon the successes achieved last year. It shows how we are working with strategic partners and stakeholders on a broad front and describes the impact of our activities.

Our Second Chancers campaign was an outstanding success. Viewed by millions of people, it gave a voice to people with experience of the criminal justice system and demonstrated the positive outcomes that can be achieved by community justice. At a policy level, CJS was hugely influential in shaping legislation. Our work on the Presumption Against Short-Term Sentences (PASS) and the Management of Offenders Act, has now borne fruit with these Bills now enacted.

Across the sector we saw the positive influence of Community Justice Scotland; from the hundreds of professionals to whom we provided training and development opportunities and the thousands of people we spoke with at conferences and events.

For the first time a national assessment of community justice activity was published. The report highlighted many examples of good and innovative practice that can be cascaded across the community justice network and, as importantly, identified areas for improvement that we are already working on with local partners.

Next year more will be achieved and we have set ourselves some significant challenges. We will work with partners to improve the information on community justice activities that can be brought to the attention of the public. This will improve transparency and accountability. Working with partners we will seek to relieve

pressures in other areas of the justice system including provision of better information to courts on the availability of local community justice services.

In common with many publicly funded organisations, our budget was not all we could have hoped for. Unless it is increased the pressures on it will accumulate going forward. It will be essential that we work with others to jointly leverage resources, through partnership working and co-production to support and enhance community justice.

In addition to the operational challenges we faced during the year, the organisation also had to respond to a Section 22 report issued by the Auditor General for Scotland. Supported by Scottish Government and guided by the findings of a review we commissioned of our budgetary and financial processes conducted by SG Internal Auditors, we are implementing an improvement plan. In addition, we improved our governance arrangements with the appointment of four new Board members and later the appointment of a new Chair Lindsay Montgomery. Lindsay has extensive leadership background in public finance, governance, justice and third sector and will, I am sure, bring that experience to bear in leading CJS in this next important period.

Looking forward, we are determined to work with others to bring about stronger and more consistent community justice across Scotland.

Glenys Watt

Acting Chair



2. Performance Report

Performance Overview

2018/19 was Community Justice Scotland's (CJS') second year of operation and this overview provides a commentary on its effectiveness in establishing the new system for community justice in Scotland and advancing the outcomes detailed in the National Strategy for Community Justice. In addition, it describes how the organisation developed over the year. The description of our operating environment and engagement with stakeholders and partners across the justice sector are key themes of the Annual Report and illustrate how CJS has become a significant contributor to the collective effort to reduce offending and re-offending and make Scotland a safer country.

3. Report on Community Justice Scotland's functions

Community Justice Scotland is the national body for community justice in Scotland. Launched on 1 April 2017 by the Community Justice (Scotland) Act 2016, our aim is to promote and advance the national strategy for community justice in order to create a more robust and effective community justice system based on local planning and delivery by a range of statutory and other partners, supported and guided by national leadership and oversight.

As an executive non-departmental public body (NDPB), Scottish Ministers set the strategic framework for the organisation.

We work with a range of statutory and non-statutory partners including Local Authorities, Police Scotland, Scottish Prison Service, Scottish Courts & Tribunals Service, Crown Office and Procurator Fiscal Service, Scottish Fire and Rescue Service, national agencies such as Skills Development Scotland, Health Boards, health and social care Integration Joint Boards, the third sector, academics and communities. We will seek to work with existing partnership arrangements or establish new forums where they are required. As an NDPB, funded by the public purse, we are required to manage all our resources effectively and have established operational processes, management oversight and Board governance arrangements to deliver maximum effectiveness.

2018/19 was the second year of activity guided by our Corporate Plan 2017/20. That Plan details four strategic objectives for CJS:

- to become a trusted source of expertise in community justice.
- to improve the understanding of community justice with stakeholders and in the wider community.
- to have tested and evaluated new approaches to community justice.
- to have worked collaboratively to identify improvements and changes that can be made in the delivery of community justice.

Our approach to delivering these objectives is to:

- Promote: We will champion justice by taking the lead role in delivering the National Strategy for Community Justice.
- Support: We will work with our partners and help drive change by identifying challenges and supporting improvements in the community justice system.
- Lead: We will act as a trusted source of expertise in community justice, providing leadership, learning and insight to support community justice partners to explore new thinking and promote best practice to prevent offending and reduce the number of future victims.

- Prevent: We will work with others to prevent offending and reduce further offending.

4. Key Issues and Risks

The key issues and risks identified by the Board include:

- With current capacity/budgets CJS will not be able to commission services effectively.
- If CJS' budgets, functions and accountability do not align, the organisation will not perform effectively.
- Key legislation core to achieving aims of increasing community disposals is not enacted.
- Skills/Capacity gap; related to funding pressures on CJS.

Risk was managed by the Senior Management Team (SMT) under oversight of the CJS Board who are advised by the Audit and Risk Committee (ARC). Corporate risks are assessed at each meeting of the SMT and at all meetings of the CJS Board and ARC. Changes to the Corporate Risk Register are reported for consideration at each meeting of the Board and ARC.

An ongoing risk is the level of funding available from the Sponsor Department to ensure that we continue to fulfil our statutory responsibilities. For 2019/20 the funding settlement was £2.2 million and going forward, like all other public sector organisations, we are facing increasing financial pressures to deliver our objectives for a flat cash or reducing annual funding. We continue to develop a medium-term financial plan.

5. Going Concern

Community Justice Scotland (CJS) is a non-departmental public body (NDPB) funded entirely by Scottish Government (SG) through Grant in aid.

The overall budget is decided by Scottish Government each year. Grant in aid is drawn down from SG on a quarterly basis and is provided on the basis of need (that is to meet the costs outlined in the budget bid).

The budget is profiled across the operational year and expenditure is measured against the profile and reconciled against actual expenditure on a monthly basis. Expenditure and reconciliation reports are submitted to SG each month, and 'as asked' information is provided on an ongoing basis.

Budget performance is reviewed at each Senior Management Team (SMT) meeting and the CJS Board and Audit and Risk Committee (ARC) receive a report on budgetary issues at each meeting.

CJS has no obligations, financial contracts or other potential calls on its budget that would adversely affect its financial position.

Anticipated financial pressures may potentially result in CJS reviewing its activities, whilst continuing to meet its statutory obligations.

As an organisation we fulfil our statutory obligations as set out in policy, I believe that CJS is a going concern and it is appropriate to prepare the annual report and accounts on a going concern basis.

Accountable Officer

6. Performance summary

Structure

CJS is a small organisation employing 31 staff. Since it was established in April 2017 staff numbers have grown progressively; achieving the current level in January 2019.

Governance and Accountability

On 31 March 2019, the Board consisted of an Acting Chair, 7 members and 1 Advisory member. In 2018/19 the Board met 9 times, its Audit and Risk Committee 4 and Human Resource and Remuneration Committee 3.

Summary of Activity

Community Justice Scotland's functions include the promotion of community justice and specifically, the benefits arising from persons who are convicted of offences being sentenced to community disposals rather than imprisonment or detention in penal institutions. It does so on the basis that for many individuals community justice increases the chances of them not offending in the future or, if that is not realistic, reducing future offending by them.

Our activity focussed on progressing the four outcomes from CJS' Corporate Strategy 2017-20.

1. To become a trusted source of expertise in community justice

The organisation continued to develop its policy function responding to calls for evidence from the Scottish Government, Scottish Parliament and others on a range of relevant policy issues. During the year, CJS submitted written evidence on remand and provided oral evidence on the Management of Offenders Bill to the Justice Committee. CJS also provided evidence on the Age of Criminal Responsibility to the Equalities and Human Rights Committee.

CJS continues to engage with MSPs from all parties and to participate in cross-party groups. As a member of the Cabinet Secretary's Task Force on Victims, CJS is leading a workstream on trauma informed practice. We work closely with community justice stakeholders including colleagues in academia and the third sector to research, develop and promote evidence-based policy. Throughout the year CJS was also invited to promote the Scottish model of community justice at various events with MPs at the House of Commons in London.

In the year, the Learning Development and Innovation (LDI) team has delivered training to over 1250 delegates from every Scottish local authority, Police Scotland, SPS, NHS, Sodexo Justice Services, Barnardos and the University of the West of Scotland.

CJS has developed an evaluation process for learning products relating to Trauma Informed Practice for community justice partners. This is being used to develop long term support for practitioners in the form of identifying effective learning products and developing communities of reflective practice within environments where practitioners are working with people exhibiting symptoms of complex trauma.

Throughout 2018/19, the LDI team prioritised learning products and skills gaps to identify and address vulnerabilities in the training calendar. Based on this, the team has upskilled to ensure that resilience is built in to the calendar to facilitate consistent service delivery.

We continued to commission innovative research, working with a range of partners including academic institutions and established experts in the sector. The subjects of our research activity included the Presumption Against Short-term Sentences (PASS).

2. To improve the understanding of community justice with stakeholders and in the wider community

‘Second Chancers’ was launched in October 2018 and comprised of a mini-series of 5 short films – for primarily digital interaction – and an audio exhibition which was designed to tour Scotland for the public to physically interact with. Both the films and audio are the stories of people who have been affected by the justice system and who have transformed their lives. The people sharing their stories include someone *from a background of crime*; who has *made a one-off mistake*; who has been a *victim of crime*; who has battled with *addiction and mental health* issues; as well as showcasing *unpaid work projects* adding value to their community.

The films were designed to raise the visibility of community justice as well as provide information about the different forms it can take. They were designed to start a conversation, not lecture the viewer on how to think.

The campaign films have the look and feel of a documentary, as this is typically what the target audience consume when sourcing knowledge from on-demand services. A multi-platform media approach placed adverts for the series on video-on-demand channels (including Sky, C4 and STV player) to capture this audience and promoted it on Snapchat, Instagram, Twitter, Facebook, Teads and YouTube. There were also cinema ads, press coverage and promotion as well as a national launch in Edinburgh.

The reach of the campaign in the operational year was significant;

Digital

- The Second Chancers films have had almost 7 million views.
- The microsite, secondchancers.tv (which hosted all the campaign video and audio), received nearly 36,000 visitors.
- On **Teads** the view rate of the films was 10% above the average benchmark of 15-17%, suggesting the audience was highly engaged.

PR

- The Scotsman ran features on justice for three days in support of the campaign launch. This included interviews with Sir Prof Harry Burns, Greg Berman from the Centre for Court Innovation in the USA, a case study of the Finnish system as well as those affected by the justice system in Scotland.
- Post launch, the Daily Record, Sunday Post and the Daily Mail positively featured the Second Chancers campaign as did more than **218** media outlets,

including local newspapers across Scotland as well as the UK. Global Radio featured the campaign on their news bulletins (Heart, Capital, Classic FM, and Smooth Radio) and the Chief Executive was a guest on Scotland's Talk In on Radio Clyde 2. Features in the Sun and Big Issue will follow in the New Year.

Field marketing

- The launch of the campaign attracted 120 delegates from community groups, Scottish Government, statutory partners, third sector and our storytellers and their families.
- The Second Chancers audio exhibition has visited more than 30 venues since October 2018 including schools, universities, colleges, corporate offices, community centres, theatres, libraries and health centres.
- The campaign has been integrated into CJS' training workshops and colleagues across the organisation show the films and promote the campaign at all speaking events where possible.

Smart Justice

Language is important and CJS recognises the difficulty of the task of promoting and discussing publicly community justice. Often described as an 'alternative' and regularly caught up in the tough/soft dichotomy of public discourse on crime, CJS sought to carve out a new space for discussions about community justice as a vital part of the justice system. CJS continued to re-frame community justice as 'smart justice'; effective, evidence-led and robust.

This was picked up and used by the previous and current Cabinet Secretaries for Justice. Partners have also adopted the term and it is being used across sectors as well as amongst members of the community. The hashtag has been used over 5000 times and more than 1 million people have seen tweets containing the hashtag - it has been used in a number of media articles to discuss the work CJS are doing.

Press coverage

CJS have featured in the media over 400 times in 2018/19. This has been in media outlets that cross political and audience demographics; tabloids, broadsheets, local, national, broadcast, print and online. Of these hundreds of news stories, features and comment pieces, only 4 have been neutral/negative.

CJS' Chief Executive was offered an ongoing fortnightly comment piece with the Scotsman, called Inside Justice. She uses this column to talk in more detail about some of the more difficult issues we work on, as the nuance can often be lost in a news article.

CJS now has 3229 followers on twitter and reached a high of 1.67 million twitter impressions in November 2018.

In 2018/19 the Chief Executive and colleagues spoke at events in almost every area of the country, to an estimated total of 10,119 from a wide range of organisations or stakeholder groups, including the NHS, local government, justice partners and the third sector.

3. To have tested and evaluated new approaches to community justice

CJS also met with all the local Community Justice (CJ) partnerships to establish relationships and to provide feedback on the first iteration of the Community Justice Outcome Improvement Plans (CJOIPs) (as required under the CJS Act 2016) in total, during the year the Improvement Team collectively had 107 meetings with local CJ partnerships and other stakeholders:

Stakeholders	Number of meetings
Community Justice Partnerships (including local authority project meetings and Network events)	33
statutory partners (including Scottish Government)	28
national organisations including the Centre for Youth and Criminal Justice (CYCJ) and Scottish Community Safety Network (SCSN) and national forums/networks	34
individual third sector (including Criminal Justice Voluntary Sector Forum (CJVSF))	12
Total	107

Support activities included developing and publishing a guidance document on Planning and Reporting for local areas to assist with locality planning and reporting of CJOIPs and developing and publishing a template and associated guidance for local Community Justice areas to report on improvement activity for period 2017/18 (as required under the CJS Act 2016).

CJS has continued to actively promote and explore new approaches to community justice and in the year took part in a study trip with 'Children in Scotland' to Finland. That programme included meetings with Finnish Community Sanctions Office, KELA (Universal Basic Income organisation) and third sector mediation agencies involved in restorative justice and community justice. A representative from Finland also spoke at our national conference in March 2019.

4. To have worked collaboratively to identify improvements and changes that can be made in the delivery of community justice

Through analysis CJS became aware of significant differences across Scotland in services available to and the outcomes for those who are diverted from prosecution. Further examination of the issue with key stakeholders, including with Crown Office Procurator Fiscals Service (COPFS), Criminal Justice Social Work (CJSW) and Police Scotland, examined in detail current practice, the relevant processes in place and identified improvements that could be made to the system.

In addition, detailed work continued with Aberdeen City and North Lanarkshire councils to examine information sharing and develop better processes with a view to improving practice nationally and locally.

CJS also continued to develop its employability function with the aim of influencing stakeholders from the private, public, voluntary and third sector to change

recruitment policies to develop a more positive approach to employing people with convictions.

We sought to challenge perceptions of employing people with convictions through projects in the community. One project involved working in partnership with the Army to co-deliver an employability programme, with input from Department of Work and Pensions (DWP), Skills Development Scotland (SDS), Police Scotland and the third sector. Overall, in this area of activity CJS has now engaged with over 60 organisations and 300 individuals.

Through the year CJS led the development of a commissioning framework for the sector. This was a collaborative undertaking involving contributions from statutory partners, Scottish Government and the third sector and the framework will be published in December 2019.

Performance Analysis

7. How we measure performance

Our Strategic and Operational objectives are detailed in CJS' **Corporate** and **Business** Plans which were approved by the CJS Board. Progress is reviewed formally by the Senior Management Team (SMT) which meets fortnightly and is reported to the CJS Board.

The CJS Board provides oversight, support and challenge in relation to performance and receives and considers reports on the organisations, proposed major activities. In this role, the Audit and Risk Committee and the Human Resource and Remuneration Committee have specific responsibilities in relation to areas of performance, including finance and the management of risk.

Information on our performance is shared with colleagues at Scottish Government Sponsor Team and discussed at our regular meetings with them.

An [annual performance report](#) is prepared for the Board's consideration and thereafter published on the CJS website.

8. Sustainability Reporting

CJS is committed to reducing its carbon footprint. Listed below are some of the initiatives that we took to achieve this:

- CJS is based in an office that is part of the wider Scottish Government estate. As such CJS adhered to the Scottish Government Environmental Policy, buildings, waste and sustainable places strategy.
- To reduce our carbon footprint, CJS sought when consistent with operational requirements and wherever possible, to use public transport when travelling for business. It is noted that in some instances using public transport will not be possible due to time constraints and distance/location of meeting.
- CJS arranging meetings in locations where the fewest people have to travel to attend, thus reducing our carbon footprint and utilising public transport where applicable.
- CJS uses video conferencing and Skype to meet with stakeholders.

Complaints

During the period of this report, no complaints were received. Our complaints procedure is set out in full on the CJS website.

Data Breaches

There were no data breaches recorded.

Freedom of Information

During the period 1 April 2018 to 31 March 2019 Community Justice Scotland received 2 requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA). All responses were provided within the statutory 20 working days. There were no requests rejected and we did not refuse to provide any information requested.

SIGNED:

Karyn McCluskey

Date:

ACCOUNTABLE OFFICER

Accountability Report

Corporate Governance Report

9. Directors Report

CJS Structure

The CJS Board consists of:

- Acting Chair, Glenys Watt
- Seven Board members: Gerry Bann, Linda Bendle, Gerry McClay, Adam Burley, Graham Bell, Steven Kirkwood and Alec Spencer.
- One advisor to the Board: Sheriff Kathrine Mackie

There is a Chief Executive and Accountable Officer: Karyn McCluskey.

The CJS Register of Interests is available on the CJS website. Potential conflicts of interest are declared at all meetings and no conflicts arose during the year.

The CJS Board has been key to the process of developing and strengthening the organisation through oversight and scrutiny of its activity. During the year the Board membership increased by four in order to enhance its resilience and bring a wider range of skills and experience to the exercise of its governance function.

To assist in its work the Board has established two Committees.

Audit and Risk Committee

The Audit and Risk Committee advises the Board and Accountable Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, the accounts, and the annual report of Community Justice Scotland, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- the adequacy of management response to issues identified by audit activity, including external audit's management letter/report;
- the effectiveness of the internal control environment;
- assurances relating to the corporate governance requirements for Community Justice Scotland;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

Committee Membership: Mr Gerry Bann (Chair), Mr Gerry McClay, Mr Graham Bell and Ms Glenys Watt (observer).

Officials in attendance: Ms Karyn McCluskey (Chief Executive), Mr Bill Fitzpatrick (Director of Operations) Mrs Dorothy Smith (Business Manager).

The Committee met 4 times during the year and in addition to providing general oversight of corporate governance, received reports on CJS' actual and projected expenditure and risk register.

Human Resources and Remuneration Committee

On behalf of the Board, the Committee monitors and recommends actions in respect of relevant matters including:

- Annual pay remit for Chief Executive and staff submission to the Scottish Government.
- People strategies and plans.
- Employment policies.
- Staff development strategies and plans.
- Equality and diversity strategies and plans.
- Health, safety and wellbeing strategies and plans (for monitoring only).
- Implementation of recommendations and decisions of the Board.

Committee Membership: Ms Glenys Watt (Chair), Ms Linda Bendle and Adam Burley.

Officials in attendance: Mrs Dorothy Smith (Business Manager)

During the period covered by this report the Committee met 3 times.

Board Member attendance at the Board and Committee meetings during the year was as follows:

Details	Board	Audit and Risk Committee	Human Resources and Remuneration Committee
Total Meetings	9	4	3
Mr Gerry Bann	6	3	
Ms Linda Bendle	9		3
Mr Gerry McClay	7	4	
Mr Adam Burley	4*		
Mr Graham Bell	4*	2	
Mr Alec Spencer	3*		
Mr Steven Kirkwood	4*		
Sheriff Kathrine Mackie(advisor to the Board)	7		
Ms Glenys Watt	9	4	3

* Board members appointed in October 2018

Auditors

The *Public Finance and Accountability (Scotland) Act 2000* places responsibility on the Auditor General for Scotland to determine who should undertake the audit of CJS. For the financial years 2016-17 to 2020-21, the Auditor General has appointed Grant Thornton UK LLP to undertake our audit. The general duties of the auditors, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Scottish Government Internal Audit Directorate provides internal audit work for CJS. Internal Audit conducted a review of financial and budgetary controls which was reported in 2018/19 a limited assurance was given. CJS is considering the recommendations and agreeing an action plan to address these which will be reflected in next year's annual report.

Disclosure of relevant audit information

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

Personal data related incidents

There were no data security incidents during the year.

Managing financial transactions and payment of suppliers

For 2018-19, CJS paid all invoices not in dispute within 10 days (2017/18 – all invoices paid within 10 days).

Working with Communities

CJS is committed to providing equality of opportunities to those in our society who are most in need. We put in place the process that enabled us to recruit 2 modern apprentices in 2018-19. We have provided a tailored programme that incorporated learning, qualifications, and practical experience, supported by colleagues and mentors. Providing this opportunity is part of our commitment to practice our values of support, compassion, trust, respect, integrity and fairness.

Funding

In 2018/19 CJS was funded £2,084,000 by grant-in-aid. A further £15,000 was received from Community Justice Division within Scottish Government.

The Scottish Ministers are accountable to the Scottish Parliament for the financial resources of the CJS and for the allocation of the correct level of funding from the Scottish Government. CJS spent £2,251,000 in 2018-19, as follows:

	2018-19
	£000's
Staffing costs	1,468
Other operating costs	783
Total	2,251

SIGNED:

Karyn McCluskey
ACCOUNTABLE OFFICER

Date:

10. Statement of Accountable Officer's Responsibilities

In terms of the Community Justice (Scotland) Act 2016, Scottish Ministers have directed CJS to prepare for each financial year a statement of accounts in the form and on the basis set out in their Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the CJS and of its comprehensive net expenditure, financial position, cash flows and movement in taxpayers' equity for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the Financial Reporting Manual (FReM) and in particular to:

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

The Chief Executive is designated as the CJS' Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. 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 CJS assets, are set out in the Memorandum to Accountable Officers for Other Public Bodies issued by the Scottish Government.

As Accounting Officer I can confirm that:

- (a) As far as I am aware, there is no relevant audit information of which the entity's auditors are unaware.
- (b) I have taken all of the necessary steps to make myself aware of all relevant audit information and I have provided our auditors with that information.
- (c) That the annual report and accounts as a whole is fair, balanced and understandable.
- (d) I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

11. Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CJS' policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to CJS, in accordance with the responsibilities set out in the "Memorandum to Accountable Officers".

Purpose of the System of Internal Control

The system of internal control is based on an on-going 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. This process was put in place during the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

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

The processes within the organisation have regard to the guidance to public bodies in Scotland issued by Scottish Ministers and set out in the Scottish Public Finance Manual with further guidance contained within the Governance and Accountability Framework Document agreed with Scottish Government.

The system of risk management is laid out in the CJS risk management strategy and is appropriate to the organisation and its purposes. Internal audit has issued a limited assurance for 2018/19 and in doing so highlighted issues relating to governance. The findings of their review of finance and budgetary procedures was also assessed as limited assurance. Already substantial progress has been made in relation to the areas for improvement highlighted by Internal Audit and it is anticipated that a follow up review will produce a more positive assessment.

SIGNED:

Karyn McCluskey

Date:

ACCOUNTABLE OFFICER

Remuneration Board Members and Staffing Report

Pay and conditions of service

Board Members

Board members are appointed by Scottish Ministers through the Public Appointments system. Glenys Watt became acting Chair, as confirmed by Scottish Ministers, on 25 April 2018. She held the position until the new Chair Lindsay Montgomery, CBE, was appointed by Scottish Ministers in May 2019.

The Chair is entitled to receive a fee of £309 (non-pensionable) for every day of not less than 7.5 hours (excluding meal breaks) devoted to performing their functions (as required or requested by Community Justice Scotland) on a pro rata basis. She is not expected to devote any more than 300 hours, equating to a maximum total fee of £12,360 financial year, to the exercise of her functions.

The Acting Chair is not entitled to a pension in respect of her office, and is not entitled to any gratuity, allowance or compensation when her period in office ends. She is not entitled to remuneration for any period during which she is disqualified from holding office. The Chair may resign office by giving three months written notice to the Scottish Ministers.

Four Board members were appointed for three years, commencing on 1 March 2017 and ending on 29 February 2020. Four Board members were appointed for three years, commencing in October 2018 and ending in September 2021. Members are expected to be able to devote up to 20 days a year, to the exercise of their functions as a Member. They are entitled to receive from CJS a fee of £221 for every 7.5 hours (excluding meal breaks) devoted to performing their functions (as required or requested by CJS) on a pro rata basis, up to a maximum total annual fee of £4,420. The Chair and members are entitled to be reimbursed for reasonable travel expenses.

Our Board Members were remunerated for the following attendance fee payments for financial year 2018-19.

Board Member	2018/19 £'000
Gerry Bann	0-5
Linda Bendle	*5-10
Gerry McClay	0-5
Glenys Watt	5-10
Kathrine Mackie	0-5
Adam Burley	0-5
Steve Kirkwood	0-5
Alec Spencer	0-5
Graham Bell	0-5

* includes fees paid for participation in Board Member recruitment round in 2018

Chief Executive and staff

The Chief Executive and Accountable Officer Karyn McCluskey was appointed on 1st October 2016. The Chief Executive's base starting salary is in the salary range of

£92,500-£97,550 per annum. Progression within this range, if any, will be considered by CJS against the Scottish Government's Public Sector Pay Policy for Senior Appointments.

There is no mandatory retirement age. The Chief Executive is required to give a minimum of three months' written notice when she wishes to retire from her employment.

Pay for CJS staff is set through an analogue arrangement with the pay award for the Scottish Government Main Bargaining Unit, which is agreed within the parameters of the Scottish Government's Public Sector Pay Policy. In line with that policy, there was no performance or other form of bonus payment made in 2018-19 (17/18 none).

Employee contracts normally have no fixed period and can be terminated on up to three months' notice and fixed term contracts are terminable on up to five weeks' notice by the CJS.

There were no contractual termination payments in 2018-19.

Staff Resources

The breakdown of staff resources by gender is shown in the table below.

	All		Male		Female	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Board members						
Chair	-	1	-	-	0	1
Acting Chair	1	1	-	-	1	1
Board members	7	3	6	2	1	1
Co-opted member	0	1	0	0	0	1
Advisory member	1	1	0	0	1	1
Total Board Members	9	7	6	2	3	5
CJS staff						
Chief Executive	1	1	-	0	1	1
Permanent staff total	22	16	8	6	14	10
Fixed term appointments	7	5	2	3	5	2
Secondees	0	1	0	0	0	1
Agency staff	1	1	0	0	1	1
Total Staff	31	24	10	9	21	15

Remuneration (subject to audit)

	Total Remuneration Year Ended 31 March 2019	Total Remuneration Year Ended 31 March 2018
Karyn McCluskey		
Chief Executive		
Salary	£92,500-£97,550	£90,000-£95,000
Pension benefit	£37,000	£35,000
Total	£129,500-£139,500	£125,000-£135,000

No performance bonuses or benefits in kind were made.

Fair Pay (subject to audit)

	Year Ended 31 March 2019	Year Ended 31 March 2018
Median remuneration of all CJS staff, annualised	£36,328	£37,727
Pay multiple between mid-point of Highest paid member of staff banding and median total remuneration of all staff, annualised	2.61	2.45
Lowest pay banding:	£18,392 - £20,732	£23,167-£26,713
Highest pay banding	£92,500 - £97,550	£90,000-£95,000

The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits 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 pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include 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.

Pension Benefits	Total accrued pension at age 67 as at 31 March 2019 and related lump sum	Real increase in pension and related lump sum at age 67	CETV at 31 March 2019	CETV at 31 March 2018	Real Value of CETV increase over year
	£'000	£'000	£'000	£'000	£'000
Karyn McCluskey	5-10	0-2.5	69	37	21

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Pension Liabilities

CJS pension benefits are provided through the Civil Service pension arrangements and administered for CJS by Scottish Government. More details of the Civil Service Pension Scheme can be found in the annual accounts note 1(k).

Sickness absence

Number of sickness absence incurred by CJS staff in 2018/19, totalled 91 days, (2017/18-12 days). This is due to the increase in staff numbers (from 24 to 31) and three long term periods of absence.

Expenditure on Consultancy and Off Payroll Matters

CJS did not incur any off payable transactions or consultancy spend in this year.

Equal opportunities and diversity

The CJS is fully committed to equality in the work place and across our operation.

CJS has a range of policies in place to ensure equality matters are given priority. These policies include; Fairness at Work Code of Conduct and Interim Resourcing.

CJS' aims to encourage employers to employ individuals with lived experience of the justice system. CJS encouraged people with such lived experience to apply for positions in the organisation, and reviewed its recruitment procedures so as not to discriminate against them.

Staff costs

Staff Costs:	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Wages and salaries	1,071	681
Social security costs	117	68
Other pension costs	218	133
Agency costs	29	34
Board fees and expenses	33	29
Total administration staff costs	1,468	945

Staff Numbers

It is usual to report average numbers of employees during the year. As staff numbers increased steadily during the period, an average figure would be of little use. Instead, we are reporting the number of staff working at CJS on 31 March 2019. (See staff resource section)

CJS had no exit packages in the year to 31 March 2019 (17/18 none).

SIGNED:

Karyn McCluskey

Date:

ACCOUNTABLE OFFICER

Parliamentary Accountability Report

Auditor's Remuneration

The annual accounts of Community Justice Scotland are audited by an auditor appointed by the Auditor General for Scotland in accordance with Section 11 (4) of the Community Justice (Scotland) Act 2016. External audit services for the 2018-19 accounts were at a cost of £12,092 (2017/18 - £10,330) and no additional payments were made to the auditor for non-audit work.

Political Expenditure

Community Justice Scotland made no political donations or incurred no political expenditure in the financial year.

Gifts and Charitable Donations

Community Justice Scotland made no gifts or charitable donations in the financial year.

Losses and Special Payments

Community Justice Scotland incurred no losses or made special payments in the financial year.

Remote Contingent Liabilities

Community Justice Scotland had no contingent liabilities in the financial year.

Karyn McCluskey

Chief Executive and Accountable Officer

DATE

Independent auditor's report to the members of Community Justice Scotland, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Community Justice Scotland for the year ended 31 March 2019 under the Community Justice (Scotland) Act 2016. The financial statements comprise of the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, and the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Community Justice (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 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 2018/19 FReM; and
- have been prepared in accordance with the requirements of the Community Justice (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 13th January 2017. The period of total uninterrupted appointment is 3 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and We have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence. We have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Other information in the annual report and accounts

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

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our 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. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In our 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 Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our 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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown, (for and on behalf of Grant Thornton UK LLP)
110 Queen Street
Glasgow
G1 3BX

Financial Statements

Community Justice Scotland

Annual Accounts

Year ending 31 March 2019

STATEMENT OF COMPREHENSIVE NET EXPENDITURE
For the year ended 31 March 2019

		Year to 31 March 2019	Year to 31 March 2018
	<i>Note</i>	£'000s	£'000s
ADMINISTRATIVE COSTS			
Staff costs	2	(1,468)	(945)
Other admin costs	3	(778)	(319)
Notional cost	4	(3)	(3)
Depreciation	5a	0	0
Amortisation	5b	(2)	(1)
NET OPERATING COST		(2,251)	(1,268)

STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	<i>Note</i>	Year to 31 March 2019 £'000s	Year to 31 March 2018 £'000s
NON-CURRENT ASSETS			
Property, plant and equipment	<i>5a</i>	1	1
Intangible assets	<i>5b</i>	4	6
Total non-current assets		5	7
CURRENT ASSETS			
Trade and other receivables	<i>6</i>	9	0
Cash and cash equivalents	<i>7</i>	158	200
Total current assets		167	200
TOTAL ASSETS		172	207
CURRENT LIABILITIES			
Trade and other payables	<i>8</i>	(229)	(115)
Total current liabilities		(229)	(115)
NON-CURRENT LIABILITIES			
Other Financial liabilities	<i>8</i>	0	0
Total non-current liabilities		0	0
TOTAL LIABILITIES		(229)	(115)
NET ASSETS/(LIABILITIES)		(57)	92
TAXPAYERS EQUITY			
General Fund	<i>SOCTE</i>	(57)	92
TOTAL TAXPAYERS EQUITY		(57)	92

The annual accounts report the results of Community Justice Scotland for the year to 31 March 2019. They have been prepared in accordance with the Accounts Direction given by the Scottish Ministers in accordance with section 12 of the Community Justice (Scotland) Act 2016. The Accountable Officer authorises these financial statements for issue on the date noted opposite.

KARYN MCCLUSKEY
Chief Executive and Accountable Officer

CASH FLOW STATEMENT

for the year ended 31 March 2019

		Year to 31 March 2019	Year to 31 March 2018
	Notes	£'000s	£'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating cost	SOCNE	(2,251)	(1,268)
Adjustments for non-cash transactions:			
* Depreciation	5a	0	0
* Amortisation	5b	2	1
* Notional costs	4	3	3
Movements in working capital:			
* (Increase)/Decrease in trade and other receivables	6	(9)	0
* Increase/(Decrease) in trade and other payables	8	114	115
Net cash outflow from operating activities		(2,141)	(1,150)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5a	0	(1)
Purchase of intangible assets	5b	0	(6)
Net cash flow from investing activities		0	(7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Funding	SOCTE	2,099	1,357
Net cash flow from financing activities		2,099	1,357
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(42)	200
Cash and cash equivalents at beginning of period	7	200	0
Cash and cash equivalents at end of period	7	158	200
NET CHANGE IN CASH AND CASH EQUIVALENT BALANCES		(42)	200

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2019

	<i>Note</i>	General Fund £'000
Balance at 31 March 2018		92
Non-cash charges – notional costs	4	3
Net operating cost for the year	SOCNE	(2,251)
Net funding		2,099
Balance at 31 March 2019		(57)

Prior Year

	<i>Note</i>	General Fund £'000
Balance at 31 March 2017		0
Non-cash charges – notional costs	4	3
Net operating cost for the year	SOCNE	(1,268)
Net funding		1,357
Balance at 31 March 2018		92

Notes to Accounts

For the year ended 31 March 2019

1. Statement of accounting policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 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 the Community Justice Scotland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

(a) Accounting convention

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

(b) Property, plant and equipment (PPE) and Intangible Assets

Depreciated historic cost will be used as a proxy for the fair value of all assets. All of the assets in these categories have:

- low values and short useful economic lives which realistically reflect the life of the asset and;
- a depreciation/amortisation charge which provides a realistic reflection of consumption.

The capitalisation thresholds for the principal categories of assets will be £5,000, with the exception of Information Technology assets, where the capitalisation threshold will be £1,000.

(c) Depreciation

Depreciation will be provided on property, plant and equipment, on a straight line basis at rates sufficient to write down their cost over their estimated useful lives. The depreciation periods for the principal categories of assets will be: -

Office Equipment	5 years
Information Technology Hardware	3 years

(d) Government grants

All of the expenditure of the CJS is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. Funding for the acquisition of fixed assets received from the Scottish Government is credited to the general fund. Funding received from any other source for the acquisition of specific assets is recognised as income in the statement of comprehensive net expenditure.



(e) Amortisation

The benefit of rent-free periods on leases of premises is amortised over the period of the lease or over the period to a lease break point when this is the most probable end of lease, whichever is the shorter.

Amortisation is provided on intangible assets, on a straight line basis at rates sufficient to write down their cost over their estimated useful lives. The amortisation periods for the principal categories of assets will be: -

IT Software	3 years
IT Websites	5 years

(f) Operating leases

Rentals payable under operating leases are charged to the revenue account over the term of the lease.

(g) Provisions

Provisions are made for obligations which are of an uncertain amount or time at the balance sheet date. During financial year 2018-19, the CJS made no provisions.

(h) Value added tax

Irrecoverable tax is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

(i) Receivables

All material amounts due as at 31 March 2019 have been brought into the account irrespective of when actual payments were received.

(j) Payables

All material amounts outstanding as at 31 March 2019 have been brought into account irrespective of when actual payments were made.

(k) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme which is an unfunded multi-employer defined benefit scheme.

As it is not possible to identify the CJS share of the underlying assets and liabilities of the scheme, CJS has accounted for the contributions to the scheme as if it was a defined contribution scheme. This is in accordance with FRS 17.

The funding arrangements are through defined contributions.

It is not possible to identify or describe the extent to which CJS is liable for other entities obligations or any agreed allocation of deficit/surplus on the wind-up of the plan given the scale of our involvement in relation to the wider Scottish Government (SG). The exact proportion of the plan attributable to CJS is negligible in relation to SG and other related bodies within the plan.

Employer contributions to the scheme are shown in the Remuneration and Staffing Report.



(l) Going concern

The Community Justice (Scotland) Act 2016 established the Community Justice Scotland (CJS). The act came in to effect on 1 October 2016 with limited powers and CJS was fully established from 1st April 2017. It is appropriate for the accounts of CJS to be prepared on a going concern basis.

(m) New Accounting Standards

A number of new accounting standards have been issued or amendments made to existing standards, but do not come into force until future accounting periods and therefore are not yet applied. All new standards issued and amendments made to existing standards are reviewed by Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable. The standards that are considered relevant to Community Justice Scotland and the anticipated impact on the consolidated accounts are as follows:

IFRS 16 – Leases

This standard will come into effect for accounting periods beginning after 1 January 2020, when the distinction between finance and operating leases is removed and all leases become “on balance sheet”. FRAB will consider if this standard is to be adapted or applied in full, although it is anticipated that the principles of the standard will be applied.



2. Staff costs

Staff Costs:	Year to 31 March 2019	Year to 3 March 2018
	£'000	£'000
Wages and salaries	1,071	681
Social security costs	117	68
Other pension costs	218	133
Agency costs	29	34
Board fees and expenses	33	29
Total administration staff costs	1,468	945

3. Other operating costs

Other Operating Costs:	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Accommodation, including Rent, Rates and Setup	40	36
IT	23	29
Other Staff costs	19	12
Recruitment	2	2
Other Office costs	255	114

4. Notional costs

Notional Costs:¹	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Internal Accountancy Fees	3	3
Total	3	3

¹ The notional cost is in relation to preparation of CJS accounts. The cost will not result in an outflow of cash either now or in future.



5a. Property, plant and equipment

	Information Technology Hardware	Total
	£'000	£'000
Cost		
At 31 March 2018	1	1
Additions	0	0
Disposals	0	0
At 31 March 2019	1	1
Depreciation		
At 31 March 2018	0	0
Charge for year	0	0
Disposals	0	0
At 31 March 2019	0	0
NBV at 31 March 2019	1	1
Analysis of asset financing:		
Owned	1	1
Finance leased	0	0
NBV at 31 March 2019	1	1



Prior Year

	Information Technology Hardware	Total
	£'000	£'000
Cost		
At 31 March 2017	0	0
Additions	1	1
Disposals	0	0
At 31 March 2018	1	1
Depreciation		
At 31 March 2017	0	0
Charge for year	0	0
Disposals	0	0
At 31 March 2018	0	0
NBV at 31 March 2018	1	1
Analysis of asset financing:		
Owned	1	1
Finance leased	0	0
NBV at 31 March 2018	0	0



5b. Intangible Assets

	IT Software (licences)	Total
	£'000	£'000
Cost		
At 31 March 2018	7	7
Additions	0	0
Disposals	0	0
At 31 March 2019	7	7
Amortisation		
At 31 March 2018	1	1
Charge for year	2	2
Disposals	0	0
At 31 March 2019	3	3
NBV at 31 March 2019	4	4
Analysis of asset financing:		
Owned	4	4
Finance leased	0	0
NBV at 31 March 2019	4	4



Prior Year

	IT Software (licences)	Total
	£'000	£'000
Cost		
At 31 March 2017	0	0
Additions	7	7
Disposals	0	0
At 31 March 2018	7	7
Amortisation		
At 31 March 2017	0	0
Charge for year	1	1
Disposals	0	0
At 31 March 2018	1	1
NBV at 31 March 2017	0	0
Analysis of asset financing:		
Owned	6	6
Finance leased	0	0
NBV at 31 March 2018	6	6



6. Trade receivables and other current assets

	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Amounts falling due within one year:		
Prepayments and accrued income	9	0
Other receivables	0	0
Total receivable within 1 year	9	0

Intra Government Receivables

There are no intra government receivables.

7. Cash and cash equivalents

	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Balance at 31 March 2018	200	0
Net change in cash and cash equivalent balances	(42)	200
Balance at 31 March 2019	158	200

The following balances were held at 31 March:

GBS account	158	200
Balance at 31 March 2019	158	200



8. Trade payables and other current liabilities

	Year to 31 March 2019	Year to 31 March 2018
	£'000	£'000
Amounts falling due within one year:		
Trade payables	227	112
Other payables	2	3
Total due within one year	229	115

Intra Government Payables

There are no intra government payables.

9. Financial instruments

As the cash requirements of CJS are met through grant funding, financial instruments play a more limited role in creating and managing risk than in a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with CJS expected purchase and usage requirements, and CJS is therefore exposed to little credit, liquidity or market risk.

10. Related party transactions

The Scottish Government Justice Directorate is the sponsor department of the CJS. The Scottish Government Justice Directorate is regarded as a related party with which there have been various material transactions during the year.

Neither the Board, Chief Executive nor any key managerial staff have undertaken any material transactions with the CJS during the year.

11. Capital commitments and contingent liabilities

There were no contracted capital commitments or contingent liabilities.



12. Commitments under Leases

Obligations under operating leases comprise:

	Year to 31 March 2019 £'000	Year to 31 march 2018 £'000
Buildings:		
Not later than one year	28	25
Later than two years and not later than five years	47	17
Later than five years	0	0

Payments due under operating leases relate to the lease of premises.

13. Segmental reporting

CJS is considered to have just one operating segment and therefore no segmental information is produced.



Direction by Scottish Ministers



COMMUNITY JUSTICE SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

The Scottish Ministers, in pursuance of section 12 of the Community Justice (Scotland) Act 2016, hereby give the following direction:

1. The statement of accounts for the six months of financial year ended 31 March 2017, and subsequent full 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 period for which the statement of accounts are prepared.
2. 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 period, and of the state of affairs as at the end of the financial period in the exercise of its functions.
3. This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Scottish Ministers

Linda Pollock, Deputy Director, Community Justice Division

Dated 02 June 2017





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