

Scottish Public Services Ombudsman

Annual Accounts

Year ended 31 March 2010

**Scottish Public Services Ombudsman
Accounts For The Year Ended 31 March 2010**

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Scottish Public Services Ombudsman Accounts For The Year Ended 31 March 2010

FOREWORD

The accounts for the financial year ended 31st March 2010 are presented in accordance with paragraph 15(1) of Schedule 1 to the Scottish Public Services Ombudsman Act 2002, and prepared in accordance with an Accounts Direction given by Scottish Ministers.

Background Information

The Scottish Public Services Ombudsman (the Ombudsman) was constituted under Section 1 of the Scottish Public Services Ombudsman Act 2002 which was passed by Parliament on 21 March 2002 and received Royal Assent on 23 April 2002.

Statutory Powers and Responsibilities

The statutory functions of the Ombudsman are to investigate complaints from members of the public about maladministration and service failure by public bodies and others who provide and deliver public services. The Ombudsman has a role also to increase public awareness, knowledge and understanding of the service by, for example, issuing guidance, publishing leaflets and participating in a range of outreach activities. The SPSO also has a role to promote good administrative practice and, using the evidence from its investigations, to contribute to the development and improvement of the delivery of public services in Scotland.

Financial Position

The Ombudsman's expenditure on operating activities for the year ended 31 March 2010 totalled £3,428,000. This was on staffing costs £2,561,000, other operating costs £761,000 and depreciation £106,000. Income of £15,000 was earned resulting in net expenditure on operating activities of £3,413,000.

A further £2,000 was spent on fixed asset purchases giving total expenditure for the year of £3,415,000.

The Scottish Parliament awarded the Ombudsman a budget of £3,277,000 for financial year 2009-10, excluding depreciation. The Ombudsman's actual funding of £3,251,000 was below budget.

Payment of Creditors

The Ombudsman is committed to the CBI Prompt Payment Code for the payment of bills for goods and services received. Payments are normally made as specified in the agreed contract conditions. Where there is no contractual position or other understanding, they are due to be paid within 30 days of either receipt of the goods or services. The payment performance for 2009-10 was 94% (2008-09 was 91%).

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Review of 2009-10

The financial year 2009-10 was a significant one for the SPSO with the previous Ombudsman, Professor Alice Brown, demitting office on 31 March 2009. The current Ombudsman, Jim Martin, was appointed and took up post on 1 May 2009, and is the Accountable Officer for these accounts.

When Jim Martin took office as Ombudsman in May 2009, one of his priorities was to review cases that had been at the SPSO for over 12 months at the end of June 2009. He implemented a strategy to clear all of these by December 2009, and we achieved this target.

In 2009-10 the SPSO received 4,210 complaints and enquiries, compared to 4,118 in the previous year. Of the complaints received, 52% were about local government, 26% about the NHS, 10% about Housing Associations, 7% about the Scottish Government and its agencies, 3% about further and higher education and a small number were out of jurisdiction or unclear. In total, the 2009-10 volumes reflect an increase of 2% in overall contact which included a 12% increase in the volume of complaints received.

The number of cases resolved increased by 22%. This resulted in the number of cases that were open at 31 March 2010 being less than half that which were open at the end of the previous year.

Future Developments

The SPSO will continue to implement the 2008-11 Strategic Plan. Additionally, the SPSO will be implementing recommendations arising from The Public Services Reform (Scotland) Act 2010 and the Scottish Parliamentary Commissions and Commissioners etc Bill. The two pieces of legislation took up recommendations made in the report from the 'Fit For Purpose Complaints System Action Group' (The Sinclair Report) which followed publication of the Crerar Report.

The SPSO will continue to work closely with the Scottish Government and the SPCB in regard to shared services and other opportunities for improving cross-agency working and multi-organisational efficiencies.

The Scottish Public Services Ombudsman

The Ombudsman is:
Appointed:

Jim Martin
1 May 2009

The Ombudsman's appointment is for an initial period of two years.

Equal Opportunities

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

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Provision of Information to Employees

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

Audit

The accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 15 (2) of Schedule 1 of the SPSO Act 2002. The Auditor General has appointed Grant Thornton UK LLP as the SPSO Auditors for the 5 year period from 2006-07. As Accountable Officer, I am unaware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also made aware of this information.

Environmental and sustainable development matters

The Ombudsman is committed to supporting the Scottish Government's policies on Environmental and Sustainable Development and understands his obligations in these areas. In 2009-10 SPSO undertook detailed work as part of the 2009-10 business plan.

Staff Absence

The average number of staff days due to absence was 5 days per employee including long term sickness absence compared to a public sector average of 9.7. Reasons for absence are monitored on an ongoing basis in order for the senior management team to manage absence effectively.

Jim Martin
Scottish Public Services Ombudsman

20 July 2010

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REMUNERATION REPORT

The previous Ombudsman, Professor Alice Brown's re-appointment in 2007 was for a period of four years. She demitted office on 31 March 2009. The current Ombudsman, Jim Martin, was appointed and took up post on 1 May 2009 for a period of two years. Remuneration of the Ombudsman is set by the SPCB. Following nomination by the Scottish Parliament the Ombudsman is appointed by Her Majesty the Queen.

The previous and current Ombudsman's salary and pension entitlement is set out below:

Remuneration		2008-09	2009-10
		£	£
Ombudsman			
Professor Alice Brown	Salary	90-95	Nil
	Benefits in kind	Nil	Nil
Jim Martin	Salary	Nil	80-85*
	Benefits in kind	Nil	Nil

* Pro-rata from 1 May 2009

Pension Benefits	Salary (as defined below)	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 as at 31 March 2010 and related lump sum	CETV at 31 March 2009	CETV at 31 March 2010	Value of CETV increase over year Funded by the employer
	£'000	£'000	£'000	£'000	£'000	£'000
Ombudsman						
Jim Martin	83	1.750	1.750	0	25	22

Salaries include basic salaries, and where appropriate performance bonuses payable, reserved rights, recruitment and retention allowances. They do not include employer National Insurance or Superannuation contributions.

The Cash Equivalent Transfer Value (CETV)

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

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The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the member (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.

**Jim Martin
Scottish Public Services Ombudsman**

20 July 2010

Scottish Public Services Ombudsman Accounts For The Year Ended 31 March 2010

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

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

Under paragraph 15(1) of Schedule 1 to the Scottish Public Services Ombudsman Act 2002, the Ombudsman is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Ombudsman's affairs at the year end and of the financial activities of his office during the year.

In preparing the accounts, the Ombudsman is required to:

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

Scottish Public Services Ombudsman Accounts For The Year Ended 31 March 2010

STATEMENT ON INTERNAL CONTROL

I took up the post of Scottish Public Services Ombudsman and Accountable Officer on 1 May 2009. As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of organisational policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control will continue to evolve 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.

I have ensured that consistent adherence to procedures for internal control was in place during the year 2009-10, especially in the key business areas of financial management, operational and employee data management and risk management. A formal Scheme of Control and Scheme of Delegation remain in place and are periodically reviewed, as required by the Scheme of Control, and amended as necessary. For 2009-10 the Senior Management Team consisted of the Ombudsman, the Director of Complaints and Investigations, the Director of Policy and Development and the Head of Services reflecting the three operational areas of the organisation. The Senior Management Team, which is chaired by the Ombudsman, meets at least 6-weekly to consider the Audit, the Annual Business Plan and the strategic direction of the organisation. The Complaints and Investigations Group meets on a weekly basis and oversees the day-to-day running of the operation.

As Accountable Officer the Ombudsman also has responsibility for reviewing the effectiveness of the system of internal control. In 2007-08 the SPSO established an internal audit function through a shared services arrangement with the Scottish Legal Aid Board. The internal and external auditors report to the Audit Advisory Committee to support me in governance and management of risks.

I am satisfied that the current Scheme of Control provides a robust and appropriate framework for internal control. The SPSO formally complies with the principles of the Scottish Public Finance Manual in line with the Financial Memorandum agreed with the SPCB.

Jim Martin
Scottish Public Services Ombudsman

20 July 2010

**Scottish Public Services Ombudsman
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INDEPENDENT AUDITOR'S REPORT TO THE SCOTTISH PUBLIC SERVICES OMBUDSMAN, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

We have audited the financial statements of the Scottish Public Services Ombudsman for the year ended 31 March 2010 under the Scottish Public Services Ombudsman Act 2002. These comprise the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

Respective responsibilities of the Scottish Public Services Ombudsman and auditor

The Ombudsman, as the Accountable Officer, is responsible for preparing the Foreword, which includes the Remuneration Report, and the financial statements in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers. The Ombudsman is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the management commentary included in the Foreword, is consistent with the financial statements. We also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, we report to you if, in our opinion, the body has not kept proper accounting records, if we have not received all the relevant information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

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

Scottish Public Services Ombudsman Accounts For The Year Ended 31 March 2010

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

Basis of audit opinion

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

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

Opinions

Financial statements

In our opinion

- the financial statements give a true and fair view, in accordance with Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers, of the state of affairs of the body as at 31 March 2010 and of its net operating cost, changes in taxpayers' equity and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers; and
- information which comprises the management commentary included with the Foreword is consistent with the financial statements.

**Scottish Public Services Ombudsman
Accounts For The Year Ended 31 March 2010**

Regularity

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

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

20 July 2010

**Scottish Public Services Ombudsman
Accounts For The Year Ended 31 March 2010**

**OPERATING COST STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010	2009
		£'000	£'000
Administrative Costs			
Staff Costs	4,5	2,561	2,334
Other Administration Costs	6	761	792
Depreciation	7,8	106	88
Other Operating Income	3	(15)	(11)
Net Administration Costs		3,413	3,203
Net Operating Costs		3,413	3,203

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

The accompanying notes on pages 17 to 23 form an integral part of these accounts.

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Accounts For The Year Ended 31 March 2010**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010**

	Notes	2010 £'000	2009 £'000	2008 £'000
Non Current Assets				
Property, Plant and Equipment	7	373	441	472
Intangible Assets	8	71	107	4
Total Non Current Assets		444	548	476
Current Assets				
Trade and Other Receivables	9	135	141	57
Cash and Cash Equivalents		52	124	115
Total Current Assets		187	265	172
Total Assets		631	813	648
Current Liabilities				
Trade and Other Payables	10	(165)	(204)	(132)
Total Current Liabilities		(165)	(204)	(132)
Non Current Assets plus Net Current Assets		466	609	516
Non Current Liabilities		-	-	-
Assets less Liabilities		466	609	516
Taxpayers' Equity				
General Fund		466	609	516
Total Taxpayers' Equity		466	609	516

The accompanying notes on pages 17 to 23 form an integral part of these accounts.

Jim Martin
Scottish Public Services Ombudsman

20 July 2010

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STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2010

	2010	2009
Cash Flows From Operating Activities	£'000	£'000
Net Operating Cost	(3,413)	(3,203)
Adjustment for Non Cash Transactions		
Depreciation	106	88
Notional Costs	19	21
Movements in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	6	(84)
Increase/(Decrease) in Trade and Other Payables	(39)	72
Net Cash Outflow from Operating Activities	(3,321)	(3,106)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(2)	(160)
Net Cash Outflow From Investing Activities	(2)	(160)
Cash Flows From Financing Activities		
Financing from the Scottish Parliamentary Corporate Body	3,251	3,275
Net Cash Inflow From Financing Activities	3,251	3,275
Net Increase/(Decrease) in Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the period	124	115
Cash and Cash equivalents at the end of the period	52	124

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Accounts For The Year Ended 31 March 2010**

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR YEAR ENDED 31 MARCH 2010**

	General Fund £'000	Total Reserves £'000
Balance at 31 March 2008	551	551
Changes in Accounting Policy	(35)	(35)
Restated Balance at 1 April 2008	<hr/> 516	<hr/> 516
Net Operating Costs for the Year	(3,203)	(3,203)
Funding From SPCB	3,275	3,275
Notional Cost of Capital	21	21
Balance at 1 April 2009	<hr/> 609	<hr/> 609
Net Operating Costs for the Year	(3,413)	(3,413)
Funding From SPCB	3,251	3,251
Notional Cost of Capital	19	19
Balance at 31 March 2010	<hr/> 466	<hr/> 466

NOTES TO THE ACCOUNTS

1 Accounting Policies

These financial statements have been prepared in accordance with the *Government Financial Reporting Manual (FReM)* in compliance with the accounts direction issued by Scottish Ministers. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of SPSO for the purpose of giving a true and fair view has been selected. The particular policies adopted by SPSO are described below. They have been applied consistently in dealing with items that are considered material to the accounts

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

1.2 Property, Plant and equipment

1.2.1 Capitalisation

Capital purchases for a value exceeding £500 inclusive of irrecoverable VAT are treated as capital. However, the threshold for land and buildings is set at £10,000 and the IT equipment threshold is where the group value exceeds £500.

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

1.2.3 Valuation

As appropriate, non current assets are valued at their value to the organisation by reference to current costs.

1.2.4 Depreciation

Depreciation is provided on all non current assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Leasehold improvements	over the period of the lease
Furniture and equipment	5 years
Fixtures and Fittings	5 years
IT Equipment	3 years
Software and licences	3 years

1.3 Funding Receivable

Funding received through the SPCB is credited directly to the General Fund in the period to which it relates.

Scottish Public Services Ombudsman Accounts For The Year Ended 31 March 2010

1.4 Leases

The Ombudsman holds no material finance leases. Costs in respect of operating leases are charged to the income and expenditure account as they fall due.

1.5 Notional Costs

A notional charge, reflecting the cost of capital utilised by SPSO, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities.

1.6 Pension Costs

The Ombudsman

The Ombudsman is paid through the SPCB's payroll and is a member of the Principal Civil Service Pension Scheme (PCSPS).

Employees

The staff of the SPSO are also members of the PCSPS. This is an unfunded multi-employer defined benefit scheme, but the SPSO is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet office: Civil Superannuation (www.civilservice-pensions.gov.uk)

1.7 Value Added Tax

The SPSO is required to pay VAT on the provision of goods and services. All VAT is charged to the income and expenditure account as incurred.

**Scottish Public Services Ombudsman
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2 First Time Adoption of IFRS

	General Fund £000
Taxpayers' equity at 31 March 2008 under UK GAAP	
Adjustments for:	551
IAS 19: Employee Benefits	(35)
	<u>516</u>
Taxpayers' equity at 1 April 2008 under IFRS	<u>516</u>
Taxpayers' equity at 31 March 2009 under UK GAAP	623
Adjustments for:	
IAS 19: Employee Benefits	(14)
	<u>609</u>
Taxpayers' equity at 1 April 2009 under IFRS	<u>609</u>

3 Income

	2010 £'000	2009 £'000
Income from all Sources		
Income from lease of parking and office space	6	6
Training	9	0
Bank interest	0	5
	<u>15</u>	<u>11</u>
	<u>15</u>	<u>11</u>

4 Staff Numbers and Costs

4.1 Average Staff Employed (Full Time Equivalent)

The average number of full time equivalent (FTE) persons employed in the office of the SPSO during the period was as follows:

	2010 FTE	2009 FTE
Ombudsman	1.0	1.0
Staff	44.7	44.7
	<u>45.7</u>	<u>45.7</u>
	<u>45.7</u>	<u>45.7</u>

**Scottish Public Services Ombudsman
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**4.2 Breakdown of Staff Costs
Administrative Costs**

	Total £'000	Ombudsman £'000	Staff £'000
Salaries / Wages	2,040	76	1,964
Social Security Costs	151	7	144
Pension Costs	370	19	351
	2,561	102	2,459

5 Pension Costs

For 2009-10 employer's contributions of £328,932 were payable to the PCSPS at one of four rates in the range 16.2% to 24.6% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. There were no outstanding or prepaid scheme contributions at 31 March 2010.

On death, pensions are payable to the surviving spouse at the rate of half of the member's pension. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, depending on scheme joined within PCSPS, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

6 Other Administrative Costs

	2010 £'000	2009 £'000
Property Costs	256	259
Professional Services	149	150
General Office Running Costs	227	238
Training	21	28
Travel and Expenses	22	20
Printing and Publications	4	5
Telephones and Postage	39	32
Outreach	24	39
Notional Cost of Capital	19	21
	761	792

The above total includes £22,100 (2009, £22,100) for external auditor's remuneration including Audit Scotland's fixed charge of £2,100 (2009, £2,100). External auditor received no fees in relation to non audit work. Included within Administration costs are £25,832 (2009, £28,676) of equipment rental costs in association with operating leases.

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7 Property, Plant and Equipment

	Leasehold Improvements	Equipment	Furniture Fixtures and Fittings	IT Hardware and Systems	Total
	£'000	£'000	£'000	£'000	£'000
2010					
Cost					
At 1 April 2009	493	21	160	161	835
Additions	-	-	2	-	2
At 31 March 2010	<u>493</u>	<u>21</u>	<u>162</u>	<u>161</u>	<u>837</u>
Depreciation					
At 1 April 2009	144	20	139	91	394
Charge for Year	33	1	9	27	70
At 31 March 2010	<u>177</u>	<u>21</u>	<u>148</u>	<u>118</u>	<u>464</u>
Net Book Value at 31 March 2010	<u>316</u>	<u>-</u>	<u>14</u>	<u>43</u>	<u>373</u>
2009					
Cost					
At 1 April 2008	493	21	157	165	836
Additions	0	0	3	51	54
Disposals	-	-	-	(55)	(55)
At 31 March 2009	<u>493</u>	<u>21</u>	<u>160</u>	<u>161</u>	<u>835</u>
Depreciation					
At 1 April 2008	110	17	118	119	364
Charge for Year	34	3	21	27	85
Disposals	-	-	-	(55)	(55)
At 31 March 2009	<u>144</u>	<u>20</u>	<u>139</u>	<u>91</u>	<u>394</u>
Net Book Value at 31 March 2009	<u>349</u>	<u>1</u>	<u>21</u>	<u>70</u>	<u>441</u>
Net Book Value at 31 March 2008	<u>383</u>	<u>4</u>	<u>39</u>	<u>46</u>	<u>472</u>

**Scottish Public Services Ombudsman
Accounts For The Year Ended 31 March 2010**

8 Intangible Assets

2010	£'000
Cost	
At 1 April 2009 and at 31 March 2010	<u>129</u>
Depreciation	
At 1 April 2009	22
Charge for Year	36
Disposals	-
At 31 March 2010	<u>58</u>
Net Book Value at 31 March 2010	<u>71</u>
2009	
Cost	£'000
At 1 April 2008	26
Additions	106
Disposals	(3)
At 31 March 2009	<u>129</u>
Depreciation	
At 1 April 2008	22
Charge for Year	3
Disposals	(3)
At 31 March 2009	<u>22</u>
Net Book Value at 31 March 2009	<u>107</u>
Net Book Value at 31 March 2008	<u>4</u>

**Scottish Public Services Ombudsman
Accounts For The Year Ended 31 March 2010**

9 Trade Receivables and Other Current Assets

	2010 £'000	2009 £'000	2008 £'000
Prepayments	120	111	56
Other Debtors	15	30	1
	135	141	57
	135	141	57

**10 Trade Payables and Other Current Liabilities
Amounts Falling Due Within One Year**

	2010 £'000	2009 £'000	2008 £'000
Trade Payables	19	112	21
Accruals	146	92	111
	165	204	132
	165	204	132

11 Operating Leases

	Office Equipment £'000	Buildings £'000	Totals £'000
Operating Lease Payment Commitments Expiring:			
Within One Year of the Balance Sheet Date	-	-	-
Within Two to Five Years of the Balance Sheet Date	21	-	21
Over Five Years of the Balance Sheet Date	-	156	156
Total	21	156	177
	21	156	177

12 Capital Commitments

There were no contracted capital commitments as at 31 March 2010 (2009 £16,000).

13 Related Party Transactions

The SPSO was constituted by the Scottish Parliament which provides funding for the Ombudsman. The Scottish Parliamentary Corporate Body is regarded as a related body.

Neither the Ombudsman or his staff has undertaken material transactions with the SPCB during the year.

14 Financial Instruments

As the cash requirements of SPSO are met through the Scottish Parliament budget process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with SPSO's expected purchase and usage requirements and SPSO is therefore exposed to little credit, liquidity or market risk.



SCOTTISH PUBLIC SERVICES OMBUDSMAN

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 15 (1) of Schedule 1 of the Scottish Public Services Ombudsman Act 2002, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 1 December 2004 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 6 November 2006