

Annual Report & Accounts

2018-19

Preserving the past | Recording the present | Informing the future



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September 2019

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Foreword from the Chief Executive

I am delighted to provide introductory remarks for the National Records of Scotland (NRS) 2018-19 Annual Report and Accounts.

This is the eighth year of production of this report by NRS. It is also my first in the role of Chief Executive and holder of the offices of Registrar General of Scotland and Keeper of the Records of Scotland, following my appointment in December 2018.



Paul Lowe
Chief Executive, National Records of Scotland

It is a true privilege to take up this appointment and to join the excellent team at NRS. I would like to thank my predecessor Tim Ellis and Acting Chief Executive, Anne Slater for their leadership of the organisation during this year and for their support during the transition phase.

Although a comparatively new organisation NRS stands on the solid historic foundations of the organisations which formed it. Our role engages with the cultural and historic richness of our nation, while holding and producing vital information, materials and data, which inform policy making and guide delivery of public services now and in years to come. Through our work NRS has an important role in shaping Scotland's future.

This year we continued to broaden access to our nation's past, with the addition of new birth, marriage and death records to our ancestry research service, along with fascinating insights on emigration from Scotland in the mid-19th century.

Our digital archiving services have built upon last year's achievements as we continue on this important journey. Our two exhibitions this year marked both the hundredth anniversary of some women winning the right to vote and the centenary of the Armistice. It was also an important opportunity to honour the memory of General Register House staff who fell during the First World War.

"Our role engages with the cultural and historic richness of our nation, while holding and producing vital information, materials and data which inform policy making and guide delivery of public services, now and in years to come."

Our vital purpose in the present continues, recording over 145,000 births, deaths and marriages and delivering over thirty high quality statistical publications.

Looking forward, we published our plans for how the next census will be conducted. This is a major undertaking carried out each ten years. We are working hard to deliver a high quality census for the people of Scotland and as part of this, we aspire to undertake a more digital census in 2021 to reflect the changing needs of citizens.

“I have been greatly impressed by the remarkable array of skills and specialisations within National Records of Scotland and by the commitment and dedication of my colleagues.”

Since taking up my new post I have been greatly impressed by the remarkable array of skills and specialisations within National Records of Scotland and by the commitment and dedication of my colleagues. I would like to thank them for their support in my first eight months in post.

In this report, you will find more information on the achievements of the many different teams within our organisation. I hope you enjoy finding out more about our work and about our plans to evolve to meet the challenges of the future.



Paul Lowe
Chief Executive
5 September 2019

Overview



Our Business

National Records of Scotland (NRS) is a non-ministerial department of the Scottish Administration. It is headed by a Chief Executive who fulfils the role of two non-ministerial office-holders, the Registrar General for Scotland and the Keeper of the Records of Scotland. It was established on 1 April 2011, following the amalgamation of the General Register Office for Scotland and the National Archives of Scotland.

NRS performs the registration and statistical functions of the Registrar General for Scotland and the archival functions of the Keeper of the Records of Scotland, including maintaining the archives as one of Scotland's five National Collections. We hold UK Accredited Archive status.

We collect, preserve and produce information about Scotland's people and history, and make it available to inform current and future generations.

We hold records spanning the 12th to the 21st centuries which touch on virtually every aspect of Scottish life. We are the repository for the public and legal records of Scotland but we also have many local and private archives. We hold and make available one of the most varied collections of records in Britain. We provide a leadership role for archive and record professionals, and require 250 named public authorities to submit records management plans for agreement by the Keeper.

We oversee the registration of life events including births, marriages, deaths, civil partnerships, divorces and adoptions. We are also responsible for the statutes relating to the formalities of marriage and civil partnership and the conduct of civil marriage, and for overall leadership of the registration service in Scotland.

We take the census of Scotland's population every 10 years and prepare and publish regular demographic statistics revealing the size and characteristics of the population and households of Scotland.

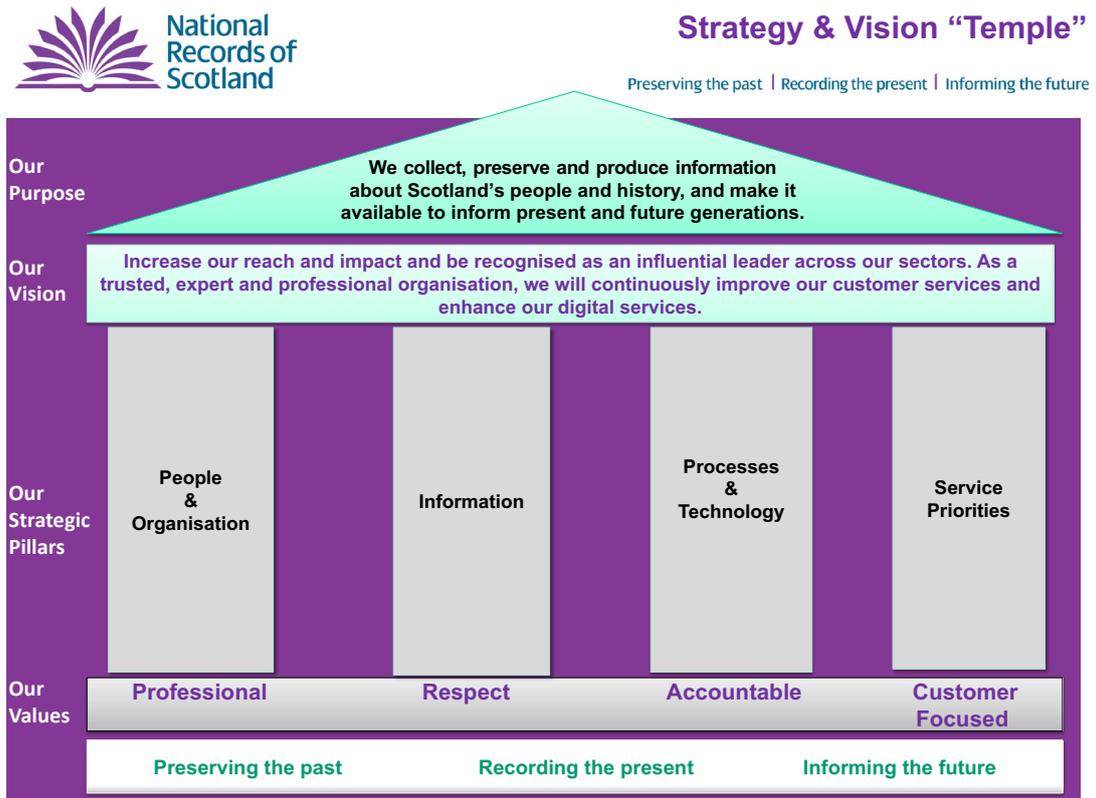
We have a global audience for our work, with people all over the world researching their Scots ancestry, accessing our records online or as part of a visit to Scotland, and the Scottish Register of Tartans attracts worldwide interest.



Our Objectives

We refreshed our strategy in 2018, updating our purpose and vision and the values which underpin our work, and we have retained the NRS strategy as shown in Figure 1, below.

Figure 1
The NRS Strategy



Performance Analysis



Our Performance

As part of the Scottish Administration, we contribute to the Scottish Government's Purpose and key National Outcomes but as a non-ministerial department, we also have our own identity and have developed our own strategy.

To help us to better understand how we are performing as an organisation, a new Head of Performance Management role was created this year to coordinate the development of a performance management framework for NRS.

This framework will provide targeted insight on our operational performance in delivering front line services to our customers and will enable us to identify priorities for continuous improvement.

We have identified a number of key performance indicators (KPIs) around customer satisfaction, information processing, and service resilience themes. We also have KPIs on financial performance, freedom of information and ministerial correspondence.

Having identified what we will measure, our next priority is to create the systems that will enable regular measurement and reporting on performance in 2019-20. Performance against some KPIs will be tracked under delegated authority by local business teams while other, bigger impact KPIs will be overseen by our Customer and Operations Board.

Our performance management framework will also cover performance against our annual business plan. A summary of performance against our 2018-19 annual plan commitments is provided below.

All significant projects and programmes in NRS are overseen by a Project or Programme Board whose role is to oversee delivery and manage the associated risks.

Additionally, NRS manages performance and associated risks of projects and programmes as part of the overall portfolio of activities focused towards delivering its corporate plan. In particular, the Executive Management Board received regular reports on progress and risk across our major programmes and projects.



Basis of Accounts

The Accounts Direction is provided in the Accounts section, on p.96.



Review of Financial Performance

The budget for NRS this year was proposed in Scotland's Spending Plans and Draft Budget 2018-19, subject to revisions during the year. The financial outturn for 2018-19 is summarised in the table below.

The Total Resource DEL (Departmental Expenditure Limit) outturn, excluding depreciation, is £28,295k, £831k below the final budget. The significant increase in Resource DEL expenditure in 2018-19 compared to 2017-18 is a result of expenditure on the Census 2021 programme, as the programme stepped up its preparations for delivery of the census and began building the IT systems which will support it.

The principal reasons for the variances to the Total Resource DEL budget were:

- Following successful launch of the new ScotlandsPeople website during 2016-17, use of the service and orders of extracts from records have increased significantly, and continue to grow. As a result, income during the year again exceeded our expectations. Income from these services is demand-led and difficult to forecast and it was therefore not possible to fully reflect the increase in income in investment in services.
- Our Governance Statement, beginning on p.38, describes a control issue that resulted in the budget requirement for the Census 2021 programme increasing beyond planned levels during the year. This additional requirement is the principle reason for the £938k increase in budgeted operating costs. NRS was able to accommodate this by re-prioritising its existing resources and no additional funding from outside the organisation was required.

The Capital DEL outturn was £3,694k, a small underspend on budget.

	Draft Budget 2018-19 £000s	Budget adjustments during year £000s	Final Budget 2018-19 £000s	Actual 2018-19 £000s	Variance £000s	Actual 2017-18 £000s
Operational Costs (excluding depreciation)	37,300	(2,374)	34,926	35,864	938	29,053
Less Retained Income	(5,800)	-	(5,800)	(7,569)	(1,769)	(6,540)
Total Resource DEL (excluding depreciation)	31,500	(2,374)	29,126	28,295	(831)	22,513
Depreciation	2,793	-	2,793	2,153	(640)	2,188
Net Resource Outturn	34,293	(2,374)	31,919	30,448	(1,471)	24,701
Capital DEL	2,900	870	3,770	3,694	(76)	1,646
Total Outturn	37,193	(1,504)	35,689	34,142	(1,547)	26,347

Since 2008-09, the Scottish Government has applied a series of annual efficiency targets to itself and public sector bodies in Scotland. The purpose of this target is to release cash which bodies retain and use for other purposes, while maintaining service outputs and outcomes. NRS, in common with other Scottish public bodies, has an efficiency savings target of 3% of total resource spending (excluding depreciation). NRS achieved £1,857k of efficiency savings during 2018-19, against a target of £1,000k (2017-18: £1,767k).

As part of the Scottish Government's plan for supporting economic recovery in Scotland, the First Minister announced on 9 October 2008 that the Scottish Government would aspire to a 10-day target for paying bills to businesses in Scotland. NRS therefore aims to pay 98% of invoices, including disputed invoices once the dispute has been settled, within this 10-day target. During the year ended 31 March 2019, NRS paid 99% of all invoices within 10 days (2017-18: 99%).



Social, Community and Human Rights

NRS has a wide and diverse community of stakeholders and plays a central role in the cultural, social and economic life of Scotland, supporting several of the Scottish Government's key National Outcomes.

The registration of births, deaths and marriages has been at the heart of understanding ourselves and a key interaction with the state for generations.

Scotland's Census and the demographic statistics we publish filter through to all sectors of local and central government through areas including service planning, transport, housing, equalities monitoring, Single Outcome Agreements and when complying with the specific duties within the public sector equality duty.

In 2018-19, NRS signed up for the Social Impact Pledge which challenges public sector bodies to increase the positive impact we make on our local communities. Details of our 2018 pledge can be found at the [Communities Channel Scotland](#) website.¹

We also published our [British Sign Language Plan](#)² setting out how we plan to support BSL through our Scotland's Census 2021 programme. Our plan includes a commitment for 2019-20 to look across all NRS services, both onsite and online, and consider how we can support BSL users by making our services easier to access.

By law, we keep personal census information confidential for 100 years. An exemption set out in the Freedom of Information (Scotland) Act 2002 enforces this by stating that census information is exempt from disclosure for that period of time. The 1920 Census Act makes it a criminal offence unlawfully to disclose confidential census information. The Census (Confidentiality) Act 1991 extended this to people and businesses working as part of the census.

The government records we hold are important as they record the origins of individual rights and obligations and provide accountability and transparency to the citizen. Collection of these records is expected to reflect changes in Scottish economic, political and cultural life, wider Scottish society and the changing nature and structure of the Scottish Government itself.

We have a zero-tolerance policy towards fraud, bribery and corruption. We have a clear counter-fraud policy and operate controls to prevent and detect fraud, bribery and corruption, including procurement procedures which follow Scottish Procurement policy, regulations and best practice. All actual or suspected instances of fraud, bribery or corruption are vigorously and promptly investigated and appropriate action taken.

¹ <http://www.communityscot.org.uk/social-impact-pledge/who-has-made-pledge/pledges-made-so-far/national-records-scotland/>

² <https://www.nrscotland.gov.uk/files/about-us/nrs-british-sign-language-plan-2018-2024.pdf>



Our Future

In addition to information provided in this section about our structure, objectives and performance, our approach to managing other risks is set out in the governance statement.

As part of our annual business planning approach, the Executive Management Board has confirmed the following six key commitments for NRS for 2019-20:

1. We will continue to deliver high quality public services to our customers, will support and develop the delivery of registration services through local authorities across Scotland, whilst engaging customers and stakeholders on a forward Business Strategy which identifies our key investment priorities for new and enhanced digital services over the coming years.
2. Working with a range of partners to design and deliver a successful Census for 2021 with lasting benefits for Scotland, we will undertake a census rehearsal in Autumn 2019 to inform the delivery of Census 2021, and progress legislative requirements through the Scottish Parliament, whilst meeting digital assurance requirements in delivery.
3. We will deliver high quality statistics by meeting our commitments in the NRS Statistics Plan, in line with UK standards and through enhancement of our statistical services.
4. We will continue to deliver NRS archive services to achieve our forward strategy to protect, preserve and make available our records, investing in future digital delivery through our digital preservation priorities and considering long-term storage options.
5. We will continue to improve our organisational infrastructure to enhance the way we operate, through maturing our governance, investing in the skills, knowledge, leadership and capacity of our organisation and continuing with the implementation of our estates strategy (developing an Asset Management Plan) to ensure our buildings are fit for purpose.
6. We will continue to progress our long-term plan to transition to a single sustainable NRS IT service augmented by increased customer insight to inform our priorities and secure efficient, high quality digital services.



Sustainability Statement

NRS remains committed to supporting the delivery of the ambitious emission reduction targets set by the Scottish Government and we submit our annual CO₂ emissions through the Public Bodies Climate Change reporting platform.

We have reduced annual CO₂ emissions by 13% from the previous year, which continues the pattern of steady reductions since reporting began in 2011. Carbon reduction initiatives and improved energy and waste management are driving these reductions.

Staff awareness and reduction of waste

There has been a further reduction in NRS waste over the last year with almost all onsite generated waste being recycled. Our target this year is to continue to increase our recycling at source rate by improving staff awareness and increasing on-site recycling opportunities.

Energy management

Our aim of optimising energy usage reflecting building use and occupancy is being reinforced through developing protocols on management of environmental controls.

This will allow a streamlined response to our complicated energy usage for managing archives in listed buildings, as well as ensuring the comfort of our staff and customers.

Green projects

The photovoltaic panels installed at Thomas Thomson House in March 2018 have generated 17,000 kWh of electricity – around 3% of the buildings usage – reducing our CO₂ emissions by 8,468 kg per annum and by 157,000 kg over the panels' lifetime.

NRS are investigating a number of other sustainable projects which we hope will help contribute to a significant reduction of our energy use over the coming year without any impacts on our delivery.

Sustainable travel

Staff continue to follow our sustainable transport policy, with increased reliance on more sustainable methods of travel. This policy will continue to be developed and improved to ensure any changing business needs are considered particularly around our 2021 Census programme delivery.

Review of the Year

The work of NRS is hugely varied, and touches the lives of everyone in Scotland. What links it all is our commitment to delivering public value and excellent customer service, and to our purpose – to collect, preserve and produce information about Scotland’s people and history and make it available to inform current and future generations.



Demographic Statistics

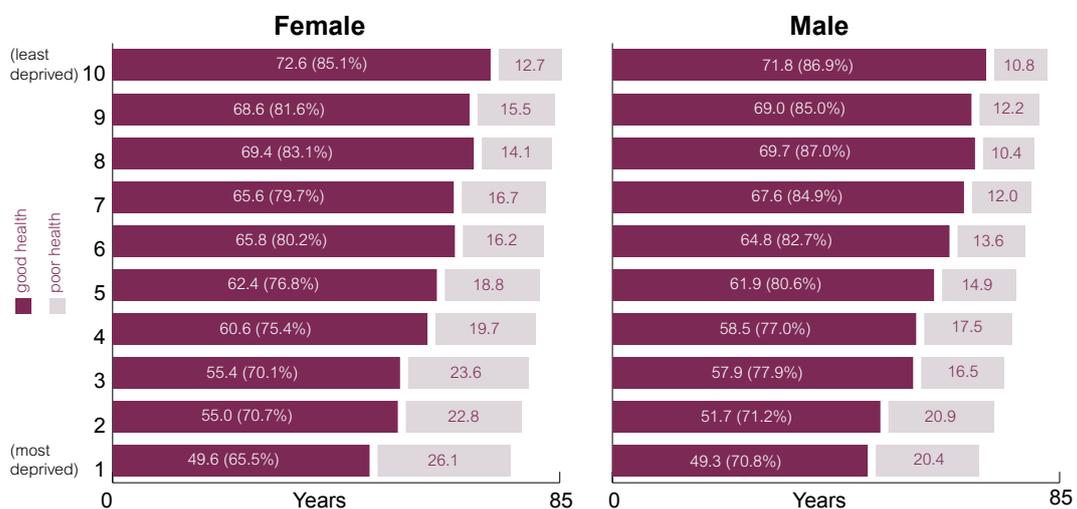
The statistics we produce continue to shape and inform public policy and debate. We delivered over thirty high quality statistical publications over the past year and increased our use of infographics and data visualisations, making it easier for users to understand key messages and access the data they are interested in.

We have seen an increase in demand for our statistics, analysis and advice. For example, users are keen to understand how reduced migration may impact Scotland’s demographics after the UK’s decision to leave the EU while in mortality and life expectancy, they want to explore changing trends and possible causes.

We published healthy life expectancy (HLE) estimates for Scotland for the first time as part of an effort to harmonise life expectancy statistics within Scotland and across the UK. The new estimation method means that consistent cross-national comparisons of HLE can now be made between Scotland and the rest of the UK, and local estimates for Scotland will be available on a more regular basis.

These developments have been welcomed by users for improving the value of these statistics by removing some of the volatility that affected some local area estimates.

Figure 2
Life Expectancy and Healthy Life Expectancy (years) for Scottish Index of Multiple Deprivation deciles 2015-17



We have also been exploring the potential of using existing administrative data sources to further enhance our data and analysis. In partnership with other Government Statistical Service partners, NRS is supporting an ambitious programme of work led by the Office for National Statistics to transform migration statistics by making greater use of administrative data held across government.

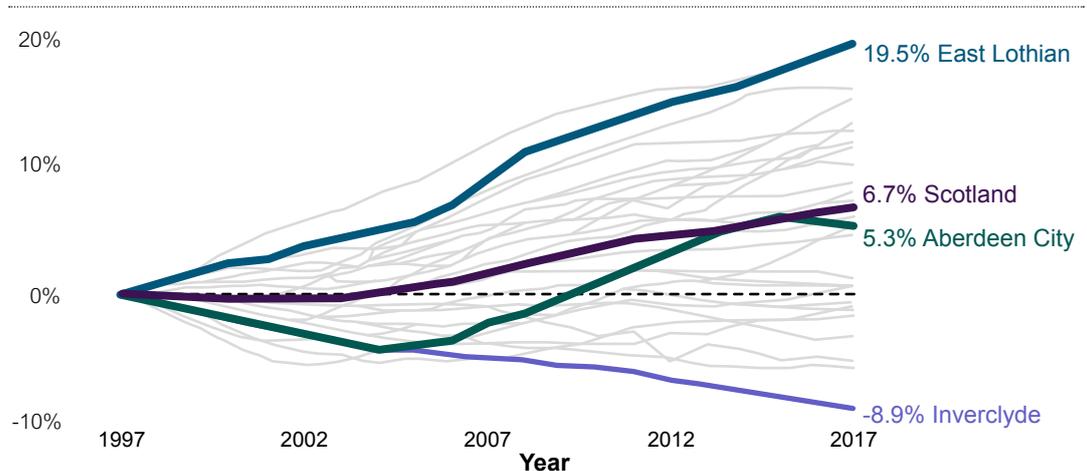
We continue to play a central role in developing our data linkage service, working with our partners across government, health and academia to further research using Scotland’s rich source of administrative data. We have renewed our commitment to the Scottish Longitudinal Study and have continued to provide a data indexing service on behalf of the Scottish Informatics and Linkage Collaboration.

Through the NHS Central Register (NHSCR), we continue to support our partners in health, local government and the third sector on administration and provision of services to the public. Our ongoing services to medical researchers also resulted in the NHSCR supporting over fifty studies in the last year.

We made substantial improvements to the format of our flagship statistics overview Scotland’s Population making it easier for people to read and understand key messages.

Two of our projects reached the finals of the Scottish Government 2018 Communicating Analysis awards: our Council Area Profiles, which bring together a wealth of NRS data and make it easier for users to understand our figures for their area, and work by our Statistics and Analysis team on communicating analysis by sharing knowledge and expertise with other public sector organisations. Our work in this area was also short-listed for the Royal Statistical Society Champion Award for Official Statistics.

Figure 3
Example chart from local area profiles showing percentage change in population for councils, 1997-2017





Scotland's Census 2021

NRS has made great progress in preparations for Scotland's Census 2021 this year – including announcing that, subject to Parliamentary approval, the census will take place on 21 March 2021.

Scotland has relied on the census for over 200 years to underpin national and local decision making. The census is the only survey of its kind to ask everyone in Scotland the same questions at the same time. No other survey provides the richness and range of information that the census does.

In September, we published plans for Scotland's Census 2021 which laid out proposals for how the census will be conducted. The plans set out our intentions for a more digital census – one in which the majority of people complete the census online, with help and support available for those who need it.

The plans also outline proposed topics we intend to ask questions on, with the final decision on questions being for the Scottish Parliament. Graeme Dey MSP, the Minister for Parliamentary Business and Veterans, has confirmed to Parliament our intention to ask whether the respondent is a veteran.

The Census (Amendment) (Scotland) Bill was passed by the Scottish Parliament on 12 June 2019. The Bill will make changes to the 1920 Census Act to enable NRS to allow new questions to be asked in Scotland's 2021 Census on transgender status and history, and sexual orientation on a voluntary basis. The final proposed questions will be laid before the Scottish Parliament for agreement before the Census takes place.

In addition to the work associated with the bill, we continued to hold events with a range of people who use our data to ensure the questions we ask meet their needs and are asked in appropriate ways, and continued to test proposed questions with the communities they relate to, and more widely amongst the public.

We are working towards a rehearsal in October 2019 in a limited number of areas, which will allow us to test our approaches and will inform our preparations for 2021.

Scotland's Census 2021 will be delivered collaboratively with a range of suppliers providing various products, services and support. Work has continued in procuring the many systems and services which are required for the census, and we are working closely with our existing suppliers.

Scotland's Census 2021 will take place at the same time as censuses in England and Wales, and in Northern Ireland, and we continue to work closely with our colleagues in the Office for National Statistics and the Northern Ireland Statistics and Research Agency to ensure a harmonisation of approaches across the United Kingdom.



Registration

This year we oversaw registration of around 145,000 births, deaths and marriages. We continued preparing the groundwork for a strategic review of registration and have undertaken significant activity, both formal and informal, around ongoing work on the authorisation of celebrants to solemnise marriage in Scotland.

We have overseen the bedding in of our District Examination team, whose work is essential to ensuring the quality and probity of registration data, as well as supporting registrars across the country on a range of practical issues.

We supported the Association of Registrars of Scotland in delivering an additional series of successful marriage workshops, which this year focused on marriage referrals. We also continued our background and refresher courses for new and more experienced registrars. These courses provide a thorough grounding in the scope, detail and practice of registration, while the marriage courses give an overview of new policy and process, as well as the possibilities of civil marriage.

Registration also continued to engage with Scottish Government colleagues on a significant number of developing policy issues. These included the future of civil partnerships, gender recognition and an ongoing programme of work to define the qualifying requirements for organisations putting forward celebrants to be authorised to solemnise marriages.

We have also moved within the structure of NRS, from Statistical and Registration Services to Customer and Operations, and we are cementing relationships with new colleagues as well as building on strong existing ties to the work of this area.



Cataloguing and Accessions

Figure 4
Public records from government departments catalogued during 2018-19



Figure 5
Court and private records catalogued during 2018-19

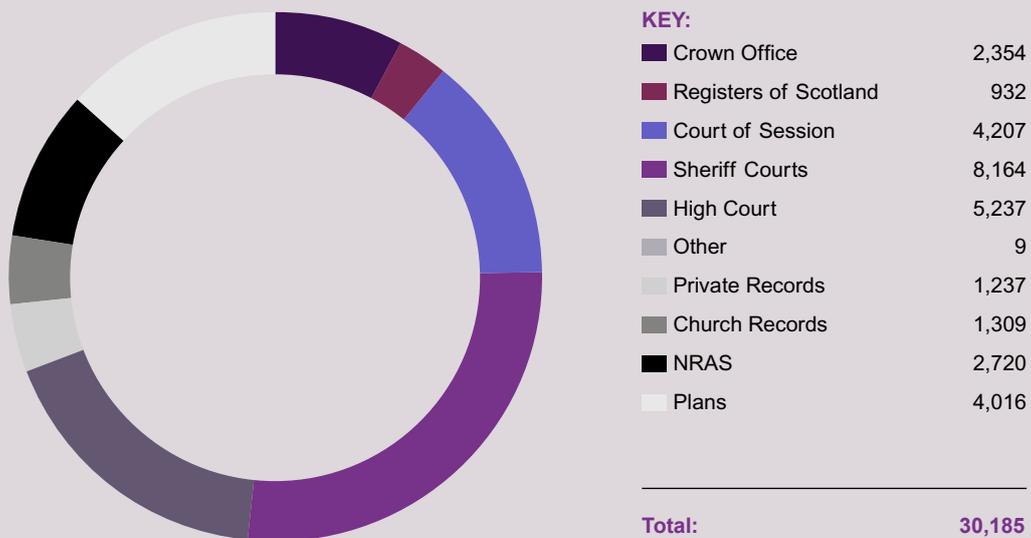
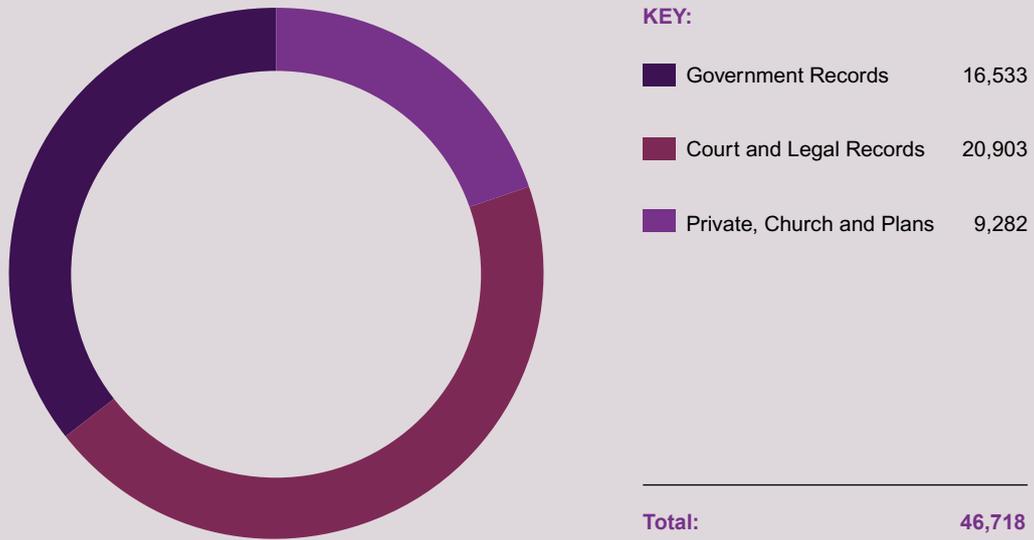


Figure 6
Total records catalogued during 2018-19



Government Records

On 1 January 2019, Scottish Cabinet papers and government files for 2003 were opened for the first time. The records covered Scottish Parliamentary elections which saw Jack McConnell returned as First Minister in a joint Labour/Liberal Democrat Scottish Executive, as well as discussions about striking firefighters, regeneration of the Clyde waterfront and the potential domestic impact of the Iraq War.

We continue to support the important work of the Scottish Child Abuse Inquiry investigation by facilitating access to archived records held in NRS. By the end of the year, over 800 government files had been digitally imaged on behalf of the Scottish Government for use by the Inquiry.



Wellcome Trust project - WWI Pensions Appeals Cataloguing

We have now reached the halfway point in this project, funded by the Wellcome Trust. These pension appeal applications are a rich and untapped resource for genealogists and researchers investigating those who fought in the First World War, revealing the wartime and postwar experiences of 30,000 Scottish ex-servicemen who were injured or later died from associated illnesses and conditions.

The records remain closed for the duration of the project but we have highlighted several interesting cases in talks and articles this year, including the case of James O'Hara, a 49-year-old unemployed miner and former soldier who killed three of his neighbours with a hand grenade following a dispute in 1916. We identified a striking crime scene plan in associated papers held by NRS, demonstrating how seemingly unrelated records can be used to enhance and reinforce each other to tell a more detailed story.

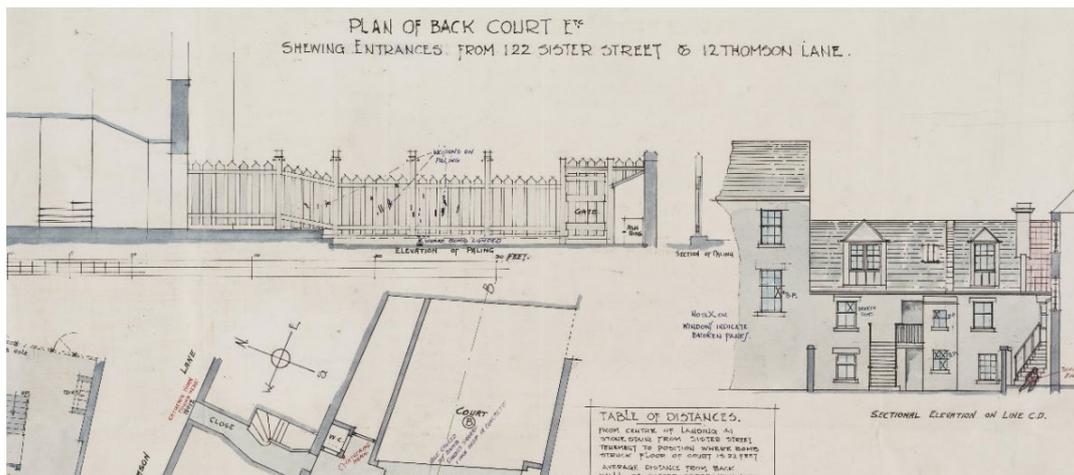


Figure 7

Crime scene map prepared for case against James O'Hara, 1916. NRS Ref: RHP140139



Public Records (Scotland) Act 2011

NRS this year agreed 17 Records Management Plans, with a total of 255 invitations issued to Scottish public authorities over the last five years. We began the process of inviting and assessing the Records Management Plans of the Integration Joint Boards (IJB), with the first IJB submissions arriving in November. This required close engagement by our assessment team, as creation and management of IJB records involves complex issues.

The Progress Update Review (PUR) self-assessment mechanism, designed to measure improvement models submitted as part of agreed plans, continued apace. Although this is a voluntary process, many authorities have agreed to take part and feedback on this process has been very positive.

We continued our outreach efforts with surgeries and talks about the Act as well as workshops on management of Sheriff Court records throughout Scotland.

We convened a stakeholder forum in July 2018 to begin discussions in preparation for a consultation to revise the Keeper's Model Records management plan. A formal public consultation process took place in December 2018, concluding in March 2019. The revised model plan will be released in 2019-20.



Figure 8
Stakeholder forum, July 2018 Digital Archiving



Digital Archiving

We have continued to develop our digital archiving capacity to fulfil our statutory duty to preserve digital records and make them available to the public.

Following on from the launch of our Web Continuity Service in 2017, we have this year captured and preserved 139 snapshots of selected websites and made them publicly available through the NRS web archive.

In collaboration with mygov.scot and the National Library of Scotland, we published design guidelines demonstrating how public authorities can embed simple design features into their websites to help improve the quality of web archiving and long-term access. This will enhance the public transparency of the owners of these websites.

We also processed 18 separate digital accessions – around 1.4 terabytes of data – from depositors including Scotland's Census, Network Rail, Cabinet Office, Ministerial Private Office and the Scottish Public Services Ombudsman.



Court and Legal Records

We received and listed our regular transmissions of records from the High Court of Justiciary and the Court of Session this year, with a very large delivery of over 204 metres of records received from Crown Office. We completed listings of older High Court trials from the year 1790 and the public can now search and inspect all High Court cases between 1790 to 1918.

We also received large transfers from sheriff courts including Glasgow, Linlithgow and Paisley, with increased numbers of divorce and family custody cases due to retention of more civil processes.

The acceptance of General Data Protection Regulation into UK law in 2018 prompted reclosure of many Court of Session civil cases by the Scottish Courts and Tribunals Service (SCTS). NRS has now introduced a new system to help SCTS and Crown Office review their records in response to Freedom of Information and data subject access requests.

Notable discoveries in our records this year included case papers relating to the infamous Glasgow George Square riot of 1919 and from the trial of notorious 19th century murderer and bodysnatcher, William Burke.



Figure 9:
George Square riot production, Ref: AD15/19/11/7



National Register of Archives for Scotland (NRAS)

The NRAS is responsible for compiling a record of papers of historical significance in private hands in Scotland, acting as a clearing house of information on these collections.

Surveys added to the Register this year included papers of the Campbell of Achalader family, which feature letters relating to the Jacobite Rebellion of 1745 and fascinating material relating to Lt Colin Campbell of the Argyll and Sutherland Highlanders (1893-1963), who was held in Germany as a prisoner of war during World War One. These documents formed part of this year's First World War exhibition, which drew upon the work of the NRAS.



Maps and Plans

This year, we launched a new feature on ScotlandsPeople giving the public access to a selection of plans from our holdings. It was the culmination of many months' preparation and was well received, with almost 19,000 images viewed since its launch.

We added over 3,200 plans to the main NRS catalogue, mostly relating to industrial subjects including Coal Board plans relating to surface buildings at Scottish pits, from winding gear to welfare facilities.

We also edited and added 1,400 railway plans from the Montague Smith Collection to the catalogue, with the assistance of the Ballast Trust in Johnstone, and catalogued around 200 plans relating to road, bridge and railway infrastructure in central and Southern Scotland from the Blyth and Blyth collection of 19th century civil engineering records.



Private Records

We received Church of Scotland records of over 50 congregations this year, reflecting the impact of church closures and amalgamations, as well as additions to our holdings of the records of the Religious Society of Friends (Quakers).

We also received a number of private deposits, including records of The Scottish Society for Employment of Reserve and Discharged Soldiers, formed in 1888, and of the Officers' Association Scotland, formed in 1920. Both societies sought to reintegrate former servicemen and women into civilian life and work.

We purchased a small number of Royal letters from 1585-1602 to add to the family collection of Vans Agnew of Barnbarroch and received a gift of the First World War diaries of James Nicol, who served in France as a junior officer in the Northumberland Fusiliers (Scottish Division). After the war, Nicol studied Divinity at St Andrews University and was the minister at a number of parishes in Scotland.



Liaison

With the Scottish Council on Archives (SCA), NRS acts as an assessor body for the UK Archive Accreditation Scheme in Scotland. This year, we were involved in assessment of four archive bodies, all of which received or renewed their accreditation status.

NRS provided speakers and was represented at many national and international events, including a symposium hosted by UNESCO Memory of the World, National Archives of Australia, and the International Council on Archives. We took part in the UK Archives and Records Association Conference and in SCA-led events aimed at strengthening engagement with and support for community archives.

We established a new team focused on developing our engagement across the archive sector, helping us to extend our work with the SCA and other partners. We continue to liaise with our local authority archive partners in the Archivists of Scottish Local Authorities Working Group, and NRS conducted seven site visits to local authority archive services throughout the year.



Conservation

Conservation and preservation are key to opening up access to our collections and support the archive work undertaken across the organisation and beyond.

In addition to supporting this year's NRS exhibitions, we supported the loan of an 18th century plan to the new V&A Scottish Design Gallery in Dundee.

On behalf of the Keeper of the Registers of Scotland, conservators apply the Great Seal of Scotland to Letters Patent to Acts of the Scottish Parliament and to various commissions, casting a total of 42 seals this year.

NRS archivists and conservators also participated in a project to develop new strategies for the care and study of cartularies – manuscript volumes containing copies of documents gathered by bodies such as monasteries. Funded by the Royal Society of Edinburgh, this project was also supported by University of Glasgow researchers and the National Library of Scotland.

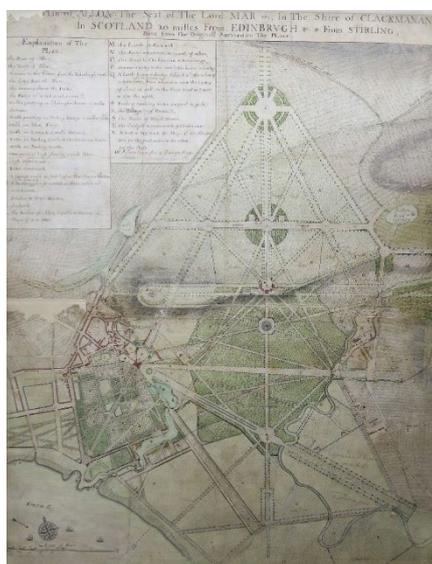


Figure 10:
Plan of Alloa, c.18th, RHP132581



ScotlandsPeople

We have now added the Highland and Island Emigration Society (HIES) records to our ancestry research service free of charge, allowing customers to trace almost 5,000 people who left Scotland to make a new life in Australia between 1852 and 1857. We also added a free maps and plans service to the website, making over 2,400 documents available to search and view.

We added almost 200,000 birth, marriage and death records, and our Index and Imaging team rescanned over 21,000 birth, marriage, death and census entries to improve the quality of digital images for customers.

The free online index search attracted over 66,000 new customers, mostly people based in the UK but also customers based in other countries, particularly in the United States of America and Australia. This year has seen an 18% increase in the number of sessions.



Search Rooms

We welcomed 21,445 visitors to our ScotlandsPeople Centre and Historical Search Room this year, an increase of just under 3% in visitors from the previous year. Over 1,000 people attended evening visits to the ScotlandsPeople Centre and we launched online seat booking for visitors, allowing customers to pay in advance and select a particular seat.

We provided 90,000 official certificates from our statutory, census and old parish records and over 1,000 official extracts from our legal records.

The Historical Search Room, Legal Search Room, and Adoptions Unit dealt with over 5,000 telephone enquiries, while Extract Services teams handled over 13,000 enquiries.



Commercial Services and Business Development

We have completed indexing of the 1940 valuation rolls for Scotland in preparation for release of 2.8 million index entries and related images via ScotlandsPeople.

We also concluded imaging of almost 7,800 volumes of the Inland Revenue Valuation Office field books, covering 1910 to 1920. Now available to visitors to our search rooms, these records make it easier to identify owners of land in Scotland.

We also completed images of the roll books of the Scottish Land Court, and undertook extensive imaging of records from George Watson's College and the Meteorological Office.

In addition to the 300,000 images our imaging teams produced for users, we continued to produce images to help answer Freedom of Information requests to the Scottish Government and to the Scottish Courts and Tribunals Service, and provided digital copies of over 800 government files in support of the work of the Scottish Child Abuse Inquiry.



Outreach and Learning

We engaged with 6,418 visitors and learners at General Register House, New Register House and elsewhere this year, including visitors to two exhibitions.

Our Edinburgh Festival Fringe exhibition “Malicious Mischief? Women’s Suffrage in Scotland” celebrated the centenary of the Representation of the People Act 1918, displaying NRS records relating to the prosecution, trial and imprisonment of suffragettes and the work of their constitutional sisters, the suffragists.

“For you the war is over: Scottish POWs 1914-1918” marked the centenary of the Armistice, alongside a memorial display commemorating General Register House staff who fell during World War One.



Figure 11:
NRS staff on Doors Open Day 2018.

We collaborated with the Centre for Digital Documentation and Visualisation on development of educational resources for the 3D Forth Bridges project, helping with research and supplying high quality images documenting construction of the Forth Bridge. The Go Forth! Digital resources are freely available to schoolchildren across Scotland through the GLOW network – the Scottish schools national intranet.

We welcomed over 1,700 adult learners, postgraduates, undergraduates and schools pupils as part of our talks programme, learning workshops and group visits.

NRS also welcomed 1,265 visitors for Doors Open Day in September 2018. Visitors toured our buildings and saw a unique display of archival documents relating to young people. They also had the opportunity to talk with staff from all over NRS as well as viewing the William Wallace letter, which is on loan from The National Archives.



The Scottish Register of Tartans

We registered 351 designs on the Scottish Register of Tartans website this year as the Register celebrated its tenth anniversary.

Notable applications included registration of a tartan commemorating the 50th anniversary of the Apollo 11 moon landing and another registered as a gift for former Scotland football team manager Alex McLeish. NASA will be presented with the Apollo 11 tartan registration certificate by the designer's daughter and grand-daughter at an event later this year.

We currently have 11,889 customers registered, an increase of 1,952 from last year. Over half of our customers are based in North America.



Figure 12:
NASA Apollo 11 Moon Landing and
Moon Walk 50th Anniversary tartan



Dr Athol Murray

We were saddened by the death of former Keeper of the Records of Scotland Dr Athol Murray this year at the age of 87.

Dr Murray joined what was then the Scottish Record Office in 1953 and had continuous association with the office for over 60 years. He made a major contribution to archives in Scotland and secured government funding to build Thomas Thomson House. On retirement, Dr Murray worked as a volunteer in NRS and was still working on the records of the Scottish Exchequer only two weeks before he died.

A recognised authority on medieval and early modern Scottish administrative history, Dr Murray's research papers were gifted by his family to NRS on his death.



Figure 13:
Dr Athol Murray

Linda Sinclair
Accountable Officer
5 September 2019

Accountability Report for the Year Ended 31 March 2019

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Accountability Report for the Year Ended 31 March 2019

Accountability Report for the year ended 31 March 2019

The Accountability Report is the second of the three elements which comprise the Annual Report and Accounts. Its purpose is to meet the requirements of NRS' accountability to the Scottish Parliament. It is composed of:

- A Corporate Governance Report, which explains the composition and organisation of NRS' governance structures and how they support the achievement of our objectives.
- A Remuneration and Staff Report which describes the remuneration of NRS' senior managers and how remuneration policy has been set and implemented. In addition it describes additional details of NRS remuneration and staff to support our accountability to the Scottish Parliament and the public.
- A Parliamentary Accountability and Audit Report which brings together further accountability disclosures, and contains the Independent Auditor's Report on the financial statements.

Corporate Governance Report

The Corporate Governance Report consists of:

- A Directors' Report, describing the basis of preparation of this Annual Report and Accounts and the management structure of NRS.
- A Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer.
- A Governance Statement, which describes NRS' system of internal control and its management of resources.

Directors' Report

Basis of Accounts

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounts direction is reproduced at p.96 of these accounts.

Departmental Accounting Boundary

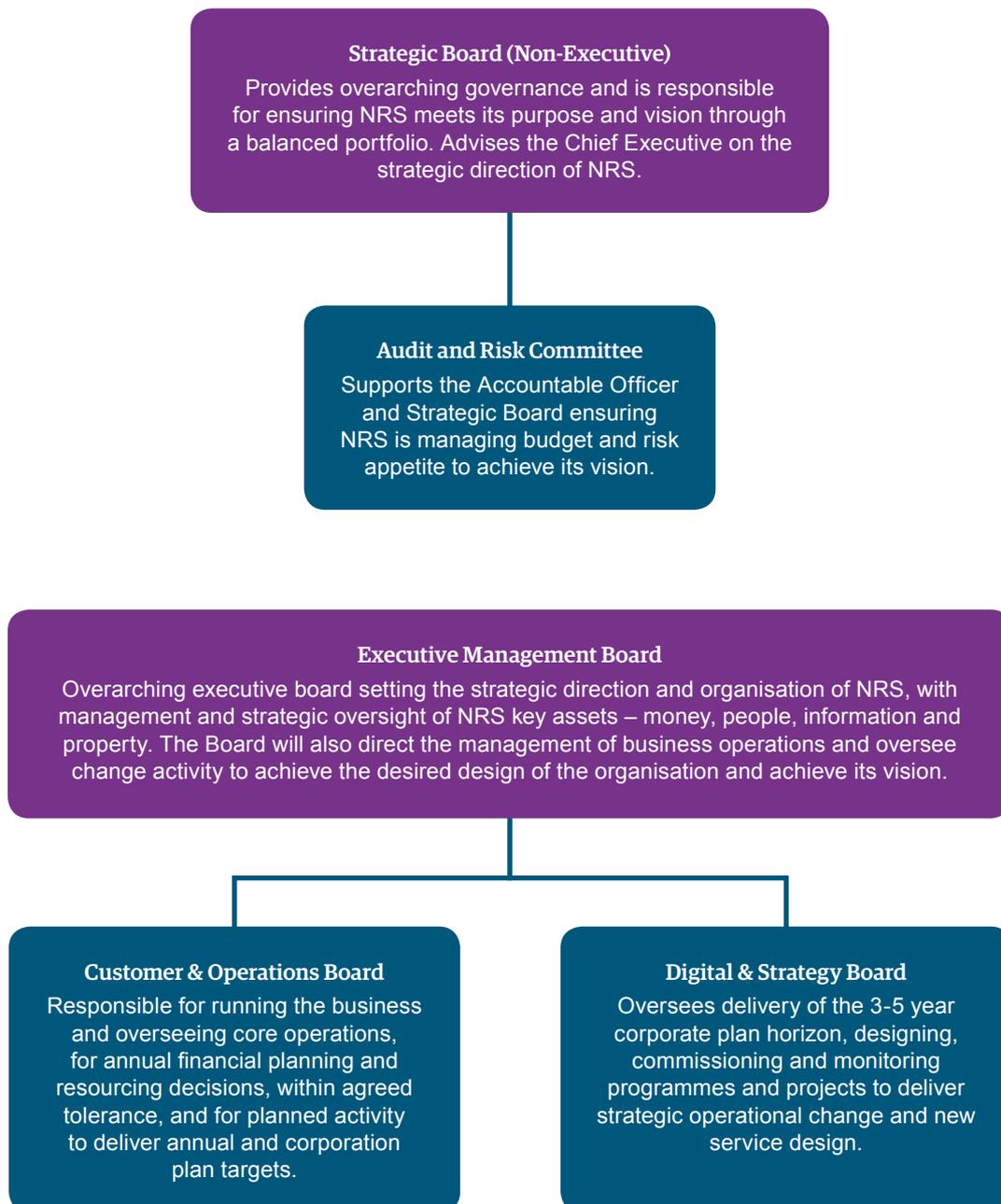
There are no associated bodies that require to be included within the departmental boundary.

Ministers and Senior Officers

NRS is a non-ministerial department of the Scottish Administration. It is headed by a Chief Executive, who fulfils the role of two non-ministerial office holders, the Registrar General for Scotland and the Keeper of the Records of Scotland. The Chief Executive reports to the Scottish Government's Director of Culture, Tourism and Major Events and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Tourism and External Affairs. During the year, from 1 April 2018 to 31 March 2019, this post was held by Fiona Hyslop MSP.

Composition of boards

The governance structure for NRS and the responsibilities of the groups that compose it, are shown in Figure 1 below.



The memberships of the Strategic Board, Executive Management Board and Audit and Risk Committee are as follows:

Strategic Board

Paul Lowe	Chief Executive, Registrar General, Keeper of the Records of Scotland (From 17 December 2018) (Chair)
Anne Slater	Interim Chief Executive (5 May - 16 December 2018) and Director of Operations and Customer Services (Chair while Interim Chief Executive)
Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland (Until 4 May 2018) (Chair)
Bill Matthews	NXD
Colin Ledlie	NXD
Mandy Gallacher	NXD
Catherine McFie	NXD
Gordon Shipley	NXD
Sam Bedford	Director of IT Services
Laura Mitchell	Director of Information and Records Services and Deputy Keeper of the Records
Linda Sinclair	Director of Strategy and Business Services and Accountable Officer (appointed Accountable Officer 21 November 2018)
Amy Wilson	Director of Statistical and Registration Services

The Strategic Board meets quarterly.

Executive Management Board

Paul Lowe *	Chief Executive, Registrar General, Keeper of the Records of Scotland (From 17 December 2018) (Chair)
Anne Slater *	Interim Chief Executive (5 May - 16 December 2018) and Director of Operations and Customer Services (Chair while Interim Chief Executive)
Tim Ellis *	Chief Executive, Registrar General, Keeper of the Records of Scotland (Until 4 May 2018) (Chair)
Sam Bedford *	Director of IT Services
Laura Mitchell *	Director of Information and Records Services and Deputy Keeper of the Records
Linda Sinclair *	Director of Strategy and Business Services and Accountable Officer (appointed Accountable Officer 21 November 2018)
Amy Wilson *	Director of Statistical and Registration Services
Steven Hanlon	Chief Finance Officer and Accountable Officer (Accountable Officer until 20 November 2018)

* *Decision-making members*

The Executive Management Board meets monthly.

Audit and Risk Committee

Colin Ledlie	NXD (Chair)
Mandy Gallacher	NXD
Bill Matthews	NXD
Michelle Lockhart	Independent External Member (Until 22 May 2018)

The Audit and Risk Committee meets quarterly.

Handling of Personal Data

We handle a large volume of personal and sensitive information every year and understand the risks associated with this. We treat maintaining the privacy of the information entrusted to us with the highest importance. We ensure that whenever we process personal information we do this fairly, lawfully and in a transparent manner. Further detail on the control environment relating to personal data and information security can be found in our Governance Statement.

During 2018-19, as a precaution, we notified the Information Commissioner about one potential personal data incident. A change made to the Scotland's 2011 Census website had the potential to expose more data than we would normally provide. Extensive investigation subsequently confirmed that no disclosure of personal identifiable census information had occurred. While the controls in place operated to prevent inappropriate disclosure, we take the protection of all census data, and all other data in our care, very seriously and have made changes to our procedures to strengthen our controls.

Independent Auditors

Responsibility for auditing the accounts of NRS lies with the Auditor General for Scotland. Audit Scotland were appointed as NRS external auditors on behalf of the Auditor General for Scotland for the period 1 April 2018 to 31 March 2019.

The external auditors were remunerated in the sum of £65,230 in respect of statutory audit services for the financial year 2018-19. The fees payable to the external auditors are shown in the Statement of Comprehensive Net Expenditure and in Note 3 to the accounts. There were no payments made for non-audit work during the year.



Linda Sinclair
Accountable Officer
5 September 2019

Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer

In accordance with an accounts direction issued under article 19(4) of The Public Finance and Accountability (Scotland) Act 2000, NRS is required to prepare resource accounts for each financial year in the form and on the basis set out in the Accounts Direction reproduced on p.96 of this document.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NRS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts the Accountable Officer is required to comply with the Government Financial Reporting Manual and in particular to:

- observe the accounts direction, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Following the requirements of the Financial Reporting Manual, NRS publishes a Performance Report alongside the Financial Statements and this Accountability Report, which provides further background to the organisation and describes what it has achieved in the year with its resources.

Section 70 of the Scotland Act 1998 requires Scottish legislation to provide for members of staff of the Scottish Administration to be designated as answerable to the Scottish Parliament in respect of expenditure and receipts. Such members of staff are called Accountable Officers. The Registrar General for Scotland/Keeper of the Records of Scotland is a statutory office-holder who is a member of the Scottish Administration and not part of the staff of the Scottish Administration. A consequence of Section 70 is that the Registrar General/Keeper cannot be designated as Accountable Officer. The Registrar General/Keeper, as statutory office-holder, remains accountable to the Parliament for the performance of his duties.

The Accountable Officer has a separate, and independent, duty to ensure certain standards and to take action if these are not met. The Director of Strategy and Business Services has been appointed by the Principal Accountable Officer as Accountable Officer for NRS. The responsibilities as the Accountable Officer for NRS include the propriety and regularity of the public finances for which she is responsible, keeping proper records and safeguarding NRS assets. These responsibilities are described in full in the 'Memorandum to Accountable Officers from the Principal Accountable Officer' published in the Scottish Public Finance Manual.

Accountable Officer's Declaration

As Accountable Officer, I confirm that the annual report and accounts as a whole are fair, balanced and understandable. I take personal responsibility for the annual report and accounts and for the judgments required to determine that it is fair, balanced and understandable.

I have taken all steps I ought to have to ensure that I am aware of any relevant audit information and to establish that the auditors are also made aware of this information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.



Linda Sinclair
Accountable Officer
5 September 2019

Governance Statement

Scope of Responsibility

I act as the Accountable Officer for NRS and have been appointed by the Permanent Secretary to the Scottish Government as Principal Accountable Officer for the Scottish Government.

As Accountable Officer, I have the responsibility for maintaining a sound system of internal control that supports the achievement of NRS' vision and purpose whilst safeguarding the public funds and assets for which I am responsible.

Purpose of the Governance Statement

The governance statement, for which the Accountable Officer takes personal responsibility, is a key feature of the organisation's annual accounts. It covers the accounting year and the period up to the date of signature and provides the reader with a clear understanding of the organisation's internal control structure and its management of resources. The statement is informed by work undertaken throughout the year to gain assurance about performance and risk management, providing an insight into the organisation's risk profile and its responses to identified and emerging risks.

The system of internal control is 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. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievement of our purpose 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. This process is integral to our business planning and progress monitoring regime and accords with the Scottish Public Finance Manual. The supervision of the regime is undertaken by the executive managers of business areas within our organisation.

Governance of NRS

NRS is a non-ministerial department within the Scottish Administration. It is headed by a Chief Executive who fulfils the role of two non-ministerial office-holders, the Registrar General for Scotland and the Keeper of the Records of Scotland (RG/Keeper).

The NRS budget is set by Parliament and the Chief Executive reports to Scottish Government's Director of Culture, Europe and External Affairs and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Tourism and Major Events. However, neither the Parliament nor Ministers can influence matters relating to the delivery of the RG/Keeper's statutory obligations.

Scottish Government has specific responsibilities with regard to non-ministerial departments such as NRS, which are set out in a framework document covering accountability arrangements and other relevant matters.

The RG/Keeper is supported in his role by a Strategic Board and an Executive Management Board. I am supported in discharging my responsibilities as Accountable Officer by the Audit and Risk Committee. The remits and membership of these boards and the Audit and Risk Committee are described in the Director's Report on pp. 30-35.

The Audit and Risk Committee's activities for 2018-19 included receiving reports from Internal Audit on Workforce Planning and Financial Controls in the Census 2021 Programme, as well as quarterly progress reports, and from External Audit concluding on their audit of the 2017-18 financial statements and their plans for the 2018-19 audit. In addition, the committee has examined risk, governance and financial management arrangements throughout the year, and has undertaken focus sessions on risk associated with NRS' estate, its people, IT infrastructure and capability, and the Census 2021 programme.

Financial Management

I, as Accountable Officer for NRS, formally delegate responsibility for financial management to business area leads and budget managers. These named individuals are responsible for ensuring that expenditure is committed and recorded in line with the Scottish Public Finance Manual and with the principles of Value for Money. Furthermore, they are responsible for identifying and raising income as required. These delegations are recorded and are reviewed continuously to ensure that they remain up-to-date.

The budget for NRS is set in the context of the Scottish Government's annual budget process. Budget managers receive a monthly financial report detailing incurred income and expenditure, and are required to provide, with the advice and support of the Finance team, updated forecasts each month. The Strategic Board and Executive Management Board received at each meeting a financial update which highlighted performance in the year to date and the current forecast to the end of the year. In addition, NRS provides monthly financial monitoring information to Scottish Government Finance Directorate.

Planning, Risk Management and Business Continuity Arrangements

Planning

NRS operates within the National Performance Framework set by Scottish Ministers. We support several of the Scottish Government's key National Outcomes. NRS has developed a strategy which explains its purpose and vision, and provides the strategic context that supports its corporate planning.

During 2016-17, NRS put in place a corporate plan, covering the period 2016 – 2022, which describes its long-term objectives. Our plan is refreshed annually to include a business plan for the year ahead. The corporate plan forms the basis of the annual planning exercise, which determines the immediate steps to be taken to deliver its objectives. During this planning exercise, our business areas and teams consider how they will contribute to our vision and objectives. This then informs local business area plans, from which teams and individual staff can identify team and personal objectives.

Annual objectives contributing to the five year corporate plan were agreed for 2018-19. Following the implementation of our new governance structure last year, the Customer and Operations Board has taken on responsibility for assuring the delivery of the annual plan, and owners of objectives are required to make quarterly reports to this board.

Risk Management

Our Risk Management Framework helps us to take a structured and consistent approach to identifying and managing the threats and opportunities associated with delivering our strategic priorities.

A deep dive of the Corporate Risk Register was undertaken by the EMB in August 2018. This was the starting point for a full review of our current risk management processes. This review is to ensure that we accurately record our view of corporate risks and take appropriate action to ensure the relevant controls and mitigations are in place.

A new Risk, Compliance and Assurance Lead has been appointed and will consider our overall risk management framework and the improvements we can make going forward to consolidate our Corporate risks and further embed risk management across NRS business areas.

We have identified a need to review and refresh our approach to the management of health and safety risks. Further information on the approach to this review can be found on p.60.

Our risks are identified and prioritised with reference to objectives and to the external and internal context in which they arise. Key elements of the risk management framework are:

- The EMB, led by the Chief Executive, has overall responsibility for reviewing and monitoring strategic risk, and risk across NRS' portfolio of activities is a regular agenda item at meetings;
- The ARC reviews risk across the organisation at each meeting. The ARC advises the Chief Executive, and EMB on the management of risks and supports me, as Accountable Officer, in my responsibility to ensure that risk management and internal control arrangements are sound.
- In NRS each business area has responsibility for managing operational risk, with escalation routes to the Customer & Operations Board or the Digital & Strategy Board, depending on which had oversight responsibility.
- NRS senior managers have responsibility for identifying, evaluating and managing operational and strategic risk within their areas and for escalating risks to the appropriate level of the governance structure, following guidelines which are set out in the framework; and
- The corporate boards and business areas are supported by the NRS Strategy & Planning team who provide advice and guidance on risk management.

Significant strategic risks that NRS is currently managing include:

- Delivery of the complex and high profile Census 2021 programme (further details below, on p.46) and the management of the commercial arrangements that support the programme;
- Ensuring that we have the specialist skills that we require to support our activities and deliver our key programmes, most notably those that are required to deliver our digital ambitions and the 2021 Census;
- Recognising the value and importance of the information assets we hold, both in terms of appropriately safeguarding them and of maximising the opportunities to use our information to benefit customers and stakeholders;
- Ensuring our buildings provide a safe, secure and effective environment for staff and the public.

Business Continuity

In the event of an incident resulting in a loss of resource (people, premises, technology, information and/or supplies), NRS' business continuity aims are: to protect the records and information within our control; to satisfy statutory and legal responsibilities; to maintain communication with customers and stakeholders; to continue services at a level that will safeguard our credibility; and to keep all other impacts within acceptable limits. NRS operates a Business Continuity Management System to coordinate contingency planning across the organisation, and has incident control arrangements in place to ensure the protection, preservation and restoration of our valuable records. During the year, we have transferred the management of our Business Continuity system into our internal electronic records management store, with a web based back-up solution to improve our accessibility. A newly appointed Business Continuity lead will conduct a review of our business continuity plans to ensure they continue to meet our needs in a crisis situation.

In October 2018, we experienced disruption to our energy supply which affected two of our buildings, Thomas Thomson House and Ladywell House. Our estates and IT teams managed our response and we were fully operational within 24 hours. We conducted post-incident reviews and identified gaps in our communications during and after incidents. As a result, we introduced an emergency text messaging solution to improve our communications in a crisis.

We have identified a need to carry out surveys of the structure of the Adam Dome at General Register House. This has resulted in the Adam Dome being closed. Subsequently, the front door to General Register House has been closed to allow the necessary scaffolding to be put in place. Alternative arrangements for access to the building have been put in place and communicated to staff and the public, and the records normally stored in the Adam Dome have been removed to temporary locations.

An Internal Audit review has been agreed with our Audit and Risk Committee to test and assure the effectiveness of our Business Continuity Management system.

Asset Management and Counter-Fraud

NRS has an anti-fraud policy, which describes roles and responsibilities in relation to fraud. A Fraud Response Plan is in place to ensure that prompt and effective action is taken to investigate the circumstances of suspected frauds, minimise potential losses, and take the appropriate legal and disciplinary action. Actions are led by a designated counter-fraud officer and supported by a Fraud Response Group.

All cases of actual or suspected fraud are vigorously and promptly investigated and appropriate action taken. The police will be informed where considered appropriate. In addition disciplinary action is considered not only against those members of staff found to have perpetrated frauds but also against managers whose negligence is held to have facilitated frauds. Recovery action will also be taken where possible, and weaknesses in internal control corrected.

During 2018-19 we have worked on raising awareness of fraud and our zero-tolerance attitude to it through a combination of staff messages and physical signage across our estate, complemented by a new intranet page on counter-fraud. Staff messaging and the intranet page highlight the available online training on fraud, which is recommended for staff with financial responsibilities.

An Asset Management Policy is in place that provides a framework within which NRS assets can be managed effectively. In implementing this policy, we have enhanced our physical asset controls by undertaking more robust asset verification to improve records and identify assets no longer in use.

As part of the ongoing management of our estate, a number of projects to make repairs or mitigate risks on our historic and specialist buildings have been identified, particularly regarding West Register House and Thomas Thomson House. Progress in starting these projects has not been as fast as anticipated over the year. However, the organisation has learned lessons on the lead times to such major projects and dedicated project management expertise has now been engaged to drive these projects forward.

Information Security

The core business of NRS is to collect, process, safeguard, and make available information about Scotland's people and history in an accessible, useful, responsible, and efficient way. We protect the information that we keep, using an information security governance and assurance structure and a suite of information security policies. Information security advice and guidance is provided by a team of qualified information security professionals.

NRS follows the principles of the International Security Standard (ISO27001) and works within HM Government Security policies and guidance as well as following various relevant professional codes of conduct. All staff and contractors employed in NRS are required to undergo pre-employment checks carried out to the Baseline Personnel Security Standard (BPSS) outlined in the HMG Security Policy Framework. All staff undertake mandatory annual data protection training and all new staff undertake new entrant security/data handling training.

NRS achieved Cyber Essentials Plus certification in October 2018, demonstrating our commitment to continuous security improvement and providing a level of external independent assurance that we are doing the right things to help protect our customers, the systems and services we deliver and the data we are trusted to hold.

NRS ran a number of IT health checks on our Internet facing services over the course of 2018. This approach externally verifies our security controls and identifies any potential security weaknesses. The findings of the testing provided some recommendations that have been accepted, with all appropriate mitigating actions put in place, improving the security of our external services and providing greater protection for our customers.

In order to ensure that we meet information security requirements now and in the future, as we look to deliver more digital services, we conducted a review of our security model in 2018. The review identified a new operating model which we will use to ensure that we continue to look after people's information securely and manage our information in ways that are consistent with relevant legislation and security requirements and that serve the public good.

New data protection laws came into force on 25 May 2018. NRS has worked in collaboration with our partners in government and other sectors to ensure that all of our policies and operations are compliant with the General Data Protection Regulation and the Data Protection Act 2018. Our NRS Data Protection Officer is a member of the Executive Management Board. NRS now routinely uses data protection impact assessments to ensure that when we process personal data it will benefit the public and that any privacy issues are identified and addressed at the outset. We publish privacy information explaining the uses NRS makes of personal information and the rights individuals have under data protection legislation and how they can exercise them at the [NRS website](#).³

Internal Audit carried out a review of our responses to IT security events and GDPR preparations in 2017. They assessed our controls in this area as adequate, while identifying a number of recommendations for improvement. In their follow-up review in December 2018 they concluded that all recommendations have now been evidenced as fully implemented.

Programmes and Projects

All significant projects and programmes are overseen by a Project or Programme Board whose role is to oversee delivery and manage the associated risks. Complementing this oversight, NRS manages risk and performance of projects and programmes as part of the overall portfolio of activities directed towards delivering its corporate plan. In particular, the Executive Management Board received regular reports on progress and risk across our major programmes and projects.

³ <https://www.nrscotland.gov.uk/privacy>

Our key programmes and projects are summarised below.

2021 Census

The census is highly valued by government departments, local authorities, public bodies, business, the voluntary sector, academic researchers, commentators and individuals. Population and housing statistics, particularly small area and small population statistics, underpin the allocation of billions of pounds of public spending each year at national and local levels. They are fundamental to policy formulation, decision making, research and outcome monitoring across the public, private and voluntary sectors.

The risk of failure to meet the primary aims of the 2021 Census is a key strategic risk for NRS, due to its impact on policy and funding across the public sector and wider stakeholders, and the potential for reputational damage to NRS. This risk is being managed through strong engagement with stakeholders, including Scottish Government as funders of the programme, market engagement to test whether the packages of services that the census will rely on can be delivered and through the use of independent assurance mechanisms such as internal audit, gateway reviews and the Technology Assurance Framework (TAF) operated by the Office of the Chief Information Officer.

Weaknesses in risk management identified by Internal Audit in 2017-18 have been addressed through a series of measures, including improvements to the reporting of risk within the programme and a focussed exercise undertaken by the Programme Board to refresh and revise programme-level risks. On-going assurance activity during 2018-19 has identified further weaknesses in the governance and programme management arrangements for the programme. The programme is working to implement the recommendations made in these reviews.

However, the programme faces significant challenges from both budget and schedule perspectives. A recovery plan incorporating risk-reduction activities as well as actions identified across a range of assurance processes has been developed and is currently being implemented.

In addition, issues regarding the financial management of the programme have emerged during 2018-19. These issues, and the response to them, are discussed below, in the Review of Effectiveness on pp.47-48.

Digital Preservation Programme

The Keeper of the Records of Scotland has a statutory duty to preserve and make available records created by him or deposited by stakeholder bodies, including Scottish Government, Scottish Courts and Tribunals Service and the Scottish Parliament. The purpose of this project is to deliver the capability to discharge this duty for records that have been created in digital, rather than paper, form. Informed by a Gateway Review commissioned by the programme's Senior Responsible Owner, NRS has decided that the programme will be recast as a project and that the business case will be refreshed and reconsidered in the context of NRS' business strategy.

Common Operating Platform

This programme will modernise and simplify the complex IT estate that NRS inherited from its predecessor organisations. This will consolidate the existing NRS IT environments into a single environment, and will reduce cost, improve resilience and increase flexibility. The programme consists of a set of projects, each focussed on moving one existing environment into the new one. The initial phase is expected to be complete during 2019-20. The programme is overseen by the IT Programmes and Projects Board, which is accountable to the Customer and Operations Board and the Digital and Strategy Board for business outcomes.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- seeking assurances from the business leads across NRS, who have responsibility for the development and maintenance of the internal control framework;
- the work of the Scottish Government internal audit team, who submit to me and to the Audit and Risk Committee regular reports on the adequacy and effectiveness of our system of internal control, together with recommendations for improvement;
- the comments made by the external auditors, Audit Scotland, in their management letters and other reports;
- the results of Gateway Reviews and similar assurance processes; and
- any other specific reviews that are commissioned from time to time.

We rely on the Scottish Government (SG) for the provision of many important aspects of our corporate services. For example, most of our Human Resource related support comes from the SG's 'One HR' service and the SG provide and support our finance and accounting system, as well as operating a range of key controls over transactions and balances within it. I receive assurances on the robustness of these services from the SG Directors who have responsibility for their delivery. In general, I am satisfied that these services meet our requirements and I recognise that economies of scale have been achieved from their use.

Our internal auditors have provided an opinion of 'Limited Assurance' on NRS' governance, control and risk management arrangements. This indicates that there are weaknesses in current arrangements that could affect the delivery of objectives, but that exposure to these weaknesses is moderate and being mitigated. Internal auditors' key messages highlighted weaknesses in financial controls on the Census programme, as discussed below, and in workforce planning, where a review of processes and approach is underway.

Based on these sources of information and assurance, and my own knowledge of internal control matters, I have identified one significant internal control issue that has arisen during the year, regarding financial management within the Census 2021 programme. During the year, the programme's in-year budget requirements have had to be materially revised, principally due to failure to fully reflect project plans within financial forecasts, lack of communication between key responsibilities and misalignment between delivery and financial management responsibilities. Activity is underway to correct these weaknesses, with a working group established to develop improved processes and Internal Audit work undertaken to test our understanding of the issues and assess the planned mitigating actions.

Beyond this issue, I am satisfied that during the year the system of internal control was effective in helping us to meet NRS' policies, aims and objectives.



Linda Sinclair
Accountable Officer
5 September 2019

Remuneration and Staff Report

The Remuneration and Staff Report consists of two elements:

- A Remuneration Report, describing the remuneration of NRS' senior management; and
- A Staff Report, which discusses our people, our key policies and the numbers and cost of our staff.

Remuneration Report

The Registrar General/Keeper and their staff are part of the Scottish Administration under the Scotland Act 1998. Fiona Hyslop MSP, Cabinet Secretary for Culture, Tourism and External Affairs answers in the Scottish Parliament on matters relating to NRS, advised by the Registrar General/Keeper. The First Minister is responsible for appointing the Registrar General/Keeper and for laying before the Scottish Parliament the Annual Report of the Registrar General.

Neither the Cabinet Secretary for Culture, Tourism and External Affairs, nor the First Minister, receives specific remuneration relating to their responsibilities for NRS.

The remuneration for the Registrar General/Keeper was set by the Scottish Government. For other senior officials remuneration was determined by pay arrangements covering the Senior Civil Service and other staff in the Scottish Government and Associated Departments.

For the purposes of disclosing remuneration, NRS considers its senior management, responsible for directing the activities of NRS as a whole, to be the membership of the Executive Management Board and Strategic Board (see pp.32-34 for the remits and memberships of these boards).

Salaries

The salary and pension entitlements of our senior management, including the Chief Executive and Registrar General/Keeper's, were as follows:

Single total figures of remuneration 2018-19: ^{(1), (2), (3)}

Board Members	Salary (£'000)	Bonus payments (£'000)	Benefits in kind (to nearest £100)	Pension benefits ⁽⁵⁾ (£'000)	Total (£'000)
Paul Lowe ⁽⁹⁾ – joined NRS 17 December 2018 Chief Executive	20-25	-	-	11	30-35
Tim Ellis ⁽¹⁰⁾ – left post 4 May 2018 Chief Executive	5-10	-	-	2	5-10
Amy Wilson Director of Statistical and Registration Services	70-75	-	-	33	100-105
Laura Mitchell ⁽⁶⁾ Director of Information and Records Services	55-60	-	-	28	85-90
Anne Slater Director of Operations and Customer Services	70-75	-	-	65	135-140
Steven Hanlon ⁽⁷⁾ Chief Finance Officer	45-50	-	-	20	65-70
Sam Bedford Director of IT Services	75-80	-	-	30	105-110
Linda Sinclair ⁽⁸⁾ Director of Strategy and Business Services and Accountable Officer	60-65	-	-	23	85-90
Bill Matthews ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Catherine McFie ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Colin Ledlie ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Gordon Shipley ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Mandy Gallacher ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5

- (1) The figures within the 2018-19 table above, both pension tables below and the median reported at paragraph 2 below are the only parts of the Remuneration Report that are required to be audited by external audit.
- (2) Calculations for determining the pension figures in the above table are produced by MYCSP on behalf of the Scottish Government for NRS.
- (3) In line with Scottish Government pay policy arrangements, no performance related awards apply for 2018-19.
- (4) During the year Non-Executive Directors earned £225 per Strategic or Management Board meeting attended.
- (5) The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
- (6) Part time member, full time equivalent salary band 70-75.
- (7) Part time member, full time equivalent salary band 55-60.
- (8) Part time member, full time equivalent salary band 70-75.
- (9) Full year equivalent salary band 80-85.
- (10) Full year equivalent salary band is 75-80.

Single total figures of remuneration 2017-18: ^{(11), (12), (13)}

Board Members	Salary (£'000)	Bonus payments (£'000)	Benefits in kind (to nearest £100)	Pension benefits ⁽¹⁵⁾ (£'000)	Total (£'000)
Tim Ellis ⁽¹⁷⁾ Chief Executive - left post 4 May 2018	75-80	-	-	19	95-100
Amy Wilson Director of Statistical and Registration Services	70-75	-	-	31	100-105
Laura Mitchell ⁽¹⁶⁾ Director of Information and Records Services	55-60	-	-	16	70-75
Anne Slater ⁽¹⁷⁾ Director of Operations and Customer Services	65-70	-	-	25	90-95
Steven Hanlon ⁽¹⁸⁾⁽¹⁹⁾ Chief Finance Officer, Accountable Officer - appointed to Executive Management Board 1 January 2018	10-15	-	-	5	15-20
Sam Bedford ⁽²⁰⁾ Director of IT Services - joined NRS 23rd October 2017	30-35	-	-	13	45-50
Linda Sinclair ⁽²¹⁾ Transition Manager - appointed to Executive Management Board 1 January 2018	10-15	-	-	3	15-20
Bill Matthews ⁽¹⁴⁾ Non-Executive	0-5	-	-	-	0-5
Catherine McFie ⁽¹⁴⁾ Non-Executive	0-5	-	-	-	0-5
Colin Ledlie ⁽¹⁴⁾ Non-Executive	0-5	-	-	-	0-5
Gordon Shipley ⁽¹⁴⁾ Non-Executive	0-5	-	-	-	0-5
Mandy Gallacher ⁽¹⁴⁾ Non-Executive	0-5	-	-	-	0-5

(11) The figures within the 2017-18 table above, both pension tables below and the median reported at paragraph 2 below are the only parts of the Remuneration Report that are required to be audited by external audit.

(12) Calculations for determining the figures in the above table are produced by MYCSP on behalf of SG for NRS.

(13) In line with Scottish Government pay policy arrangements, no performance related awards apply for 2017-18.

(14) During the year Non-Executive Directors earned £225 per Strategic Board meeting attended.

(15) The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

(16) Full year equivalent salary band 70-75

(17) Tim Ellis left post 4th May 2018, Anne Slater took on Acting Chief Executive post

(18) Joined when the Executive Management Board replaced the Management Board on 1st January 2018

(19) Full year equivalent salary band is 50-55. Member is also part-time so would have disclosed remuneration of 40-45 had he been on the Management Board for a full year.

(20) Full year equivalent salary band 70-75

(21) Full time equivalent salary band 70-75. Member is also part-time so would have disclosed remuneration of 50-55 had she been on the Management Board for a full year.

Fair Pay Disclosure

In accordance with the Financial Reporting Manual, reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in NRS in the financial year 2018-19 was £80-85k (2017-18: £75k-80k). This is 2.8 times the median remuneration of the workforce, which was £25-30k (2017-18: 2.9 times, median £25-30k). The range between the lowest and highest remuneration bands was £15-25k to £80-85k (2017-18: £15-20k to £75-80k).

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

Benefits In Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the H.M. Revenue and Customs as a taxable emolument.

Civil Service Pensions

The pension entitlements of Management Board members are set out in the tables below:

Single total figures of pensions 2018-19:

Board Members	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age at 31/3/19	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'000
Paul Lowe - joined NRS 17 December 2018 Chief Executive	20-25 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0-2.5	341	332	6	-
Tim Ellis - left post 4 May 2018 Chief Executive	30-35 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	477	461	1	-
Amy Wilson Director of Statistical and Registration Services	20-25 plus a lump sum of 40-45	0-2.5 plus a lump sum of 0-2.5	333	272	18	-
Laura Mitchell Director of Information and Records Services	25-30 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0-2.5	550	475	18	-
Anne Slater Director of Operations and Customer Services	30-35 plus a lump sum of 90-95	2.5-5 plus a lump sum of 2.5-5	681	566	50	-
Steven Hanlon Chief Finance Officer	5-10	0-2.5	72	51	8	-
Sam Bedford Director of IT Services	0-5	0-2.5	21	5	9	-
Linda Sinclair Director of Strategy and Business Services	20-25 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0-2.5	359	302	11	-

Single total figures of pensions 2017-18:

Board Members	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase in pension and related lump sum at pension age at 31/3/18	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'000
Tim Ellis Chief Executive - left post 4 May 2018	30 - 35 plus a lump sum of 70 - 75	0 - 2.5 plus a lump sum of 0	461	427	4	-
Amy Wilson Director of Statistical and Registration Services	15 - 20 plus a lump sum of 40 - 45	0 - 2.5 plus a lump sum of 0 - 2.5	272	240	15	-
Laura Mitchell Director of Information and Records Services	25 - 30 plus a lump sum of 65 - 70	0 - 2.5 plus a lump sum of 0	475	439	7	-
Anne Slater Director of Operations and Customer Services	25 - 30 plus a lump sum of 80 - 85	0 - 2.5 plus a lump sum of 0	566	517	13	-
Steven Hanlon Chief Finance Officer, Accountable Officer	5-10	0-2.5	51	49	2	-
Sam Bedford Director of IT Services	0-5	0-2.5	5	0	3	-
Linda Sinclair Transition Manager	20 - 25 plus a lump sum of 45 - 50	0 - 2.5 plus a lump sum of 0	297	286	1	-

Cash Equivalent Transfer Values

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

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

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the year.

Staff Report

Our People

We have 480 members of staff. Only the Chief Executive is in the Senior Civil Service.

Staff Information	2018-19	2017-18
Staff (whole time equivalent)	480	449
Staff Turnover	13.6%	13.4%
Sick absence/person	9.7 days	9.8 days
Male/Female staff %	46/54%	52/48%
Male/Female Board members % (Strategic Board)	50/50%	50/50%
Male/Female Senior Management % (Chief Executive and directors)	40/60%	40/60%

Pay

We follow Scottish Government Pay Policy for Staff Pay Remits regarding pay increases. The 2018 pay award applied from 1 April 2018, and set pay increases at 3% for pay steps below £36,500, with pay band maxima for more senior staff increasing by 3% and an underpinning increase of £750 for staff earning below £25,000.

Information on the cost of staff pay in 2018-19 is provided on p.61, under 'Staff Numbers and Related Costs'.

Pension Benefits

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website can be found at the [Civil Service Pension Scheme website](#).⁴

Further details of pensions costs and contributions during 2018-19 can be found under 'Staff Numbers and Related Costs' and 'Pension Costs' below.

Sickness Absence

Please see the Our People section for information on sickness absence.

Civil Service Employee Survey 2018

In October 2018, our staff were asked to participate in the annual Civil Service wide People Survey which measures the extent of employee engagement within the organisation. Permanent and temporary staff are invited to complete the survey. A total of 60% of staff participated and we achieved an overall engagement score of 52%. A copy of the results can be found on [our website](#).⁵

⁴ www.civilservicepensionscheme.org.uk

⁵ <https://www.nrscotland.gov.uk/about-us/corporate-information#engagement>

Equality and Diversity

The NRS Mainstreaming Equality Report demonstrates how NRS embeds equality, not only in our functions, but in the service we provide.

We have a series of NRS Equality Outcomes which allow us to fulfil the General Equality Duty, meaning that in the exercise of our functions we will have due regard to the need to:

- (1) eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by the Equality Act 2011;
- (2) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- (3) foster good relations between people who share a protected characteristic and those who do not.

A copy of both our Mainstreaming Report and Equality Outcomes, published on 1 April 2013, and an Update Report published in July 2017 can be found on [our website](#).⁶

As part of the “Partnership for Change Pledge”, launched in 2015, NRS committed to further the diversity of our Management Board (now our Strategic Board), aiming to achieve a 50/50 gender balance by 2020. This was achieved during 2017.

Disability

We want our workplaces to be environments where colleagues with a disability feel respected and supported. We are fully committed to equal opportunity in the workplace, both in principle and in practice. We always aim to meet the standards of the Equality Act and treat everyone with dignity and respect.

Staff are encouraged to add disability details to the online HR system, which helps us to monitor and improve our policies and working practices.

Of the records added to the system as at 31 March 2019 this detailed:

Disabled	Not disabled	Prefer not to say	Unknown
45	204	3	180

⁶ <http://www.nrscotland.gov.uk/about-us/corporate-information>

Trade Union Relationships

At the quarterly Joint Partnership Board, NRS management consults with the Trade Union Side (TUS) at the formative stages of NRS organisational policy development, both at strategic and operational level. The TUS represents, promotes and protects their members' interests. The trade unions represented at the meeting are Public and Commercial Services Union (PCS), FDA and Prospect.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on the NRS website before the 31 July each year. This data is published on the [NRS website](#).⁷

NRS had seven (FTE equivalent: 6.6) employees who were trade union officials during the year to 31 March 2019. Five employees spent between 1-50% of working hours on facility time and two spent none. The percentage of NRS' total pay bill spent on paying employees who were relevant trade union officials for facility time during the relevant period was 0.03%. Time spent on paid trade union activities as a percentage of total paid facility time hours was 91%.

⁷ <https://www.nrscotland.gov.uk/about-us/corporate-governance>

Employability

NRS staff have Scottish Government terms and conditions of employment. We follow and apply Scottish Government HR policy and procedures.

Flexible Working Hours

Under the Flexible Working Policy any member of staff can apply to work flexibly, either formally or informally. Formal flexible working would be part-time hours.

Informal arrangements could be alternative working patterns, include working compressed hours, working from home or term-time working. As at 31 March 2019, 23% of staff had a part time formal working contract.

Employment Opportunities

NRS offers opportunities for people to obtain work experience, including paid 42-week Student Placements and placements for Graduate Trainee Archivists. We work with Midlothian Council to provide Secondary School pupils with a week's work experience to help them experience life in the workplace through direct observation and hands-on experience.

During 2018-19 we employed two Modern Apprentices, who are provided with permanent employment and are being supported to gain a recognised qualification, SVQ2, level 2 in Business Administration and 2 IT Modern Apprentices at junior management entry level.

Health and Safety

All staff undertake annual fire evacuation training and desk assessments to reinforce staff wellbeing while attending their workplace. Additionally, voluntary Health and Safety Liaison Officers champion health and safety within their business area and ensure that potential health and safety issues are reported for coordination and improvement. NRS has commenced a review of the overarching governance and management of health and safety within NRS to address any gaps in Health and Safety policy, procedure, practice and resources. As part of this review, a new Health and Safety Committee is to be set up as a sub-group of the Executive Management Board to have strategic oversight of Health and Safety issues in the organisation. The NRS Partnership Board (Unions) are fully engaged in this review.

Staff Numbers and Related Costs

The average number of whole-time equivalent (WTE) persons employed (including senior management) during the year, analysed by Directorate, was as follows:

	2018-19 Average WTE Staff	2017-18 Average WTE Staff
Information and Records Services	64	54
IT Services	114	80
Operations and Customer Services	104	102
Statistical and Registration Services	158	169
Strategy and Business Services	40	44
Total	480	449

Restated total 2017-18 is due to organisational restructure.

Average WTE staff numbers during 2018-19 can be broken down into 395 permanent staff and 85 temporary staff (2017-18: 385 and 64 respectively).

The aggregate payroll costs for all staff employed by NRS were as follows:

	2018-19			2017-18		
	Permanent Staff £'000	Temporary Staff £'000	Total Staff £'000	Permanent Staff £'000	Temporary Staff £'000	Total Staff £'000
Wages and Salaries	12,142	8,748	20,890	11,310	4,512	15,822
Social Security Costs	1,176	33	1,209	1,091	36	1,127
Pension Costs	2,432	78	2,510	2,267	82	2,349
Other Staff Costs	7	-	7	23	-	23
Total	15,757	8,859	24,616	14,691	4,630	19,321

During the year there were no payments made from NRS to Ministers or Special Advisers.

Exit Packages

There were no exit packages incurred during the year (2017-18: Nil).

Pension costs

The PCSPS and alpha schemes are unable to identify individual employers' shares of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2016. Details can be found in the separate scheme statement for the PCSPS at the [Civil Service Pensions Scheme website](#).⁸

For 2018-19 employers' contributions of £2,510k (2017-18: £2,349k) were payable to PCSPS at one of five rates in the range 20 to 24.5% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires, and not the benefits paid during this year to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions are paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8 to 14.75 per cent of pensionable pay. Employers also match employee contributions up to 3% of pensionable earnings. For 2018-19 the value of Employers' Contributions relating to the partnership pension account was £33,303.42 (2017-18: £25,004.28).



Linda Sinclair
Accountable Officer
5 September 2019

⁸ www.civilservicepensionscheme.org.uk

Parliamentary Accountability and Audit Report

The Parliamentary Accountability and Audit Report consists of:

- the Parliamentary Accountability Report; and
- the Independent auditor's report to National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament.

Parliamentary Accountability Report

Regularity of Expenditure

The expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

NRS incurred no losses or special payments above the £250k reporting threshold.

Fees and Charges

Details of income gathered by NRS through fees and charges can be found in Note 4 to the financial statements, on pp.81-82. This note also gives details of the financial objectives of the fees and charges and performance against these objectives.

Remote Contingent Liabilities

The Financial Reporting Manual states that where information about contingent liabilities is not required to be disclosed because the likelihood of a transfer of economic benefits is considered too remote, they should be disclosed separately for parliamentary reporting and accountability purposes. NRS does not have any remote contingent liabilities at 31 March 2019.

The information in this report is subject to audit.



Linda Sinclair
Accountable Officer
5 September 2019

Independent auditor's report to National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of National Records of Scotland for the year ended 31 March 2019 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 18 July 2016. The period of total uninterrupted appointment is 3 years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#).⁹

Other information in the annual report and accounts

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

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

⁹ <http://www.frc.org.uk/auditorsresponsibilities>

Report on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Asif A Haseeb OBE
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

5th September 2019

Financial Statements for the Year Ended 31 March 2019

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
INCOME			
Operating Income	4	(7,569)	(6,540)
Fees and charges for records and services	4	(7,293)	(6,248)
Property rental Income	4	(276)	(292)
EXPENDITURE			
Staff Costs	2	24,616	19,321
Operating Expenditure	3	13,401	11,920
Depreciation and amortisation	6	2,153	2,188
Movement on provisions	10	-	-
Grants	3	164	193
Other Operating Expenditure	3	11,084	9,539
Net Operating Costs for the Year		30,448	24,701
Other Comprehensive Income		(513)	(414)
Revaluation gain	6	(513)	(414)
Total Comprehensive (Income)/Expenditure for the Year		29,935	24,287

The notes on pages 73 to 95 form part of these financial statements.

Statement of Financial Position as at 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Non-Current Assets			
Property, plant and equipment	6	17,356	17,990
Intangible assets	6	11,315	8,627
Trade and other receivables	7	104	265
		28,775	26,882
Current Assets			
Trade and other receivables	7	1,581	1,490
Cash and cash equivalents	8	1	1
		1,582	1,491
Total Assets		30,357	28,373
Current Liabilities			
Trade and other payables	9	4,044	3,039
Provisions for liabilities and charges	10	-	33
Non-Current Assets Less Net Current Liabilities		26,313	25,301
Non-Current Liabilities			
Provisions for liabilities and charges	10	-	-
Net Assets		26,313	25,301
Taxpayers' Equity			
General Fund	SoCTE	19,595	18,796
Revaluation Reserve	SoCTE	6,718	6,505
Total Equity		26,313	25,301

The notes on pages 73 to 95 form part of these financial statements.



Linda Sinclair
Accountable Officer
5 September 2019

The Accountable Officer authorised
these financial statements for issue
on 5 September 2019.

Statement of Cash Flows for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Cash flows from operating activities			
Net operating cost	SoCNE	(30,448)	(24,701)
Adjustments for non cash transactions			
- depreciation	3	2,153	2,188
- loss on disposal of non-current assets	3	11	48
- audit fee	3	65	63
Movements in working capital			
- (Increase)/decrease in receivables	7	70	(236)
- (Decrease)/increase in payables	9	1,005	558
- (Decrease)/increase in provisions	10	(33)	(21)
Net cash outflow from operating activities		(27,177)	(22,101)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(264)	(1,573)
Purchase of intangible assets	6	(3,441)	(120)
Proceeds from disposal of property, plant and equipment	6	-	-
Net cash flow from investing activities		(3,705)	(1,693)
Cash flows from financing activities			
Funding	SoCTE	30,882	23,794
Cash flows from financing activities		30,882	23,794
Net movement in cash and cash equivalents		8	-
Cash and cash equivalents at beginning of year	8	1	1
Cash and cash equivalents at end of year	8	1	1

The exact sum of Parliamentary net funding drawn during the 2018-19 financial year was £30,881,802.24.

The notes on pages 73 to 95 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2018		18,796	6,505	25,301
Net operating costs for the year ended 31 March 2019	SoCNE	(30,448)	-	(30,448)
Revaluation adjustment	6	-	513	513
Transfers between reserves	6	300	(300)	-
Notional auditors' remuneration	3	65	-	65
Net funding		30,882	-	30,882
Balance at 31 March 2019		19,595	6,718	26,313

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2017		19,290	6,441	25,731
Net operating costs for the year ended 31 March 2017	SoCNE	(24,701)	-	(24,701)
Revaluation adjustment	6	-	414	414
Transfers between reserves	6	350	(350)	-
Notional auditors' remuneration	3	63	-	63
Net funding		23,794	-	23,794
Balance at 31 March 2018		18,796	6,505	25,301

Explanation of Reserves:

General Fund – The General Fund represents the total assets less liabilities of National Records of Scotland, to the extent that they are not represented by the revaluation reserve and financing items. Revaluation Reserve – The Revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

The notes on pages 73 to 95 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2019

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the principles and disclosure requirements set out in the Financial Reporting Manual (FRoM) for 2018-19, published by HM Treasury. The financial statements have been prepared on a going concern basis. The FRoM interprets and applies International Financial Reporting Standards (IFRS) to the central government context. Where the FRoM and IFRS permit a choice of accounting policy, the policy judged most appropriate to the circumstances of National Records for Scotland (NRS) has been selected. The accounting policies described below have been applied consistently to all material items within the financial statements.

1.1 Key Estimates

The preparation of financial statements requires the use of estimates and judgements. The key estimates within these financial statements are described below:

Property, Plant and Equipment

Valuations and useful life estimates in respect of NRS buildings have been supplied by District Valuer Services (DVS), a division of the Valuation Office Agency. The valuations have been carried out by a Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with the RICS Valuation – Professional Standards 2017 UK Edition.

Intangible Assets

Following a review of asset life, management is satisfied that NRS should retain existing estimated life for website images for the purposes of 2018-19 financial statements. Management is also satisfied, based on sensitivity analysis, that there are sufficient future income streams in excess of the website images asset category to support the existing valuation. This will be reviewed annually. As there is no active market for our website images asset, the cost model has been applied and therefore no revaluations are possible.

Census Contracts

NRS has entered into two material contracts for IT services to support the delivery of the Census 2021 programme, one to deliver the Online Collection Instrument and the other to deliver a Data Collection Operational Management System. Both contracts consist of three phases of work: Phase 1 – Mobilisation, Discovery and Design; Phase 2 – Implementation; and Phase 3 – Operation. Costs incurred

under Phase 2 of each contract contribute to the construction and deployment of the systems that will be used to deliver the Census, which meet the criteria for intangible assets under IAS 38. Costs for Phase 2 of each contract are therefore capitalised. Costs under Phases 1 and 3 do not meet these criteria and are charged to revenue as incurred.

1.2 Accounting Convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of tangible and intangible non-current assets at their value to the business by reference to their current costs or perceived market value. Other classes of assets are carried at depreciated or amortised historic cost.

1.3 Non-Current Assets: Property, Plant and Equipment

Title to the freehold land and buildings shown in the financial statements is held as follows:

- property on the departmental estate, title to which is held by Scottish Ministers; and
- property, not being part of the departmental estate, held by NRS in the name of the Scottish Ministers.

Freehold land and buildings are shown at fair value less subsequent depreciation, valued using a rolling programme of professional valuations covering each building every five years, supplemented with interim desktop valuations. Other non-current assets are shown at historic cost net of depreciation as a proxy for fair value.

The minimum levels for capitalisation of a non-current asset across asset categories are as follows:

Property, Plant and Equipment	£'000
Freehold Land and Buildings	20
Office Equipment (including Fixtures and Fittings)	5
Vehicles	5
Plant and Equipment	10
ICT Systems	1
Specialised Shelving	10
Heritage Assets - Papers and Journals	20

Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £1,000 in line with Scottish Government guidance on capitalisation.

Costs for Property, Plant and Equipment include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Freehold land and assets held for sale are not depreciated.

Depreciation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or re-valued amounts to their residual values over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

Property, Plant and Equipment	Years
Buildings	2-50 (as per valuation)
Office Equipment (including Fixtures and Fittings)	5
Vehicles	5
Plant and Equipment	5-10
ICT Systems	3-5
Specialised Shelving	10-20
Heritage Assets - Papers and Journals	25-30

1.4 Non-Current Assets: Intangible Assets

Intangible assets are shown at historic cost net of amortisation as a proxy for fair value.

During the year, a review of Website Images was undertaken. Management reviewed the existing approach in line with IAS 38 and confirmed that the useful life and valuation continue to be appropriate. No impairment was necessary following this review.

The minimum levels for capitalisation of a non-current asset across asset categories are as follows:

Intangible Assets	£'000
Website Images	5
Computer Software and Computer Licences	1

Costs for intangible assets include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Amortisation

Amortisation is provided on intangible assets on a straight-line basis at rates sufficient to write down their costs over their estimated useful lives. The amortisation rates for the principal categories of assets are as follows:

Intangible Assets	Years
Website Images	60
Computer Software and Computer Licences	3-5

The Website Images asset category shown in Note 6 to these financial statements includes both digital images and the software infrastructure used to present them to the public. The latter has a useful life of 5 years, in line with the policy for Computer Software.

1.5 Third Party Assets

NRS holds, as custodian or trustee, certain assets belonging to third parties. These are not recognised in the financial statements since neither NRS nor government, more generally, has a direct financial beneficial interest in them.

1.6 Heritage Assets

Heritage Assets are defined as tangible items with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

NRS is responsible for holding and maintaining a wide range of historical records, documents and current data in the care of Scottish Ministers. The majority of these assets are acquired or generated in the course of NRS' on-going activities. Given the nature of these assets it is not possible to obtain a reliable valuation for them. Accordingly they have not been capitalised. On occasion, NRS will purchase additional records and documents. Where assets are acquired in exchange for consideration in this way, they are recognised as an asset and valued at cost.

Details of NRS' policies and practices with regard to the management of our records, and of our preservation and conservation work, can be found on [our website](#).¹⁰

¹⁰ <https://www.nrscotland.gov.uk/record-keeping>

1.7 Operating Income

Operating income is income that relates directly to the operating activities of NRS. It includes fees and charges for services provided to external customers. It includes both income applied without limit and income applied with limit. For income categorised as being applied with limit any excess income over that approved, is surrendered to the Scottish Consolidated Fund.

NRS recognises the full income received from our ScotlandsPeople website at the time the income is paid as the service is recognised as being delivered when full access to view and purchase all documents is granted.

Where contractually any income is paid in arrears, income will be recognised up to the year-end and a provision created to accrue, where necessary.

NRS recognises subscription payments for ScotlandsPeople website by apportioning them across the time period to which they relate.

Trade Receivables

Trade receivables are recognised at fair value. NRS holds no provision for bad debts as the majority of transactions are with other government departments and of low value so not considered to be a risk to the organisation. During the year no debts have been written off.

1.8 Staff Costs and Operating Expenditure

The Statement of Comprehensive Expenditure analyses expenditure between Staff Costs and Operating Expenditure. Staff Costs includes the cost of permanent and temporary employees, as well as temporary agency and contract staff engaged in NRS' objectives. Operating Expenditure includes all other costs of NRS' operations, including goods and services, grants made, and depreciation and amortisation of non-current assets.

Trade Payables

Trade payables are recognised at fair value and calculated on an accruals basis. All operations of NRS are deemed to be continuing operations.

1.9 Grants

Grants payable are recorded as expenditure in the period that the underlying activity giving entitlement to the grant occurs. Where necessary, obligations in respect of grant schemes are recognised as liabilities.

1.10 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used.

1.11 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and non-contributory. Portfolios, Agencies and other bodies covered by the PCSPS recognise the expected cost of providing pensions for their employees, on a systematic and rational basis over the period during which they benefit from their services. Liability for payment of future benefits is a charge to the PCSPS. Separate scheme statements for the PCSPS as a whole are published.

1.12 VAT

VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.13 Leases

With one exception, the leases entered into by NRS are classified as operating leases and, as such, the rentals are charged to the Operating Cost Statement over the term of the lease. The remaining lease, covering one of NRS' buildings, grants NRS the right to occupy the building for 100 years to 2064 in exchange for peppercorn rent. There is therefore no annual cost or lease liability. The building is recognised as an asset following the policies for non-current assets above.

1.14 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Board. This body supports and advises the Chief Executive in managing and overseeing the organisation and is therefore considered to be the key decision maker for NRS.

1.15 IFRS updates issued but not yet effective

One IFRS standard in issue will have a material impact on NRS' accounts when it becomes effective:

IFRS 16 Leases

IFRS 16 replaces IAS 17 and largely removes the distinction between operating and finance leases for lessees, by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. HM Treasury is considering the impact of the standard on central government and is currently expected to apply it within 2020-21 FReM. Guidance has not yet been issued on how the standard will be interpreted and applied to the public sector. The decisions taken on the discount rate to be applied, and use of the revaluation model will be relevant to how NRS's accounts are affected by the introduction of this standard. The discussion below on the potential impact of transition should be understood in this context.

NRS holds two of its buildings under leases which are currently accounted for as operating leases. Under IFRS 16 a right of use asset would be capitalised and a corresponding liability would be recognised. The best current estimate is that had this standard been applied in these accounts, additional right of use assets of £1.6m would be included in the Statement of Financial Position as at 31 March 2019, along with lease liabilities of the same value. An additional depreciation charge of £0.8m would have been incurred on the right of use assets, as well as a small finance charge representing the unwinding of the discount on the lease liabilities. These charges would replace the £0.9m of operating lease payments recognised in the Statement of Comprehensive Net Expenditure for 2018-19. These figures are calculated using the HM Treasury Green Book discount rate of 3.5% to discount lease payments. No decision has been taken by HM Treasury on the discount rate to be used, but the choice of rate is not expected to materially affect these figures.

NRS holds one building under a 100 year lease, which terminates in 2064, paying peppercorn rent each year. This is currently accounted for as a finance lease with no outstanding lease liability. Applying the transition guidance for IFRS 16, it is expected that the asset value will be unchanged on transition, and that the liability will remain nil.

NRS have leased office equipment. The majority of this is expected to fall under the low-value assets exemption of IFRS 16. The value and term of these leases is such that this will not materially affect the accounts.

2. Staff Costs

Please refer to Remuneration and Staff Report on p.49.

3. Operating Expenditure

3.1 Analysis of Operating Expenditure

	2018-19 £'000	2017-18 £'000
Accommodation	3,836	3,592
ICT Maintenance and Supplies	1,429	1,582
Support Services from Other Public Bodies	714	576
Specialist Service Contracts	633	449
Communications Services	264	247
ScotlandsPeople Web Hosting	476	459
Website Development and Running Costs	13	275
Stationery	245	283
Marketing	219	182
Training	177	196
Transport and Travel	90	108
Census 2021 Services	2,263	688
Other Supplies and Services	647	676
Losses and Special Payments	2	115
Non-cash items:		
Movement on provisions	-	-
Depreciation and amortisation	2,153	2,188
Loss on disposal of assets	11	48
Audit fee	65	63
Programme expenditure:		
Grant to Scottish Council on Archives	164	193
Total	13,401	11,920

Movement on provisions above does not include Early Departure Costs which are included in staff costs.

A breakdown of in year depreciation and amortisation is provided in note 6.

3.2 Other Operating Expenditure

There is £881k of expenditure relating to operating lease arrangements for properties recorded within Other Operating Costs (2017-18: £880k).

4. Operating Income

4.1 Analysis of Operating Income

	2018-19 £'000	2017-18 £'000
Income from contract to operate NHS Central Register	(933)	(933)
Charges for access to records and associated services	(1,947)	(1,705)
Income from the ScotlandsPeople website	(3,553)	(2,996)
Other fees and charges	(860)	(614)
Property rental income from other public bodies	(276)	(292)
Total Administration Income	(7,569)	(6,540)

Receipts from fees and charges arise from a range of services provided to customers, including income from the sale of extracts through both our ScotlandsPeople Centre and ScotlandsPeople Website, contracted income from the Scottish Government to maintain the National Health Service Central Register, fees for the statutory services we provide to the public, and rental income from other public bodies who are minor occupiers in the buildings we operate.

4.2 Operating income received from external and public sector customers analysed by services provided is as follows:

	Income Received £'000	Full Cost £'000	Surplus/ (Deficit) £'000
Service Provided:			
Public Services including ScotlandsPeople, official certificates, search room services, Scottish Register of Tartans	5,123	3,855	1,268
Financial Objective:			
Use income received through the various services to meet the associated running costs and where practical to enable investment that enhances the services and in turn improves the customer experience.			
Performance against the Financial Objective:			
In 2018-19, there was a surplus for the ScotlandsPeople service and the production of official certificates. Following the re-launch of the ScotlandsPeople website in September 2016, many customers had credits that were due to expire during Autumn 2018 which resulted in a large number of them purchasing new credits to avoid expiration leading to an increase in overall credit sales. This was a one-off instance that will not be repeated in future years. There was an unpredicted increase in customers purchasing official certificates and a successful online marketing campaign also increased usage of the website overall.			
Improvements to the service were achieved by releasing new records on ScotlandsPeople and achieving compliance with the General Data Protection Regulation (GDPR). Also, various enhancements were made to the functionality of the website. Work is planned for a substantial online records release programme beginning during 2019-20 and moving into future years.			
Maintenance of the National Health Service Central Register (NHSCR) of patients and associated research data sales	973	991	(18)
Financial Objective:			
To meet the cost of running the National Health Service Central Register which we provide as a service to the NHS and the Improvement Service through funding received from the Scottish Government.			
Performance against the Financial Objective:			
In 2018-19 there was a deficit arising from providing these services.			

This reporting of income received on a segmental basis complies with the requirements of HM Treasury's 'Fees and Charges' Guide and the Scottish Public Finance Manual.

5. Reconciliation of Net Operating Cost to Net Resource Outturn and Resource Budget Outturn

	2018-19 £'000	2017-18 £'000
Net Operating Cost	30,448	24,701
Net Resource Outturn	30,448	24,701
Of Which:		
Departmental Expenditure in DEL	30,448	24,701
Departmental Expenditure in AME	-	-

Budgets for Departmental Expenditure Limits (DEL) are set as part of the Scottish Spending Review and annual Budget Bills. These are allocated for running costs associated with the delivery NRS' functions and services.

Annually Managed Expenditure (AME) represents costs that are more volatile and so are not managed in the same way as DEL.

6. Non-Current Assets – Property, Plant and Equipment 2018-19

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant and Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Heritage Assets - Papers and Journals £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
Cost or valuation											
At 1 April 2018	2,240	10,510	469	89	1,638	4,140	2,944	3,085	-	-	25,115
Additions	-	88	-	-	-	176	-	-	-	-	264
Disposals	-	-	-	-	(405)	(239)	-	-	-	-	(644)
Revaluation	25	(13)	-	-	-	-	-	-	-	-	12
At 31 March 2019	2,265	10,585	469	89	1,233	4,077	2,944	3,085	-	-	24,747
Accumulated Depreciation											
At 1 April 2018	-	-	464	73	999	2,300	2,298	991	-	-	7,125
Charged in year	-	501	1	4	102	613	68	115	-	-	1,404
Disposals	-	-	-	-	(405)	(232)	-	-	-	-	(637)
Revaluation	-	(501)	-	-	-	-	-	-	-	-	(501)
At 31 March 2019	-	-	465	77	696	2,681	2,366	1,106	-	-	7,391
Net book value current year	2,265	10,585	4	12	537	1,396	578	1,979	-	-	17,356
Net book value prior year	2,240	10,510	5	16	639	1,840	646	2,094	-	-	17,990

As part of the five-year rolling programme, General Register House underwent a formal inspection and revaluation on the basis of Existing Use Value, at 31 March 2019. Valuations were carried out by the District Valuer Services (DVS), a division of the Valuation Office Agency. The Valuations have been carried out by the Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with RICS Valuation – Professional Standards 2017 UK Edition.

With exception to West Register House (long-term leased property) all non-current (tangible) assets disclosed within the asset classes above are owned by NRS.

The realised element of the depreciation charged for the year is £300k (£500k depreciation charge calculated under current cost accounting method as per note 6, minus £200k charge under historic cost accounting). This has been transferred from the revaluation reserve to the general fund.

6. Non-Current Assets – Property, Plant and Equipment 2017-18

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant and Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Heritage Assets - Papers and Journals £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
Cost or valuation											
At 1 April 2017	2,240	10,560	843	94	1,608	6,263	2,921	3,040	-	-	27,569
Additions	-	99	-	-	30	1,376	23	45	-	-	1,573
Disposals	-	-	(374)	(5)	-	(3,499)	-	-	-	-	(3,878)
Revaluation	-	(149)	-	-	-	-	-	-	-	-	(149)
At 31 March 2018	2,240	10,510	469	89	1,638	4,140	2,944	3,085	-	-	25,115
Accumulated Depreciation											
At 1 April 2017	-	-	809	71	873	5,206	2,232	878	-	-	10,069
Charged in year	-	563	1	6	126	573	66	113	-	-	1,448
Disposals	-	-	(346)	(4)	-	(3,479)	-	-	-	-	(3,829)
Revaluation	-	(563)	-	-	-	-	-	-	-	-	(563)
At 31 March 2018	-	-	464	73	999	2,300	2,298	991	-	-	7,125
Net book value current year	2,240	10,510	5	16	639	1,840	646	2,094	-	-	17,990
Net book value prior year	2,240	10,560	34	23	735	1,057	689	2,162	-	-	17,500

All non-current (intangible) assets disclosed within the asset classes above are owned by NRS.

6. Non-Current Assets – Intangible Assets 2018-19

	Computer Licenses £'000	Website Images £'000	Computer Software £'000	Assets under Development £'000	Total £'000
Cost or Valuation					
At 1 April 2018	847	10,076	968	-	11,891
Additions	10	-	-	3,431	3,441
Disposals	(6)	-	-	-	(6)
At 31 March 2019	851	10,076	968	3,431	15,326
Accumulated Amortisation					
At 1 April 2018	518	1,848	898	-	3,264
Charged in year	139	587	23	-	749
Disposals	(2)	-	-	-	(2)
At 31 March 2019	655	2,435	921	-	4,011
Net book value current year	196	7,641	47	3,431	11,315
Net book value prior year	329	8,228	70	-	8,627

All non-current (intangible) assets disclosed within the asset classes are owned by NRS. The Website Images asset category includes both digital images and the software infrastructure used to present them to the public.

Assets under development consist of software being developed for the 2021 Census that will allow the online completion of census returns by members of the public and will support the management of data collection.

6. Non-Current Assets – Intangible Assets 2017-18

	Computer Licenses £'000	Website Images £'000	Computer Software £'000	Assets under Development £'000	Total £'000
Cost or Valuation					
At 1 April 2017	1,571	10,078	1,224	-	12,873
Additions	52	(2)	70	-	120
Disposals	(776)	-	(326)	-	(1,102)
At 31 March 2018	847	10,076	968	-	11,891
Accumulated Amortisation					
At 1 April 2017	1,143	1,261	1,224	-	3,628
Charged in year	151	587	-	-	738
Disposals	(776)	-	(326)	-	(1,102)
At 31 March 2018	518	1,848	898	-	3,264
Net book value current year	329	8,228	70	-	8,627
Net book value prior year	428	8,817	-	-	9,245

7. Trade and Other Receivables

	2018-19 £'000	2017-18 £'000
Amounts falling due within one year		
Trade receivables	95	55
Prepayments and accrued income	1,466	1,435
Other receivables - sundry debtors	20	-
Total receivables falling within one year	1,581	1,490
Amounts falling due after one year		
Prepayments and accrued income	104	265
Total receivables falling after one year	104	265
Total Receivables	1,685	1,755
Movement	(70)	236
Analysis by category of counterparty		
Other Central Government Bodies	72	-
Bodies External to Government	1,613	1,755
Total Receivables	1,685	1,755

8. Cash and Cash Equivalents

	2018-19 £'000	2017-18 £'000
At 1 April	1	1
Movement	-	-
At 31 March	1	1
Commercial banks and cash in hand	1	1
Total Cash	1	1

9. Trade and Other Payables: amounts falling due within one year

	2018-19 £'000	2017-18 £'000
Trade payables	38	208
Deferred income	27	77
Employee benefits	710	696
Accrued expenditure	2,256	1,810
Capital Accruals	422	248
Income tax, social security and pensions	591	-
Total Payables	4,044	3,039
Movement	1,005	558
Analysis by category of counterparty		
Other Central Government Bodies	24	17
Local Authorities	1	27
NHS Bodies	56	65
Bodies External to Government	3,963	2,930
Total Payables	4,044	3,039

From April 2018, NRS staff have been transferred to a dedicated payroll on Scottish Government systems, rather than being on a single payroll with other Scottish Government Staff. As a result NRS, has for the first time, a distinct, identifiable liability to pay over tax, social security and pension contributions to the appropriate authorities at 31 March 2019.

10. Provisions for Liabilities and Charges

	Early Departure Costs 2018-19 £'000	Other Provisions 2018-19 £'000	Total 2018-19 £'000
Total as at 1 April 2018	33	-	33
Provided in the year	-	-	-
Provisions not required written back	(28)	-	(28)
Amounts utilised in year	(5)	-	(5)
Discount amortised	-	-	-
Total as at 31 March 2019	-	-	-
Analysis of expected timing of any resulting outflows of economic benefits			
Payable in 1 year	-	-	-
Payable between 2-5 years	-	-	-
Payable between 6-10 years	-	-	-
Thereafter	-	-	-
Total as at 31 March 2019	-	-	-

	Early Departure Costs 2017-18 £'000	Other Provisions 2017-18 £'000	Total 2017-18 £'000
Total as at 1 April 2017	54	-	54
Provided in the year	1	-	1
Provisions not required written back	-	-	-
Amounts utilised in year	(22)	-	(22)
Discount amortised	-	-	-
Total as at 31 March 2018	33	-	33
Analysis of expected timing of any resulting outflows of economic benefits			
Payable in 1 year	33	-	33
Payable between 2-5 years	-	-	-
Payable between 6-10 years	-	-	-
Thereafter	-	-	-
Total as at 31 March 2018	33	-	33

During financial year 2018-19, no NRS employees were awarded early retirement.

11. Commitments under Leases

Total future minimum lease payment under operating leases are given in the table below for each of the following periods:

	2018-19 £'000	2017-18 £'000
Obligations under operating leases comprise:		
Land and Buildings		
- Within one year	735	880
- Between two and five years	155	886
- After five years	-	-
Total	890	1,766
Other		
- Within one year	12	17
- Between two and five years	3	15
- After five years	-	-
Total	15	32
Total obligations under operating leases	905	1,798

These operating leases are in respect of rent for Ladywell House and Cairnsmore House, where rental fees are reviewed every five years. Current rental fees for these buildings are £810k and £71k respectively. Ladywell House lease is based on the lease in place at the 31 March 2019 which was due to expire in January 2020. On 9 July 2019, NRS signed an agreement with the landlord of Ladywell House to extend the lease until January 2030, with options to break in 2023 and 2025. The annual rental cost begins at £810k, subject to annual rent reviews. The agreement of the new lease is considered a non-adjusting event after the reporting period, as the new lease commitment did not exist at year-end. There was a rental review for Cairnsmore House on 1 June 2017 and the lease expiry date is in 2022.

12. Capital Commitments

	2018-19 £'000	2017-18 £'000
Capital commitments at 31 March 2019 for which no provision has been made	3,166	249

These commitments reflect the capital commitment for the following year.

13. Related party transactions

NRS maintains the National Health Service Central Register of patients on behalf of the Scottish Government. The Scottish Government is regarded as a related party with which NRS has had various material transactions during the year.

In addition, NRS has had a number of transactions with other government departments and other central government bodies.

During the year there were no material transactions by board members, key managerial staff or other related parties.

14. Contingent Liabilities

Three of NRS' buildings, Ladywell House, Cairnsmore House and West Register House, are leased. The leases for these buildings require NRS to maintain them and specify the condition they should be in when they are returned to the landlords on the termination of the leases. There is therefore a possible obligation on NRS to undertake works or make payments to the landlords of these buildings at the conclusion of the lease term. It is not possible to quantify this obligation at this stage.

15. Financial Instruments

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

16. Segmental Analysis as at 31 March 2019

NRS is structured into the following five business areas:

Information and Records Services

Deals with issues related to archives and record-keeping, leads record-keeping in Scotland through the Public Records (Scotland) Act 2011 and the UK Archive Service Accreditation Scheme, and advises government bodies, the courts, private and corporate owners about their record-keeping responsibilities. This business area also leads NRS' own information policy and management.

Operations and Customer Services

Encompasses NRS' public services, both on-site and online, meets NRS' statutory duty to provide extracts from various legal registers, and operates NRS' communications function and its education and outreach programmes.

IT Services

Delivers the IT needs to the business. IT Services supports, maintains, and governs performance for all technologies within NRS, governs and controls technical architecture and solution design, and leads and takes ownership of all technology projects and programmes via the IT Programme Management function. It also leads on IT and information security related risk, compliance, security and disaster recovery functions.

Statistical and Registration Services

Publishes statistical information about the people of Scotland, delivers data sharing and linking services, and provides the NHS central register of people in Scotland. The programme to deliver the 2021 Census sits within this business area.

Strategy and Business Services

Leads on annual and strategic planning for the organisation and supports the work of other business areas, providing governance, finance, procurement and estates services.

These business areas are the basis on which NRS monitors its operations and upon which decisions are made by Senior Management. Senior Management reviews the operating cost income and expenditure to make decisions but do not allocate assets to the segments. Accordingly, asset information is not disclosed.

Segmental Reporting of 2018-19 Outturn:

	Staff Costs £'000	Grants, Goods and Services £'000	Total Expenditure £'000	Operating Income £'000	Total Net Operating Costs £'000
Information and Records Services	2,505	722	3,227	(158)	3,069
IT Services	3,303	8,102	11,405	-	11,405
Operations and Customer Services	3,355	1,029	4,384	(5,472)	(1,088)
Statistical and Registration Services	5,884	4,738	10,622	(1,647)	8,975
Strategy and Business Services	1,795	4,431	6,226	(292)	5,934
	16,842	19,022	35,864	(7,569)	28,295
Adjust for items not allocated by segment:					
Movement on Provisions				3	-
Depreciation				3	2,153
Total Net Operating Costs per Statement of Comprehensive Net Expenditure					30,448

Note that a different definition of Staff Costs is used for internal reporting than for reporting in these financial statements, accounting for the difference between the total Staff Costs in the segmental report compared to those shown of the Statement of Comprehensive Net Expenditure. Most significantly, agency workers and specialist contractors are included in Goods and Services above but in Staff Costs elsewhere in the financial statements.

Segmental Reporting of 2017-18 Outturn:

	Staff Costs £'000	Grants, Goods and Services £'000	Total Expenditure £'000	Operating Income £'000	Total Net Operating Costs £'000
Information and Records Services	2,103	625	2,728	(81)	2,647
IT Services	3,428	5,313	8,741	-	8,741
Operations and Customer Services	3,066	1,222	4,288	(4,671)	(383)
Statistical and Registration Services	5,373	1,869	7,242	(1,466)	5,776
Strategy and Business Services	1,749	4,305	6,054	(322)	5,732
	15,719	13,334	29,053	(6,540)	22,513
Adjust for items not allocated by segment:					
Movement on Provisions				3	-
Depreciation				3	2,188
Total Net Operating Costs per Statement of Comprehensive Net Expenditure					24,701

Restated 2017-18 outturn is due to new organisational structure taking effect from the 1 April 2018.

Accounts Direction



Scottish Government
Riaghaltas na h-Alba
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NATIONAL RECORDS OF SCOTLAND

Direction by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2012 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.



Signed by the authority of the Scottish Ministers
Dated 6 June 2012