



**100%**

of departments and agencies audited in person



Regulating recruitment to the Civil Service, providing assurance that appointments are on merit on the basis of fair and open competition

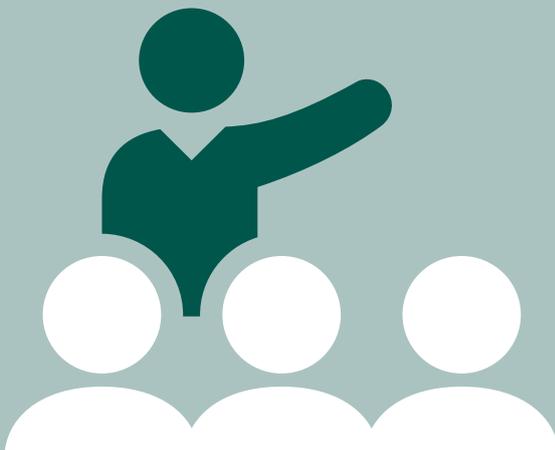
# Annual Report and Accounts

**18  
19**

Helping to promote the Civil Service Code and its values of honesty, integrity, objectivity and impartiality

**197**

competitions chaired by Commissioners



Where declared,

**6%** of people recruited reported having a disability



Where declared, BAME candidates made up

**20%**

of people recruited





# Civil Service Commission

## Annual Report and Accounts 2018–19

Accounts presented to Parliament, the Scottish Parliament and the National Assembly for Wales pursuant to paragraph 16 of Schedule 1 to the Constitutional Reform and Governance Act 2010

Report presented to Parliament, the Scottish Parliament and the National Assembly for Wales pursuant to paragraph 17 of Schedule 1 to the Constitutional Reform and Governance Act 2010

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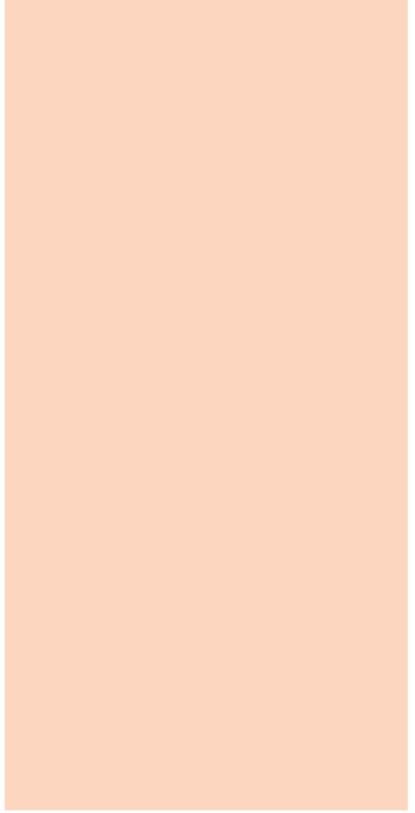
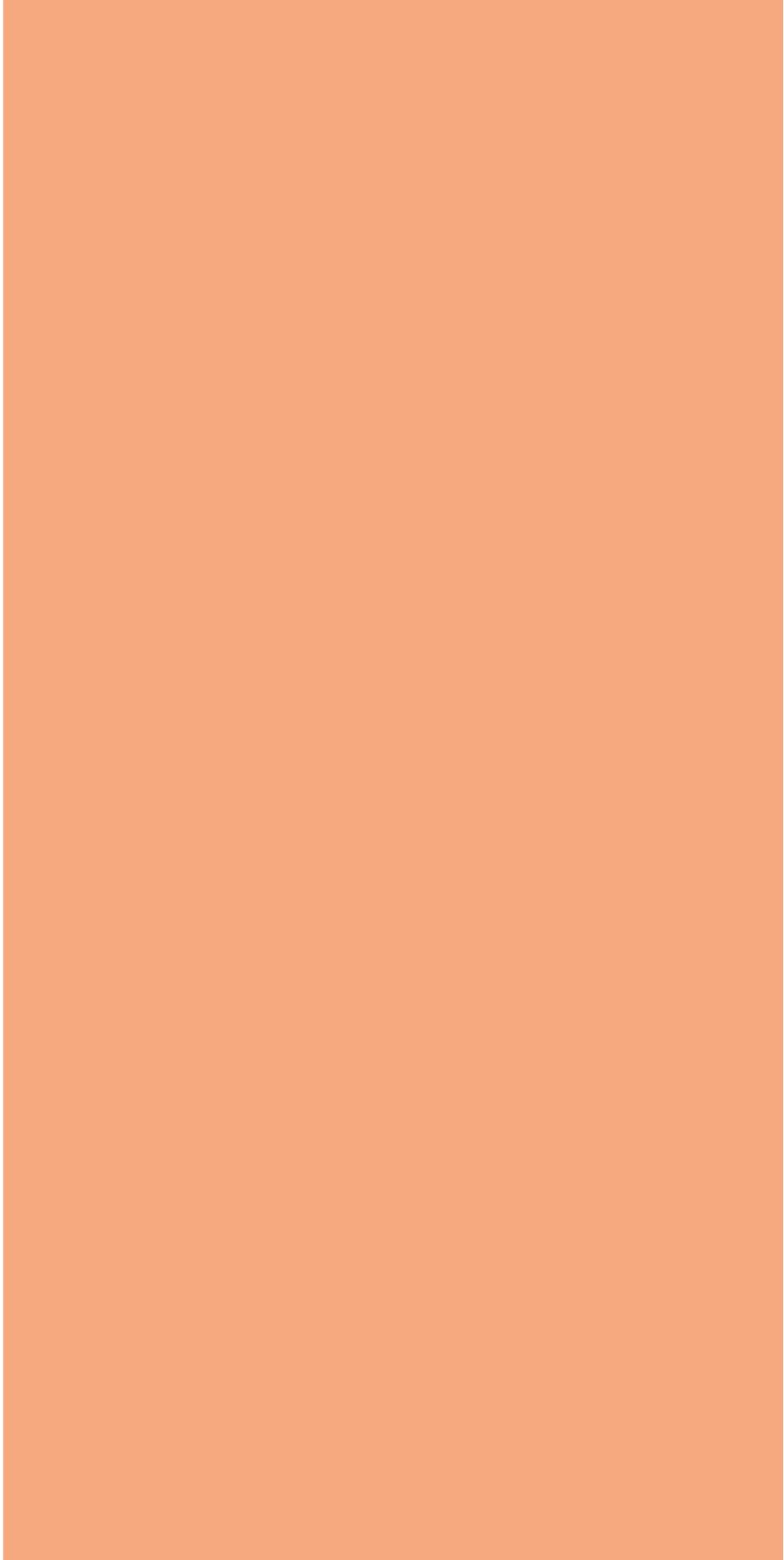
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# Part 1

## Annual Report 2018–19





# Overview

## First Civil Service Commissioner's foreword

I am incredibly proud that in 2018 the Civil Service Commission shared a national Civil Service innovation award for our Life Chances programme relating to the direct employment of ex-offenders into the Civil Service.

From a standing start, eight departments in the North-West took on 14 ex-offenders, overcoming many obstacles along the way. I'd like to commend those departments and the civil servants involved for their courage, creativity and persistence.

The programme has now expanded and similar schemes are now being designed to boost the employability and life chances of military veterans and care leavers.

This is one of our four strategic priorities; the Commission revised its Recruitment Principles last April to enable and encourage such schemes. We also made a number of other changes to improve diversity in recruitment and help the Civil Service obtain the skills needed in these testing times.

Offering roles to people like ex-offenders who otherwise would not have applied to the Civil Service, let alone secured a role, is clearly good for those individuals. But why is it a good thing beyond that and worthy of an award?

First, every job secured by an ex-offender is good for communities who are protected from the risk of reoffending.

Second, it is good for government policy on reoffending and other employment linked policies. A 'do as I do, as well as I say' message from departments, is likely to encourage others across the private, public and third sectors to do likewise.

Finally, it is good for the Civil Service which gets committed and talented employees, with a different set of experiences, thus improving public services and being more representative of the society they serve.

Encouraged by this success the Commission intends to be even more innovative across a range of challenges in 2019: whether in educating departments and improving their regulatory compliance; helping departments to improve diversity in areas such as ethnicity, disability and social mobility; promoting civil servants' understanding of the Civil Service Code and values; and continuing to take their complaints seriously when they see breaches.

A modern regulator will need to say 'no' on occasion, when the underlying principles and legislation are breached. But its credibility in these cases is so much strengthened when it has a consistent track record of helping and leading departments to do the right thing. I am grateful to my colleagues for their continued hard work this year, enabling the Commission to play its part in helping maintain an efficient, effective and impartial Civil Service, with the necessary skills to deliver the agenda of the government of the day.



**Ian Watmore**  
First Civil Service Commissioner

*"The Civil Service plays a vital role in British life, supporting the government of the day. The work of the Commission is key to ensuring its effectiveness and continuity. As a Commissioner, who spent most of my career in the private sector, I am privileged to be a part of this effort."*

**Isabel Doverty,**  
Civil Service Commissioner



## Chief Executive's introduction

The Civil Service Commission has two core functions. It regulates selection for appointment to the Civil Service to provide assurance that appointments are made on merit on the basis of fair and open competition. It also promotes the Civil Service Code and its values of honesty, integrity, objectivity and impartiality, and hears appeals from civil servants concerned the Code has been breached.

As a modern, principles-based, regulator it is important that we not only use our regulatory levers to challenge and support those we regulate, but that we also keep abreast of the wider context in which the Civil Service is competing to recruit. The Recruitment Principles underpin the selection process across the Civil Service and provide a basis for the annual compliance monitoring we undertake of each of the 71 regulated government departments and their arms length bodies. In the event of a Recruitment Principles complaint or Civil Service Code appeal, the Commission is the final decision maker.

Over the last year we have seen a significant increase of 22% in the number of appointments being reported and, reassuringly, a decrease in the proportion of appointments made using an Exception. The number of senior competitions requiring a Commissioner to chair them has also increased from 164 to 197. The level of recruitment complaints has increased compared to last year as have the number of Civil Service Code appeals. We have had the most serious case for some time this year that concerned both a recruitment complaint and a Civil Service Code matter that resulted in an unlawful appointment being declared, see page 28.

Our enhanced governance arrangements are now embedded with the Commissioner-led groups continuing to develop our approach. We have also held meetings of the board of Commissioners at eight departments this year, including both Welsh and Scottish Governments, and value the contextual information that is shared with us by Permanent Secretaries. We have continued to develop our understanding of diversity and have focused on how disability impacts the recruitment process.

Our life chances strategy day in November 2018 was focused on how the Commission could further support the Civil Service to provide employment opportunities to those whose backgrounds have historically raised barriers to becoming a civil servant. The revised Recruitment Principles Exception 2, introduced in April 2018, saw five life chances programmes accredited by March 2019. I have established and continued to chair a steering board of the accredited programmes to maximise synergies between them and share lessons being learned.

The Commission has a statutory duty to ensure recruitment across the Civil Service is open, fair and based on merit and we use a comprehensive compliance regime to audit and assess the policies and practices in every department and agency. We have, as planned, taken the quarterly data collection and analysis function in-house which has allowed us to better interrogate the data in line with our priorities. Our audits for all 71 bodies that we regulate were this year done in person, based on a broader agenda, and this has undoubtedly led to a more thorough and consistent process.

At all organisations audited, we assessed recruitment practices, taking into account the level of recruitment conducted, and identified any breaches or poor practice. We also considered any challenges faced by the organisation as well as any positive actions being taken, and their Civil Service Code and diversity figures. The ratings for the period 2018/19 were decided not with a formulaic approach but based on an informed judgement. While we have identified some poor practice and breaches during the year overall, the Commission retains confidence in the ability of all organisations we regulate to carry out external recruitment, and we do not believe that any require significant regulatory intervention.

To meet the requirement that we hold an open meeting each year, we have in previous years done so by having an online open week based on responding to questions asked. In 2018/19, we piloted an alternative approach holding two physical meetings aimed at demystifying the Commission. Each of these included a presentation by three of the Commissioners who outlined our overall roles, explained how they go about chairing recruitment competitions for the most senior Civil Service roles and responding to questions from the audience. Both events were well attended with over 120 delegates booked in total.

Government finances, as ever, face increasing pressures and so I have continued to seek efficiencies wherever possible without negatively impacting effectiveness. As a result I was able to bring our 2018/19 budget to a close with a surplus of around 13%. I anticipate that a similarly reduced resource requirement will now be sufficient going forward.

As ever, my thanks go to the entire secretariat team for their dedication and contribution. They continue to grow the capability of the Commission to support our Commissioners, office holders and stakeholders across the three Independent Offices for which I have accountability.

The financial year 2019/20 will see the launch of our refreshed website which will include short videos to explain, for example: the role of the Commission, the Recruitment Principles, and the Civil Service Code. We will also continue the consolidation of the recent changes to the compliance regime, maintain a focus on diversity and inclusion, and support the development and take up of life chances opportunities across the Civil Service. An important aspect of our ability to influence will be better external promotion and visibility of the Commission.



**Peter J Lawrence OBE**  
Chief Executive  
Civil Service Commission  
Date: 18 July 2019

*“The integrity of our impartial Civil Service is something that I believe in and in my role as a Commissioner I value the opportunity to support the service. The best part of my role as a Commissioner is meeting and working with so many dedicated and interesting civil servants.”*

**Margaret Edwards,**  
Civil Service Commissioner

## Key facts

### Civil Service-wide

**55,376**



people appointed to roles in the Civil Service, **up 22%** from **45,363** in **2017-18** *(gross recruitment, not net change in Civil Service numbers)*

**50,552**



recruited through fair and open competition, **up 25%** from **40,362** in **2017-18**

**4824**



appointed by Exception (**down 4%** from **5001** in **2017-18**)



**100%**

of departments and agencies **audited in person** compared to **72% audited in person** in **2017-18**

**105**



breaches of **Recruitment Principles** (**85** in **2017-18**)

**211**

**Recruitment Principles complaints**

received in the year, of which **111** cases referred back to departments for investigation and initial decision



**85**

**Civil Service Code appeals**

received in the year, of which **28** cases referred back to departments for investigation and initial decision



## Commissioner-chaired competitions

**197** 

competitions chaired by Commissioners (**17% more competitions** than last year). **8,615** applicants, (**53% more** than last year)

Where  declared, **women made up 26%**

of applicants. They were more successful at every stage, making up **41%** of shortlists and **44%** of appointable candidates

Where declared,  BAME candidates made up **19%** of total applicants. They made up only **7%** of shortlists, but **8%** of appointable candidates

 **6%** Where declared, of applicants reported having a disability, They made up **5%** of shortlists, and **4%** of appointable candidates

**60%**  of appointed candidates were existing civil servants

 **61%** of recommended candidates were rated outstanding or very good

 **119** competitions produced **more than one appointable candidate (61%)**



## Recruitment below SCS pay band 2

**55,241\***



people appointed to positions below SCS pay band 2

**50,433**



recruited through fair and open competition

*(4,808 appointed by Exception)*

Where declared, **52%** of people recruited were **female**,



and **48%** were **male**

Where declared,



**20%** of people recruited self-declared as BAME, up from 15% in 2017–18

**BAME** candidates were most successful at



**EO** grade  
(21% of EO recruits)

and **AO** grade  
(20% of AO recruits)

**6%** of people recruited declared a **disability**, up from 4% in 2017-18



\*As reported by departments

# Performance analysis: review of 2018/19

## What we are most proud of

### Life Chances

*“This is fantastic news – a huge step in the right direction for the Civil Service.”*

**External organisation on Going Forward into Employment**

### Supporting government employment programmes

Our journey on life chances started in 2016 when we were joined by a new First Civil Service Commissioner and a new Chief Executive. With the body of Commissioners, they collectively developed a long term strategy incorporating inclusivity to help create a diverse Civil Service that is more reflective of the society it serves. They made the decision to include life chances as one of the Commission’s strategic priorities and have since been committed to actively promoting this across government.

This year we have focused on how the Commission, as the regulator of recruitment into the Civil Service, can support government departments’ employment programmes to improve life chances for people from disadvantaged backgrounds.

Life chances was one of the four strategic priorities outlined in last year’s report and we revised the Commission’s Recruitment Principles to allow departments the flexibility to appoint individuals under Exception 2 of the Recruitment Principles to support schemes that provide a ‘second chance’ in life for individuals from a

disadvantaged background or whose previous circumstances may have stopped them from gaining work experience or employment opportunities.

This exception exempts individuals from having to be recruited under the fair and open competition process and provides individuals, who may struggle to be appointed on merit, with the opportunity to benefit from a period of work in government.

Government departments are able to make fixed-term appointments at lower level grades, with the option to convert individuals appointed through these employment schemes to be permanent civil servants after 12 months, depending on the requirement for the role. However, decisions on permanency must then be made using a fair and merit-based process, approved in advance by the Commission.

These accredited programmes are already improving the quality of life for individuals from disadvantaged or challenging backgrounds. This aligns with the government’s Civil Service diversity and inclusion strategy which supports their aim to become the most inclusive employer in the UK by 2020. The Commission strongly supports this work and wants to help the Civil Service make the best use of talent that exists in all parts of society, including, for example, care leavers, ex-offenders and veterans.

You can find a list of the current schemes accredited by the Commission, and a range

of instructions and forms for departments about life chances and Exception 2, on our website at <https://civilservicecommission.independent.gov.uk/recruitment/exceptions/exceptions-forms/>

*“We are supporting innovative work opportunities to help groups such as ex-offenders and care-leavers access work in the Civil Service. We want to accredit high quality programmes and share successes and good practice and increase awareness across government.”*

**Rosie Glazebrook,**  
Civil Service Commissioner and  
chair of Life Chances group

As of 31 March 2019 the Commission had accredited the following five life chances programmes to appoint individuals under Exception 2 of the Recruitment Principles:



**Public Health  
England**

### **Apprentice and work trial opportunities for young adults from Barnardo’s – Public Health England**

Barnardo’s, the UK’s largest children’s charity, are determined to build stronger families, safer childhoods and positive futures for young people to transform their life chances through to 2025 and beyond.

Public Health England is working with Barnardo’s to identify opportunities for young adults who are eager to

gain work experience and life skills. The organisations are collaborating to explore what roles might be compatible with the skills and competences of young adults seeking apprentice and work trial opportunities.



**Department  
for Education**

### **Care leavers internship scheme – Department for Education**

The cross-government care leaver strategy ‘Keep on Caring’ published in 2016 stated that, given the state’s role as ‘corporate parents’ to Children in Care and care leavers, government departments and their agencies should play a greater role in offering work experience, traineeships, apprenticeships and jobs to care leavers. Young people who have left care are some of the most vulnerable in society and have to live independently at a young age without the family support networks that other young people benefit from. As a result of the challenges they face, care leavers are three times more likely not to be in employment, education or training.

The care leavers internship scheme, led by the Department for Education, is one way in which this commitment by government is being put into practice. The scheme launched in 2014 and has grown year on year. The response across the Civil Service has been overwhelmingly positive. In 2018, 17 departments pledged their support by offering internships. 311 applications were received and 106 candidates were interviewed. Almost 1 in 4 applicants were offered an internship and 68 internships

have been accepted. The scheme offers successful individuals appointed under the scheme the opportunity to develop their CVs, skills and knowledge of the Civil Service. The programme enables departments to diversify the workforce, which makes it more representative of the society it serves.

*“My primary role is managing the Finance Director’s diary, which includes tasks such as accepting appointments and meetings on his behalf and setting up meeting rooms when needed. I monitor Freedom of Information (FOI) requests and keep records of the closed FOIs together with Parliamentary Questions (PQs). I design events and update new information on the Corporate Service Directorate infonet page. This has really been beneficial and has given me more opportunities to explore and shadow other departments too.”*

**Candidate** appointed to the care leavers scheme

*“I just wanted to let you know how fulfilling I found the interview process last week. This is a fantastic initiative and my department are really keen to support this and explore other ways we might provide further help/mentoring etc. It’s very evident that many of the candidates were passionate about joining the Civil Service and put this over extremely well at interview.”*

**Department for Environment, Food and Rural Affairs** on the care leavers scheme



## Department for Work & Pensions

### Administration Officer social mobility apprenticeship programme – Department for Work and Pensions

The Department for Work and Pensions (DWP) took the initiative to launch the AO Social Mobility Apprenticeship Programme in 2011. It is the longest serving employment programme that the Commission accredits and has become embedded in the recruitment opportunities government departments provide.

The programme offers a 14-month, non-fair and open appointment to individuals who are: 16 or over, registered unemployed, and lacking in qualifications and with little or no work history, who may see this a barrier to finding work. The apprenticeship is at the Administration Officer (AO) grade and offers a Level 2 qualification. There are no minimum entry level requirements to apply for the programme.

DWP identifies AO posts where recruitment is being sought and works with the business area to determine whether the posts are suitable for apprentices, then working with a local Jobcentre to identify individuals from their caseload to take up the appointment. The programme offers one-to-one support and provides workshops on CV writing and interview skills.

*“Having studied Social Policy and Psychology previously, at level 3, I had a natural interest to pursue a career within government. However, due to unforeseen circumstances I withdrew my application to go to university and, unfortunately, as I had left my job to pursue further education opportunities I had no choice but to apply for Universal Credit. In my first interview to determine if my application was acceptable I was offered this apprenticeship as an alternative to help me return to work and as it is directly linked with the career path that I want to pursue this was an ideal opportunity. In addition, my own working style is more suited to an apprenticeship where I am able to be involved in hands on operations and activities, rather than studying in full time education and I have been more successful in this role than I have been in any other situation.”*

**Candidate** appointed through the AO social mobility apprenticeship programme



## Cabinet Office

### **Going Forward into Employment (GFIE) ex-offender phase 1 – Cabinet Office**

The Going Forward into Employment programme, launched within the north-west region of England in 2017, is jointly led by the Cabinet Office and the Ministry of Justice. The main purpose of the employment programmes is to remove barriers that prevent talented individuals from gaining meaningful employment and to overcome the stigma associated with employing individuals with a criminal background.

Civil Service Local initially collaborated with prison governors and staff at three low risk prisons (HMP Kirkham, HMP Styal and HMP Thorncross) to match individuals upon their release, taking into consideration the crimes committed by ex-offenders and matching the candidates to available and suitable roles in the Civil Service. Over the past year the programme has gathered momentum, having expanded recruitment to prisons in London and the south-east, although posts are yet to be allocated in these regions.

At present there are 22 candidates in post across seven departments in a diverse range of junior roles across government. The programme gained high accolade in 2018, winning the Civil Service award for innovation, and has secured a number of vacancies across departments to ensure diversity of roles.

*“The GFIE scheme has helped me by giving me a real opportunity to change my life. I now have a steady job with a good income, which removes a massive pressure when coming out of prison and allows me to keep my head down and focus on moving on with my life. It keeps my family happy, as they can see I am making progress at turning my life around. It also shows my probation officer I am willing to change and I am rehabilitated after my experience of prison.*

*I am happy to be a civil servant and proud to show I have changed and turned my life around. I have enjoyed my experience with the Civil Service and hope my success in this scheme can open the doors for others who really want to change.”*

**Candidate** appointed through the Going Forward into Employment programme

*“I cannot speak highly enough of the GFIE scheme. I was particularly concerned that my career options post custody would be extremely limited and that I would end up going from one dead end job to another.*

*My new role as a caseworker has helped get my life back on track. The flexible hours and working from home allows me to work around my children and my partner’s shifts. Since starting my new job shortly before Christmas I have learned so much and continue to do so on a daily basis. My role is interesting, my training has been exceptional, I feel fully supported and my confidence and self-belief has come back in abundance! I can honestly say on a daily basis I feel motivated and focused.*

*My hopes for the future are that my contract gets made permanent. There are so many opportunities within the department that I would like to continue to develop my existing skill set and hopefully move up the ladder!”*

**Candidate** appointed through the Going Forward into Employment programme



## Cabinet Office

### Going Forward into Employment (GFIE) veterans phase 2 – Cabinet Office

The Going Forward into Employment veterans project is a recently accredited programme. Phase 2 of the programme focuses on the employment of veterans in the Civil Service across the south-west region. While many veterans have successfully made the transition to civilian employment, a significant number have struggled to find meaningful employment. Although still fairly new, the veterans programme has had significant interest and support from a number of departments based in the south-west. Civil Service Local is working in partnership with The Forces Employment Charity to secure candidates and match suitable roles that are available in the Civil Service.

### Life Chances group

Early this year we convened a Commissioner-led life chances group, chaired by Rosie Glazebrook, supported by Jane Burgess and June Milligan and members of the secretariat. The main objective of the group is to support departments leading on Exception 2 employment schemes. As well as meeting regularly to review requests for approval, the group is working on a creative strategy to promote life chances across government to enable more departments to seek accreditation for schemes under Exception 2.

### Life Chances steering board

We have also recently established the Life Chances steering board, chaired by Peter Lawrence, Chief Executive which aims to promote the development, expansion and use of life chances programmes accredited under Exception 2. The forum provides leadership and co-ordination across the Civil Service for the programmes seeking accreditation and for programmes that have already gained accreditation by the Commission. The board is a central point for departments to share best practice, support programme leads facing challenges and risks on their programmes and to promote the benefits that life chances schemes offer both individuals and the Civil Service.

*“By accrediting schemes, we can ensure departments can stay within the law and help both the individuals and the wider community. We are keen to show what can be done and expand the opportunities available.”*

**Peter Lawrence,**  
Chief Executive

## What we do

### Recruitment

#### Recruitment Principles

By law, selection for appointment to the Civil Service must be on merit on the basis of fair and open competition. The Commission is required to publish its Recruitment Principles, which interpret this statutory requirement for Civil

Service departments and agencies. The Civil Service Commission may allow Exceptions to this statutory requirement in the Recruitment Principles. There are 10 specific Exceptions listed in the Recruitment Principles. We report below on the use of Exceptions across the Civil Service in 2018/19.

A revised version of the Recruitment Principles was introduced on 1 April 2018. The revisions put greater emphasis on the importance of seeking to attract a strong and diverse pool of candidates for every selection competition. We also introduced changes to the Exceptions regime to allow the Commission to more easily support government employment initiatives to provide work opportunities for a range of disadvantaged groups. The changes also to help departments to bring in individuals with highly specialist, and hard to resource skills.

The Commission's staff has put a great deal of effort into supporting recruitment teams across the Civil Service to understand and utilise the revised provisions of the Recruitment Principles. We have run 31 awareness sessions for civil servants working on recruitment. This is a significant increase from the 11 sessions we ran in the previous year. Some of these have been open invitation courses in London, but many have been specific sessions for individual departments and agencies. We have run a number of sessions in Scotland and Wales, and in England in many Civil Service centres from Liverpool to Taunton and from Bristol to Norwich.

### Chairing senior competitions

In 2018/19, Commissioners chaired senior recruitment competitions for 192 posts at Senior Civil Service pay band 2 (SCS PB2) and above. These posts cover a wide range of disciplines and professions, from the HR Director in the Cabinet Office to the Chief Executive of the Office of Road and Rail; and from the General Counsel in the Serious Fraud Office to the Director of Homelessness and Rough Sleeping in the Ministry of Housing, Communities and Local Government.

As a result of these selection competitions, 183 appointments were made. In nine competitions no appointable candidates were identified. In addition, by special agreement, we chaired four competitions at SCS pay band 1 (PB1) and one competition at Grade 6 for the Department for Work and Pensions. For one of these competitions no appointable candidate was identified. Please see the 'Key facts' section of this report and page 35 for management information about these recruitment competitions.

The Commission's statutory role involves providing assurance that the requirement to select for appointment to the Civil Service on merit on the basis of fair and open competition is being upheld and is not being undermined. Important aspects of this are our compliance monitoring regime and our work in hearing appeals under the Recruitment Principles. We report on these important activities elsewhere in this report.

A direct and visible regulatory intervention is the chairing of senior competitions by Commissioners. Open selection competitions for the top three grades

of the Civil Service are chaired by a Civil Service Commissioner: SCS 2 (Director), SCS 3 (Director General) and SCS 4 (Permanent Secretary). In addition, and by agreement with the Cabinet Secretary and the Senior Leadership Committee, Commissioners also chair internal competitions (only open to existing civil servants) for the two most senior grades, SCS3 and 4. Commissioners also from time to time chair other selection competitions by request, as we did for DWP this year.

*“As a Commissioner, I continue to learn about the huge range of roles across the Civil Service and the challenges in different departments and government bodies.”*

**Rosie Glazebrook,**  
Civil Service Commissioner

### NDPB accreditation scheme

The Commission has an active role in the Cabinet Office’s accreditation scheme that enables staff of accredited non-departmental public bodies (NDPBs) and other approved organisations to access the internal Civil Service recruitment gateway. Accreditation lasts for three years, after this time organisations must reapply for accreditation. The Commission dealt with 52 applications for accreditation or reaccreditation in 2018/19.

### Exceptions

By statute, the Commission is able to provide Exceptions to the requirement to select for appointment to the Civil Service on merit on the basis of fair and open competition. Exceptions must be justified by the needs of the Civil Service, or to

allow the Civil Service to participate in government employment programmes. There are ten specific Exceptions outlined in the Recruitment Principles, plus the ability to make exceptional approvals.

*“Across the Civil Service, most use of Exceptions is to cover short-term need, where a full open competition may be impractical or disproportionate.”*

**Giulia Poli,**  
Recruitment Senior Policy Adviser

Some short term appointments are for individuals with highly specialist skills. Some other short term appointments are secondments from outside organisations. These may be private sector organisations or other public sector bodies such as the police, or local government, with whom the Civil Service works closely.

In most cases, the use of Exceptions is delegated to departments. The Commission has delegated to departments the use of Exceptions where the appointment is at SCS pay band 1 or lower and where the pro-rata salary is under the SCS pay band 2 minimum. In addition to appointments at the most senior grades and at higher salaries, departments also need prior approval from the Commission for any appointment by Exception for an individual who has had a previous appointment by Exception within the previous 12 months. Prior approval is also required for an appointment or extension that takes the period of appointment by Exception beyond two years.

*“To make an Exception request at the more senior levels, departments must submit a business case to us explaining why a full recruitment process is not practical or proportionate.”*

**Bill Brooke,**  
Recruitment Policy Lead

The revised Recruitment Principles contained new provisions on the use of Exceptions for highly specialist skills. There were also expanded provisions, as described on page 15, to allow departments to run programmes to give fixed-term opportunities in the Civil Service to individuals and groups whose circumstances and previous life chances made finding employment difficult.

The UK’s decision to leave the European Union has been an extremely important context for Civil Service recruitment during the year. The Commission has worked closely with many departments to help them meet their short and long term staffing needs as a consequence of the UK’s decision to leave the EU. The pragmatic and controlled use of Exceptions to allow very rapid recruitment and the recruitment of highly specialist staff has been an important aspect of this.

Departments have reported total external recruitment to the Civil Service of 55,376 appointments in 2018/19. Of these 4,824 (8.7%) have been by Exception. This is in line with the pattern of the last few years where roughly 10% of appointments to the Civil Service each year are by Exception. The Commission’s staff have dealt with 227 Exception

requests where the proposed use fell outside the delegated powers given by the Commission to departments.

### Recruitment complaints

This year, we received 211 complaints about recruitment campaigns (172 in 2017/18). All cases received this year, whether closed in year or shortly after, have been included in our figures. Of the four complaints still under investigation at the time of last year’s report, we did not find breaches in any of these cases.

The majority of cases received by the Commission are either out of scope (67 in 2018/19) or require a departmental investigation before the Commission can consider the case (109 in 2018/19). We closed a further three cases because the complaints were withdrawn or we had no further contact with the complainant.

32 cases were considered by the Commission; the majority did not require a full investigation. No breaches were found in 21 cases. Breaches were found in the remaining 11 cases and these are detailed below. Cases 1 and 2 were considered by Commissioners; the remainder did not require full consideration as breaches were identified without this being necessary.

All complaints received are published on our website<sup>1</sup> and, for those complaints that require adjudication by a Commissioner panel, we publish a decision notice.

1 <https://civilservicecommission.independent.gov.uk/recruitment/civiservicerecruitmentcomplaints>

<b>Case 1:</b> Health and Safety Executive	A candidate applied for a Grade 6 post and was appointed to the role. It emerged that there were several breaches of the Recruitment Principles during the campaign, including the sift being overseen by only one person, but, more seriously, the successful candidate being treated more favourably at sift than their actual marks merited. As a result, the appointment was found to be unlawful (see also Code cases page 28).
<b>Case 2:</b> Ministry of Housing, Communities and Local Government	This was a direct referral from the department's HR team following a complaint about a competition for a Grade 7 post. One appointable candidate was not invited to meet the minister when all other appointable candidates were invited. This was a breach of the Recruitment Principles which require candidates to be treated consistently and, in this case, each candidate should have been offered a meeting with the minister.
<b>Case 3:</b> The Insolvency Service	A breach was identified because a conflict of interest had not been declared by a panel member.
<b>Case 4:</b> HM Revenue and Customs	A breach was identified because HMRC assessed candidates on a criterion that had not been advertised.
<b>Case 5:</b> HM Revenue and Customs	HMRC was found in breach because it did not extend an online test deadline for all relevant candidates, breaching the fairness requirement. We have noted several cases of candidates being turned away at interview because they had not brought identifying documentation, were required to bring particular documents to interview or the advertised material stating that candidates must hold particular documents. In most cases this was purely to speed up the pre appointment check process and/or organisations were not giving candidates a wide enough choice of identifying documents. The cases where we identified breaches are set out as Cases 6, 7 and 8 below.
<b>Case 6:</b> HM Revenue and Customs	A candidate was turned away because identifying documents had not been brought to interview and consequently a breach was recorded.
<b>Case 7:</b> Department for Work and Pensions	Similarly, DWP was found in breach because it turned away a candidate from interview for not bringing sufficient identifying documents.
<b>Case 8:</b> Home Office	The Home Office was requiring all candidates to have a passport as identification; a breach was recorded.
<b>Case 9:</b> Ministry of Justice	A breach was identified when MOJ failed to inform candidates that the working pattern advertised was incorrect.
<b>Case 10:</b> Ministry of Justice	MOJ failed to record a conflict of interest as a panel member knew a candidate; a breach was found.
<b>Case 11:</b> Cabinet Office	Cabinet Office confirmed a breach because candidates were assessed on a criterion that was not advertised.
<b>Case 12:</b> Department for Environment, Food & Rural Affairs	Defra self-reported a serious breach of the Recruitment Principles where an external recruitment competition had been manipulated by the chair of the panel, negatively impacting on the campaign merit order (see also Code cases page 28). This case is not included in our complaints total as it did not come to us as a complaint.

## Compliance

In 2017/18, we implemented a new approach to compliance which received positive feedback from departments. We have continued with this approach, making changes to process where necessary. The current year was the first year that the Commission had reverted back to collecting, collating and analysing quarterly recruitment data in-house after several years of using external auditors. Taking the function in house has given us greater control over the data that is collected from departments and more scope to scrutinise and analyse the data. This has given us more confidence in the robustness of the data, although we will continue to keep this under review. We have worked with the survey platform provider to build in extra features which suit our requirements and streamline the data collection process.

Currently, analysis of this data is used to contextualise a department's recruitment outcomes and is used as part of the moderation process to decide on departmental risk ratings. We are continuing to develop how we use the data available to us to inform our regulatory function and any support necessary.

*“The process has been good with timely calls for data and well explained guidelines accompanying them.”*

*“The data capture process this year has taken into consideration the qualitative data as well as quantitative which has allowed the department to provide a more holistic view of our recruitment practices and processes.”*

### Comments from departments on the new compliance data collection process

This year, the Commission Secretariat carried out audits with all departments and agencies in person, making it easier to identify organisations who needed our help and who would benefit from further training.

*“As well as identifying areas of recruitment that need improvement, we have also highlighted some great examples of good practice and these will be shared across the whole Civil Service.”*

**Jan Cameron,**  
compliance group chair

Table 2 (page 30) sets out the annual assessment and risk ratings for all organisations, following moderation by the Compliance Group. Also set out in this table are the number of breaches identified for each organisation in 2018-19. These include breaches of the Recruitment Principles or situations where there was insufficient documentation to evidence recruitment on merit following a fair and open competition and other

issues identified at audit visits, breaches following complaint investigations, and Exception breaches. We have also included any Civil Service Code breaches. While we have identified some poor practice and breaches during the year, overall the Commission retains confidence in the ability of all organisations we regulate to carry out external recruitment and we do not believe that any require significant regulatory intervention.

We assessed the following six organisations as poor:

#### Department for Digital, Culture, Media and Sport

The Commission identified three breaches at DCMS. There were two Exception breaches and one serious breach where candidates were appointed out of merit order. The Commission believes DCMS is likely to improve, and stands ready to support DCMS as required in the coming year.

#### Department for Environment, Food and Rural Affairs

Defra self-reported that an external recruitment competition had been manipulated by the chair of the panel, negatively impacting on the campaign merit order. This is a serious breach of the Civil Service Recruitment Principles and also resulted in a self-reported breach of the Civil Service Code. Together with two Exception breaches this year, core Defra has therefore been allocated a poor rating. However, the department's response and good level of engagement indicate likely improvements in the future and we will continue to support Defra in the coming year.

#### Health and Safety Executive

HSE had seven breaches in 2018–19 (one of those a Civil Service Code breach). The most serious breach resulted in a finding of an unlawful appointment. We will be offering support and assistance to HSE in the coming year to build both on their actions to mitigate further issues and on the positive engagement shown.

#### Ministry of Housing, Communities and Local Government

MHCLG received five breaches in 2018–19 (three of which related to one appointment and one to a complaint) which has led to a Poor Improving rating. The Commission believes that the level of future risk is low. MHCLG has a strong level of engagement with the Commission which we will maintain over the coming year.

#### Office of Gas and Electricity Markets

The Commission identified two breaches at audit and consequently has concerns about record keeping. Due to internal pressures and the team being under-resourced, Ofgem has had generally low levels of engagement and interaction with the Commission over the year, and had not been able to implement the Commission's recommendations for improvements from last year. We will take a proactive approach to engagement with Ofgem over the coming year.

#### UK Debt Management Office

From a low level of recruitment, UKDMO has been rated as poor but improving due to enhancements being required in record keeping and interview selection processes as evidenced by two breaches.

Actions have been taken to address these issues and they are working closely with the Commission with the goal of further improvement in the coming year.

We will continue to provide support to these organisations rated poor and will prioritise our compliance visits to these organisations.

## Civil Service Code

### Promoting the values

The tenth Civil Service People Survey was conducted in 2018 and again asked three questions relating to the Civil Service Code.

Awareness of the Code itself remains high across the Civil Service, remaining at its highest level ever for the second year, although awareness of how to raise a concern under the Code and confidence that such complaints would be properly investigated remains relatively low. It is encouraging that confidence that a concern raised under the Code would be investigated properly has continued to increase to its highest-recorded

level, however it is disappointing to see that awareness of how to raise a Code complaint fell by one percentage point from last year.

Since they were introduced a decade ago, positive responses have increased across all three Code-related questions. Over the past ten years, awareness of the Code has increased by 17 percentage points, awareness of how to raise a concern thereunder has increased by 23 percentage points, and confidence that such a concern would be investigated properly has increased by 13 percentage points.

Despite these increases, there remains a significant variation between departments' scores. Generally speaking, scores tend to be lower in organisations working further away – in functional or geographic terms – from the centre of government, in particular in those organisations with a high degree of technical specialism or autonomous working. That is not to say that there is a lower commitment to the Code in these organisations, but rather that it can sometimes be harder to have the sense of corporate Civil Service identity in organisations that feel more remote.

**Table 1** Awareness of the Civil Service Code

Question (from the People Survey)	2016	2017	2018
Are you aware of the Civil Service Code? (% answering yes)	91%	92%	92%
Are you aware of how to raise a concern under the Civil Service Code? (% answering yes)	67%	68%	67%
Are you confident that if you raise a concern under the Civil Service Code (in the organisation) it would be investigated properly? (% answering yes)	67%	70%	71%

As part of the Civil Service Commission's commitment to promoting the Code and understanding of it, alongside giving general advice and guidance, in the reporting year we visited 15 departments to run seminars on the Code and attended and spoke at the Nominated Officers Conference.

We hold monthly catch-up sessions with Civil Service Employee Policy who lead on Code policy. We are also collaborating with them to produce the next biannual Nominated Officers Conference, as well as feeding into Speak Up Week to promote the Code as part of a wider whistleblowing awareness week.

### Code Appeals and Investigations, 2018/19

In 2018/19 we received 85 Code complaints (78 in 2017/18). The majority of cases were either out of scope or required a departmental investigation before our consideration. All cases received this year, whether closed in year or shortly after, have been included in our figures.

The case still under investigation at the end of 2017/18, against the Department of Health and Social Care was published on our website<sup>2</sup>, as are all complaints; no breach was found, but recommendations were made.

In 2018/19 we investigated the Health and Safety Executive complaint below and also received a self-reported notification of a Code breach from the Department for Environment, Food and Rural Affairs. This self-reported case is not reported as a complaint, but we have set out a brief summary below. Both of these cases also

appear in the Recruitment Principles complaints section at page 24 as they were in breach of both statutory regimes.

### Health and Safety Executive

A candidate applied for a Grade 6 post and was successful. The investigation revealed a conflict of interest because of the involvement in the recruitment process of a senior manager who was a relative of the successful candidate. This interference resulted in the unlawful appointment of the senior manager's relative within their own line management chain. The senior manager was found to be in breach of the Code requirements of impartiality and objectivity (see also Recruitment complaints page 24).

### Department for Environment, Food and Rural Affairs

Defra self-reported a serious breach where an external recruitment competition had been manipulated by the chair of the panel, negatively impacting on the campaign merit order (see also Recruitment complaints page 24).

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<sup>2</sup> <https://civilservicecommission.independent.gov.uk/code/civilservicecodecomplaints/>

## Strategy – Diversity

Diversity has continued to be the main strategic priority for the Commission since last year. The Commissioner-chaired diversity working group has been used to share knowledge and best practice, as well as bringing together some of the conversations from wider Civil Service diversity and inclusion initiatives, including the Diverse Leadership Taskforce chaired by John Manzoni. We also continue to improve how we utilise diversity statistics within our compliance reporting as well as reshaping the data capture for our recruitment data, to better inform departmental outreach.

*“When completing a recruitment campaign for MHCLG it was great to learn of their decision to have an identified group of individuals from BAME backgrounds who can be interview panel members, broadening both their skills and experience and enabling panels to be diverse and broader in their thinking and decision making.”*

**Jane Burgess,**  
Civil Service Commissioner

The Commission has also created a best practice guide to aid Commissioners in their work from planning meeting all the way to interview. This includes some good examples from departments on inclusive wording in candidate packs, to potential questions for use during the interview itself. All this information is being gathered from departments, panel reports and external input to ensure that we are working towards a more diverse Senior Civil Service.

*“We continue to develop tool kits and use data more effectively in monitoring and promoting diversity in applications to senior roles.*

*We seek to encourage diverse fields of applications and this is particularly challenging in IT, technical and scientific sectors.”*

**Rosie Glazebrook,**  
Civil Service Commissioner

While the Commission’s focus has previously been on how to attract an increased number of BAME applicants, the April 2019 Strategy Day will begin to similarly consider disability in more depth. We will work on understanding what needs to be done to ensure processes are not disadvantaging members of the disabled community.

*“I have been encouraged by the commitment of Civil Service leaders to diversity and inclusion but delivering on this will require sustained effort over a number of years, especially in respect to disabled people who are under-represented in the Civil Service workforce at every level.”*

**Kevin Woods,** Civil Service  
Commissioner

## Management information

The following tables and graphs provide management information on the compliance rating for each department and agency we regulate and the numbers and make-up of applicants for Civil Service appointment during 2018/19.

Civil Service-wide

**Table 2** Compliance ratings, trajectories and breaches for 2018–19

Organisation	Rating	Trajectory	Breaches
Advisory, Conciliation and Arbitration Service	Fair	At Risk	1
Animal and Plant Health Agency	Good	Static	0
Cabinet Office	Fair	At Risk	5
Centre for Environment, Fisheries and Aquaculture Science	Fair	Static	1
Charity Commission	Fair	Static	1
Companies House	Fair	Static	1
Competition and Markets Authority	Good	Static	0
Crown Commercial Service	Fair	Likely to improve	0
Crown Office and Procurator Fiscal Service	Fair	Static	0
Crown Prosecution Service	Fair	Likely to improve	3
Defence Equipment and Support	Fair	Static	1
Department for Business, Energy and Industrial Strategy	Fair	Static	1

Organisation	Rating	Trajectory	Breaches
Department for Digital, Culture, Media and Sport	Poor	Likely to improve	3
Department for Education	Fair	Likely to improve	3
Department for Environment, Food and Rural Affairs	Poor	Likely to improve	4*
Department for Exiting the European Union	Fair	Likely to improve	0
Department for International Development	Fair	Likely to improve	1
Department for International Trade	Fair	Static	1
Department for Transport	Fair	Static	3
Department for Work and Pensions	Good	Static	1
Department of Health and Social Care	Fair	Static	1
Estyn - Her Majesty's Inspectorate for Education and Training in Wales	Good	Static	0
FCO Services	Fair	Static	1
Food Standards Agency	Fair	Likely to improve	0
Foreign and Commonwealth Office	Fair	Static	2
Forestry Commission	Fair	Static	0
Government Actuary's Department	Good	Static	0
Government Commercial Function	Fair	Static	0

Organisation	Rating	Trajectory	Breaches
Government Economic Service	Fair	At Risk	2
Government Legal Department*	Good	Static	0
Government Social Research	Fair	At Risk	1
Health and Safety Executive	Poor	Static	7*
Her Majesty's Revenue and Customs	Fair	Static	5
Her Majesty's Treasury	Fair	Static	5
Home Office	Fair	Likely to improve	1
Intellectual Property Office	Fair	Likely to improve	0
Land Registry	Good	Static	0
Medicines and Healthcare Products Regulatory Agency	Fair	Static	0
Met Office	Fair	Likely to improve	0
Ministry of Defence	Fair	Static	3
Ministry of Housing, Communities and Local Government	Poor	Likely to improve	5
Ministry of Justice	Fair	Likely to improve	2
National Crime Agency	Fair	Static	2
National Savings and Investments	Fair	Static	1

Organisation	Rating	Trajectory	Breaches
Northern Ireland Office	Fair	Static	1
Office for Standards in Education (Ofsted)	Fair	Static	0
Office of Gas and Electricity Markets (Ofgem)	Poor	Static	2
Office for National Statistics	Fair	Likely to improve	0
Office of Qualifications and Examinations Regulation (Ofqual)	Fair	Static	1
Office of Rail and Road	Fair	Static	0
Planning Inspectorate	Fair	Static	0
Public Health England	Fair	At Risk	4
Registers of Scotland	Fair	Static	13‡
Rural Payments Agency	Fair	Likely to improve	0
Scottish Courts and Tribunals Service	Fair	Static	1
Scottish Prison Service	Fair	Likely to improve	0
Serious Fraud Office	Fair	Static	1
The Insolvency Service	Fair	Static	1
The National Archives	Fair	Static	1
The QEII Centre	Fair	Static	0

Organisation	Rating	Trajectory	Breaches
The Scottish Government	Fair	Static	7
The Veterinary Medicines Directorate	Fair	Static	0
The Water Services Regulation Authority (Ofwat)	Fair	At Risk	2
UK Debt Management Office	Poor	Likely to improve	2
UK Export Finance	Fair	Static	0
UK Hydrographic Office	Fair	Likely to improve	0
UK Space Agency	Fair	Static	1
Valuation Office Agency	Fair	Likely to improve	0
Welsh Government	Good	Static	0
Welsh Revenue Authority	Fair	Likely to improve	1
Wilton Park Executive Agency	Fair	Static	1

\* One breach is a Civil Service Code breach.

† Until Quarter 4, HM Crown Prosecution Service Inspectorate reported as its own department. However from Quarter 4 onwards, they report as part of Government Legal Department. As such, they do not have a rating. HMCP's figures from throughout the year have been added into GLD's.

‡ 12 of these 13 breaches related to one cohort.

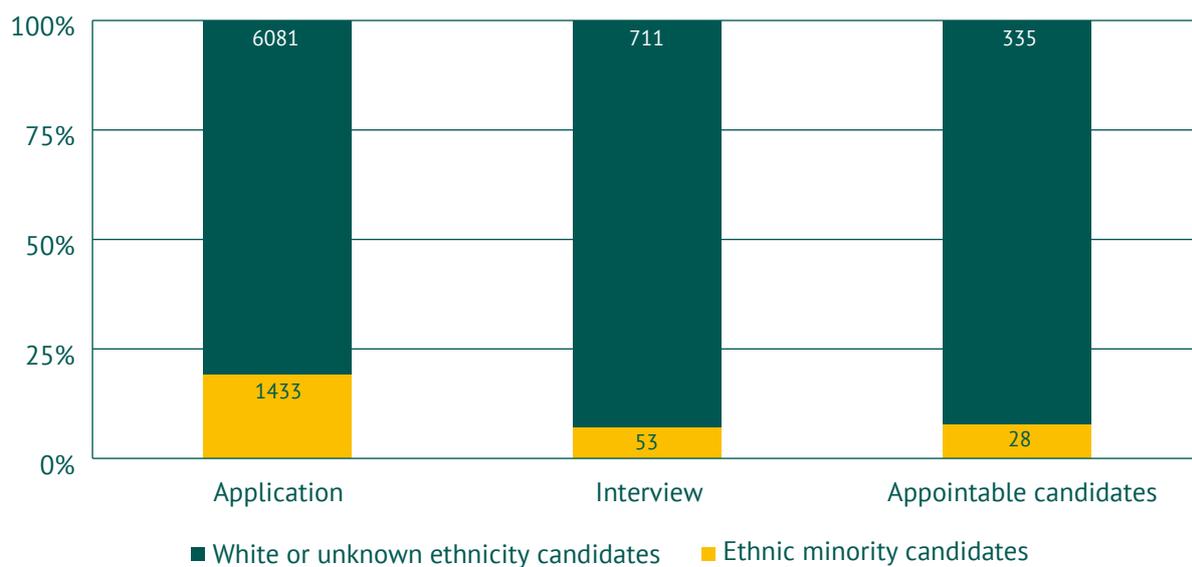
## Commissioner-chaired competitions

**Table 3** Number of appointments made in Commissioner-chaired competitions

	Posts competed	Appointments made
Grade 6*	1	0
SCS 1*	4	4
SCS 2 (Director)	162	155
SCS 3 (Director General)	26	25
SCS 4 (Permanent Secretary)	4	3
<b>Total</b>	<b>197</b>	<b>187</b>

\*chaired by special arrangement

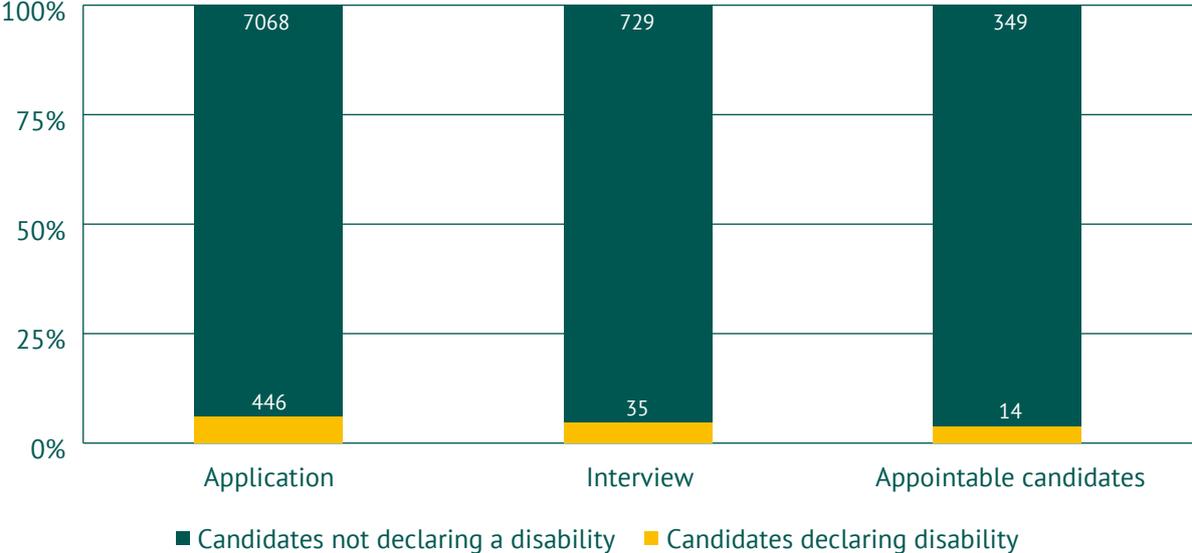
**Figure 1** Ethnicity breakdown at key stages of Commissioner-chaired competitions



**Figure 2** Gender breakdown at key stages of Commissioner-chaired competitions



**Figure 3** Disability breakdown at key stages of Commissioner-chaired competitions

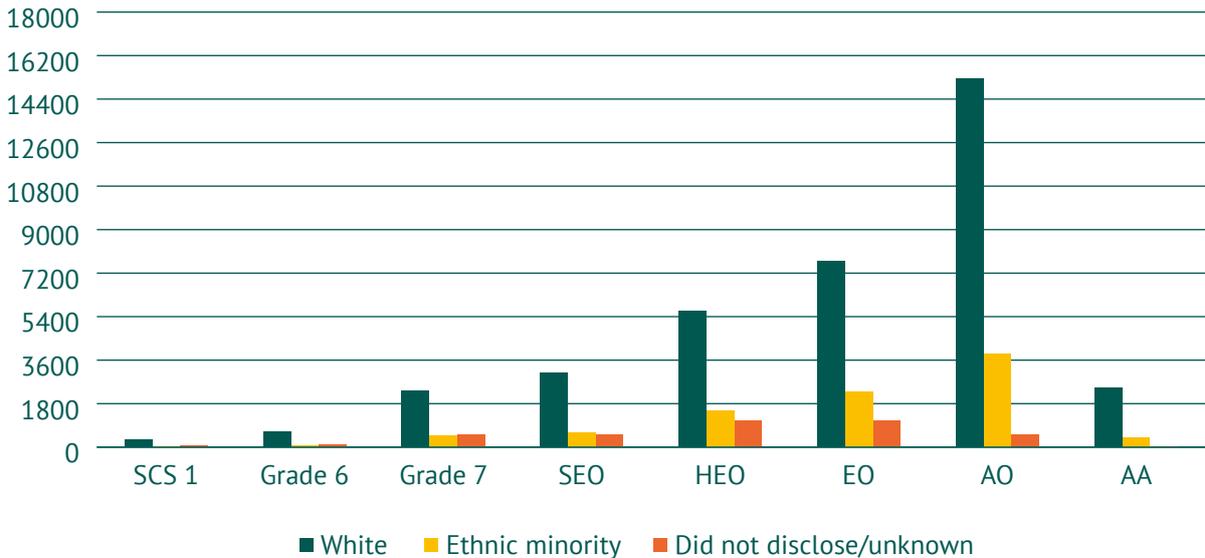


### Recruitment below SCS pay band 2

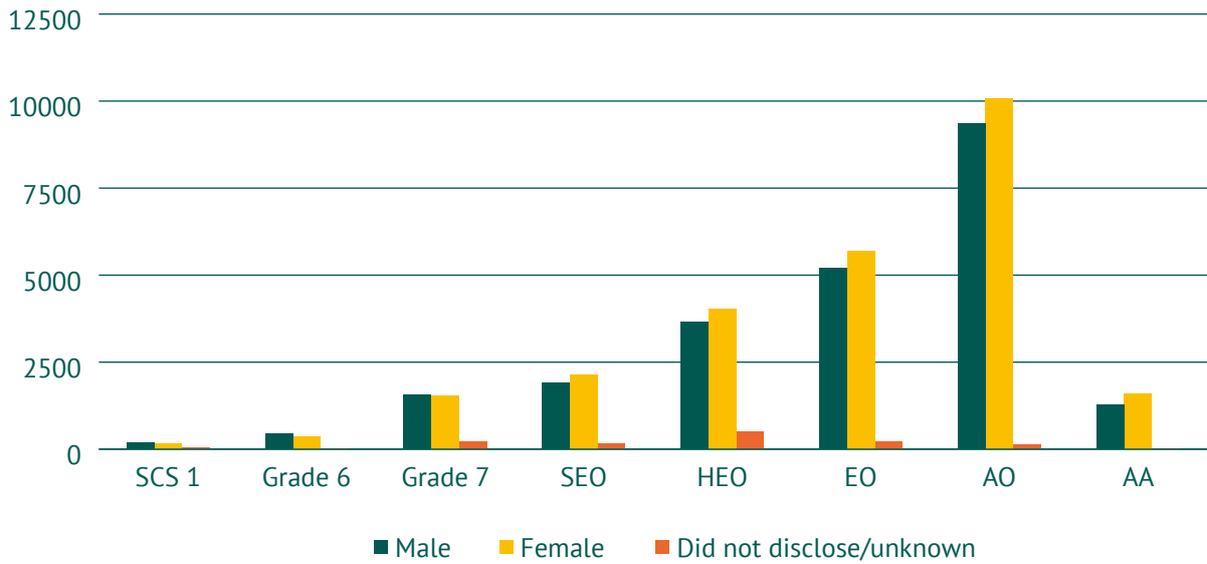
Figure 4 Total appointments below SCS pay band 2



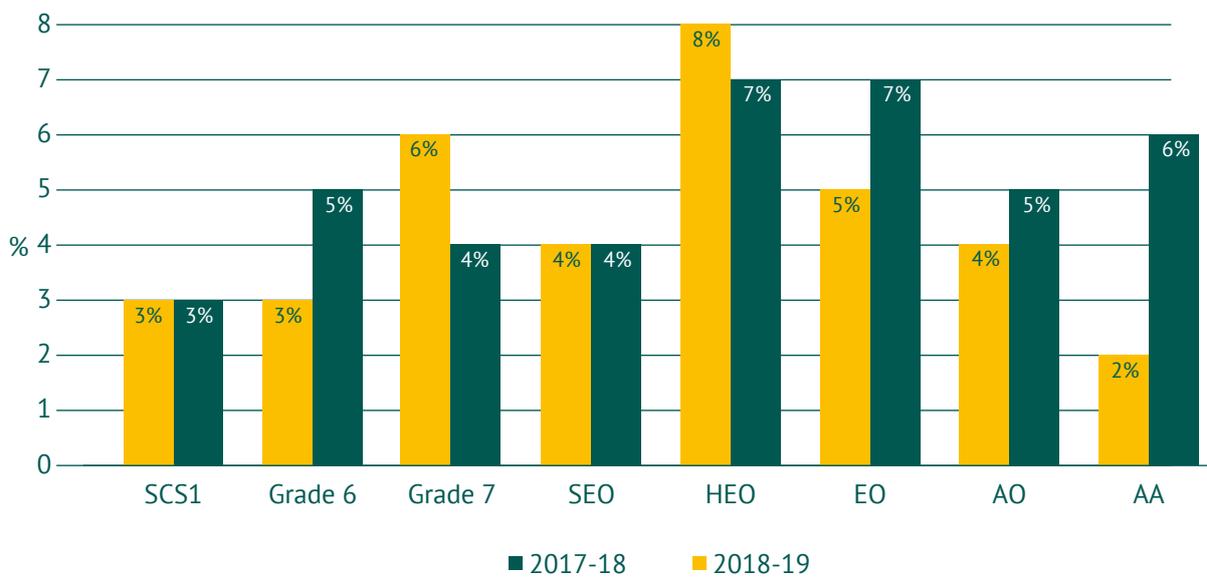
Figure 5 Ethnicity breakdown of successful candidates, by grade



**Figure 6** Gender breakdown of successful candidates, by grade



**Figure 7** Disability breakdown of successful candidates, by grade



## Who we are

### The Commission

The Commissioners collectively form the Civil Service Commission. They are appointed by The Queen for a single five-year term of office. They bring a range of expertise of the private, public and voluntary sectors as well as an independent perspective.

The Commission meets regularly along with the Chief Executive and members of the secretariat to consider business and strategic matters and takes informed decisions in pursuit of its regulatory functions.

The Commission agreed to hold two strategy days each year in April and November. The first of these, in April 2018, was held at the Government Digital Service and focused on the Civil Service Code and the Commission's governance arrangements. In November 2018, we visited Public Health England, where we focused on our strategic priority for supporting the Civil Service through improving the life chances of a diverse group of people.

As part of enhancing relationships with departments, the Commission has continued to hold its monthly meetings at different departments. Permanent Secretaries have been generous in hosting us and discussing their recruitment successes, challenges and approach to enhancing the diversity of applicants. In 2018/19 the Home Office, Department for International Development, Charity Commission and Department for Transport have all hosted monthly Commissioner meetings. In February 2019, the Welsh Government in Cardiff hosted the Commissioner meeting and in March it was the Scottish Government in Edinburgh.

We will continue taking the opportunity to visit departments over the next year, starting with our next strategy day in April 2019 at the Department for International Trade and upcoming meetings at the Department for Work and Pensions, and Foreign and Commonwealth Office.

*“Having board meetings in different departments has been a great learning opportunity and broadened my understanding of the Civil Service, enabling me to continue to develop my own contribution.”*

**Jane Burgess,**  
Civil Service Commissioner

## The Commissioners



### **Jane Burgess**

The majority of Jane's career has been in the private sector: she was formerly Partners' Counsellor and a main board director at John Lewis Partnership. She is currently a lay member of the House of Commons Committee on Standards and an ordinary member of the Competition Appeal Tribunal.

She has extensive experience of senior executive recruitment and enabling people to have their voice heard.

Jane was appointed as a Civil Service Commissioner on 1 October 2017.



**Jan Cameron**

Jan has spent her career in HR in the private sector, primarily in large retail organisations including Sainsbury's and Homebase. Until recently she was the Group Services Director for the executive search firm Norman Broadbent. She currently serves as a member of the Employment Tribunal for HM Courts and Tribunals Service and undertakes HR consultancy work.

She has extensive experience of senior executive recruitment with a particular interest in governance and employment law.

Jan was appointed as a Civil Service Commissioner on 1 October 2015.



**Natalie Campbell**

Natalie Campbell is an award-winning businesswoman and HarperCollins author, who was recognised in the Management Today 35 Women Under 35 and City AM Power 100 Women lists.

In 2011 she co-founded A Very Good Company, a global social innovation agency that worked with brands to drive social change. Natalie is a board member of the London LEAP, London's economic strategy board and the Old Oak and Park Royal Development Corporation.

Natalie was appointed as a Civil Service Commissioner on 1 June 2017.



### **Isabel Doverty**

Isabel Doverty was formerly Global Head of Human Resources, Wholesale Banking, at Standard Chartered Bank. She is also an independent member of the State Honours Committee and works as a facilitator for the Truth Project, part of the Independent Inquiry into Child Sexual Abuse.

Throughout her private sector career she has held senior HR roles in the energy and financial services sectors, specialising in employee relations, organisational change and executive level recruitment.

Isabel was appointed as a Civil Service Commissioner on 1 October 2015.



### **Margaret Edwards**

Margaret has held senior roles in the public sector, including Chief Executive roles in the NHS and as Director General in the Department of Health. She had a successful career with Mckesson International. Currently Margaret is chair of the Civil Service Pension Board and chair of the National Oversight Group for the High Secure Hospitals.

She has a track record of designing and delivering public sector reform and national targets. She is particularly interested in aligning individual and corporate objectives and the design of total reward packages.

Margaret was appointed as a Civil Service Commissioner on 1 October 2017.



**Rosie Glazebrook**

Rosie has a sales and marketing background in media, data and health organisations. She has wide board experience including as a board member (Food Standards Agency, Public Health England and NHS bodies) alongside consumer-related roles. She is currently co-chair, Copyright Licensing Agency and chair, Publishers' Licensing Services. She also chairs an NHS Research Ethics Committee and is council member, General Optical Council and trustee, Book Aid International.

Rosie has particular interests in strategy, governance, data, ethics and business development.

Rosie was appointed as a Civil Service Commissioner on 1 June 2017.



**Sarah Laessig**

Sarah Laessig has a portfolio of roles across the public and private sectors. She is a non-executive Director of Valoot Technologies, a financial technology company; a Director of CG Pension Trustees; a non-executive Director of LPP; and a member of the board of advisors of data.world, a data collaboration technology company. Sarah is also a Commonwealth Scholarship Commissioner and a Visiting Executive at the London Business School. Sarah previously enjoyed an executive banking career at Citigroup.

Sarah was appointed as a Civil Service Commissioner on 1 October 2015.



### **June Milligan**

June has extensive experience as a senior civil servant. Her last role was Director General, Local Government and Communities and board member in the Welsh Government. She has also held roles as a diplomat and as Head of Department at the Foreign and Commonwealth Office. She is a member of the Court of the University of Glasgow and an Equality and Human Rights Commissioner.

June's areas of interest and expertise are people-centred: in leadership, diversity, governance and ethics.

June was appointed as a Civil Service Commissioner on 1 June 2017.



### **Joe Montgomery**

Joe has held senior executive roles in the private sector, focusing on property and regeneration, as well as an executive career in both central and local government including as Director General at the Department of Communities and Local Government and Director General, Office of the Deputy Prime Minister. He also holds several non-executive roles.

Joe was appointed as a Civil Service Commissioner on 1 June 2017.



**Ian Watmore**

Ian's career is diverse, spanning private, public, sports, university, church and third sectors.

He spent 24 years in the private sector culminating as Accenture UK CEO. He then worked for 7 years in the Civil Service, holding three different Permanent Secretary posts under three Prime Ministers.

Ian has held several board positions in sports administration. He is on the council of Chester Cathedral and he has previously served on boards at the Information Commissioner's Office, Cambridge University and was chair of the Migraine Trust for ten years.

Ian was appointed as First Civil Service Commissioner on 1 October 2016.



**Kevin Woods**

Having held senior management roles in the health sector for several years, and being appointed the William R Lindsay Professor of Health Policy and Economic Evaluation at the University of Glasgow, Kevin was the Chief Executive of NHS Scotland and Director General for Health in the Scottish Government. Most recently, he was Director General of Health and Chief Executive of the Ministry of Health in New Zealand.

Kevin is also a trustee of Leuchie House, a charity providing respite care to people with neurological conditions.

Kevin was appointed as a Civil Service Commissioner on 1 October 2015.

## Corporate management

### Transparency and outreach

#### Open event



The Commission is required by its Memorandum of Understanding with the Cabinet Office to hold an annual open meeting.

This year the Commission ran an open event in London, replacing the virtual open weeks we have held in the past. Two sessions were run, at which Commissioners shared an overview of the recruitment process they oversee, as well as their insights into the application and interview stages. This was followed by a lively Q&A. The event was well-attended and a live stream video link was also offered for those unable to attend in person. The sessions received good feedback, being rated on average 4 out of 5 for usefulness, and attendees in general reported an increase in confidence when applying for senior roles following the session.

*“I wasn’t aware of the recruitment process and had very little confidence due to the theory of senior recruitment being such a large scary process (particularly things like the engagement exercise which I haven’t done before). You made it more real and less scary.”*

**Open event attendee**

*“Having taken a different approach to our open event this year, arranging two presentations about the work of the Commission with a Q&A session worked well. It was great to see a whole variety of individuals attending, from those seeking promotion to those responsible for recruitment and people from outside of the Civil Service wanting to learn more about the recruitment process. A great success and something we should develop and repeat.”*

**Jane Burgess,**  
Civil Service Commissioner

#### International briefings



The Commission is pleased each year to be able to welcome a number of visitors from overseas governments and international organisations, when this is possible. Many countries look to the UK as a model of the benefits of an impartial Civil Service recruited on merit, which they see as a major contributor to an efficient and effective public service.

During 2018/19, the First Civil Service Commissioner met the Australian Public Service Commissioner in London. Ian Watmore also met a visiting party of officials from the Public Service Commissions of Liberia and Monserrat, who were in the UK on a study tour organised by Public Administration International.

Members of the Commission's secretariat met representatives from the public services of India, Kyrgyzstan, Japan, Romania and Canada. The Commission also welcomed a visit from the Northern Ireland Civil Service Commission.

## Information requests



The Commission publishes a large amount of information about its work. In addition to reflecting our commitment to openness and transparency, this is one way in which we meet our statutory responsibilities under the Freedom of Information Act 2000.

The Freedom of Information Act requires public authorities to adopt publication schemes setting out the types of information they will make available routinely. We have adopted the model publication scheme approved by the Information Commissioner and the information on our website reflects this.

In 2018/19 we received 43 requests under the Freedom of Information Act (29 in 2017/18) and 3 Subject Access Requests under the Data Protection law (General Data Protection Regulation, and Data Protection Act 2018) (0 in 2017/18). 42 of the Freedom of Information requests were responded to within the statutory deadline, which is 98% (2017/18: 100%). All Subject Access Requests were responded to within the statutory deadline. Where information is released by the Commission in response to a Freedom

of Information request, this information is usually published on our website.<sup>3</sup>

## Statutory Disclosures

### Risk

The main risks to the Commission's operations during 2018/19 related to budget and workload – for more details, see page 54.

### Accounts preparation and going concern basis

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

The Commission's accounts have been prepared on the assumption that the Civil Service Commission is a going concern on the grounds that where the Commission has outstanding current liabilities at the end of the year these will be funded in the next year by annual Grant-in-Aid. The Cabinet Office has agreed our budget and expenditure plan for 2019-20.

In common with government departments, the future financing of the Commission's liabilities is accordingly to be met by future grants of supply to the Cabinet Office and the application of future income, both to be approved by Parliament. There is no reason to believe that future approvals will not be forthcoming.

<sup>3</sup> <https://civilservicecommission.independent.gov.uk/contact-us/foi/>

### Future developments

Having made progress on our strategic priorities, we need to enhance our influence through better external promotion and the visibility of the work we are doing. The first step will see our website refreshed and relaunched and which will include short videos to explain, for example: the role of the Commission, the Recruitment Principles, and the Civil Service Code. We will also continue our focus on supporting the Civil Service ambition of being the most inclusive employer.

### Sustainability, environmental, social and community initiatives

The Commission has adopted the Cabinet Office's policy on volunteering which aims to encourage staff to participate in volunteering activity in the community and to enable staff to build their skills through practical experience. Staff are eligible for up to five days paid leave per year for volunteering activity as part of their personal development.

We are committed to improving the work/life balance of our staff and we value diversity. We try to accommodate different working patterns and encourage our staff to join the diversity networks of the Cabinet Office or their parent Department.

We have Codes of Practice for both Commissioners and staff that require them to observe the highest standards of integrity, honesty, objectivity and impartiality; and to offer the highest standards of service to the public.

The Commission contributes to the Cabinet Office's commitment to making a continuing contribution to the goals, priorities and principles of the UK Government's Sustainable Development Strategy, Securing the Future. Details of the initiatives to reduce energy consumption in the Cabinet Office can be found on the government's website.



**Peter J Lawrence OBE**  
Chief Executive  
Civil Service Commission  
Date: 18 July 2019

# Accountability Report

## Corporate Governance Report

### Director's Report

#### Commissioners

Commissioners serve for a five-year non-renewable term of appointment. Andrew Flanagan came to the end of his term of office on 7 July 2018. Please see page 40 for full list of Commissioners.

#### Register of Commissioner's interests

Commissioners record any interests such as company directorships and other significant interests in the Register of Interests, published on our website.<sup>4</sup>

#### Data protection and incidents involving personal data

General Data Protection Regulations (GDPR) came into force 25 May 2018, supplemented by the Data Protection Act 2018 which requires the Commission, as an organisation that processes personal data, to process that information in accordance with the data protection principles and to register with the Information Commissioner's Office.

For a small organisation, the Commission manages a large amount of personal data. Most of this relates to Civil Service recruitment and complaint handling and is held so that the Commission can discharge its role of providing assurance that civil servants are selected on merit on the basis of fair and open

competition. The Commission also holds data for the purpose of investigating complaints under the Civil Service Code and, for administrative purposes, holds data relating to its staff, contractors and Commissioners. The Commission also provided secretariat services throughout 2018/19 to OCPA and ACOBA and so manages further large amounts of personal data for them.

There were five personal data incidents in 2018/19 (two in 2017/18) which involved unauthorised disclosure of data to unintended recipients. The incidents were not deemed to fall within the criteria for reporting to the ICO. Article 15 of the General Data Protection Regulation creates a right, commonly referred to as subject access, which is most often used by individuals who want to see a copy of the information an organisation holds about them. Please see page 47 for more information.

### Statement of Accounting Officer's Responsibilities

The Principal Accounting Officer of the Cabinet Office has designated the Commission's Chief Executive as Accounting Officer for the Civil Service Commission.

The responsibilities of an Accounting Officer – including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Civil Service Commission's assets – are set out in Managing Public Money, published by HM Treasury.

Under the Constitutional Reform and Governance Act 2010, the Civil Service

<sup>4</sup> <https://civilservicecommission.independent.gov.uk/about-the-commission/how-we-work/>

Commission is required to prepare, for each financial year, accounts prepared on an accruals basis, giving a true and fair view of the state of affairs of the Civil Service Commission and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Annual Report and Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRoM) and, in particular, to:

- observe the Accounts Direction issued by the Cabinet Office, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in FRoM have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going-concern basis

The Accounting Officer can confirm that the Annual Report and Accounts as a whole are fair, balanced and as Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

As far as the Accounting Officer is aware:

- there is no relevant audit information of which the auditors are unaware
- the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of, and have access as required to, that information

## Governance Statement

The Civil Service Commission is independent of government and the Civil Service. It is an executive non-departmental public body, sponsored by the Cabinet Office that was created in its current form on 11 November 2010 by the commencement of Part 1 of the Constitutional Reform and Governance Act 2010.

As Accounting Officer, I have responsibility for maintaining effective systems of corporate governance controls – both structural and procedural – to support the achievement of the Commission’s policies, aims and objectives while safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

## Governance Framework

The Commission is made up of the Commissioners and holds monthly meetings chaired by the First Civil Service Commissioner. These meetings are supported by the secretariat, headed by the Commission’s Chief Executive. Together, the Commissioners and the secretariat constitute the Civil Service Commission.

The Commissioners review information on the Commission’s core work at each meeting and the board periodically reviews its own performance to ensure that it and its standing committees are acting effectively.

The Commission’s budget is set by the Cabinet Office; expenditure against it is reviewed quarterly by the Audit and Risk Committee (ARC). Expenditure is reviewed on a monthly basis by the Chief

Executive and on a day-to-day basis by the Commission’s finance team.

During 2018/19, the Commission had one standing committee to advise the Commissioners on specific areas or to exercise functions on behalf of the Commissioners:

- the ARC, established to support the board in its responsibilities for issues of risk control and governance

Three working groups were established during 2017/18 and continued to meet regularly:

- the diversity forum (previously the diversity working group), established to understand and plan how the Commission can influence the representation of people from a BAME and/or disabled background at the most senior levels
- the compliance group was established to develop a new approach to compliance based on a balanced scorecard approach, taking more account of the context in which individual departments and agencies are working
- the communications working group (previously the Annual Report and Accounts working group), set up to explore ways of better promoting the work of the Commission, including producing a new website, producing short films, organising and promoting Commission events

The life chances group was established following the November 2018 Strategy Day, to progress the ideas that will allow

the Commission to influence life chances opportunities across the Civil Service. Membership of the standing committees during 2018/19 is listed at page 53.

Except as set out below, the Commission complies with the Corporate Governance in Central Government Departments: Code of Good Practice 2017 Compliance Checklist, which is regarded as best practice. The exceptions are:

- All Commissioners are non-executives. There are no additional non-executive members of the board.
- The Chief Executive, as Accounting Officer, is responsible for writing the Governance Statement, rather than the board. The statement is reviewed by the Audit and Risk Committee and cleared by a meeting of the Commissioners before publication.
- Our Memorandum of Understanding with the Cabinet Office is not automatically re-negotiated when key personnel leave (including when there is a change of government). We have meetings with the sponsor team in the Cabinet Office and an agreement that the Memorandum of Understanding will be reviewed every three years. The review due in 2013–14 was delayed, at the Cabinet Office's request pending the Triennial Review of the Commission. The Commission is committed to working closely with the Cabinet Office to have a revised Memorandum in place for 2019–20.

The board of Commissioners, and standing committees, complied with the published best practice requirements as set out in Managing Public Money. In the majority of areas, the Commission follows Cabinet Office guidelines and procedures for internal control. Where the Commission's policy differs from the Cabinet Office's, this is set out in Standing Orders which are published on our website.<sup>5</sup> Day to day working practices of the Commission are decided by the Commissioners and these are known as Standing Orders. The key Standing Orders are the Code of Practice for Commissioners and staff, financial and operational delegations, responsibilities from the Commission to the Chief Executive and Audit and Risk Committee terms of reference.

The Commission is registered on the Information Commissioner's register of data controllers.<sup>6</sup> We have reviewed our procedures for information security against those used by the Cabinet Office and our policy on data retention in light of the new General Data Protection Regulation which came into force in May 2018.

#### Commissioner meeting and committee performance

The Commissioners met monthly during 2018/19 (except in May, August and January). The meetings in April 2018 and November 2018 took the form of strategy days.

The Audit and Risk Committee met during 2018/19, in June, September and November. The March meeting was moved to April 2019 due to members' availability. The committee reviewed the risk register,

5 <https://civilservicecommission.independent.gov.uk/about-the-commission/how-we-work/>

6 <https://ico.org.uk/ESDWebPages/Entry/Z2480635>

the reports of reviews conducted by the Commission’s internal auditors, reports from the National Audit Office, staffing arrangements and expenditure against budget. The working groups met as and when required; there was no set schedule.

All Commissioners attended all scheduled meetings and standing committee meetings except as follows:

- Joe Montgomery was unable to attend the June, July, September and March Commissioner meetings
- Margaret Edwards was unable to attend the February Commissioner meeting and the September ARC meeting
- Natalie Campbell was unable to attend the February Commissioner meeting
- Jane Burgess was unable to attend the July, October, February and March Commissioner meetings
- Rosie Glazebrook was unable to attend the March Commissioner meeting
- Kevin Woods was unable to attend the February Commissioner meeting
- Ian Watmore was unable to attend the December Commissioner meeting

### Standing committee membership

#### *Audit and Risk Committee*

Andrew Flanagan (chair until June 2018)

Sarah Laessig (chair from September 2018)

Isabel Doverty

Margaret Edwards (from September 2018)

ARC is also attended by the Chief Executive, relevant members of the secretariat and members of both the internal audit team from the Government Internal Audit Agency and the National Audit Office.

#### *Data quality*

The Commissioners have a number of data sources available to them to enable them to carry out their work.

In providing assurance that selection for appointment to the Civil Service is on merit, following a fair and open competition, the Commission obtains most of its data through compliance monitoring audits of departmental recruitment (see page 25). Compliance audits for 2018/19 were carried out for all 71 departments and agencies regulated by the Commission. The Commissioners are satisfied that the quality of the analysis is high. The quality of the base data provided by departments is more variable but sufficient to enable a proportionate assessment of the likely risk of non-compliance with the requirement.

For the most senior appointments, the Commission obtains its data to provide assurance about compliance with the requirement by directly chairing competitions. Data is collated on the Commission’s casework database drawn from the Commissioner’s panel report and the diversity monitoring return. This information is then analysed by the secretariat and presented at the Commissioner meeting and ARC. The database also records data about appointments by Exception (see page 22) and complaints (see page 23) dealt with by the Commission.

The data used by the Commissioners to oversee the Commission's expenditure comes from a combination of the Secretariat's finance spreadsheet and data supplied by the Cabinet Office's finance team, which provides transactional finance services to the Commission. To date, the level of control has remained acceptable.

#### *Civil Service Commission Code of Practice for staff*

The Commission publishes its own Code of Practice for staff which mirrors the Civil Service Code. The Code of Practice sets out standards of behaviour expected of Commission employees and sets out the process for employees to raise complaints under the Code.

#### *Management of risk*

The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve compliance with policies, aims and objectives.

They can therefore only provide reasonable, not absolute, assurance of effectiveness. The Commission maintains a risk register which is regularly reviewed by both the Audit and Risk Committee and at Commission meetings.

Risks are managed on an ongoing basis, in a process that is designed to:

- identify and prioritise the risks to the fulfilment of the Commission's statutory role and to the achievement of its policies, aims and objectives
- to evaluate the likelihood of those risks being realised and the impact should they be realised

- identify what actions are in place, or need to be taken, to mitigate their impact effectively, efficiently and economically

Cabinet Office guidelines and procedures have been observed during 2018/19 and this Annual Report and Accounts accord with HM Treasury guidance.

The Audit and Risk Committee (ARC) meets quarterly and reports to the Commissioners at the following Commission meeting. ARC supports the Commission by reviewing whether proportionate assurance for meeting the Commission's and Accounting Officer's responsibilities are available and by testing the reliability and integrity of those assurances. This includes responsibility for the effective operation and impact of the Memorandum of Understanding with the Cabinet Office; the Commissioners' Code of Practice; the Staff Code of Practice; and the Commission's business planning process.

The Commission has a risk register in place that has been assessed and considered at senior management level and at Commissioner level. The risk register is regularly scrutinised, discussed, updated and ratified at both ARC and Commission meetings. It is considered at each ARC meeting with an in-depth discussion on particular risks and formally reviewed at the Commission meetings twice a year or more frequently as required. It is maintained by the secretariat and is available to all staff and Commissioners.

The Commission's main strategic risk in 2018/19 related to the possibility of a post-election or Brexit-related surge in SCS competitions and requests

for exceptions, leading to insufficient Commissioner capacity to chair all necessary competitions for departments in a timely way. This would also have had an effect on secretariat workloads, with the potential that workloads would increase beyond the capacity of the team. This risk did not materialise.

Moving below the strategic level, the Commission's main operational risk during 2018/19 was that external demand resulted in failure to live within the Commission's financial and headcount control totals.

The impact of this would be intervention by the Cabinet Office Principal Accounting Officer and would risk reputational damage to the Commission.

We sought to mitigate this risk by ensuring that we produce quarterly business and progress reports for consideration, which are challenged at both ARC and Commission meetings. This risk did not materialise.

### *Audit*

The Commission's internal audit service is provided by the Government Internal Audit Agency (GIAA) (formerly HM Treasury Internal Audit). The internal audit team advise the Chief Executive, who is also the Accounting Officer and the Audit and Risk Committee.

The Head of Internal Audit annually provides an independent opinion on the adequacy and effectiveness of the Commission's governance, risk and control arrangements. The internal audit reviews contribute to that opinion. The internal audit review opinion for 2018/19 is

'Moderate' – with evidence of reasonable governance, risk management and control throughout the year, with some improvements required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Results of internal audit work, including action taken by management to address issues including in audit reports (where appropriate), have been regularly reported to management and the Commission's Audit and Risk Committee.

The external audit of the Commission's accounts is undertaken by the Comptroller and Auditor General, as required by the 2010 Act.

### *Review of effectiveness*

As Accounting Officer, I have responsibility for reviewing the effectiveness of the Commission's governance procedures and controls. During my review, I have consulted the Commissioners, the Audit and Risk Committee and have systems in place to ensure improvements are implemented as required.

I have engaged an internal audit team (the Government Internal Audit Agency) and have consulted them and the National Audit Office regularly on matters of internal control. Both sets of auditors attend all Audit and Risk Committee meetings.

I consider that the processes, checks and controls provided by the Commission meetings, the Audit and Risk Committee and the Secretariat team have been effective.

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

# Remuneration and Staff Report

The information below is labelled subject to audit and is covered by the Comptroller and Auditor General’s audit opinion.

## Remuneration report

### Remuneration policy

All staff at the Commission are currently employed on secondment from other government departments and their salaries are set by their home departments.

The Remuneration Committee (established by the Commission in 2014-15) determines the remuneration of the Chief Executive and the remuneration policy for any staff directly employed by the Commission (to date there are none).

### Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Commissioners and senior management of the Commission.

### Commissioners [SUBJECT TO AUDIT]

The First Civil Service Commissioner, Ian Watmore, is a part time office holder; Commissioners are all part time fee-paid office holders. Their remuneration is shown in Table 4 below.

**Table 4** Fees paid to Commissioners

	Period 1 April 2018 to 31 March 2019	Period 1 April 2017 to 31 March 2018
Commissioners	Pay band (£000)	Pay band (£000)
<b>Ian Watmore</b> First Commissioner	55–60	55–60
<b>Jane Burgess</b>	Board fees 0–5	Board fees 0–5
	Competition fees 30–35	Competition fees 0–5
<b>Jan Cameron</b>	Board fees 5–10	Board fees 5–10
	Competition fees 25–30	Competition fees 30–35
<b>Natalie Campbell</b>	Board fees 5–10	Board fees 0–5
	Competition fees 25–30	Competition fees 0–5

	Period 1 April 2018 to 31 March 2019	Period 1 April 2017 to 31 March 2018
Commissioners	Pay band (£000)	Pay band (£000)
<b>Isabel Doverty</b>	Board fees 0–5	Board fees 0–5
	Competition fees 45–50	Competition fees 35–40
<b>Margaret Edwards</b>	Board fees 0–5	Board fees 0–5
	Competition fees 20–25	Competition fees 0–5
<b>Andrew Flanagan</b> Left July 2018	Board fees 0–5	Board fees 5–10
	Competition fees 15–20	Competition fees 20–25
<b>Rosie Glazebrook</b>	Board fees 5–10	Board fees 5–10
	Competition fees 40–45	Competition fees 10–15
<b>Sarah Laessig</b>	Board fees 0–5	Board fees 0–5
	Competition fees 30–35	Competition fees 35–40
<b>June Milligan</b>	Board fees 0–5	Board fees 0–5
	Competition fees 20–25	Competition fees 5–10
<b>Joe Montgomery</b>	Board fees 0–5	Board fees 0–5
	Competition fees 10–15	Competition fees 5–10
<b>Kevin Woods</b>	Board fees 0–5	Board fees 0–5
	Competition fees 25–30	Competition fees 35–40

**Note to Table 4** Board fees include attendance at Commissioner meetings, working groups, time spent considering complaints and all other non-competition work.

All fees given are actual figures; it is not possible to calculate full year equivalent figures for those who joined or left mid-year as fees are calculated based on work completed, with the exception of board fees paid to Andrew Flanagan at a fixed rate equivalent to £8,000 per annum. (For Commissioners appointed before 2015 the board fee is a flat fee of £8,000; Commissioners appointed from 2015 onwards are paid a daily rate of £400 for their work.) Natalie Campbell, Rosie Glazebrook, June Milligan and Joe Montgomery were appointed in June 2017. Jane Burgess and Margaret Edwards were appointed in October 2017. As such, figures reported for 2017/18 for these Commissioners relate only to part-year.

## Senior management [SUBJECT TO AUDIT]

The Commission has determined that the Chief Executive meets the definition of senior management. The current Chief Executive is a senior civil servant on secondment to the Commission. The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year prior to which they become payable to the individual. The bonuses reported in 2018/19 relate to performance in 2017/18 and the comparative bonuses reported for 2017/18 relate to the performance in 2016/17.

## Salary

‘Salary’ includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. There were no benefits in kind.

**Table 5** Senior staff remuneration (salary, benefits in kind and pensions)

	Salary (£000)		Bonus payments (£000)		Benefits in kind (to the nearest £100)		Pension benefits (to the nearest £1,000)		Total (£000)	
	2018–19	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19	2017–18
<b>Peter Lawrence</b>	95–100	95–100	0	0–5	0	0	3,000	-10,000	100–105	90–95

**Notes to Table 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.

## Pay multiples [SUBJECT TO AUDIT]

Reporting bodies are required to disclose the relationship between the full year equivalent remuneration (to the nearest £5,000 band) of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce.

As shown in Table 6, the banded full year equivalent of the highest-paid employee in the Commission in 2018/19 was £95–100k (2017/18: £100-105k). This was 2.98 times the median remuneration of the workforce (2017/18: 2.92 times), which was £32,664 (2017/18: £35,100).

In 2018/19, no employees (2017/18: 0) received remuneration in excess of the highest-paid director. The remuneration of Commission staff ranged from £24,025 to £56,570 (FTE) (2017/18: £21,482 to £55,587 FTE).

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

**Table 6** Hutton fair pay disclosure ratio

Organisation	Period 1 April 2018 to 31 March 2019	Period 1 April 2017 to 31 March 2018
<b>Band of highest paid employee's remuneration (to nearest £5,000 band)</b>	95–100	100–105
<b>Median Total Remuneration</b>	£32,664	£35,100
<b>Ratio</b>	2.98	2.92

**Note to Table 6:** The remuneration ratio is higher in 2018/19 than it was in 2017/18 due to staffing changes in the secretariat, which included the departure of some more experienced staff and recruitment of new staff at a lower pay grade.

## Gender pay gap [not subject to audit]

Table 7

		%
Mean gender pay gap – ordinary pay		8.69
Median gender pay gap – ordinary pay		-27.24
Mean gender pay gap – bonus pay (in the 12 months ending 31 March)		-55.33
Median gender pay gap – bonus pay (in the 12 months ending 31 March)		0
Proportion of male and female employees paid a bonus (in the 12 months ending 31 March)	Male	42.86
	Female	58.33
Proportion of male and female employees in each quartile:		
Quartile	Female %	Male %
First (lower)	20	80
Second	100	0
Third	80	20
Fourth (upper)	60	40

The current Chief Executive of the Commission is male. He is the only senior civil servant in the Commission, and consequently he is the most highly paid which has a direct disproportionate causal effect on the mean gender pay gap. As the figures above show the gender pay gap in all other measures give no cause for concern.

## Pensions [SUBJECT TO AUDIT]

Commissioner appointments, including that of the First Civil Service Commissioner, are not pensionable. The Commission does not operate its own pension scheme. All staff are on secondment from the Civil Service and are therefore members of Civil Service Pension Schemes (for further details, see the Staff Report on page 62). Further details about the Civil Service pension arrangements can be found at the website: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

The Chief Executive's pension, as shown in Table 8, has accrued in his role as a civil servant.

## Compensation for loss of office [SUBJECT TO AUDIT]

0 members of staff left under Voluntary Exit terms during 2018/19 (2017/18: 0).

0 staff left under Compulsory Early Retirement terms during 2018/19 (2017/18: 0)

**Table 8** Chief Executive's pension

	Accrued pension at pension age and related lump sum (£000)			Cash Equivalent Transfer Value (£000)		
	At start of reporting period	At end of reporting period	Real increase in value during reporting period	At start of reporting period	At end of reporting period	Real increase during reporting period
Peter Lawrence	45–50 (and lump sum 135–140)	45–50 (and lump sum 140–145)	0–2.5	1031	1130	3

**Note to Table 8:** A new pension scheme, alpha, was introduced on 1 April 2015. The majority of Principal Civil Service Pension Scheme members will have transitioned to alpha. However, those who were members of a public service pension scheme on 31 March 2012, and 10 years or less away from Normal Pension Age, would continue to build up benefits in their existing pension scheme. Benefits for Peter Lawrence are all accrued under the 'classic' pension scheme.

## Staff report

### Numbers and costs [SUBJECT TO AUDIT]

Staff and Commissioner costs and numbers are set out in tables 9 and 10. These figures include the Commissioners and senior managers whose remuneration is detailed in the Remuneration report (page 56) and the office holders in the other independent institutions (Advisory Committee on Business Appointments

and Office of the Commissioner for Public Appointments) which are supported by the joint secretariat.

The Chief Executive, Peter Lawrence, is the only senior civil servant at the Commission.

**Table 9** Staff and Commissioner costs

£000	2018–19				2017–18
	Total	Staff	Commissioners <sup>7</sup>	Office holders <sup>8</sup>	Total <sup>9</sup>
Wages and salaries	1197	697	468	32	1217
Social security costs	115	77	38	0	121
Other pensions costs <sup>10</sup>	148	148	0	0	152
<b>Total</b>	<b>1460</b>	<b>922</b>	<b>506</b>	<b>32</b>	<b>1490</b>

7 'Commissioners' includes the First Civil Service Commissioner, the Public Appointments Commissioners and all Civil Service Commissioners.

8 'Office holders' refers to the chair and members of ACOBA.

9 For 2017/18 the total includes office holder costs for the House of Lords Appointments Commission, which transferred to the Cabinet Office Honours and Appointments Secretariat from December 2017.

10 The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. For 2018/19 employer's pension contributions of £148k (2017/18: £152k) were payable to the PCSPS at one of four rates in the range 20% to 24.5% (2017/18: 20% to 24.5%) of pensionable pay based on salary bands.

**Table 10** Staff (full-time equivalent) and Commissioner numbers

	2018–19				2017–18	
	Total	Staff (FTE)	Commissioners	Office Holders	Total	
Directly employed	0	0	0	0	0	
Inward secondments	17.2	17.2	0	0	16	
Office holders	21.3	0	12.3	9	23.5	
<b>Total</b>	<b>38.5</b>	<b>17.2</b>	<b>12.3</b>	<b>9</b>	<b>39.5</b>	

**Note to Table 10:** The numbers of staff, Commissioners and office holders reflect the monthly average throughout 2018/19. The numbers in post on 31 March 2019 were 12 Commissioners, 9 office holders and 18.2 (full time equivalent) staff.

The secretariat supports the individual Commissioners as well as the collective Commission. On 31 March 2019 there were 19 members of staff employed in the Commission secretariat (18.2 FTE). The secretariat is staffed entirely by civil servants on loan or secondment from a range of government departments and new recruits are employed by Cabinet Office prior to being seconded to the Commission.

### Staff composition

The table below provides a breakdown, by gender, of all the staff who have worked for the Commission during the period 1 April 2018 to 31 March 2019.

**Table 11** Analysis of staff by gender

	Men		Women		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
Senior Civil Servants	1	100%	0	0%	1	100%
All staff	9	36%	16	64%	25	100%

## Attendance information

The level of sickness absence within the Secretariat in 2018/19 was 3 average working days lost per staff year (3.8 days in 2017/18) equating to an average of 1.9 days per person (2.7 days in 2017/18), this is significantly below the most recently available Civil Service average of 5.9 days.<sup>11</sup>

## Staff policies applied during the financial year

The Civil Service Commission is committed to equality and diversity. In all our activities we aim to treat colleagues and customers fairly and with respect.

The Civil Service Commission applies its own Recruitment Principles, appointing candidates based on merit through fair and open competition. The Commission takes part in the Disability Confident scheme (which replaces the Guaranteed Interview Scheme), which encourages candidates with a disability to apply for the jobs it advertises. If a candidate declares a disability and meets the minimum standards required for a job, he or she is invited to interview.

## Expenditure on consultancy

The Commission employed no consultants during 2018/19 (2017/18: none).

## Off-payroll engagements

The Commission employed no staff off-payroll during 2018/19 (2017/18: none).

## Contractual relationships

The Commission had a contract with KPMG (until 30 June 2018) to conduct annual compliance monitoring audits of government departments and agencies' recruitment policies and procedures on the Commission's behalf to ensure that they complied with the Commission's Recruitment Principles. Compliance monitoring has now been brought in-house (see page 25 for details).

The Commission has a contract with Pay Check to calculate Commissioners' payments, a contract with DF Press Ltd., to provide press officer support and a contract with Government Legal Department to provide legal advice.

In addition, the Commission's Memorandum of Understanding with the Cabinet Office enables us to use many of the Cabinet Office's suppliers. We are charged on a per capita basis for these services.

## Pensions

The Commission does not operate its own pension scheme. All staff are on secondment from the Civil Service. All pension arrangements for staff are dealt with by the department in the Civil Service from which they are seconded to the Commission. All pension contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the arrangements.

Pension benefits are provided through the Civil Service pension arrangements. From

<sup>11</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/786079/Civil-Service-Sickness-Absence-Data-for-the-year-ending-31-March-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/786079/Civil-Service-Sickness-Absence-Data-for-the-year-ending-31-March-2018.pdf) accessed 7th May 2019

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

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 [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### 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 period.

# Parliamentary Accountability and Audit Report

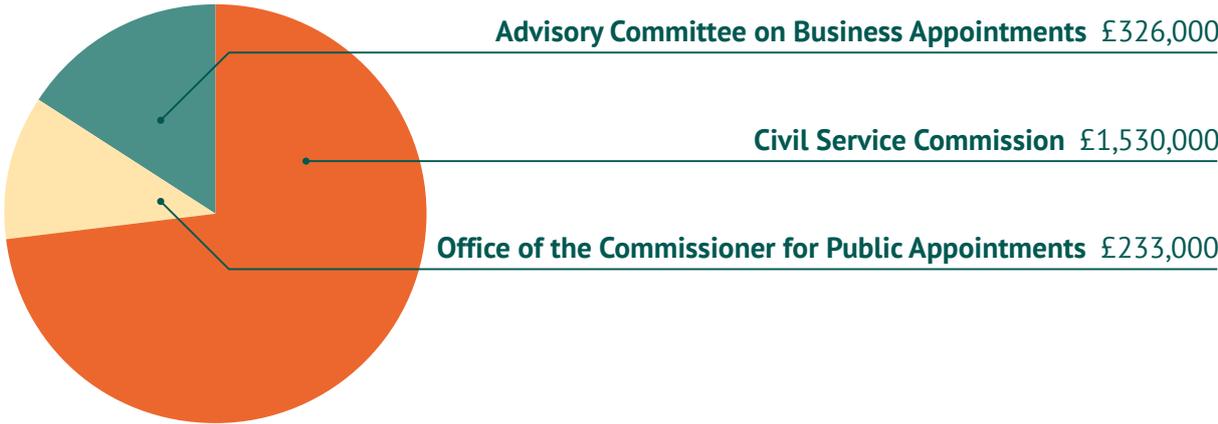
## Finance summary

The Commission’s Accounts for 2018/19 are presented at Part 2.

The Commission provides secretariat support for two other independent offices.<sup>12</sup> The budgets and expenditure of those organisations are incorporated

within the Commission’s overall budget and expenditure for the purposes of our Accounts and this summary. The breakdown of expenditure (to the nearest £000) between the three institutions supported by the Civil Service Commission Secretariat is shown in Figure 8.

**Figure 8** Expenditure by institution, 2018/19



<sup>12</sup> The Advisory Committee on Business Appointments (ACOBA) and Office of the Commissioner for Public Appointments (OCPA).

Including the Commission's work for the other Independent Offices, the Commission had a budget of £2.41m (£2.42m in 2017/18). The Commission's net expenditure was £2.09m (£2.28m in 2017/18), an underspend of approximately £320k against the budget (£140k in 2017/18).

This underspend was largely due to bringing the Commission's compliance monitoring function in-house, negating the need for a separate audit contract (£161k in 2017/18). Staff costs were also lower than anticipated, due to long-term vacancies, mainly as new recruits awaited the appropriate pre-appointment checks.

Our main items of expenditure during 2018/19 were:

- Secretariat staff costs: £922k compared with £949k in 2017/18.
- Competition fees: £298k compared with £279k in 2017/18. This is the most volatile element of the Commission's expenditure and is driven primarily by the volume of senior competitions. The Commission's budget is based on an estimate of the number of recruitment competitions that may be held, however the Commission does not have control over when, or how often, departments choose to recruit.

Of the total spend £187k related to accrued costs (£203k in 2017/18).

## Compliance with Treasury and other guidance

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

## Losses and special payments [SUBJECT TO AUDIT]

There have been no losses or special payments this year.



**Peter J Lawrence OBE**  
Chief Executive  
Civil Service Commission  
Date: 18 July 2019

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Civil Service Commission for the year ended 31 March 2019 under the Constitutional Reform and Governance Act 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Civil Service Commission's affairs as at 31 March 2019 and of Civil Service Commission's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Constitutional Reform and Governance Act 2010 and Cabinet Office's directions issued thereunder.

## Opinion on regularity

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

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Civil Service Commission in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. 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

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Civil Service Commission's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

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

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Civil Service Commission and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the Constitutional Reform and Governance Act 2010.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Civil Service Commission’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

## Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements 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. In connection with my audit of the financial statements, my responsibility is to read the other information 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, 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.

## Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Cabinet Office directions made under the Constitutional Reform and Governance Act 2010;
- in the light of the knowledge and understanding of the Civil Service Commission and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.

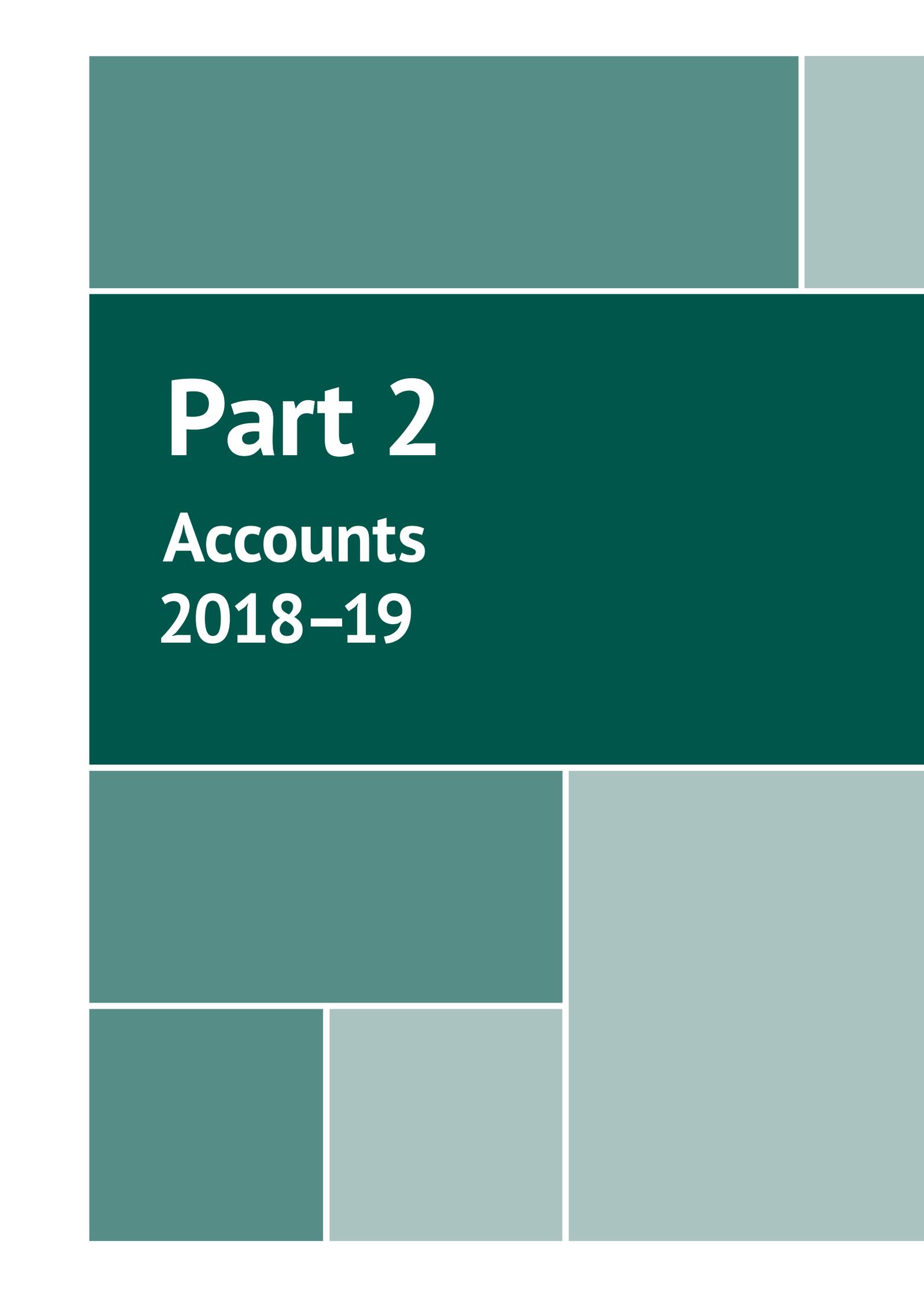
### Gareth Davies

Comptroller and Auditor General

Date: 19 July 2019

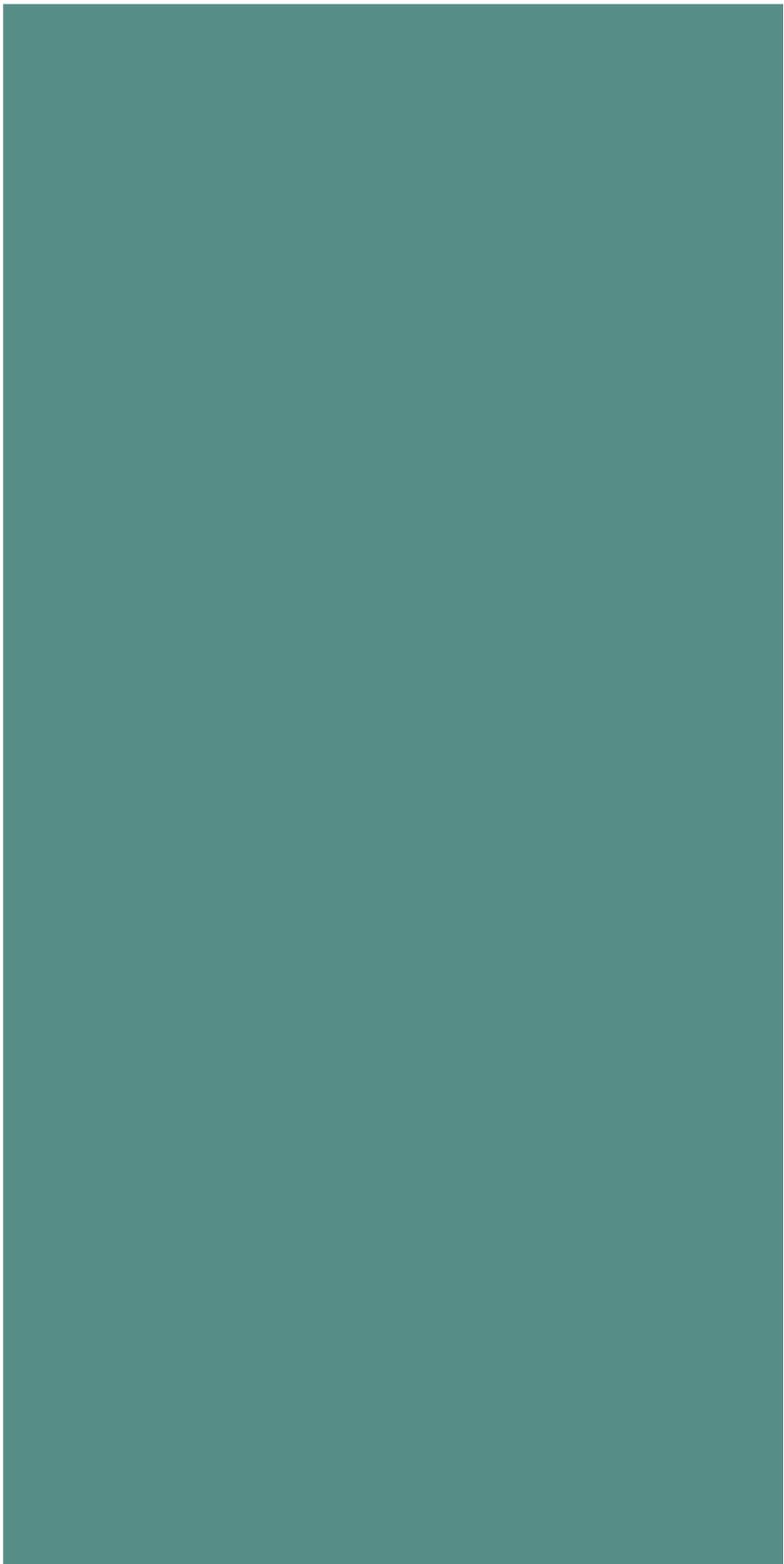
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP





# Part 2

## Accounts 2018–19



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

		2018-19	2017-18
	Note	£000	£000
Expenditure			
Staff and Commissioner costs	3	1460	1490
Other expenditure	4	629	788
Net expenditure		2089	2278
<b>Total Comprehensive Net Expenditure for the period ended 31 March</b>		<b>2089</b>	<b>2278</b>

The notes on pages 80 to 84 form part of these accounts.

## Statement of Financial Position as at 31 March 2019

		2018-19	2017-18
	Note	£000	£000
<b>Current assets</b>			
Prepayments and accrued income		-	-
<b>Total current assets</b>		-	-
<b>Current liabilities</b>			
Accruals		(187)	(203)
<b>Total current liabilities</b>		(187)	(203)
<b>Total assets less current liabilities</b>		(187)	(203)
<b>Assets less liabilities</b>		(187)	(203)
<b>Taxpayers' equity</b>			
General fund		(187)	(203)
<b>Total taxpayers' equity</b>		(187)	(203)

The notes on pages 80 to 84 form part of these accounts.



**Peter J Lawrence OBE**  
 Chief Executive  
 Civil Service Commission  
 Date: 18 July 2019

## Statement of Cash Flows for the year ended 31 March 2019

		2018–19	2017–18
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Net Expenditure		(2089)	(2278)
(Increase)/Decrease in trade receivables		-	1
Increase/(Decrease) in accruals		(16)	38
Net cash outflow from operating activities		(2105)	(2239)
<b>Cash flows from investing activities</b>			
Net cash outflow from investing activities		-	-
<b>Cash flows from financing activities</b>			
Grants from parent department		2105	2239
Non-cash adjustments for restatements		-	-
Net financing		2105	2239
Net Increase/(Decrease) in cash and cash equivalents in the period		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

The notes on pages 80 to 84 form part of these accounts.

**Statement of changes in Taxpayers' Equity**

		<b>General Reserve</b>	<b>Total Reserves</b>
	Note	£000	£000
Balance at 1 April 2017		(164)	(164)
Grants from parent department		2239	2239
Comprehensive Net Expenditure for the year		(2278)	(2278)
Balance at 31 March 2018		(203)	(203)
Balance at 1 April 2018		(203)	(203)
Grants from parent department		2105	2105
Comprehensive Net Expenditure for the year		(2089)	(2089)
Balance at 31 March 2019		(187)	(187)

The notes on pages 80 to 84 form part of these accounts.

# Notes to the accounts for the year ended 31 March 2019

## 1. Statement of Accounting Practices

### Basis of preparation

As an independent executive non-departmental public body (NDPB), the Civil Service Commission's financial statements have been prepared in accordance with the Accounts Direction given by the Minister for the Cabinet Office, the Commission's sponsoring department. They meet the requirements of the Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### Going concern

The financial statements have been prepared on the basis that the Commission is a going concern. The Commission is a statutory body created by the Constitutional Reform and Governance Act 2010. The Commission's budget and business plan for 2019/20 and corporate framework have been agreed with the Cabinet Office as part of their planning process.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

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

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

### 1.2 Cash and cash equivalents

The Commission does not hold a bank account or cash. Under the Memorandum of Understanding with the Cabinet Office, payments are made and receipts collected, on behalf of the Commission by the Cabinet Office, through its central bank account.

### 1.3 Grant-in-Aid

As the Commission is an independent executive non-departmental public body, Grant-in-Aid is treated as financing from the sponsoring department. This is recognised as a credit into general reserves and is treated on a cash basis in accordance with guidance given in the FRoM. Grant-in-Aid is received indirectly in the form of payments made by the sponsoring department, the Cabinet Office, to settle the Commission's liabilities.

## 1.4 Operating segments

The Commission provided Secretariat support to three separate institutions during 2018/19.<sup>13</sup> Further details are provided in Note 2. Our operating segments reflect these three functional areas (four in 2017/18). The Accounting Officer is accountable for the propriety and expenditure of all three institutions and the Commission board has a general oversight role for the totality of expenditure. The board's primary role, however, is to focus on the 'core' Civil Service Commission's functions, in particular those derived directly from the 2010 Act.

## 1.5 Future changes in Accounting Policy

An update to the implementation of IFRS 16 due to come into effect for accounting periods starting after 1 January 2019, has been deferred until 2020-21. It is not expected to have a material impact on the Civil Service Commission's Financial Statements.

## 2. Operating segments

The Civil Service Commission provided secretariat support to the Advisory Committee on Business Appointments and the Office of the Commissioner for Public Appointments. The spend for each area is reflected in the table below.

£000	2018-19					2017-18				
	CSC	OCPA	HOLAC	ACOBA	Total	CSC	OCPA	HOLAC	ACOBA	Total
Commissioner or committee member fees	445	61	-	32	538	438	63	10	29	540
Other gross expenditure	1085	172	-	294	1551	1063	285	31	359	1738
Income	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net expenditure	1530	233	-	326	2089	1501	348	41	388	2278

**Note:** HOLAC (House of Lords Appointments Commission) transferred to the Cabinet Office in December 2017; as such no HOLAC costs were incurred by the Commission in 2018/19.

13 The Civil Service Commission itself, the Advisory Committee on Business Appointments (ACOBA) and the Office of the Commissioner for Public Appointments (OCPA).

### 3. Staff, Commissioner and office holders costs

		2018-19	2017-18
	£000	Total	Total
Wages and salaries		1197	1217
Social security costs		115	121
Other pensions costs		148	152
<b>Total</b>		<b>1460</b>	<b>1490</b>

**Notes:** Please see page 62 for fuller analysis of staff costs.

## 4. Other expenditure

	2018–19	2017–18
	£000	£000
Accommodation, utilities and IT costs	442	450
Consultancy	36	188
Supplies and services	88	101
Other staff related costs	14	13
Travel, subsistence and hospitality	39	26
Audit Fee <sup>14</sup>	10	10
<b>Total</b>	<b>629</b>	<b>788</b>

**Notes:** Of the £36k consultancy figure, £14k relates to the work carried out by the Government Internal Audit Agency (GIAA) (£15k 2017/18); £20k relates to work carried out in relation to the production of the Annual Report (£10k 2017/18) and £2k to Commissioners' payroll contract (£2k 2017/18). The decrease in this area follows the Commission's decision to bring its compliance monitoring function in house (In 2017/18 £161k related to the audit of departments' compliance with the Recruitment Principles and the Code of Practice on Ministerial Appointments).

Supplies and services incorporates £23k legal advice from Government Legal Department, £46k press officer costs, £11k for development of the Commission's website by Government Digital Service<sup>15</sup> and £5k for the production of information films, along with ad hoc costs related to the running of the secretariat (stationery, etc.).

14 No fees were paid for non-audit services to NAO, the Commission's external auditors.

15 It was determined that this should not be capitalised, as relevant website development costs fell below the threshold of £5k. Additional costs related to separate testing.

## 5. Related party transactions

The Civil Service Commission is an independent executive NDPB funded by the Cabinet Office. The Commission has had a small number of transactions with government departments in relation to staff secondments.<sup>16</sup>

Back office services are provided to the Commission from the Cabinet Office under a Memorandum of Understanding and charges are based on a combination of per capita, FTE and square footage with a total of £442k for the period ending 31 March 2019.

No manager or other related party has undertaken any material transaction with the Commission during the year. No compensation has been paid to management and Commissioners, except remuneration which has been reported in the Remuneration Report (See page 56).

## 6. Events after the reporting period

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

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<sup>16</sup> The Home Office.







<https://civilservicecommission.independent.gov.uk>

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