

Annual Report and Accounts 2012–13

CIVIL SERVICE COMMISSION

Annual Report and Accounts

2012-13

Accounts presented to Parliament pursuant to
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and Governance Act 2010.

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paragraph 17 of Schedule 1 to the Constitutional Reform
and Governance Act 2010.

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Part 1: Annual Report, 2012-13

First Civil Service Commissioner's Foreword

When I wrote my foreword to last year's annual report the Government had just published its Reform Plan for the Civil Service. There was much to welcome in that plan, particularly the focus on raising the performance and skills of the Civil Service. In the Commission we have sought to get behind that plan through our chairing of over 100 competitions to fill senior posts, by producing new guidance on how to bring in fixed term appointees to address immediate skills gaps and by continuing to highlight the barriers, as we see them, to recruiting people at senior levels with the skills which are most needed.

One of those barriers is pay. I commented last year on the difficulties of recruiting for key skills in some competitions because of the uncompetitive pay on offer. But on the basis of the past year I need to sound a more serious warning about the growing and critical gap between the Government's aspiration to transform the skills of the Civil Service at the top levels and the ability to recruit the kind of skills needed. Control on expenditure continues to be a Government priority and national imperative; and there is little prospect of significant general pay increases. However, the fact is that, in the past year, the number of competitions for senior posts in which there has been no appointment or a limited field of candidates has grown. Some, but not all of them, have been in the critical areas of skill shortage identified in the Civil Service Reform Plan: Information Technology, programme and project management, commercial and procurement, financial management. We are seriously concerned that without a complete rethink of the current approach to senior pay, the Civil Service will struggle to attract the very skills it needs and may find it harder to retain the talent it already has in critical areas.

We also remain concerned that the very considerable progress that has been made in recent years in improving diversity at senior levels is stalled and, at the most senior levels, is going backwards. There is a paradox that opening up recruitment at senior levels, which may be desirable for other reasons, does not necessarily improve diversity, particularly when it is focussed on the private sector, where senior women and those from black and ethnic minority backgrounds are in short supply. Our plea is that in all senior recruitment

the net is cast wide and time is allowed to identify and attract candidates from outside a narrow circle of those who are known to Whitehall. It is when competitions are rushed, when job descriptions are narrowly drawn and when search is limited to a narrow field, that shortlists are at their least diverse.

The proposal in the Civil Service Reform Plan which caused us greatest concern and caused an unwelcome argument with Government was that Ministers should be able to choose their Permanent Secretaries from a list of appointable candidates. In fact, the gap between the Commission's and Government's views on this issue is smaller than the public debate would suggest. We are wary of any step which risks increasing political or personal patronage in senior appointments, but we are clear that Ministers must be fully involved in the appointments process. We therefore published new guidance on Permanent Secretary appointments in December. While this does not go as far as the Government wished by giving Ministers the final choice, it does make clearer than ever before the importance of active Ministerial involvement at each stage of the selection process. We have agreed with the Government that we will review how this new guidance has worked later in the year.

In this period of reform, there will no doubt be further proposals which impact on the Commission's statutory responsibilities for ensuring that selection to an impartial Civil Service is on merit after fair and open competition. In considering these we will continue to be guided by three tests.

First, will the proposals create a more effective Civil Service? This includes whether they help to build trust in what has sometimes seemed a fractured relationship between the Senior Civil Service and politicians over the past year. The Commission does not believe that Ministerial choice is the key issue either in improving effectiveness or in improving accountability. But this is clearly an important issue for Ministers and will, therefore, remain an important issue on the Commission's agenda.

Our second test is whether new proposals put at risk political impartiality. The impartiality of the British Civil Service is a precious commodity, admired around the world. It is only three years since it was enshrined in primary legislation as a core Civil Service value, with the support of all the main political parties. The Commission has been given the responsibility to ensure it is not put at risk.

But there is much misunderstanding about what impartiality means. In the Civil Service Code it is defined as requiring civil servants "to serve the Government, whatever its political persuasion, to the best of your ability" and "to act in a way which deserves and retains the confidence of Ministers". In other words, there is no contradiction between being impartial and being responsive to the Government. Both are possible and indeed required of all civil servants.



The third test is about ensuring that any significant changes to the Civil Service are supported by as broad a consensus as possible. The 2010 Act, which put into legislation the long-standing model of an impartial Civil Service appointed on merit, would not have been possible without wide political support. While the Civil Service must serve the elected Government of the day with commitment, it is not the property of any one Government and political party. It will always be better if significant reform has wide political and public support and reflects a consensus about what kind of Civil Service we need.

The Commission has continued to benefit this year from the support of its excellent, hard working secretariat, to all of whom we are extremely grateful. In the middle of the year we bade farewell to Richard Jarvis, our longstanding Chief Executive, but were lucky to find Clare Salters as his replacement. Richard's support to me and my predecessor and to Commissioners in general has been invaluable and exemplary. We are very grateful to him and wish him well in his new role.

Finally I would like to thank Neil McIntosh and Christine Hallett who have just completed their five year-term as Civil Service Commissioners. They have both been important members of the Commission during a period of great change for the Commission and the Civil Service. We shall miss their hard work, wise advice and careful judgement very much indeed.

David Normington
First Civil Service Commissioner

Chief Executive's Foreword

I feel privileged to have taken over as the Commission's Chief Executive, in December last year, from Richard Jarvis. A year ago, the Civil Service Reform Plan made a number of recommendations aimed at improving skill levels in the Civil Service, which have important implications for the Commission's work in regulating recruitment, particularly to senior specialist posts. Against that backdrop, we have also seen a 25% increase in the volume of competitions for senior posts, significant changes in Commission personnel (six new Commissioners and a new Chief Executive, plus a number of other movements within the Secretariat) and have changed our compliance monitoring audit contractor.

These changes have provided both practical challenges – to which the team has risen magnificently – and opportunities for Richard and for me to re-think the way we organise ourselves and the way we approach our work. We have both taken the view that the Commission – and the Commissioner for Public Appointments, whom we also support – needs a workforce that is flexible enough to cope with the peaks and troughs of work across different work strands and that is able to be more alert and responsive to the needs of Departments. We have therefore streamlined the Secretariat into three Department-facing teams regulating public appointments, Civil Service recruitment and Civil Service Code compliance. As well as providing the sort of flexible resource that is consistent with modern methods of working, these teams should be able to provide well-informed and tailored support to individual departments to enable them to be creative and flexible in their approach to recruitment while still remaining within the law.

As well as the productivity gains that they should realise, the changes should help the Commission to be a more intelligent customer for our new audit contractor as we launch the new compliance monitoring programme. We spent the last part of 2012-13 with KPMG developing a new approach to compliance monitoring over the next three years, to look at both Civil Service recruitment and public appointments. This new approach is designed to be less onerous for Departments and to focus more clearly on the core issue of interest to the Commission: is recruitment to the Civil Service, at all levels, continuing to be on merit, following fair and open competition, as required by the law?

From April 2013, in addition to supporting the Commissioner for Public Appointments, the Commission has absorbed responsibility for providing secretariat services to the House of Lords Appointments Commission and for the Advisory Committee on Business Appointments. As well as simplifying the arrangements for accounting for staff time (see note 1.2 of the Accounts), this will bring closer together the Commission's responsibilities for regulating recruitment into the Civil Service and adherence to the Civil Service values with the Advisory Committee on Business Appointments' oversight of appointments after an individual leaves Crown Service.



The year ahead will no doubt bring further challenges for the Commission. I believe that the changes in working practices we have introduced this year will stand us in good stead to face them.

Clare Salters
Chief Executive

Review of 2012-13

The Civil Service Commission

Our composition and role

1. The Commission is made up of twelve Commissioners and a Secretariat of fourteen¹ staff, details of which are published on our website and at Annex A. We are independent of Government and the Civil Service. The Commissioners were appointed through open competition and bring a mixture of senior level experience in the private, public and non-profit sectors to our work.
2. The Commission Board is chaired by the First Commissioner, David Normington. The Chief Executive and Accounting Officer is Clare Salters, who is head of the Secretariat and principal policy adviser to the Commissioners. Clare succeeded Richard Jarvis, who was the Commission's Chief Executive and Accounting Officer until 30 September 2012.
3. While the Civil Service Commissioners have been responsible for regulating recruitment to the Civil Service since the middle of the nineteenth century; the Commission in its current form was established in 2010 by the Constitutional Reform and Governance Act (the 2010 Act). The Act assigns the Commission two primary functions:
 - providing assurance that recruitment to the Civil Service is on merit, on the basis of fair and open competition; and
 - hearing and determining appeals made by civil servants under the Civil Service Code, which sets out the values of the Civil Service – Impartiality, Objectivity, Integrity and Honesty – and forms part of the contractual relationship between civil servants and their employer.
4. In addition, the Commission chairs internal (Civil Service only) competitions to fill posts at the most senior levels² within the Civil Service; helps to promote the Civil Service Code and its values; and accredits the recruitment practices of Non-Departmental Public Bodies.

Our strategic priorities

5. In February 2013, the Commission published its Strategic Framework for the period 2012-16, available on our website. It sets out the Commission's vision for the next four years: to support a highly efficient and effective Civil Service, which recruits and develops the best talent, is free of personal and political patronage, and remains true to its core values of Impartiality, Objectivity, Integrity and Honesty. It recognises

¹ Staff effort is usually calculated as 65% for Commission work and 35% for work supporting the Commissioner for Public Appointments – see note 1.2 of the Accounts for a fuller explanation.

² Director General (SCS Pay Band 3) and Permanent Secretary.



that the context in which the Commission operates is constantly evolving, and acknowledges the need for the Commission to refine and adapt its approach to ensure that it continues to meet the needs of the Government, the Civil Service, Parliament and the public.

6. The Framework considers the work of the Commission against four key themes:
 - being firm on principles but pragmatic about process;
 - working with the Civil Service to improve recruitment practices and help achieve better outcomes;
 - improving understanding of the Commission's purpose and approach among its key stakeholders; and
 - supporting an effective and diverse Civil Service that reflects and has the confidence of the people it serves.
7. These themes will be reflected in the individual Business Plans that the Commission will publish each year. The Plan for 2013-14 is published on our website.
8. The first theme recognises the core principles at the heart of what the Civil Service Commission was established to do – both in the 2010 Act but also in the origins of the Civil Service Commissioners when they were first appointed in 1855. We will continue to uphold, and argue for, the principle of appointment to the Civil Service being on merit on the basis of a fair and open competition. This remains, in our view, the best means of securing a Civil Service that is properly skilled to meet the demands of the future and to continue to command the confidence of those it serves, both Ministers and the general public.
9. Upholding that principle does not mean that we enforce a series of complicated rules. We support a flexible and pragmatic approach to recruitment, as our new compliance monitoring audit arrangements illustrate (see pages 21-22).
10. Our second theme – of working with the Civil Service to improve recruitment practices and help achieve better outcomes – is linked. There is no “one size fits all” approach to recruitment. We will work with Departments to find ways of managing competitions that retain those essential requirements – fairness, openness and appointing the best person – while also being responsive to the needs of the organisation, including needing to fill posts quickly.
11. Our third theme reflects a belief that the Commission's role is not as well understood as it could be among our key stakeholders – the public, their elected representatives and the Civil Service itself. We are reviewing our communications strategy, including our internet presence, to ensure that

we explain our role and our approach clearly and in a way that meets the needs of those stakeholders. Our recent online Open Week (see page 29) illustrates the value of trying new approaches and reaching wider audiences beyond Whitehall and Westminster. We will continue to explore opportunities to improve the way we communicate to increase awareness of our role.

12. Our fourth theme centres on how we can support the Civil Service in being effective at serving its Ministers and commanding the confidence of the wider public. To do this, we need robust assurance that those appointed to the Civil Service are there because they were the best candidate. We encourage and support the Civil Service as a whole in its efforts better to reflect the diversity of the people it serves – the Civil Service must not be drawn from a narrow section of society; to be a high quality organisation it must draw on the experience and insights of the wider community. The core Civil Service values – Impartiality, Objectivity, Integrity and Honesty – should underpin everything that the Civil Service does, as an institution and in the actions of every individual working in it. The Commission promotes awareness of the Civil Service Code which sets out those values and hears Code appeals brought by civil servants.

Important issues in 2012-13

13. We set out later in this report how we performed in each of our main areas of activity: chairing senior appointments competitions, monitoring Government Departments' compliance with our Recruitment Principles and promoting, and hearing complaints under the Civil Service Code. But first we highlight four issues which were of particular importance during the past year.

Civil Service Reform

14. The Government published its Civil Service Reform Plan in June 2012. In his foreword, the Prime Minister acknowledged the high standing and achievements of the Civil Service, but also stressed the need for it to adapt to current challenges.
15. The Commission welcomed the Plan's focus on building capability by strengthening skills and encouraging the movement of staff between the Civil Service and the private sector; and the Government's commitment to preserving a Civil Service with the core values of Impartiality, Objectivity, Integrity and Honesty.
16. Two specific proposals in the Plan touched directly on the role of the Commission.



17. One proposal concerned a small number of time-limited senior appointments to meet urgent business needs and critical shortages of skills, as exceptions to the statutory requirement of selection on merit on the basis of fair and open competition.
18. The Commission recognises there can be critical situations where roles need to be filled at very short notice. The Commission's Recruitment Principles already allow for limited exceptions to the requirement of selection on merit that can be used in these situations. A number of such senior appointments are made, with our agreement.³ To increase Government Departments' understanding of the Commission's approach we published new guidance in December 2012.
19. This new guidance should ensure that such urgent requests can continue to be considered and decided quickly and efficiently. Such appointees are still civil servants, not political appointees, who must observe the Civil Service Code and its values.
20. The other Reform Plan proposal involved "strengthening" ministerial involvement in Permanent Secretary appointments. This was subsequently explained as a proposition that Secretaries of State should be offered a choice between those candidates judged appointable by the selection panel chaired by the First Civil Service Commissioner.
21. The Commission considered this proposal very carefully, and published our response in December 2012. In our new guidance we responded constructively to the Government's proposition, describing the extensive involvement we believe Ministers should have in the selection of the senior officials with whom they work closely.
22. While recognising that there is a continuing debate, we concluded that selection of the best candidate should remain with the independent assessment panel, chaired by a Civil Service Commissioner. Ministers retain the right of veto but not the right to exercise personal choice from a list of candidates.
23. The proposal on Permanent Secretary appointments, and our response, became part of a wider debate about the value of an impartial Civil Service, committed to serving and supporting the policies of the elected Government of the day. The Government made clear that it is seeking greater effectiveness, not increased politicisation or patronage. We think there is a risk that this debate is diverting attention from the issues of skills and expertise, which are the real key to successful Civil Service reform.

³ There were 31 exceptions at Senior Civil Service Pay Band 2 or above this year – see Annex D. At more junior levels, the power to apply these exceptions is delegated to Departments.

24. We believe that a top priority is to gain a clear strategic view of the skills and experiences that are necessary to meet current and future challenges, and detailed mapping of where these exist within the Civil Service, and where there are gaps. So, we welcome *Meeting the Challenge of Change* published by the Government in April 2013, which says a tool is being developed to enable annual skills reviews in Departments.
25. Since the publication of the Reform Plan, there has been some public discussion about the recruitment of subject experts to Ministerial offices and Departments. It is already possible to recruit experts to Departments quickly, though a number of routes.⁴
26. If experts are to be recruited as civil servants, there are three possible routes: recruitment through fair and open competition, either to a permanent position or a fixed term contract; a time limited appointment without competition for up to two years; or a secondment for up to two years. Where experts are political appointees, recruited by the Minister, they must be brought in as Special Advisers.

Pay as a constraint on external recruitment

27. The Commission's records on starting salaries following external competitions show that the Government's policy has been successful in holding down average starting rates (tables 1 and 2 below). They also show that external candidates (from the private or wider public sector) are generally paid a premium compared with those already in the Civil Service.

Table 1 Average SCS Pay Band 2 Starting Salaries by Source Sector following external competitions (£k)

Year	Civil Service	Private Sector	Public Sector	Non-Profit Sector
2007-08	102	130.6	131.8	-
2008-09	108.8	115.4	115.7	-
2009-10	No data collected			
2010-11	121	125	106	*
2011-12	112	130	115	-
2012-13	110 (103)	128 (131)	132 (130)	-

Figures shown are the mean starting salary, except where they are shown in brackets where they are the median starting salary.

* single appointment only

⁴ There were only four requests for the extension of specialist appointments during 2012-13, which we were happy to approve. Three of these were below SCS Pay Band 2. See Annex D for further details.



Table 2 Average SCS Pay Band 3 Starting Salaries by Source Sector following external competitions (£k)

Year	Civil Service	Private Sector	Public Sector	Non-Profit Sector
2007-08	135.3	172.9	160.8	-
2008-09	138.1	160	155	-
2009-10	No data collected			
2010-11	128	*	*	-
2011-12	133	163	156	-
2012-13	133 (133)	136** (136)	141 (142)	

Figures shown are the mean starting salary, except where they are shown in brackets where they are the median starting salary.

* single appointment only

** two appointments only

28. However, even with those higher salaries for external recruits, the Civil Service is still not able to offer market-competitive salaries for some jobs. As we report later, Commissioners chaired 104 competitions for 106 senior posts⁵ at or above SCS Pay Band 2 (Director) level. From that experience, we are increasingly concerned that for some competitions there is a reduction in size and quality of fields, and that pay is a factor in this.
29. While there is no general problem in appointing suitable candidates for senior roles, there are certain categories of job (including Information Technology, procurement, finance and programme management) where current remuneration is a barrier to attracting strong fields. Commissioners report that pay is cited as an issue in more competitions than in the past and may be affecting the quality of the fields of candidates. In a small number of competitions (but more than last year), this resulted in no appointment being made or in a competition being run more than once.
30. The Civil Service Reform Plan identifies commercial and financial skills as key areas that the Civil Service needs to strengthen. We have strong anecdotal evidence from search consultants that private sector candidates with these skills are reluctant to move to the Civil Service as the combination of lower remuneration and the possibility of intense media scrutiny is not an attractive one. Pay can also be a problem where the likely candidate pools are from other parts of the public sector, where pay is higher than the Civil Service. This problem is often compounded for roles based at some distance from London.
31. It is possible that the present controls on pay tend to bias external recruitment in favour of those who have already accumulated sufficient income or have built up full pension entitlements and are able to take a cut in salary. That is not necessarily a bad thing, but it may reduce

⁵ Two competitions were joint competitions for two posts.

the chances of attracting a range of people, including senior women, who are still making their way in their careers and who have not yet accumulated significant income or pension.

Diversity: attracting a diverse field of candidates

32. The third issue that has caused the Commission concern in 2012-13 is the lack of progress in increasing the diversity of the Senior Civil Service. In some areas, the position appears to have gone backwards.

Improved diversity reporting

33. One of the challenges that the Commission faces is the absence of reliable diversity data on those applying for senior posts. Although we ask Departments to monitor the diversity of the applicant pool for all competitions in which we are involved, response rates from individual applicants are low (less than 60%). This, together with the very small numbers involved at the senior level, making it exceptionally hard to draw any meaningful conclusions from the data we have. The figures in the rest of this section should be regarded with caution for this reason.
34. The Commission's work in promoting diversity depends on the collection of comprehensive and reliable data, so in the year ahead we will focus on helping Departments to increase the number of applicants returning diversity forms. This will enable the Commission to benchmark more effectively and to consider why more diverse fields of candidates are not being attracted to advertised roles.

Gender

35. Overall the Civil Service remains one of the leading employers in terms of employing senior women and has a better record than many private sector companies. In 2012, 53% of all civil servants and 35% of senior civil servants were women.⁶ Although this suggests that women are still underrepresented at senior levels, these figures compare favourably with many other sectors.⁷
36. However, as the below graph illustrates, there is a marked decrease, as seniority increases, in the proportion of staff who are female. At the time of writing only four out of 19 of the heads of the main Departments of State⁸ are female. This has fallen back disappointingly from the brief period in 2011 when the figure was 50%.

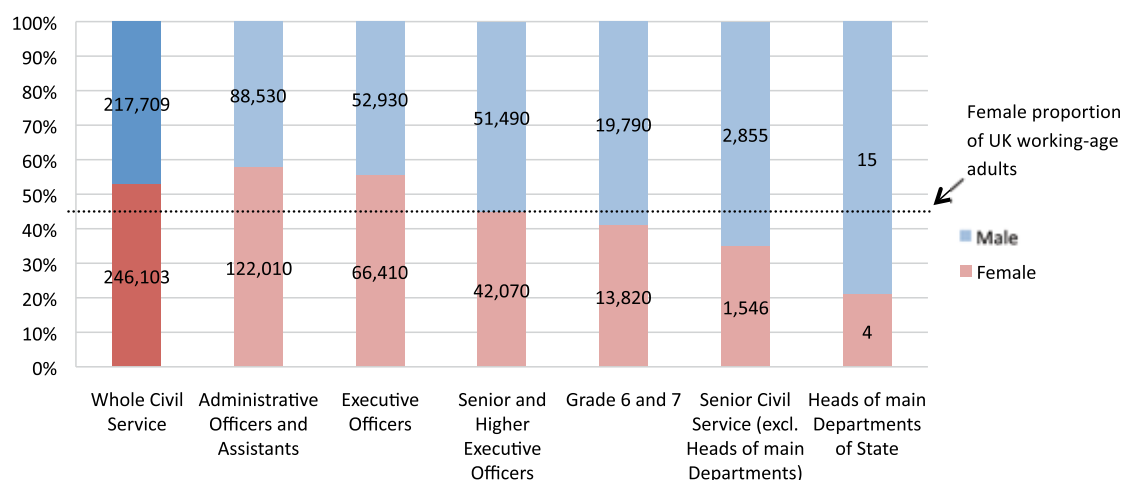
⁶ Source: Annual Civil Service Employment Survey 2012. All Civil Service statistics are from this source unless otherwise stated.

⁷ See, for example, The Female FTSE Board Report 2012: Milestone or Millstone?, Dr Ruth Sealy and Professor Susan Vinnicombe OBE < <http://www.som.cranfield.ac.uk/som/dinamic-content/research/documents/2012femaleftse.pdf> >

⁸ Cabinet Office; Department for Business Innovation & Skills; Department for Communities and Local Government; Department for Culture, Media & Sport; Department for Education; Department for the Environment, Food & Rural Affairs; Department for Energy & Climate Change; Department for International Development; Department of Health; Department for Transport; Department of Work and Pensions; Foreign & Commonwealth Office; HM Revenue & Customs; Ministry of Defence; Ministry of Justice; HM Treasury; Home Office; Scottish Government; Welsh Government.



Figure 1 Proportion of female staff by Civil Service grade

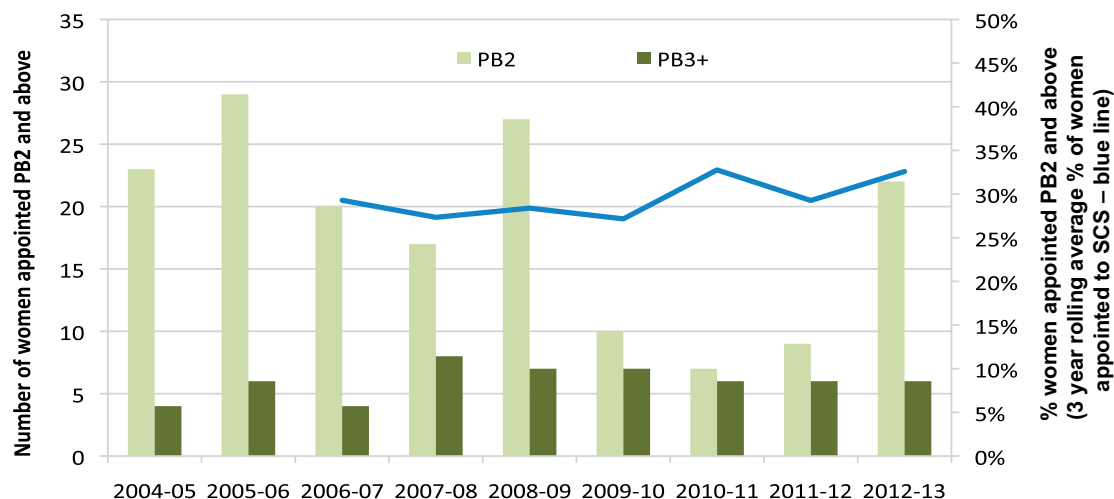


37. In December 2012 the First Commissioner gave evidence to the House of Commons Business, Innovation and Skills Select Committee on the topic of the gender imbalance in the Civil Service and public appointments.⁹ One of the issues raised was that the current trend to recruit more Permanent Secretaries through external competition might lead to fewer senior women being appointed, since they are less well represented in the private sector.
38. Conclusive data on this question is not available, since of the four permanent secretaries recruited through external competition in 2012, three came from the Civil Service and one from the Non-Profit Sector. However, results of competitions at other senior levels in 2012-13 suggest that the fears are well founded. In 2013, 22% of applicants for roles at PB2 or above through external competition were female. This compares with 35% of current senior civil servants and 48% of working-age adults in the UK.¹⁰ By the interview stage, the proportion of women had increased to 30%. Ultimately, 26% of those appointed were female. However, breaking this last figure down, women comprised 39% of those coming from the Civil Service and 20% of those from the wider public sector, compared to only 6% from the private sector.
39. As the graph below shows, the numbers of women appointed to senior posts following external competitions has fluctuated quite dramatically over the years. This reflects, in part, the impact of the recruitment freeze, which has kept the overall numbers recruited down in recent years. The proportion of successful candidates who are female has also fluctuated, though there appears to be a very slight upward trend over the past five years. We will be watching carefully to see if this continues and using our role in chairing competitions to ensure that barriers to women applying and succeeding are reduced.

⁹ A transcript of David Normington's evidence is available at <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/c754-iv/c75401.htm>.

¹⁰ Source: Office for National Statistics www.ons.gov.uk.

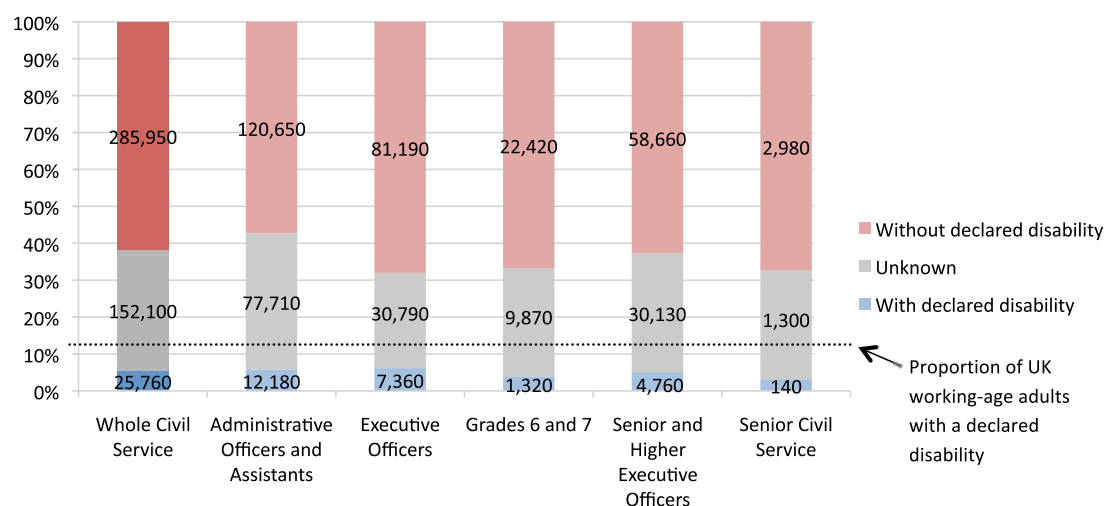
Figure 2 Number and proportion of women appointed through open (external) competitions at Pay Band 2 and above, 2004-05 to 2012-13



Disability

40. Figures from 2010-11 indicate that 16% of working age adults in the UK have a disability.¹¹ Within the Civil Service overall, 5.5% of staff declare a disability; in the Senior Civil Service, the figure is 3.2%. At all levels of seniority, there is a substantial proportion of staff whose disability status is not known.

Figure 3 Proportion of staff with a declared disability by Civil Service grade



41. According to the Commission's figures, 51 applicants for competitions chaired by the Commission in 2013 had a declared disability, representing 2.7% of those who completed diversity returns and 1.6% of the total applicant pool. Two of these were shortlisted for interview, but neither was appointed.

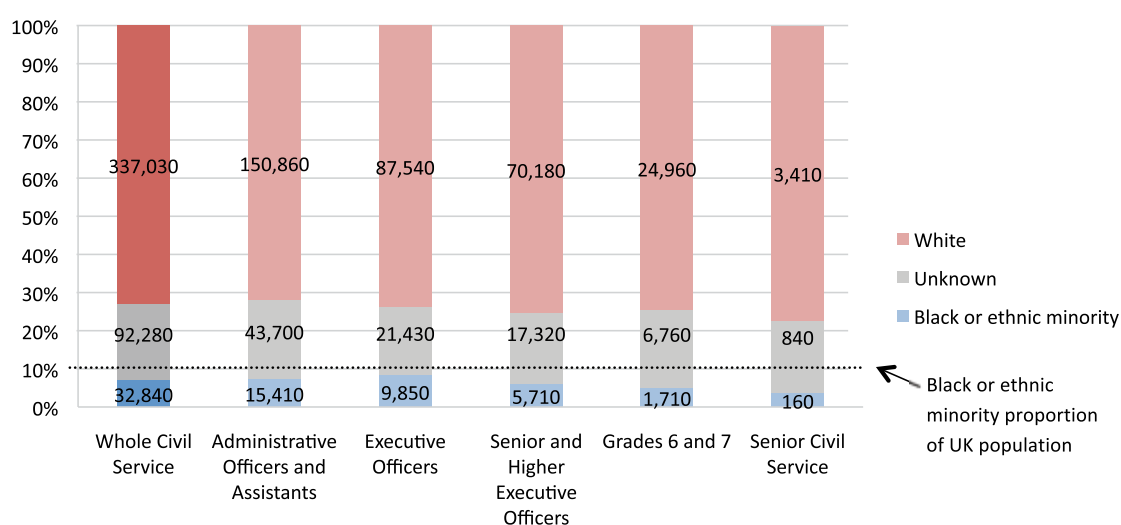
¹¹ Source: Family Resources Survey 2010/11



Ethnicity

42. Around 13% of the population of UK is black or from an ethnic minority.¹² Overall, 7.4% of civil servants declare themselves to be black or from an ethnic minority. As with the disability figures, there is a substantial proportion of staff whose ethnic origin is unrecorded. The proportion of black or ethnic minority staff is lower in the Senior Civil Service (4.1%) than in the Civil Service as a whole and, since early 2012, none of the Permanent Secretaries are black or from a visible ethnic minority.

Figure 4 Proportion of black or ethnic minority staff by Civil Service grade



43. Our figures indicate that, in 2012-13, 123 applicants for competitions chaired by the Commission declared themselves to be black or from an ethnic minority. This represents 6.6% of those completing diversity returns and 3.8% of the total applicant pool. Seven of these applicants were invited to interview (2.6% of interviewees for whom diversity data were available) but none were appointed.

Compliance monitoring

44. Fourthly, and finally, this was a year of major change in the Commission's approach to compliance monitoring, which is the key way in which the Commission assesses whether recruitment to the Civil Service has taken place on merit, following a fair and open process.
45. Compliance monitoring is a legal duty of the Commission and is also an important means by which the Commission engages with Departments. It allows the Commission to get a real feel for how Departments undertake the bulk of their recruitment activity, since Commissioners are only directly involved in the most senior recruitment competitions. It also allows the Commission to pick up systemic developments in recruitment

¹² Source: 2011 Census for England and Wales, Office for National Statistics; 2011 Census, Northern Ireland Statistics and Research Agency; and "Ethnic Population Projections for Scotland, 2001 to 2051", Philip Rees.

practice across the Civil Service, to influence and improve poor practice, and to spread good practice. Since 1995 this compliance monitoring activity has been contracted out, most recently to DLA Piper.

The 2012-13 Audit

46. The 2012-13 assessment round was the fourth and final audit undertaken by DLA Piper. Departments and Agencies carried out a self-assessment of their policies and procedures from which a risk-based programme of follow up visits was agreed.
47. Those organisations visited received a risk rating. The Commission was pleased to note that the number of high-risk and medium-risk organisations had fallen compared to previous years.
48. Four Departments were judged to be high-risk in 2012-13: the Cabinet Office, the Department for Business, Innovation and Skills, the Government Actuary's Department and the Serious Fraud Office.
49. At the Cabinet Office two breaches of the Recruitment Principles were identified and there were also problems with the management of their recruitment data. At the three other Departments – the Department for Business, Innovation and Skills, the Government Actuary's Department, and the Serious Fraud Office – the most serious issues related to a lack of evidence to identify that the most meritorious candidate was selected after a fair and open competition.
50. The First Civil Service Commissioner wrote to the Permanent Secretaries/heads of these Departments; they were given an action plan for improvement and asked to report back regularly on progress.
51. DLA Piper made a number of general observations about recruitment practice across the Civil Service, which included:
 - External recruitment continued to be low in comparison to previous years, reflecting the Civil Service recruitment freeze. This was, in turn, leading to the downsizing of human resources teams which could potentially impact on the future capacity and capability of those teams;
 - Most Departments had good policies and procedures to enable recruitment on merit on the basis of fair and open competition;
 - The principal shortcoming was inadequate evidence to underpin the decision making process. Without this, it is impossible to be sure that the best candidates have been appointed and that the process has been fair and open.

Compliance monitoring moving forward

52. The expiry of the contract with DLA Piper provided an opportunity to rethink the Commission's approach to compliance monitoring.



The public appointments and Civil Service recruitment regulatory regimes are similar (both are principles-based and outcome-focused). This and the fact that, increasingly, HR leaders in Departments own both recruitment and public appointments policy, make it sensible to combine and integrate the process of auditing compliance with both the Commission's Recruitment Principles and the Code of Practice for Ministerial Appointments to Public Bodies.

53. The new arrangement¹³ has a number of enhanced features:
- Ensuring Departments focus on getting the best outcome from strong and diverse fields of candidates. Information collected will allow the Commission to make an informed and proportionate assessment of risk that takes into account a range of quantitative and qualitative data;
 - A risk-based process will allow the Commission to focus support effort where it is most needed, whilst minimising the burden placed on Departments and providing scope to share good practice and identify poor practice;
 - More real time collection of data and up to date and relevant compliance information will allow the Commission to place greater emphasis on supporting and challenging Government Departments continuously to improve;
 - Improved flexibility and creativity. The contract provides scope for the Commission to develop and adapt the process and methodology over the contract period;
 - It reduced the overall cost of our compliance monitoring programme.
54. The Commission is confident that this new approach will reap considerable benefits. It will help to ensure that Civil Service and public appointments go to the best candidates, drawn from strong and diverse fields of applicants.

Review of performance, 2012-13

55. The Commission's main functions are to regulate recruitment to the Civil Service and to hear complaints under the Civil Service Code. We have set out below how we have achieved this in 2012-13.
56. In all that we do, we work very closely with Departments and Agencies. There are "Link Commissioners" assigned to each organisation who take a particular interest in activity in that organisation, working closely with the Permanent Secretary and HR Director to support recruitment of high quality staff, particularly at senior levels, and to promote the Civil Service Code and values.

¹³ Developed with the Commission's new contractor – KPMG, appointed after a competitive tender process.

Civil Service recruitment and senior appointments

57. The law requires that appointment to the Civil Service must be on merit, following a fair and open competition. The Commission's Recruitment Principles, published on our website, set out how that is to be achieved and the exceptions to that requirement. Those exceptions are designed to provide a flexible way of recruiting staff where this is necessary in the interests of the Civil Service (for example, to meet a short-term need for specialist skills).
58. Commissioners are directly involved in recruitment at SCS Pay Band 2 and above¹⁴ and the Commission also monitors recruitment throughout the Civil Service to ensure that it is done in line with the Recruitment Principles.
59. Initial data from the Commission's new compliance auditor, KPMG, indicate that around 19,500 staff were recruited to the Civil Service during 2012-13. This compares with 12,500 recruits in 2011-12, of whom 77% were appointed following open competitions and a further 23% were appointed through one of the exceptions set out in the Commission's Recruitment Principles. The data for 2012-13 suggest that there may have been an increase in the proportion of staff recruited by exception rather than through fair and open competition. If this suggestion is confirmed when the data have been validated, it could point to a worrying trend. We will report on this in more detail later in 2013.

Senior appointments

60. The Commission chairs all competitions to fill posts at SCS pay band 3 and above¹⁵ and, where posts are advertised outside the Civil Service, competitions to fill posts at SCS pay band 2.¹⁶
61. In 2012-13, Commissioners chaired 104 competitions for 106 vacancies¹⁷ (compared with 80 in 2011-12). Of these, 85 were "open" competitions (advertised publicly, to which both existing civil servants and non-civil servants can apply) and the rest were internal competitions, open only to existing civil servants. This compares with 69 open competitions and 11 internal competitions last year.
62. The 2012-13 competitions resulted in 93 appointments: 85 appointments from open competitions and eight from internal competitions, compared with 62 and 11 respectively last year, and 32 and 15 the previous year. Further details are at Annex C.

¹⁴ Director, Director General and Permanent Secretary

¹⁵ Director General and Permanent Secretary.

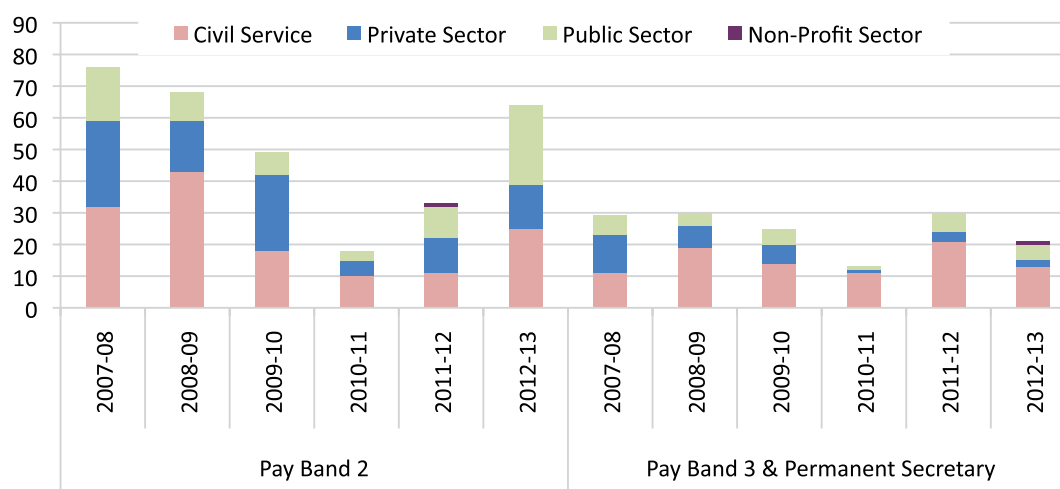
¹⁶ Director.

¹⁷ Two competitions were for two roles each.



63. Open (external) competitions at SCS Pay Band 2 level (figure below) show a slight downward trend in the proportion of appointments of existing civil servants, with a similar slight increase in the proportion of successful candidates from the wider public sector.¹⁸ The proportion of successful candidates from the private sector has remained at between roughly a fifth and a third of those appointed, with the exception of 2009-10 which saw nearly half of successful candidates from the private sector. In 2011-12, the split across the Civil Service, private sector and wider public sector was almost even (33%, 33% and 30% respectively, with 3% from the non-profit sector) although in 2012-13 the proportion of private sector candidates has declined slightly.
64. The trend at SCS Pay Band 3 and Permanent Secretary level is that there has been an overall increase in the proportion of successful candidates from the Civil Service in external competitions. There has been a decrease in the proportion from the private sector, while the proportion from the wider public sector has remained similar.

Figure 5 SCS Pay Band 2 and above: number of appointments by source sector through open (external) competitions



65. There were 11 competitions where no appointment was made (six in 2011-12) and two in which a decision was still pending at the time of writing. A further nine competitions were cancelled before completion.
66. A successful outcome to a recruitment competition is more than simply filling a vacancy. In 2013-14 the Commission is planning to look at the longer-term outcomes of senior appointments. We will also be looking at reasons why some competitions fail to appoint a candidate.

¹⁸ It should be noted that the information relates to the sector the candidate worked in immediately prior to this appointment, not across their career. For example: someone who had joined the Civil Service in the previous few years after a long private sector career would be shown as "Civil Service".

67. In addition to 85 appointments made as a result of competitions chaired by Commissioners during 2012-13, the Commission approved a further 31 senior appointments under an exception to the Recruitment Principles (compared with 14 in 2011-12). Further details are at Annex D. In the Commission's view, the quality of the cases made reflects a better understanding, on the part of Departments, of the criteria for appointing by exception rather than on merit following fair and open competition. We will, of course, continue to monitor this carefully.

Recruitment below SCS pay band 2

68. The Commission is not normally involved directly in recruitment to the Civil Service below SCS pay band 2, but monitors compliance with the Recruitment Principles through an external auditor. We have explained (pages 21-23 and Annex E) the results of the past year's audit and how our approach to compliance monitoring has changed during 2012-13.
69. At these levels, Departments have delegated authority to use the exceptions to the Recruitment Principles. However, the Commission's explicit authority is required for appointments by exception that are for longer than two years. In addition to the 30 senior appointments made by exception mentioned above, the Commission approved a further 114 exceptions at more junior grades (194 in 2011-12). Further details are set out in Annex D.

Recruitment complaints and other problems

70. The Commission adjudicates on complaints where individuals believe that competitions have not been run in line with the Commission's Recruitment Principles. In 2012-13 we received 22 complaints (13 in 2011-12), and we also concluded assessments of four cases that were outstanding from 2011-12.
71. At year end, one case remained outstanding; we will report on it next year. The majority (14 of those complaints) were judged to be outside the Commission's remit.¹⁹ In eight cases, including the four carried forward from 2011-12, no breach of the Recruitment Principles was identified. In two cases the complainants were advised to complete the Departmental complaints processes before bringing their complaints to the Commission. One case was anonymous and could not be investigated, though the Department was notified of the general nature of the complaint.

¹⁹ Four related to internal Civil Service competitions; three related to job-offers being withdrawn (either because of the outcome of pre-appointment checks or because the applicant was unable to accept the terms and conditions of appointments); one was received about posts being withdrawn after interviews had been held; one concerned the educational requirements included in the application criteria; two complaints concerned failure to gain an interview for any Civil Service post despite numerous applications; one complaint was about not being provided feedback on an application; and in a further three cases the recruiting department had not previously been asked to consider the complaint and so we advised the complainant to approach the department in the first instance.



72. The Commission also investigates situations where Departments may have failed correctly to apply the Recruitment Principles. 32 such cases were identified in 2012-13. This is broadly comparable with 2011-12 (28 cases), but higher than in 2010-11 (18 cases). The increase may, in part, be due to more active auditing by the Commission (see below) and greater knowledge amongst Departmental HR teams following the briefing sessions run by the Commission. The majority of the cases were comparatively minor procedural breaches of the Principles, six related to senior staff. Further information is at Annex D.

Civil Service Code

73. The Civil Service Code is the ethical code of the Civil Service and outlines its core values: Integrity, Honesty, Objectivity, Impartiality. It is issued by the Cabinet Office and forms part of the terms and conditions of employment of every civil servant.
74. The Commission dealt with 17 cases in 2012-13 (16 in 2011-12) regarding complaints under the Code (a summary is at Annex F). We did not find any breaches of the Code. However, as in previous years, there were a number of cases where the Commission's involvement led to a renewed, and often successful, attempt to resolve the complaint at the Departmental level.
75. The Commission works with Departments to help them promote the Code and the core values. In last year's Annual Report we outlined our work with the Cabinet Office to ensure that there are recommended policies and procedures available across Departments and Agencies. Draft policies and procedures have been produced by Civil Service Employment Policy but they are not yet in a form that the Commission or the Cabinet Office has been able to endorse. We continue to press for this work to be brought to a conclusion.
76. The fourth Civil Service People Survey, took place in October 2012, and again included three questions on the Civil Service Code. We are pleased to note that awareness among respondents of the Code and confidence in Code investigations has continued to grow across the Civil Service. Similar patterns can be seen across almost all Departments and Agencies.

Table 3 Awareness of the Civil Service Code

Question Text (from the Civil Service People Survey)	2009	2010	2011	2012
Are you aware of the Civil Service Code? (% answering yes)	75%	81%	86%	88%
Are you aware of how to raise a concern under the Civil Service Code? (% answering yes)	44%	53%	59%	63%
Are you confident that if you raised a concern under the Civil Service Code in [the organisation] it would be investigated properly? (% answering yes)	58%	62%	64%	67%

Detailed results for each Department are available on the Government's data site: <http://data.gov.uk>.

77. Individual Departmental results are discussed by Commissioners at link meetings with Permanent Secretaries. The meetings consider variances in individual Departments from the Civil Service benchmark scores, the reasons for this, and plans for action.

Financial summary

78. The Commission incurred net expenditure of £1.335 million in 2012-13 and received Grant-in-Aid of £1.432m (we received £1.35m in 2011-12). However, the Cabinet Office deducts (£236k) from the budget before allocating it to the Commission to cover corporate overheads.
79. The Commission's full audited Accounts for 2012-13 are presented at Part 2. In summary, the Commission has ended the year within budget²⁰, with a variance of £96k (under-spent) against its net budget of £1.195m, after off-setting anticipated income of £343k. This compares with an under-spend of £130k in 2011-12.
80. Our main items of expenditure during 2012-13 were:
- Commissioner fees (£201k, compared with £195k in 2011-12);
 - staff costs (£703k, compared with £629k in 2011-12); and

²⁰ In the Cabinet Office consolidated accounts, the Civil Service Commission (CSC) is shown as having ended the financial year with an over-spend against budget of £0.242 million instead of an under-spend of £0.096 million.

The difference of £0.338 million includes £0.342 million expense incurred by CSC for performing non-Commission related work on behalf of the Cabinet Office for which the CSC receives reimbursement from the Cabinet Office. These reimbursements are recognised as income in the accounts of the Civil Service Commission but are eliminated on consolidation within the Cabinet Office accounts.

The Commission's audited accounts confirm that the Commission ended the financial year with an under-spend from budget of a £0.096 million.



- the contract with the auditor that we use to monitor compliance of Departments with the Recruitment Principles (£178.8k, compared with £198k in 2011-12).

81. The Commission's main workload (competitions) is demand-led and, while we base our budget on an estimate of the number of recruitment competitions that may be held, we have no control over when, or how often, Departments choose to recruit.

Open week

82. The Commission is required, by its Memorandum of Understanding with the Cabinet Office, to hold an annual open meeting. In the past, the Commission has had successful open meetings at Civil Service Live.
83. This year, the Commission held an online virtual Open Week, in March, to provide an opportunity for civil servants from across the UK to raise issues and put questions to Commissioners via email, Facebook and Twitter.
84. We were delighted that the initiative reached a range of civil servants, across the UK and across the grade spectrum. Interesting issues were raised including why different rules applied to internal and external recruitment competitions, the use of agency workers, the challenges facing civil servants working closely with private firms, steps to encourage more recruitment of black and minority ethnic candidates, and the amount of jargon used in recruitment advertisements.

Future developments

Commission membership

85. Two of the existing Commissioners – Christine Hallett and Neil McIntosh – end their term of office on 9 July 2013. Andrew Flanagan will take up his five year appointment as a Commissioner on 8 July 2013.

Secretariat changes

86. In addition to its core work, from 1 April 2013 onwards the Civil Service Commission has been tasked by the Government to provide secretariat support to three other independent offices sponsored by the Cabinet Office: the Office of the Commissioner for Public Appointments (Sir David Normington), the Advisory Committee on Business Appointments (chaired by Lord (Ian) Lang of Monkton) and the House of Lords Appointments Commission (chaired by Lord (Michael) Jay of Ewelme). This will include any additional functions placed on the Commissioner for Public Appointments under Article 4 of the Public Appointments Order in Council 2013; to date, there have been proposals for only one such function, in relation to the appointment of the proposed Recognition

Panel, provided for in the draft Royal Charter on press regulation put forward following the recommendations of Lord Leveson's report.²¹

87. The Commission's budget will be increased by the size of the budgets of these organisations to reflect the increased work, and the staff serving those organisations will become part of the Commission's Secretariat. As well as providing opportunities for efficiency gains, we hope that this will improve the transparency of our accounts, removing the need for the complicated series of rechargings that we currently manage for services provided to these units (see note 1.2 of the Accounts).

Triennial Review

88. The Commission is scheduled for its Triennial Review under the Public Bodies Act 2011 during 2013-14.

Statutory disclosures

89. The following information is published in accordance with the requirements of the Companies Act 2006, as modified for public sector organisations by the *Government Financial Reporting Manual (FReM)*, published by HM Treasury.

Risks and uncertainties

90. The Commission maintains a risk register which is regularly reviewed by both the Audit and Risk Committee and the Board. As the regulator for recruitment to the Civil Service, our principal risks and uncertainties are:
- Government/Civil Service/Departmental policy initiatives and/or practice changes including European legislation.
 - The Commission's own policy and/or practice unintentionally undermines confidence in our regulatory framework.
91. All the identified risks have agreed risk controls and mitigation, including reliance on legislation and the fact that our regulatory approach has been made clear in the Recruitment Principles since April 2009, including in the most recent (2012) revision. The risk controls also include maintaining close links with Government Departments, including the Cabinet Office as our sponsor.

Accounts preparation and going concern basis

92. The accounts attached to this report have been prepared in accordance with the Accounts Direction issued by the Minister for the Cabinet Office under the Constitutional Reform and Governance Act 2010.

²¹ The Report into the Culture, Practices and Ethics of the Press published on 29.11.2012
<http://www.levesoninquiry.org.uk/about/the-report/>



93. The Commission's accounts have been prepared on the assumption that the Civil Service Commission is a going concern on the grounds that where the Commission has outstanding current liabilities at the end of the year these will be funded in the next year by annual Grant-in-Aid. The Cabinet Office has agreed our budget and business plan for 2013-14 and our four-year corporate strategy for 2012-16. These can be viewed on our website.
94. In common with Government Departments, the future financing of the Commission's liabilities is accordingly to be met by future grants of supply to the Cabinet Office and the application of future income, both to be approved by Parliament. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of this report and the accounts for 2012-13.

Pension schemes and liabilities

95. The Commission has no pension liabilities. Commissioners' appointments are not pensionable and all staff are currently seconded from the Civil Service and are members of the Principal Civil Service Pension Scheme.

Register of Board members' interests

96. Commissioners record any interests such as company directorships and other significant interests in the Register of Interests, published on our website.

Audit

97. The Commission's internal audit service is provided by the HM Treasury audit team. The internal audit team advise the Chief Executive and the Audit and Risk committee. The Commission also uses an independent accounts specialist to provide training to its finance staff as required.
98. The external audit of the Commission's accounts is undertaken by the Comptroller and Auditor General, as required by the Constitutional Reform and Governance Act 2010. The remuneration for this work is £7,250 for 2012-13 (2011-12: £7,250), see note 3 to the attached Accounts. No other non-audit work was undertaken by the National Audit Office during the year 2012-13 (2011-12: nil).
99. As far as the Accounting Officer is aware:
- there is no relevant audit information of which the auditors are unaware; and
 - the Accounting Officers have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of, and have access as required, to that information.

Contractual relationships

100. Until 31 March 2013, the Commission had a contract with DLA Piper LLA to conduct annual audits of Government Departments and Agencies' recruitment policies and procedures on the Commission's behalf to ensure that they comply with the Commission's Recruitment Principles. From January 2013 this contract has been awarded to KPMG who initially provided a scoping and piloting service of the new compliance and capability monitoring system until March 2013 and a full auditing service from April 2013 onwards.
101. The Commission's Memorandum of Understanding with the Cabinet Office enables us to use many of the Cabinet Office's suppliers, in particular the Department of Work and Pensions which provides the Cabinet Office with much of its corporate finance requirements. We are charged on a per capita basis for these services, in line with the size of the Secretariat.
102. In addition, the Commission has a contract with Compupaye to process the payment of Commissioners.

Policy on payment of suppliers

103. Payment of the Commission's suppliers is carried out by the Cabinet Office under the Memorandum of Understanding and it is therefore not possible to identify separately the speed with which the Commission's suppliers are paid from those of the Cabinet Office.

Compliance with Treasury and other guidance

104. The Commission has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance.

Incidents involving personal data

105. There have been no personal data incidents during 2012-13.

Attendance information

106. The level of sickness absence within the Secretariat was 2.4 average working days lost per staff year²² in 2012-13, The equivalent figure for the Civil Service as a whole, as at the end of 2012, was 7.7 average working days lost per staff year.

²² Average Working Days Lost per Staff Year = the total number of working days lost across the year divided by the total number of potential staff years.



107. During the year, Commissioners' attendance at Board meetings and Standing Committee meetings was as follows:

Board meetings

Two Commissioners missed two meetings each.

Five Commissioners missed one meeting each.

The other five Commissioners attended all 11 Board meetings.²³

Recruitment Standing Committee

Five Commissioners missed one meeting each.

One Commissioner attended all 3 meetings.

Code Standing Committee

One Commissioner missed one meeting.

All other Commissioners attended all 3 meetings.

Audit & Risk Committee

One Commissioner missed one meeting.

All other Commissioners attended all 3 meetings.

Sustainability, environmental, social and community initiatives

108. The Civil Service Commission contributes to the Cabinet Office's commitment to making a continuing contribution to the goals, priorities and principles of the UK Government's Sustainable Development Strategy, Securing the Future. Details of the initiatives to reduce energy consumption in Cabinet Office can be found on the Government's website www.gov.uk.
109. The Civil Service Commission has adopted the Cabinet Office's policy on volunteering which aims to encourage staff to participate in volunteering activity in the community and to enable staff to build their skills through practical experience. Staff are eligible for up to five days paid leave per year for volunteering activity as part of their personal development.
110. The Commission actively supports the Summer Diversity Internship schemes organised by Civil Service Resourcing to encourage staff from Black and Minority Ethnic backgrounds and from less-privileged backgrounds to consider a career in the Civil Service, in particular as part of the graduate fast-stream. We benefited from having an intern during summer 2012 and look forward to welcoming another two during summer 2013.

²³ One Commissioner took up post on 1 November 2012 and attended all the Board meetings following that date.

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111. The Civil Service Commission has adopted the Cabinet Office's equality and diversity approach where everyone is treated with fairness and respect and feels valued for who they are and the contribution they make. The Commission has a Code of Practice for Commissioners that requires them to observe the highest standards of integrity, honesty, objectivity and impartiality; and a Code of Practice for staff which requires them to offer the highest standards of conduct and service to the public.
112. The Civil Service Commission is committed to improving the work/life balance for its staff and we value diversity. We try to accommodate different work patterns and our staff may join the Cabinet Office's diversity networks.



Clare Salters
Chief Executive
Civil Service Commission
10 July 2013



Remuneration Report

Board and senior staff remuneration

1. The First Civil Service Commissioner is a part time office holder; Commissioners are all part time fee-paid office holders.
2. The Commission does not have a Remuneration Committee because all staff members are currently on secondment from the Civil Service and their pay rates are determined in line with Cabinet Office policy.
3. The Commission has determined that the Chief Executive meets the definition of senior management. The Chief Executive, who is a civil servant on secondment to the Commission, was appointed, after a Civil Service wide competition, by the First Commissioner with the approval of the Cabinet Office. The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.
4. The following information is covered by the Comptroller and Auditor General's audit opinion.

Table 4 Senior staff remuneration

	Period 1 April 2012 to 31 March 2013			Period 1 April 2011 to 31 March 2012
	Salary (£5000 payband)	Bonus (to nearest £5000)	Benefits in kind	Total Remuneration (£5000 payband)
Richard Jarvis to 30.09.2012	30-35	0	0	70-75
Clare Salters from 17.12.2012	15-20	0	0	Not in post

Notes

The Full Year Equivalent salary band for Richard Jarvis was £60-65k.

The Full Year Equivalent salary band for Clare Salters was £65-70k.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

5. Reporting bodies are required to disclose the relationship between the Full Year Equivalent (FYE) remuneration (to the nearest £5000 band) of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce.

6. The banded full year equivalent of the highest-paid employee in the Commission in 2012-13 was £65-70k (2011-12, £70-75k). This was 1.91 times the median remuneration of the workforce (2011-12, 2.25 times), which was £35,415 (2011-12, £32,222). The reason for the decrease in the ratio was due to changes in personnel between 2011-12 and 2012-13 resulting in an increase in mid-range salaries.

Table 5 Hutton fair pay disclosure ratio

	Period 1 April 2012 to 31 March 2013	Period 1 April 2011 to 31 March 2012
Band of Highest Paid Employee's remuneration (to nearest £5000 band)	65-70	70-75 ²⁴
Median Total Remuneration	£35,415	£32,222
Ratio	1.91	2.25

Table 6 Fees paid to Commissioners

	Period 1 April 2012 to 31 March 2013	Period 1 April 2011 to 31 March 2012
Commissioners	Pay band (£000)	Pay band (£000)
David Normington	85-90	85-90
Adele Biss	Board fees 5-10	Board fees 5-10
	Competition Fees 15-20	
Peter Blausten	Board fees 5-10	Board fees 5-10
	Competition Fees 5-10	
Christine Hallett	Board fees 5-10	Board fees 5-10
	Competition Fees 10-15	
Eliza Hermann	Board fees 5-10	Board fees 5-10
	Competition Fees 25-30	
Neil McIntosh	Board fees 5-10	Board fees 5-10
	Competition Fees 25-30	
Angela Sarkis	Board fees 5-10	Joined 1 April 2012
	Competition Fees 15-20	
Christine Farnish	Board fees 5-10	Joined 1 April 2012
	Competition Fees 10-15	

²⁴ Last year this band was incorrectly reported as £65-70k.



	Period 1 April 2012 to 31 March 2013	Period 1 April 2011 to 31 March 2012
Commissioners	Pay band (£000)	Pay band (£000)
Kathryn Bishop	Board fees 5-10	Joined 1 April 2012
	Competition Fees 5-10	
Moira Gibb	Board fees 5-10	Joined 1 April 2012
	Competition Fees 15-20	
Wanda Goldwag	Board fees 5-10	Joined 1 April 2012
	Competition Fees 15-20	
Jonathan Baume	Board fees 0-5	Joined 1 Nov 2012
	Competition fees 0-5	

Notes

David Normington's fees include both Board and Competition fees and reflect his full remuneration for both his work as First Civil Service Commissioner and his work as the Commissioner for Public Appointments. As explained in note 1.2 to the Accounts, we estimate that his time has been split 50:50 between these roles during 2012-13, so the amount of his remuneration for which the Civil Service Commission has been charged is in the band £40-45k.

With the exception of the David Normington, Commissioners receive two separate forms of payment: a flat fee (Board fees) and additional payment to reflect the volume of competition work they are involved in (Competition fees). In previous reports, we have not broken down Commissioners' remuneration to include both Board fees and Competition fees, listing only the Board fees for individual Commissioners and providing the overall total for Competition fees. The figures for 2011-12 and in earlier reports only reflect Board fees.

In some cases, for those Commissioners who were in post the previous financial year, the competition fees for 2012-13 includes fees that relate to competitions begun in 2011-12 that were not accrued for at the end of that financial year.

In addition to the remuneration listed in the table above, some payments were made to Commissioners whose term of office ended in 2011-12. Mark Addison received a competition fee in 2012-13 for a competition he had begun to chair before he left the Commission. In addition, fees were paid in 2012-13 to Mark Addison, Ranjit Sondhi and Bernard Knight for competitions run in 2011-12 but whose costs were not accrued back into that year.

The total fees payable to Commissioners for the period 1 April 2012 to 31 March 2013 for chairing competitions were £126k (£107k 1 April 2011 to 31 March 2012).

No bonuses or benefits in kind were received in year.

Pensions

- Commissioner appointments, including that of the First Civil Service Commissioner, are not pensionable.
- All pension arrangements for staff are dealt with by the Department in the Civil Service from which they are seconded to the Commission. All pension arrangements relate to defined contribution pension schemes. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the arrangements.
- The Chief Executives' pensions, as shown in the table below, have accrued in their role as civil servants.

	Accrued pension at pension age and related lump sum (£000)			Cash Equivalent Transfer Value (CETV) (£000)		
	At start of reporting period	At end of reporting period	Increase in value during reporting period*	At start of reporting period	At end of reporting period	Increase during reporting period
Richard Jarvis	16 (plus lump sum of 45-50)	16 (plus lump sum of 45-50)	0-2.5 pension 0-2.5 lump sum	234	247	12
Clare Salters	17 (plus lump sum of 50-55)	18 (plus lump sum of 50-55)	0-2.5 pension 0-2.5 lump sum	254	259	5

Notes

For Richard Jarvis, the reporting period ran from 1 April to 30 September 2012.

For Clare Salters, the reporting period ran from 17 December 2012 to 31 March 2013.

*An increase of 0-2.5 in this column is too small to have changed the accrued pension band (of 45-50 or 50-55) to the left of this column.

Clare Salters

Clare Salters
Chief Executive
Civil Service Commission
10 July 2013



Statement of Accounting Officer's Responsibilities

1. Under the Constitutional Reform and Governance Act 2010 the Civil Service Commission is required to prepare, for each financial year, accounts prepared on an accruals basis and give a true and fair view of the state of affairs of the Civil Service Commission and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.
2. In preparing the annual report and accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* (FReM) and in particular to:
 - observe the Accounts Direction issued by the Cabinet Office, 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
 - prepare the accounts on a going concern basis.
3. The Accounting Officer of the Cabinet Office has designated the Chief Executive as Accounting Officer of the Civil Service Commission. The responsibilities of an Accounting Officer – including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Civil Service Commission's assets – are set out in *Managing Public Money* published by HM Treasury.

Governance Statement

1. The Civil Service Commission is an independent executive Non Departmental Public Body (NDPB), sponsored by the Cabinet Office that was created in its current form on 11 November 2010 by the commencement of Part 1 of the Constitutional Reform and Governance Act 2010.
2. As Accounting Officer, I have responsibility for maintaining effective systems of corporate governance controls – both structural and procedural – to support the achievement of the Commission’s policies, aims and objectives whilst safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The Board and its Standing Committees

3. The Commission’s Board is chaired by the First Civil Service Commissioner and the other eleven (now ten) Commissioners all sit on the Board. The Board is supported by a Secretariat, made up of the Chief Executive and thirteen other staff. Together, the Board and the Secretariat constitute the Civil Service Commission.
4. The Board meets on a monthly basis (except in August) and its approval is required for any significant changes relating to the operation of the Commission. Minutes of Board meetings are published on our website.
5. The Board has established three standing committees to advise the Board on specific areas and, in certain cases, to exercise functions on behalf of the Board:
 - The Audit and Risk Committee, which supports the Board in its responsibilities for issues of risk control and governance;
 - The Recruitment Standing Committee, which has oversight of the effective operation and impact of the Recruitment Principles and policies and procedures for handling complaints made under them;
 - The Code Standing Committee, which advises the Board on the exercise of the Commission’s responsibilities relating to the Civil Service Code, and which has delegated responsibility for adjudicating on appeals brought to the Commission, under section 9 of the Constitutional Reform and Governance Act 2010.
6. Standing Committee membership during 2012-13 is set out at Annex B. With the exception of the Code Committee’s delegated power to adjudicate appeals, all recommendations made by standing committees are subject to Board approval.



7. The Board reviews information on the Commission's core work at each Board meeting. The Board reviews its own performance annually, and periodically in-year, to ensure that the Board and its standing committees are acting effectively. Each Commissioner has an annual review with the First Commissioner, to discuss their contribution to the work of the Board and its committees, their link relationships with Departments, their role as competition chair for senior recruitment and their involvement in compliance monitoring activities.
8. The Board complies with the *Corporate governance in central government departments: Code of good practice 2011 Compliance Checklist*, which is regarded as best practice, except in the following matters:
 - We have a proportionately large Board (12 members, now 11) for a small executive unit (14 staff) and a small budget compared to other executive NDPBs (£1.4m in 2012-13).
 - All the Commissioners are non-executives. There are no additional non-executive members of the Board.
 - The Board does not include a financial director who is professionally qualified²⁵; instead we rely on the Cabinet Office for scrutiny, support and for professional input as required.
 - The Chief Executive, as Accounting Officer, is responsible for writing the governance statement, rather than the Board. The statement is reviewed by the Audit and Risk Committee and cleared by the Board before publication.
 - Our Memorandum of Understanding with the Cabinet Office is not automatically re-negotiated when key personnel leave (including when there is a change in Government). We have quarterly meetings with the sponsor team in the Cabinet Office and the Memorandum of Understanding is formally reviewed every three years, the next review being scheduled for 2013-14.

Other internal control mechanisms

9. The Commission follows Cabinet Office guidelines and procedures or, where the Commission's policy differs from Cabinet Office, it has its own Standing Orders, which are set out on our website. The Standing Orders, which have all been approved by the Board, include Commissioner and Staff codes of practice, delegations and standing committee structures.
10. The annual budget is set in agreement with Cabinet Office and expenditure against budget is reviewed regularly by the Secretariat senior managers and monthly by the Commission Board.

²⁵ The Board will include a member who is a professionally qualified accountant from July 2013.

11. The Commission is registered in the Information Commissioner's register of data controllers. We have reviewed our procedures for information security against those used by the Cabinet Office and advice provided by the Information Commissioner – the Commission is compliant with the relevant security policies.

Management of risk

12. The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. Risks are managed on an continuing basis in a process that is designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. Cabinet Office guidelines and procedures have been observed for the whole of 2012-13 and this annual report and accounts accords with HM Treasury guidance.
13. The Audit and Risk Committee (ARC) meets every three to four months and reports to the Board at the following Board meeting. ARC supports the Board by reviewing whether proportionate assurances for meeting the Board's and Accounting Officer's responsibilities are available and by testing the reliability and integrity of these assurances. This includes responsibility for the effective operation and impact of the Memorandum of Understanding with the Cabinet Office; the Commissioners' Code of Practice; the Staff Code of Practice; the Commission's business planning process; communications strategy and Commissioner appointments.
14. In addition to its members (see Annex B), ARC is attended by the Chief Executive, relevant members of the Secretariat and representatives of both the internal audit team and the National Audit Office.

Risk and control framework

15. The Commission has a risk register in place that has been assessed and considered at senior management level and at Board level. The risk register has been scrutinised, discussed and ratified at both ARC and the full Board. Our main risks in 2012-13 were reputational and risks to our infrastructure, including maintenance of IT and protection of our information.



16. The risk register is considered at each ARC meeting and formally reviewed by the Board twice a year (or additionally as required). It is maintained by the Secretariat and is available to all staff and Commissioners.
17. The Commissioners, Chief Executive, team leaders and the staff of the Commission all contribute to the compilation of the risk register. The risks are owned either by the Chief Executive or the relevant team leader.
18. The risks have been ranked according to “Likelihood”, “Impact” and “Severity”. We have also assessed what actions are in place, or need to be taken, to mitigate the organisational risks identified.
19. On-going operational risks are managed as follows:
 - as an on-going process any risk is identified, evaluated and controlled by me and my senior management team under a delegation from the Board and following advice from ARC;
 - any changes to the assessment and evaluation of risk have to be ratified by ARC and the full Board;
 - ARC and the full Board lead on determining and evaluating the risks.
20. Risk management is embedded in the activity of the organisation by constructing roles and team responsibilities that are closely aligned to specific areas of work outlined in our Business Plan, which in turn are aligned to specific risks. Our Business Plan, budget and corporate framework were agreed by the Board and by the Cabinet Office. Team leaders ensure that members of staff are trained and equipped to manage risk. Where staff members require training or skills outside their normal areas of responsibility the Commission ensures that this is provided. The organisation is sufficiently small that good practice, and changes in risks, can be shared by way of a monthly “all staff” meeting and internal bulletins.

Review of effectiveness

21. As Accounting Officer, I have responsibility for reviewing the effectiveness of the Commission’s governance procedures and controls. Most of our support activities are provided by the Cabinet Office. My predecessor engaged an internal audit team and both he and I have consulted them, and the National Audit Office (NAO), regularly on matters of internal control. NAO and internal audit attend all ARC meetings and we had three internal audits during the course of 2012-13.
22. I have been advised during my review of the effectiveness of the system of internal control by the Board and the ARC, and a plan to ensure improvement has been developed.

23. During 2012-13 the Commission's two main risks were:

Risk	Mitigation	Status after mitigation
That Government/Civil Service/Departmental policy initiatives and/or practice impacts negatively upon core regulatory role and/or lead to loss of confidence in Civil Service appointments system.	The Commission's strategic and business plans focussed on reducing this risk; Legislation and the Ministerial Code are clear; regulatory approach and regulatory instruments clear for Departments. We have maintained close and productive links with the Cabinet Office and other Departments, offering advice, drafts and other suggestions as appropriate.	Estimated 25-50% chance of occurring and expected impact significant (an event that will destroy public confidence or a key relationship for a sustained period or at a critical moment). Risk level is expected to remain static in 2013-2014.
The Civil Service Reform plans regarding Ministerial Choice unintentionally undermine confidence in our regulatory framework.	First Civil Service Commissioner has met the Minister for the Cabinet Office, the Commission has developed policy statements on Ministerial involvement and on exceptions which have been published on our website.	At the time of publication, estimated 50-75% chance of occurring and expected impact is significant (an event that will destroy public confidence or a key relationship for a sustained period or at a critical moment). Risk level is expected to remain static in 2013-2014.

24. I consider that the processes, checks and controls provided by the Board, the Audit and Risk Committee and the business support team have been effective.

25. No significant governance control issues have been identified in this year.



Clare Salters
Chief Executive
Civil Service Commission
10 July 2013



Annex A:

Commissioners and Secretariat

Commissioners, 2012-13



David Normington, First Commissioner

David was Permanent Secretary at the Home Office from January 2006 to December 2010. His early career in the Civil Service involved a range of jobs in the fields of employment, training and industrial relations, and included a time as Principal Private Secretary to the Secretary of State for Employment. In 2001 he was appointed Permanent Secretary at the Department for Education and Skills, a post he held until the end of 2005 when he became Permanent Secretary at the Home Office. As Permanent Secretary, David made a particular specialism of senior leadership development and human resources. In 2008 he chaired a special steering group that reported to the Cabinet Secretary on workforce and reward strategy for the Senior Civil Service. He is a Fellow of the Chartered Institute of Personnel and Development.



Jonathan Baume (from 1 November 2012)

Jonathan is a member of the Board of the Health & Safety Executive, serves on the ACAS Council and is a non-executive director of the Office of Nuclear Regulation. He was General Secretary of the FDA, a professional association and union for the UK's senior public servants and professionals, for sixteen years until October 2012. He joined the FDA as Deputy General Secretary in 1989, previously having worked at the TUC specialising in employment law and equality issues. After studying politics, philosophy and economics at Keble College Oxford, he joined Oxfordshire County Council in 1974 as a graduate trainee, and entered the Department of Employment Group in 1977, leaving for the TUC in 1986.



Kathryn Bishop

Kathryn is an Associate Fellow at the University of Oxford's Saïd Business School, where she works with organisations from across the world, teaching and delivering development programmes for senior executives and Board Directors. She has been a consultant and a line Director in the financial services industry, and has also worked in the public sector, including appointments as a Non-Executive Director at the UK Intellectual Property Office, at the UK Border Agency and in Wales, with the Welsh Government. Her research interests are in large-scale organisation change and in strategy implementation and she is also a trustee of an educational charity and a Council Member of a Cheltenham school.



Adele Biss

Adele has a wide range of experience in both the public and private sectors, spanning over four decades. Her early experience was in brand marketing at Unilever and in marketing and communications at Thomson Holidays. She founded and ran a successful PR business and, later, a Public Affairs consultancy. She has been a non executive director of state-owned and publicly quoted companies, and most recently of Eurostar International Limited and of Engine Group. She has been chairman of the British Tourist Authority and English Tourist Board, a governor of Middlesex University and a Council Member of University College London (UCL).



Peter Blausten

Peter Blausten is Group Human Resources Director of Morgan Crucible plc. Previously, he was an independent consultant advising on private equity acquisitions, and on organisation development. He was Group HR Director of BAA plc, and held senior roles with US broker Charles Schwab & Co, British Airways plc, and Ford Motor Company. He was a research associate at Ashridge Business School and a member of the CBI's Employment Policy Committee. He is a Council member of the Institute of Employment Studies and a senior consultant at the Senior Directors' Unit.



Christine Farnish

Christine currently chairs the Peer to Peer Finance Association and Consumer Futures. Prior to that she was a Managing Director at Barclays, CEO at the National Association of Pension Funds, Consumer Director at the Financial Services Authority and at OFTEL, and held a number of senior roles in local government. Her early career was at the Countryside Commission. Christine has served on the Boards of the Office of Fair Trading, the Advertising Standards Authority, ING Direct and Papworth NHS Trust, and is currently a NED on the ABTA Board, and Aggregate Industries. She is also a trustee of the Family and Childcare Trust.



Moira Gibb

Moira Gibb is Chair of CityLit, Adult Education College and a non executive director of NHS England and the UK Statistics Authority. Her career was in local government and social services including eight years as Chief Executive of Camden Council. She chaired the Government Taskforce on Social Work in 2009. She was a Director of the London Marathon from 2005- 2011. Moira has taught nationally and internationally and at school and university level.



Wanda Goldwag

Wanda is an advisor to Smedvig Venture Capital and Non Executive Director of the Performing Right Society, International Copyright Enterprise, True North Human Capital and Surelaw. She had a 25 year career in marketing and her last corporate role was as Managing Director of British Airways owned AIR MILES. Wanda is also Treasurer of Eaves Housing for Women.



Christine Hallett

Christine retired as Principal and Vice-Chancellor of the University of Stirling, Scotland in 2010. She was a Professor of Social Policy and has held academic appointments at the Universities of Oxford, Keele, Western Australia and Leicester. She is a fellow of the Royal Society of Edinburgh. She is a former member of the Board of Governors at Bournemouth University, a former chair of the Board of Trustees of UKCISA (UK Council for International Student Affairs) and a former Trustee of NatCen (the National Centre for Social Research).



Eliza Hermann

Eliza's career in the private sector spans 30 years, including a variety of global commercial and human resources leadership roles in the international energy business. First with Amoco and then BP, she developed expertise in strategic planning and development, emerging market entry including cross border mergers and acquisitions, and human resources including senior executive recruitment, development, and remuneration. At BP she served as Vice President Human Resources from 2001 until 2008. Eliza is a Commissioner on the Marshall Aid Commemoration Commission and she has also served for 10 years as a main board non executive director at Brightpoint Inc - a Fortune 500 global distributor of wireless devices, and for 5 years at the NHS Hertfordshire.



Neil McIntosh

Neil has completed a term as inaugural Chairman of the Judicial Appointments Board for Scotland in 2011. He pursued a career in Local Government in Scotland, latterly as Chief Executive of Strathclyde Regional Council until 1996, and has subsequently been engaged in a range of public appointments including involvement as a member of the UK Electoral Commission, Convener of the Scottish Council for Voluntary Services and Trustee of the National Museums of Scotland.



Angela Sarkis

Angela is a Member of the Youth Justice Board, an Adviser to the Street Pastor's Initiative of the Ascension Trust and Future First and Secretary to Forest United Youth Football Club in Harrow. Angela spent several years working for the Probation Service, Family Service Units and is a former Chief Executive to the DIVERT Trust, the Church Urban Fund, YMCA England and the Nurture Group Network. She was a founding member of the Social Exclusion Unit in the Cabinet Office and has served as a member of the Home Office Correctional Services Board, the House of Lords Appointments Commission and the Board of Capacity Builders; as a Governor of the BBC; and as an adviser to the Department for Education and Skills.



Secretariat, 2012-13

The Secretariat supports the Board of the Civil Service Commission. The Secretariat staff are all civil servants on secondment to the Commission.

Richard Jarvis, Chief Executive, to October 2012

Clare Salters, Chief Executive, from December 2012

Val Iceton, Support to the First Commissioner and the Chief Executive

Sharon Foster-King, Principal Policy Adviser, Civil Service Recruitment Policy & Business Services

Elaine McNaughton, Senior Policy Adviser, Recruitment

Bill Brooke, Principal Policy Adviser, Complaints, Accountability & Communications

Diane Macfarlane, Complaints Case Manager

Sean Edwards-Playne, Communications and Case Officer

Leila Brosnan, Principal Policy Adviser, Public Appointments Policy, to September 2012

Terry Willows, Principal Policy Adviser, Departmental Audit and Public Appointments Policy, from September 2012

Sandra Campbell, Departmental Audit Policy and Contract Manager

Mariatu Turay, Public Appointments Policy

Lisa Ollerhead, Public Appointments Officer, to December 2012

Alamgir Khan, Business Support Manager, to June 2012

Paul Skinner, Business Support Manager, from June 2012

Leroy Cargill, Administration Officer

Nicola Carpenter, Finance Officer

We were also pleased to have the support of **Baljit Rayit**, a diversity scheme intern and Business and Politics graduate, who worked with us from 18 June to 4 October 2012 and completed a project on improving the sources of data that we have access to and how the Commission uses the evidence available to us.

Annex B: Standing Committee Membership

Audit and Risk Committee

- Christine Hallett (Chair)
- Jonathan Baume, from November 2012
- Adele Biss
- Wanda Goldwag
- Neil McIntosh

Recruitment Committee

- Eliza Hermann (Chair)
- Peter Blausten
- Moira Gibb
- Wanda Goldwag
- Christine Hallett
- Angela Sarkis

Civil Service Code Committee

- Neil McIntosh (Chair)
- Jonathan Baume, from November 2012
- Kathryn Bishop
- Adele Biss
- Peter Blausten, until November 2012
- Christine Farnish
- Angela Sarkis



Annex C:

Senior Appointments, 2012-13

Permanent Secretaries and equivalent

Appointments through external competitions

Department	Post Title	Appointee	Previous Employment
Cabinet Office	Government Chief Scientific Advisor	MARK WALPORT	Director of the Wellcome Trust
Department for Energy and Climate Change	Permanent Secretary, Department for Energy and Climate Change	NO APPOINTEE THROUGH THIS COMPETITION	N/A
HM Revenue and Customs	Tax Assurance Commissioner	EDWARD TROUP	Director General, Tax and Welfare, HM Treasury
Home Office	Permanent Secretary, Home Office	MARK SEDWILL	Director General, Political, Foreign and Commonwealth Office
Ministry of Defence	Permanent Secretary, Ministry of Defence	JON THOMPSON	Director General, Finance, Ministry of Defence

Appointments through internal competitions

Department	Post title	Appointee
Department for Energy and Climate Change	Permanent Secretary, Department for Energy and Climate Change	STEPHEN LOVEGROVE
Welsh Government	Permanent Secretary, Welsh Government	DEREK JONES

Directors General and equivalent (Pay Band 3)

Appointments through external competitions

Department	Post Title	Appointee	Previous Employment
Cabinet Office	Chief Operating Officer for Government and Head of the Efficiency and Reform Group	STEPHEN KELLY	Non-Executive Director and Crown Commercial Representative, Efficiency and Reform Group, Cabinet Office
Cabinet Office	Director General, Civil Service Reform	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Department for Business, Innovation and Skills	Chief Executive, Shareholder Executive	MARK RUSSELL	Deputy Chief Executive, Shareholder Executive
Department for Business, Innovation and Skills	Director General, Knowledge and Innovation	JOHN O'REILLY	Vice Chancellor, Cranfield University
Department for Business, Innovation and Skills	Director General, People, Communications and Organisational Effectiveness	PHILIPPA LLOYD	Director, Consumer Competition Policy, Department for Business, Innovation and Skills
Department for Communities and Local Government	Director General, Localism	HELEN EDWARDS	Director General, Justice Policy Group, Ministry of Justice
Department for Work and Pensions	Director General, Finance	MIKE DRIVER	Acting Director General, Finance, Department for Work and Pensions
Department of Health	Director General, Social Care, Local Government and Care Partnerships	JON ROUSE	Chief Executive, London Borough of Croydon



Department	Post Title	Appointee	Previous Employment
Food Standards Agency	Chief Executive, Food Standards Agency	CATHERINE BROWN	Chief Executive, Animal Health and Veterinary Laboratories Agency
Foreign and Commonwealth Office	Chief Scientific Adviser	ROBIN GRIMES	Director, Centre for Nuclear Engineering, Imperial College London
<i>HM Revenue and Customs</i>	<i>Director General, Enforcement and Compliance</i>	JENNIE GRANGER	Second Commissioner, Law, Australian Taxation Office
<i>HM Revenue and Customs</i>	<i>Director General, Personal Tax</i>	RUTH OWEN	Deputy Chief Operating Officer, Department of Work and Pensions
HM Treasury	Director General, Financial Services	CHARLES ROXBURGH	Senior partner, McKinsey & Company, and Director, McKinsey Global Institute
HM Treasury	Director General, Tax and Welfare	INDRA MORRIS	Director, Personal Tax, Welfare and Pensions Group, HM Treasury
Home Office	Director General, Border Force	CHARLES MONTGOMERY	Vice Admiral, Chief of Naval Personnel and Training
Ministry of Defence	Director General, Finance	DAVID WILLIAMS	Acting Director General, Finance, Ministry of Defence
Office for National Statistics	Director General	GLEN WATSON	Census Director, Office for National Statistics

Department	Post Title	Appointee	Previous Employment
Office of Fair Trading	Executive Director	SONYA BRANCH	Director, Triennial Review – Environmental Agency and Natural England, DEFRA.

Italics = joint competition

Appointments through internal competitions

Department	Post title	Appointee
Cabinet Office	Deputy National Security Adviser (Foreign)	HUGH POWELL
Department for Business, Innovation and Skills	Chief Executive, Skills Funding Agency	KIM THORNEYWORK
Department for Business, Innovation and Skills	Chief Executive, Office of Fair Trading	CLIVE MAXWELL
Department for Work and Pensions	Chief Information Officer and IT Director General	ANDY NELSON
Home Office	Legal Adviser	JONATHAN JONES
Welsh Government	Director General, Department for Education and Skills	OWEN EVANS



Directors and equivalent (Pay Band 2)

The Commission is only involved in external competitions at this level

Department	Post title	Appointee	Previous Employment
Cabinet Office	Director of Appointments, Prime Minister's Office	KRIS MURRIN	Head of Implementation Unit, Prime Minister's Office
Cabinet Office	Executive Director, Government Communications	ALEX AIKEN	Director, Strategy and Communication, Westminster City Council
Cabinet Office	Executive Director, Government Shared Services	PAUL MARRINER	Interim Executive Director, Government Shared Services
Department for Business, Innovation and Skills	Chief Executive, ACAS	ANNE SHARP	Chief Executive, Judicial Office
Department for Business, Innovation and Skills	Chief Executive, Land Registry	ED LESTER	Chief Executive, Student Loans Company
Department for Business, Innovation and Skills	Chief Executive, UK Space Agency	DAVID PARKER	Acting Director, UK Space Agency
Department for Business, Innovation and Skills	Managing Director, Investment Development, UKTI	GAVIN LITTLE	Consultant and previously Managing Director, Northern Europe, British American Tobacco
Department for Business, Innovation and Skills	Managing Director, Marketing, UKTI	SANDRA ROGERS	Non-Executive Chair, UK Hydrographic Office

Department	Post title	Appointee	Previous Employment
Department for Business, Innovation and Skills	UKTI Chief Operating Officer	JONATHAN HARDING	General Manager, International and Distribution, Virgin Atlantic Airways
Department for Education	Chief Executive, Teaching Agency	CHARLIE TAYLOR	Head Teacher of Willow School, on secondment to Government as expert advisor on behavioural issues
Department for Education	Chief Social Worker	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Department for Energy and Climate Change	Director, Energy Strategy, Networks and Markets	JOHN FIENNES	Interim Director, Energy Strategy, Networks and Markets, Department for Energy and Climate Change
Department for Energy and Climate Change	HR Director	ROD DAVIS	HR Director, STEMCOR
Department for Energy and Climate Change	Strategic Delivery Director, Office of Carbon Capture and Storage	NICHOLAS CRABTREE	Senior Commercial Manager (Rio de Janeiro, Brazil and UK), BG Group
Department for Environment, Food and Rural Affairs	Chief Executive, Animal Health Veterinary Laboratories Agency	CHRIS HADKISS	Owner and Managing Director, Optimal Forensics
Department for International Development	Director, Human Resources, Securities and Facilities	JAMES SAVILLE	Business and HR consultant



Department	Post title	Appointee	Previous Employment
Department for Transport	Director, Road and Rail Projects	MICHAEL HURN	Acting Director, Road and Rail Projects
Department for Transport	Director, Group Communications	VICKIE SHERIFF	Head of News, Prime Minister's Office
Department for Work and Pensions	Director, Procurement	ANDREW FORZANI	Head of Procurement and Commissioning, Surrey County Council
Department of Health	Director, Quality and Strategy	ANNA DIXON	Director, Policy, the Kings Fund
Foreign and Commonwealth Office	Director General, Trade and Investment (Beijing)	CATHERINE RAINES	Deputy Chief Executive and Director, Place, Staffordshire County Council
Health and Safety Executive	Chief Operating Officer, Office for Nuclear Regulation	JOHN JENKINS	Managing Director, Morgan Sindall Professional Services Ltd
Health and Safety Executive	Director, Finance and Planning	DAVID MURRAY	Director, Resources, Government Procurement Service
<i>Highways Agency</i>	<i>Director, Asset Delivery, Highways Agency</i>	DAVID BREWER	Project Director, Strategy and M&A, Lendlease
<i>Highways Agency</i>	<i>Director, Commercial and Procurement, Highways Agency</i>	DAVID POOLE	Procurement Director, Highways Agency
HM Revenue and Customs	Director, Corporate Communications	STEPHEN HARDWICK	Interim Director, Corporate Communications, HMRC

Department	Post title	Appointee	Previous Employment
HM Revenue and Customs	Director, Corporate Communications	NO APPOINTEE THROUGH THIS COMPETITION	N/A
HM Treasury	Chief Executive, Infrastructure UK	GEOFFREY SPENCE	Interim Chief Executive, Infrastructure UK
Home Office	Chief Executive Designate, Disclosure and Barring Service	ADRIENNE KELBIE	Deputy Chief Executive and Corporate Director, Business Support, City of Hull
Home Office	Director, Strategy and Change, UK Border Force	JULIE TAYLOR	Assistant Chief Executive, London Borough of Barnet
Home Office	Director Designate, Organised Crime Command, National Crime Agency	GORDON MELDRUM	Director General, Scottish Crime and Drug Enforcement Agency
Home Office	Director, Security Industry Engagement	STEPHEN PHIPSON	Chairman, ASD Securities Commission
Home Office	Director Designate, Economic Crime Command, National Crime Agency	JEREMY OUTEN	Head of Fraud at KPMG
Home Office	Director, Crime and Enforcement, UK Border Agency	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Home Office	Director, Immigration and Settlement, UK Border Agency	MIKE WELLS	Director, Risk and Intelligence Service, HMRC



Department	Post title	Appointee	Previous Employment
Home Office	Director, Resources and Organisational Development, UK Border Agency	MICHAEL PARSONS	Director, Resources and Performance, Hertfordshire County Council
Home Office	Director Designate, Border Policing Command, National Crime Agency	DAVID ARMOND	Deputy Director, International, Serious and Organised Crimes Agency
Home Office	Human Resources Director, Home Office	MARTIN BEECROFT	Deputy HR Director, National Offender Management Service
Home Office	Director, Immigration Case Work Programme	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Home Office	Programme Director, Emergency Services Mobile Community Programme	GORDON SHIPLEY	Head of Systems and Technology, Olympic Delivery Authority
Home Office	Programme Director, Major Systems (Immigration Casework), UK Border Agency	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Ministry of Defence	Chief Constable, Ministry of Defence Police	ALFRED HITCHCOCK	Chief Constable, Bedfordshire Police
Ministry of Defence	Chief Executive, UK Hydrographic Office	IAN MONCRIEFF	Interim Chief Executive, UK Hydrographic Office

Department	Post title	Appointee	Previous Employment
Ministry of Defence	Director, Commercial and Defence Equipment Support	STEVE MORGAN	Executive Director, Capital Programmes, British Airports Authority
Ministry of Defence	Director, Media and Communications	STEPHEN JOLLY	Director, External Affairs and Communications, University of Cambridge
Ministry of Defence	Director, Technical, Defence Equipment and Support	JULIAN YOUNG	Chief Engineer Air Command, Ministry of Defence
Ministry of Justice	Director, Finance and Analysis, National Offender Management Service	ANDREW EMMETT	Finance Director, National Offender Management Service
Ministry of Justice	Director, Transforming Rehabilitation	IAN POREE	Director, Commissioning and Operational Policy, National Offender Management Service
Office for National Statistics	Director, Organisational Capability and Performance	NEIL WOODING	Director, Strategy and Performance, Welsh Government
Office for National Statistics	Director, Organisational Capability and Performance	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Office for National Statistics	Director, Population and Demography Statistics	IAN COPE	Executive Director, Analysis and Dissemination, ONS



Department	Post title	Appointee	Previous Employment
Office of Rail Regulation	Director, Railway Performance	ALAN PRICE	Infrastructure Director, Rail Division, First Group
Office of Rail Regulation	Director, Strategy and Policy	DANIEL BROWN	Consultant, Office of Rail Regulation
Office of Rail Regulation	Director, Strategy and Policy	NO APPOINTEE THROUGH THIS COMPETITION	N/A
OFGEM	Partner, Electricity Transmission	KERSTI BERGE	Associate Partner, Energy Market Research and Economic Analysis
Public Health England	Chief Knowledge Officer	JOHN NEWTON	Regional Director, Public Health, South of England (seconded to PHE transition team)
Public Health England	Chief Operating Officer	RICHARD GLEAVE	Director, Programmes and Patient Experience for NHS South of England
Public Health England	Director, Health Improvement and Population Welfare	KEVIN FENTON	Director, National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention (NCHHSTP) at the U.S. Centers for Disease Control and Prevention (CDC)

Department	Post title	Appointee	Previous Employment
Public Health England	Director of Health Protection	PAUL COSFORD	Executive Director, Health Protection Services, Health Protection Agency
Public Health England	Director, Programmes	SALLY WARREN	Acting Director, Social Care Policy, Department of Health
Public Health England	Director, Strategy	JONATHAN MARRON	Director of Strategy, South East Essex PCT
Public Health England	Director, Finance and Commercial	MICHAEL BRODIE	Finance Director NHS Business Services Authority
Public Health England	Regional Director, South of England	JENNY HARRIES	Joint Executive Director, Public Health for Norfolk County Council
Scottish Government	Chief Executive, Scottish Court Service	ERIC MCQUEEN	Acting Chief Executive, Scottish Court Service
Scottish Government	Director, Communications and Ministerial Support	NO APPOINTEE THROUGH THIS COMPETITION	N/A
Scottish Government	Director, Culture and Heritage	AILEEN MCKECHNIE	Acting Director, Culture and External Affairs and Constitution, Scottish Government
Scottish Government	Director, Marine Scotland	LINDA ROSBOROUGH	Acting Director, Marine Scotland



Department	Post title	Appointee	Previous Employment
Welsh Government	Chief Executive, Healthcare Inspectorate Wales	KATE CHAMBERLAIN	Head of Knowledge and Analytical Services and Chief Statistician, Welsh Government
Welsh Government	Chief Medical Officer	RUTH HUSSEY	Director, Public Health England Transition Team (seconded from NHS North West)
Welsh Government	Director, Skills, Higher Education and Lifelong Learning	HUW MORRIS	Pro Vice-Chancellor (Academic, Partnerships and Students), University of Salford
Welsh Government	Director, Strategy, Department for Business, Enterprise, Technology and Science	TRACEY BURKE	Acting Director, Strategy, Welsh Government
Welsh Government	Director, Social Services, Children and Families	ALBERT HEANEY	Corporate Director, Social Services, Caerphilly County Borough Council
Welsh Government	Finance Director, Department for Health, Social Services and Children	NO APPOINTEE THROUGH THIS COMPETITION	N/A

Italics = joint competition

Annex D: Exceptions to the Recruitment Principles, 2012-13

**Exceptions and extensions to existing exceptions
granted by the Commission at Senior Civil Service
Pay Band 2 and above**

Exception	2012-13	2011-12
Exception 1: short term appointments to meet short term needs, up to two years	16	7
Exception 2: not applicable at senior levels (very junior staff only)	–	–
Exception 3: individuals with highly specialist skills, up to two years	1	1
Exception 4: secondments up to two year to facilitate interchange	7	5
Exception 5: reappointment of former civil servants at same or lower grade	1	1
Exception 6: transfer of an organisation into the Civil Service	2	0
Exception 7: transfer of individuals from another Civil Service	4	0
Exception 8: recruitment of staff with a declared disability under specific schemes	0	0
TOTAL	31	14



Exceptions granted by the Commission below Senior Civil Service Pay Band 2

Below Pay Band 2, the Commission's approval is needed to extend time-limited exceptions previously approved by Departments under a delegated authority from the Commission. There were 114 of these during 2012-13, including:

- 41 short-term appointments.
- 3 permanent appointments to administrative grades at or after 12 months of an initial short term appointment.
- 3 appointments of individuals with highly specialised skills.
- 35 inward secondments from external organisations.
- 2 transfers into the Civil Service from another public body.

The Commission may also, exceptionally, approve appointments in other circumstances that are justified by the needs of the Civil Service. However, none were agreed this year.

Breaches of the Recruitment Principles

The Commission identified 32 cases where the Recruitment Principles had not been properly applied during 2012-13. The majority of these were comparatively minor cases, involving administrative errors.

Six of the cases related to the appointment of Senior Civil Servants:

- one Department for Culture Media and Sport case (under exception 5, re-appointment of former civil servants); and
- two Cabinet Office cases (under exception 4, secondments of up to 2 years) both relating to the appointment of one individual;
- three Welsh Government cases (under exception 4, secondments of up to 2 years) all of which relate to the appointment of one individual;
- one Serious Fraud Office case (under exception 1, short-term appointments).

In another case a middle manager was appointed permanently to the Department for International Development without there being an appropriate selection process.

Annex E:

Compliance monitoring ratings

We have explained the Commission's approach to compliance monitoring during 2012-13 on pages 21-22. Departments initially completed a self-assessment and then a sample were visited by the Commission's compliance monitoring auditor, DLA Piper, after which an overall rating was assigned to those Departments, reflecting the assessed risk of a breach of the Recruitment Principles. The ratings for those Departments and Agencies that were visited during 2012-13 are set out below.

Department/Agency	Final Rating
Cabinet Office	High
Department for Business, Innovation & Skills	High
Government Actuary's Department	High
Serious Fraud Office	High
Department for Education	Medium
Department for International Development	Medium
Department for Work & Pensions	Medium
HM Treasury	Medium
Meteorological Office	Medium
Ministry of Justice	Medium
Scottish Court Service	Medium
Welsh Government	Medium
Centre for Environment, Fisheries and Aquaculture Science	Low
Crown Office and Procurator Fiscal Service	Low
Department for Transport	Low
Foreign and Commonwealth Office Services	Low
Food & Environment Research Agency	Low
Government Economic Service	Low
Government Social Research Service	Low
National Archives	Low
Scottish Prison Service	Low



Annex F:

Civil Service Code

Summary of Code cases, 2012-13

Last year's report mentioned that one complaint received during 2011-12 was still under investigation. The Commission judged the issues raised to be outside the ambit of the Code.

We received one approach this year that was anonymous. We passed the nature of the concern on to the relevant Department, but were not able to investigate further. We received four approaches that were judged to be about human resources management issues. The Code does not cover these issues. They are specifically excluded by paragraph 18 in the 2010 edition of the Code. There were a further two approaches that were judged to be outside the scope of the Code. In two cases, it was felt the issues raised were more properly considered by other bodies, and the complainants were advised accordingly.

There were four approaches from people who were not civil servants. The right of complaint under the Code only applies to civil servants. If a member of the public wishes to complain about a Department this should in most cases be done through the Parliamentary and Health Services Ombudsman, to whom we directed these individuals.

We received four approaches from civil servants who had raised concerns within their own Departments. In each case, the complainant was advised to complete the internal process and then if they did not receive what they considered to be a reasonable response, they might report back to the Commission. We are aware that a number were subsequently resolved at Departmental level. Two complaints remain under investigation at the end of the reporting period.

Part 2: Annual Accounts, 2012–13

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Civil Service Commission for the year ended 31 March 2013 under the Constitutional Reform and Governance Act 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Commission, Accounting Officer and auditor

As explained more fully in the Statement of the Commission's and Accounting Officer's Responsibilities, the Commission and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Constitutional Reform and Governance Act 2010. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Civil Service Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Civil Service Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.



I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Civil Service Commission's affairs as at 31 March 2013 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Constitutional Reform and Governance Act 2010 and directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with directions issued under the Constitutional Reform and Governance Act 2010; and
- the information given in the Chief Executive's Foreword and Review of 2012-13 sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.



Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date 11 July 2013



Statement of Comprehensive Net Expenditure for the period ended 31 March 2013

		2012-13	2011-12
	Note	£000	£000
Expenditure			
Staff and Commissioner costs	2	904	825
Other Expenditures	3	774	707
Income			
Income from Other Government Departments	4	(343)	(315)
Net Expenditure		1335	1217
Interest Payable / Receivable		–	–
Net Expenditure After Interest		1335	1217
Total Comprehensive Expenditure for the period ended 31 March 2013		1335	1217

The notes on pages 75 to 83 form part of these accounts.

Statement of Financial Position as at 31 March 2013

	Note	2012-13 £000	2011-12 £000
Total Non-current Assets		–	–
Current assets			
Trade and other receivables	5	0	0
Cash and cash equivalents		–	–
Total current assets		0	0
Total assets		0	0
Current liabilities			
Trade and other payables	6	(68)	(165)
Total current liabilities		(68)	(165)
Total assets less current liabilities		(68)	(165)
Total non-current liabilities		–	–
Assets less liabilities		(68)	(165)
Taxpayer's equity			
I & E Reserve		(68)	(165)
Total taxpayers' equity		(68)	(165)

The notes on pages 75 to 83 form part of these accounts.



Clare Salters
Chief Executive
Civil Service Commission
10 July 2013

Statement of Cash Flows for the period ended 31 March 2013

		2012-13	2011-12
	Note	£000	£000
Cash flows from operating activities			
Net Deficit	2, 3 & 4	(1335)	(1217)
Adjustment for non-cash transactions		–	–
(Increase)/Decrease in Inventories		–	–
(Increase)/Decrease in trade and other receivables	5	–	–
Increase/(Decrease) in trade payables	6	(97)	110
Net cash outflow from operating activities		<u>(1432)</u>	<u>(1107)</u>
Cash flows from investing activities			
Net cash outflow from investing activities		<u>–</u>	<u>–</u>
Cash flows from financing activities			
Grants from parent Department		1432	1107
Net financing		<u>1432</u>	<u>1107</u>
Net increase/(Decrease) in cash and cash equivalents in the period		–	–
Cash and Cash equivalents at the beginning of the period		–	–
Cash and Cash equivalents at the end of the period		<u>–</u>	<u>–</u>

The notes on pages 75 to 83 form part of these accounts.

Statement of Changes in Taxpayers Equity

	Note	I & E Reserve £000	Total Reserves £000
Balance at 1 April 2011		(55)	(55)
Grants from Parent Department		1107	1107
Comprehensive Net Expenditure for the year		(1217)	(1217)
Balance at 31 March 2012		<u>(165)</u>	<u>(165)</u>
Balance at 1 April 2012		(165)	(165)
Grants from Parent Department		1432	1432
Supply repayable to Parent Department			–
Comprehensive Net Expenditure for the year		(1335)	(1335)
Balance at 31 March 2013		<u>(68)</u>	<u>(68)</u>

The notes on pages 75 to 83 form part of these accounts.



Notes to the accounts for the year ended 31 March 2013

1. Statement of Accounting Policies

Basis of preparation

As an independent executive Non Departmental Public Body (NDPB), the Civil Service Commission's financial statements have been prepared in accordance with the Accounts Direction given by the Minister for the Cabinet Office, which is the Civil Service Commission's sponsoring Department. They meet the requirements of the *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply *International Financial Reporting Standards* (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Civil Service Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Civil Service Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Going concern

The financial statements have been prepared on the basis that the Commission is a going concern. The Commission is a statutory body created by the Constitutional Reform and Governance Act 2010. The Commission's budget, business plan for 2013-14 and corporate framework 2012-16 have been agreed by the Cabinet Office.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Commission, with the exception of accruals, has not made any estimates in producing these accounts.

1.2 Income

The Commission also supports the Office of the Commissioner for Public Appointments (OCPA). It has been determined by a sampling exercise that staff spent (on average) 35% of their time on OCPA work and 65% of their time on Commission work. Therefore all staff and related costs such as training are apportioned, and a recharge of 35% is invoiced to OCPA, this is shown above as a (notional) income. In addition to the 35% of the Chief Executive's salary which is recharged to OCPA, a further 5% is recharged to each of the House of Lords Appointments Commission (HOLAC) and the Advisory Committee on Business Appointments (ACOBA), in recognition of the Chief Executive's role as head of the management unit for these bodies.

These percentages were based on information originally provided by staff in 2010 and reviewed in 2012 to test whether they remained accurate.

There were two exceptions this year:

- the First Civil Service Commissioner, in his other role as the Commissioner for Public Appointments, was required to do extensive work on the pre and post tendering process for a combined compliance monitoring contract for both the Commission and OCPA. This involved more work on behalf OCPA, so for the 2012-13 accounting period his costs have been split 50/50 between the Commission and OCPA budgets; and
- one member of secretariat staff had 80% of their salary charged to the OCPA budget in recognition of their being engaged directly in a number of compliance monitoring audits for OCPA.

1.3 Staff Costs

This figure represents 100% of staff costs for the period 1 April 2012 to 31 March 2013. Those costs relating to OCPA, HOLAC and ACOBA are then re-charged as above (see note 1.2 Income).

1.4 Other Expenditure

Commissioners receive two different types of fees. "Board fees" are accounted for as "staff costs" in the accounts (note 2.1). "Competition fees", are paid for each day that a Commissioner chairs a recruitment competition and these fees are accounted for in "other expenditure" (note 3).

1.5 Property, plant and equipment

No property, plant or equipment of any value is owned by the Commission (if it were then it would be recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged).

**1.6 Depreciation**

The Commission holds no assets with a residual value so information on depreciation has not been provided.

1.7 Intangible assets

The Commission owns no intangible assets.

1.8 Leases

The Commission holds no leases. Premises and equipment, including IT equipment, are supplied by the Cabinet Office to the Commission under our Memorandum of Understanding.

1.9 Financial assets

Our Memorandum of Understanding with the Cabinet Office prevents the Commission from holding financial assets.

1.10 Cash and cash equivalents

The Commission does not hold a bank account or cash. Cash is held on our behalf by the Cabinet Office under a Memorandum of Understanding.

1.11 Grant-in-Aid

As the Commission is an independent executive Non-Departmental Public Body, Grant-in-Aid is treated as financing from the sponsoring Department. This is recognised as a credit into general reserves and is treated on a cash (rather than accruals) basis in accordance with guidance given in the FReM.

1.12 Programme expenditure

The Commission has no programme expenditure.

1.13 Pensions

The Commission does not operate its own pension scheme. All staff are on secondment from the Civil Service and are therefore members of the Principal Civil Service Pension Scheme.

1.14 Value Added Tax

The Commission is not registered for VAT.

1.15 Financial Instruments

As the cash requirements of the Commission are met through Grant-in-Aid provided by the Cabinet Office, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Commission's expected purchase and usage requirements and the Commission is therefore exposed to little credit, liquidity or market risk.

1.16 Operating Segments

The Commission is considered to provide a single function, oversight of appointments to the Civil Service, and in terms of IFRS is considered to be a single operating segment. Management reporting and decision making is carried out on the basis of a single segment and therefore it is not considered that any further segmental analysis is necessary to meet the requirements of IFRS.

1.17 Future changes in Accounting Policy

The following 2012-13 FReM changes have no significant impact on the Civil Service Commission financial statements.

Chapter 4 Accounting for Loans, Public Dividend Capital and Investments outside the Departmental Boundary.

Chapter 4 The application of merger accounting for the public sector context.

Chapter 7 Accounting for the Carbon Reduction Commitment Energy Efficiency Scheme.

The following accounting standard amendments, effective in 2012-13 for the first time, have no significant impact on the Civil Service Commission financial statements.

Effective 1 January 2013:

IAS 27 Separate Financial Statements

Deals with the requirements for separate financial statements: investments, recognition of dividends and certain group reorganisations.

IAS 28 Investments in Associates and Joint Ventures

Deals with the requirements for application of the equity method and prescribes how impairment of associates and joint ventures should be tested.

There have been no new standards issued in 2012-13.



2. Staff Numbers and Related Costs

2.1 Commissioner and staff costs

	2012-13		2011-12	
	Total £000	Staff £000	Commissioners £000	Total
Wages and salaries	721	553	168	666
Social security costs	82	49	33	67
Other pensions costs	101	101	–	91
Total	904	703	201	824

Note

The total figure of £904k in the table above includes £23k VAT (£20k 2011-12).

2.2 Commissioner and staff numbers (full time equivalent)

	2012-13		2011-12	
	Total	Staff	Commissioners	Total
Directly employed	0	0	0	0
Inward secondments	13.6	13.6	0	13.6
Office holders	12*	0	12	11.4*
Total	25.6*	13.6	12	25*

Notes

The numbers of staff and Commissioners reflect the normal full complement and do not reflect short periods where we have had vacancies.

The staff figures reflect the joint secretariat supporting the Commission and OCPA. Staff effort is generally calculated as 65% Commission, 35% OCPA (see note 1.2).

* The number of Commissioners did not change between 2011-12 and 2012-13. In 2011-12, the First Civil Service Commissioner was counted as 0.4, reflecting his dual role as Commissioner for Public Appointments and First Civil Service Commissioner. Given that none of the Commissioners – including him – are engaged on a full time basis, we realise that this was an inconsistent way of recording his role. He and all other Commissioners will be counted as a whole office-holder from 2012-13 onwards.

3. Other Expenditure

	Note	2012-13 £000	2011-12 £000
Other Expenditure			
Accommodation and utilities		236	220
IT costs		5	–
Consultancy		258	220
Supplies and services		71	65
Other staff related costs		(3)	46
Travel, subsistence and hospitality		33	42
Competition Fees paid to Commissioners		167	107
Audit Fee		7	7
Total		774	707

Notes

Of the £258k Consultancy figure, the majority (£250k) relates to the audit of Departments' compliance with the Recruitment Principles. The remaining £8k relates to expenditure on internal audit.

The increase in the Competition Fees paid to Commissioners reflects an increase in the number of competitions that the Commission was required to chair: 104 in 2012-13 compared to 80 in 2011-12.



4. Income

	Note	2012-13 £000	2011-12 £000
Administration			
Income From Other Government Departments	1.2	343	315
Total		343	315

5. Trade Receivables and Other Assets

	2012-13 £000	2011-12 £000
Current		
Trade receivables	–	–
Grant-in-Aid owed by Parent Department	–	–
Prepayments and accrued income	–	–
Total	–	–

Note

Included within Other Receivables is £0 that will be due to the Consolidated Fund once the debts are collected.

5.1 Intra-Government Balances

	2012-13 £000	2011-12 £000
Current		
Balances with other central government bodies	–	–
Subtotal: intra-government balances	–	–
Balances with bodies external to government	–	–
Total receivables at 31 March 2013	–	–

6. Trade Payables and Other Liabilities

	2012-13 £000	2011-12 £000
Current		
Trade payables	–	127
Other payables	–	–
Accruals and deferred income	68	38
Total	68	165

6.1 Intra-Government Balances

	2012-13 £000	2011-12 £000
Current		
Balances with other central government bodies	20	130
Subtotal intra-government balances	20	130
Balances with bodies external to government	48	35
Total payables at 31 March 2013	68	165



7. Related Party Transactions

The Civil Service Commission is an independent executive NDPB funded by the Cabinet Office. The Commission has had a small number of transactions with other Government Departments such as the Home Office and Department for Communities and Local Government and only in relation to staff secondments.

Services are provided to the Commission from the Cabinet Office under a Memorandum of Understanding for a per capita charge of £25,976, which comes to a total of £364k for the period ending 31 March 2013. As with the Commission's staff and First Commissioner costs a percentage of the per capita charge is re-charged to cover the public appointments work and other work undertaken by the Commission's secretariat and the dual office-holder. The re-charge is usually set at 35% (see note 1.2). Only the net amount of £236k owed by the Commission is shown in these accounts. This charge has been treated as a related party transaction.

No manager or other related party has undertaken any material transaction with the NDPB during the year.

8. Events after the Reporting Period

Two Civil Service Commissioners (Christine Hallett and Neil McIntosh) will conclude their terms on 9 July 2013.

On 8 April 2013 the Commission announced that Andrew Flanagan had been appointed as a Civil Service Commissioner following an open competition. He will begin his five year term of office on 8 July 2013.

From 1 April 2013 the Commission took on the following additional functions in relation to the Civil Service:

- secretariat support for the Commissioner for Public Appointments,
- secretariat support for the House of Lords Appointments Commission, and
- secretariat support for the Advisory Committee on Business Appointments.

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There are no other events to report.

Civil Service Commission

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