

Annual Report and Accounts 2022 - 23

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Performance Report

Performance Overview

Introduction: From Our National Convener / Chief Executive

In 2022/23 we continued to deliver against our identified strategic themes. These are:

- Better protect and uphold the rights of children:
- Deliver consistently high-quality hearings:
- Continue to build an effective and empathetic panel, that is well-supported:
- Be well-informed and influential in our environment and communities:

As you will see in this Annual Report, I am pleased to report that strong progress across these areas was achieved during the year. These Themes represent an ambitious future for Children's Hearings Scotland (CHS), children's hearings, and those who come in to contact with hearings and will continue to shape our activity through 2023/24.

Activity in year has also significantly focussed on development in 3 significant areas of strategic reform and transformation for the Hearing System and CHS – The implementation of the Children (Care and Justice) (Scotland) Bill; the work of The Promise Hearings System Working Group and development of a new Tribunal Support Model for CHS. These are vital and exciting opportunities for CHS to contribute to a transformed Hearing's experience for children, young people and families and you will hear more about how we are contributing to or taking this work further within the report.

As we look forward to transformation and change it's important to reflect on the incredible and profound impact our Hearings System has already had on Scotland's society over a significant period. The first children's hearing was held in Scotland on 15th April 1971. In 2023/24 we will mark 52 years of children's hearings and in June, we will mark the 10th anniversary of the creation of CHS. We are immensely proud of the contribution we, alongside our volunteer community, have made over the past 10 years in protecting infants, children, and young people in Scotland's communities.

While reflecting upon the phenomenal impact of the work of the CHS Community, we also look forward to a new business year that will see CHS make a step change in the way that we support our volunteers across Scotland. New and inclusive support roles and structures will take the workload burden off our AST volunteer workforce.

This year will also see the publication of the Sheriff David Mackie led, Hearing System Working Group (HSWG) report. This report around the redesign of the Children's Hearings System, promises to set out a transformational future for the way that we can further support infants, children, young people, and their families.

Children's hearings continue to rise and whilst not back to pre-Covid levels, my continued key priority is to lead and support the CHS Community. We need to ensure that we continue to listen to children and young people and make decisions with, and for them, that result in an outcome that keeps them safe and allows them to flourish. The volunteers and staff within the hearings system again went above and beyond this year to make sure that children and young people have decisions that are well-considered and in the child's best interest. I would like to thank them all for their contributions.

- Elliot Jackson

Who We Are and What We Do: Our Purpose, Activities, Structure and Values

The children's hearings system was established as Scotland's unique care and justice system for children and young people over 50 years ago. It exists to ensure the safety and wellbeing of vulnerable children and young people through a decision making lay tribunal called a children's hearing. Each hearing is made up of 3 members of the national Children's Panel which is comprised of specially trained volunteers drawn from local communities.

The Children's Hearings (Scotland) Act 2011 – commenced in June 2013 – introduced a single national Children's Panel where volunteer Panel Members receive accredited national training which enables them to make the best possible decisions for children and young people in the children's hearing system. The Act created the role of the National Convener to lead this work. Currently, the National Convener also acts as the Chief Executive of CHS. The Act strengthened hearings by ensuring Panel Members have local and national support and advice on best practice through the National Convener – supported by one organisation – Children's Hearings Scotland (CHS), which was formed in 2011 and assumed its full responsibilities in 2013.

We are one of a number of organisations who work within the children's hearings system, including the Scottish Children's Reporter Administration (SCRA), local authorities, health, and Police Scotland. Our activities within this are focussed on recruiting, training and supporting the volunteer Panel Members.

Our Vision is of a forward looking and evolving children's hearings system, working as a community to ensure infants, children and young people are cared for, protected and their views are heard, respected and valued.

Our Purpose is to equip our volunteer community to engage positively with infants, children, young people and families; ensuring children are loved, cared for, respected and feel part of decisions taken to improve their lives.

CHS engages around 2,500 volunteer Panel Members in the children's hearings system, who are appointed for 3 year terms – there is no limit on multiple terms of appointment. The Panel Members are supported locally by an additional 400 volunteers as part of 22 Area Support Teams (ASTs) covering all 32 local authority areas. Each AST is led by a volunteer Area Convener.

CHS employs around 45 staff as part of our 'National Team', led by the National Convener/Chief Executive. CHS is governed by a Board of non-executive members, which meets formally at least four times a year to set and monitor the strategic direction of the organisation. CHS is financed by grant-in-aid from the Scottish Government as approved by the Scottish Parliament. The grant-in-aid value for 2022/23 was £5.75m.

Our Values:

- **Child centred** – making sure everything we do is in the best interests of children and young people.
- **Respectful** – treating children, young people, their families, partners and each other with care and consideration.
- **Fair** – making sure that everyone is treated with dignity and according to their individual needs; that our information and services are accessible to all; that we provide a consistent level of service to all.
- **Creative** – considering innovative and imaginative ways of approaching the issues we face in the work we do.
- **Challenging** – not being complacent, but questioning ourselves and others to help us improve.
- **Open** – listening, responding to, and learning from, feedback; acting honestly; ensuring processes are transparent; sharing information and being accountable for our actions and decisions.

What We Want to Achieve: Our Strategic Themes and Business Objectives

This was the fourth year of CHS's corporate plan, *Our Strategic Outlook 2020-23*¹ as this was extended to include 2023/24 given the work of The Promise Hearing System Working Group during 2022/23. In this plan, we set four strategic themes to guide our work:

Theme 1: Better protect and uphold the rights of children:

Rights-based working is built in to Scotland's children's hearings system. Decisions are required to be made in the best interests of the child and it gives children and young people the right to have a say in decisions about them. But we recognise that we have a responsibility to integrate the obligations of the United Nations Convention on the Rights of the Child (UNCRC) in to our work and this will form a major strand of our effort over the coming years.

Theme 2: Deliver consistently high-quality hearings: We want the hearings experience to be the best it can be and produce sound decisions which move infants, children, young people and their families forward, positively, in their journey. We want children's hearings to be seen as an exemplar of empathetic, loving and respectful practice that promote dignity and avoid stigma.

Theme 3: Continue to build an effective and empathetic panel, that is well-supported: Central to the quality of hearings is Scotland's Children's Panel. They must be knowledgeable and skilled to undertake their role and understand the range of experiences that infants, children and young people may have and the impact of those experiences. To do this, the Children's Panel must be supported with not only the technical aspect of their role, but also the personal effect of making significant decisions.

Theme 4: Be well-informed and influential in our environment and communities:

Over the coming years, we want to develop not only hearings, but also how we deliver our work and how we operate within the wider system and sector. We will look to evidence – from data, research, but also from what we are told by people with experience of hearings - to under-pin our decision making and adopt structured approaches to pilots and innovations. We will also look for opportunities to lead change within the care system and engage actively with our partners.

From these Strategic Themes, we produce an annual Business & Corporate Parenting Plan that establishes our key Business Objectives for the year.²

¹ [CHS Corporate Plan 2020-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

² 2022-23 Plan: [CHS Business and Corporate Parenting Plan 2022-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

What Concerns Us: Our Key Issues and Risks

The CHS Board monitors the strategic risks that have the potential to impact significantly on CHS' performance, fulfilment of statutory duties, and future prospects and developments.

In 2022-23, these risks were:

1. *CHS fails to fulfil our statutory responsibilities and deliver positive hearings experiences for children and young people by not embedding UNCRC and children's rights in core business.* After controls, this was considered a low level risk.
2. *CHS fails to contribute to positive outcomes for babies, infants, children, young people and their families due to poor quality hearings and hearing decisions made due to lack of quality assurance and consistency of practice.* After controls, this was considered a medium level risk.
3. *CHS fails to deliver outcomes/outputs that improve the experience of children and young people and ensures that their voice is represented in ongoing work by not embedding the voice of lived experience in its activities such as projects, recruitment and selection, business planning, etc.* After controls, this was considered a low level risk.
4. *CHS fails to contribute to positive outcomes for babies, infants, children, young people and their families by not maintaining an informed, trauma-sensitive, sustainable, resilient and motivated volunteer community.* After controls, this was considered a low level risk.
5. *CHS fails deliver its statutory function and provide adequate numbers of Panel Members for hearings due to reduced capacity and lack of experience of AST and/or Panel Members which leads to inability to fulfil core functions.* After controls, this was considered a medium level risk.
6. *CHS' and the hearing system's credibility is damaged because we fail to deliver and improve our functions in a data and evidence-driven manner.* After controls, this was considered a medium-to-low level risk.
7. *CHS' system experiences failures/breaches due to lack of cyber resilience processes.* After controls, this was considered a medium level risk.
8. *CHS is unable to fulfil its statutory duties due to failures in its current system and reliance on volunteers, unsustainability of current volunteer support/management models (impact on quality, scale etc). Current AST volunteering model does not meet the complex needs of the hearing system and/or the support needs of volunteer tribunal members and leads to operational failure.* After controls, this was considered a medium level risk.
9. *Senior management are unable to maintain oversight and control of business as usual, or do not have the change management skills or capacity required to manage competing priorities during a period of substantial change.* After controls, this was considered a medium level risk.

10. *CHS is not able to operationalise the coming reform agenda. Current system cannot operationalise the changes.* After controls, this was considered a medium level risk.
11. *CHS experiences delays in own work due to reliance on partner organisations inconsistencies in communications and processes, resulting in increased workload/processing, inconsistent messages to CHS Community.* After controls, this was considered a medium level risk.
12. *CHS loses volunteers due to coming changes to the system and organisation and/or CHS is unable fulfil statutory responsibilities of fulfilling the rota while we engage in the work of tests of change which may affect volunteer roles/model.* After controls, this was considered a medium level risk.
13. *Changes to external project scopes and shifting priorities leave CHS unable to change course quickly or deliver newly expected outcomes for own or co-design projects. Projects owned by or worked in collaboration with Promise partners impact outcomes and outputs for CHS own projects causing drift and delay.* After controls, this was considered a medium level risk.

The Governance Statement on page 27 explains in more detail how CHS manages its risks.

Performance Analysis

What We Did and Achieved in 2022-23: Performance Analysis and Key Activities

Context:

Three years on from the start of the Covid pandemic we continue to face challenges and changes we never could have anticipated before. The ingenuity, flexibility, and resolve we have developed through this experience has enabled us to realise tangible improvements to the hearing system and our impact on the lives of children and young people. Some major achievements from the year included:

- Ensuring that our Area Support Teams who recruited new Panel Members did so alongside young people with lived experience, not once but twice! Both our recruitment campaigns in 2022 saw **lived experienced recruiters** conduct interviews alongside members of the Area Support Team.
- Developed our **Child Friendly Complaints Process** to ensure that going forward children have an accessible way to provide feedback about their experiences at hearings to us. Responding to our changing society and the ongoing pressures of COVID by influencing **legislative changes** that help support us to deliver hearings, developing new guidance for our Panel Members, and improving our digital platforms.
- Launching our **CHS: #KeepingThePromise** webpage to report on our projects and progress under our Promise Programme of work.
- Undertaking a series of **local improvement projects** across Scotland focused on participation, preventing delays, and improving decision-making.
- Further embedding UNCRC in all our work by launching our **Children's Rights Impact Assessment Tool** to ensure all our projects and work uphold the rights of children.
- Celebrating and thanking our community during **Volunteers Week**.
- **Reappointing** over 700 Panel Members for a further 3 years.
- Carried out digital discovery work to scope improvements and changes within CSAS (our core case management system) to support reform and tribunal support projects.
- Worked with our Learning Academy (CHSLA) to map process and behaviours to bring forward new agreed ways of working to ensure accurate recording within CSAS of community learning journeys.
- Supporting Panel Member decision-making by updating our **Practice and Procedure Manual** and **Virtual Hearings Guidance** to reflect new legislation and hearings practices.
- Making available open access learning modules covering **baseline Trauma Informed practice** and hearing specific resources.
- As part of the UNCRC project, recruited an intern to support the Practice and Policy team to create a Rights Map tool.
- Created our Siblings Rights toolkit for our community in line with the implementation of the Children (Scotland) Act 2020.

In addition we have had 3 significant strategic development areas of focus in year (see below). These projects are driven by upcoming legislative change and anticipated reform which will require transformational change of the Hearings System and CHS contribution to service delivery.

We are embracing these opportunities to make real difference to the infants, Children, Young People and families who interact with the Hearings system in Scotland.

In 2022/23 CHS supported decisions in 22,365 Hearings across Scotland. Due to the limited capacity within the organisation (approx. 45 employed staff) which has an identified statutory responsibility to recruit, train and support Panel members to deliver these tribunal decisions, we have invested in additional short term professional expertise/support in year to support the development or implementation of these vital strategic areas:

Hearing System Working group

CHS are committed to #KeepThePromise, in 2022/23 our staff and volunteer community made a significant contribution to the work of The Promise Hearings System Working Group Hearing's redesign project which is due to make its recommendations in May 2023. Key investment in year has included:

- A member of the CHS Management Team and Board are substantive members of the Hearing System Working Group and participated in an intensive programme of meetings and deliberations throughout the year. Further information can be viewed here [Hearings System Working Group - The Promise](#)
- Led on the creation of a collaborative Project Initiation Document with SCRA and The Promise to define the redesign proposal parameters.
- Three co-designed project teams were created led by the Promise and Office of the Chief Designer focussed on before, during and after a hearing. CHS seconded staff to Chair two of these groups and provided staff and volunteers to participate in all three redesign groups.
- Seconded a member of the National team to undertake an internal research project on tribunal models around the world to assist with the hearing redesign work. The paper created was submitted to the Promise.
- Worked with The Lens to create consultation and engagement opportunities for all our community across Scotland on the future needs of children, families, and tribunal members to inform redesign and our support structures.

Care and Justice Bill

The Children (Care and Justice) (Scotland) Bill, which was introduced to the Scottish Parliament in December 2022 is expected to come into force in April 2024. This Bill is an endorsement of the Children's Hearings System and a recognition that the principles the system was built on should be extended to all children. Currently, the protections of the Children's Hearings System are not available to some children over 16, meaning when children are in conflict with the law, they receive different treatment depending whether or not they are on a Compulsory Supervision Order. To rectify this, and ensure Scotland is treating everyone under 18 as a child, the Bill raises the age of referral to the Children's Hearings System to include all 16- and 17-year-olds. This is a change that the CHS community has been calling for, for a long time. Raising the age of referral for 16 and 17 year olds, as set out in the Children's Care and Justice (CCJ) Bill, will see an anticipated annual increase of up to 2,415 Hearings and Pre-Hearing Panels (PHPs). Key investment in year has included:

- To prepare for the Care and Justice Bill significant organisational resources have been put into planning and influencing. We have liaised with the Bill team, responded to the formal consultation, and submitted evidence to the lead Parliamentary Committee. We have

consulted and engaged with our panel community, organising briefing and learning sessions.

- We have worked to analyse the data and carried out finance modelling to secure appropriate levels of resources in the financial memorandum. In addition, we are recruiting staff in preparation for implementation anticipated for April 2024.

Tribunal Support Model

The volunteer model of The Children’s Hearings System is not only unique to Scotland, but unique within Scotland. It is our country’s largest tribunal (operating approximately 30,000 Hearings a year and supporting around 10,000 children before the pandemic years). In delivering this, CHS currently provides over 500,000 tribunal hours each year through a national volunteer model. Whilst this model has been in place for now 10 years, it is critical that we prepare ourselves to be ready and able to lead, and implement those changes that will make hearings better for everyone involved especially for our children and young people.

During 2023 we have invested in evaluating and shaping how best we can support Panel members to deliver the expectations of the evolving Tribunal system and what we can do to reduce unreasonable pressures on volunteers, provide more consistent support to panel members (around well-being, learning, administration etc.) and ensure more consistent, high quality and measurable impacts for children and young people. A new Tribunal support model will allow us all to make CHS voluntary roles sustainable, manageable and rewarding and better enable our volunteer panel members to do what they do best, supporting children and young people. Key investment in developing a model for the future in year has included:

- Seconded a member of the National team to act as a Senior Responsible Officer on the Tribunal Support Model project developing the thinking and structures needed to better support our community going forward.
- Engaged professional advice and support to engage with our national team and community to understand issues and propose structural solutions and implementation plans.
- Engaged with community and staff members via short term working groups to identify our ‘as is’ and inform future improvement work.
- Considered feedback from the community wide participation and engagement project which hundreds of our community took part in.
- Considered the requirements for the wider organisational structure to support a new tribunal model and take on anticipated hearing system reform.
- Continued to support panel capacity through further developments in management information (MI) reporting and data, and via fortnightly operational support meetings.
- Continue to improve chairing capacity through the implementation of a chairing working group which saw a number of identified improvements realised and executed.

The Board have approved a new Tribunal Support and leadership model and during 2023 we will begin a phased implementation of changes to the way we support the delivery of high quality Hearings. This will allow us to make CHS voluntary roles sustainable, manageable and rewarding and better enable our volunteer panel members to do what they do best, supporting children and young people.

Organisational Performance Summary

In order to monitor organisational performance and the delivery of our Corporate and Business Plans, we tracked the delivery of 36 Business Objectives through the year. These Objectives were broken down in to milestones with timescales and/or targets. Progress on the milestones and Objectives were reported to the CHS Board and Senior Management Team on a quarterly basis. As in-year performance and delivery is reviewed, Board approval is sometimes sought to remove milestones or Objectives from CHS’ planned delivery for the year. This may be due to internal or external factors. This process of ‘de-scoping’ is documented in the quarterly performance reports and reflected in the ‘RAG’ status of Objectives, as detailed below.

As identified above, in 2022/23 there have been areas of substantial investments in time and organisational resource which the performance report does not include or expand upon. This has resulted in re-prioritisation of work and for some milestones not to be met in year.

A summary of our performance is provided in the table below, with Business Objectives categorised as ‘Green’ for completed, ‘Amber’ for some progress made (between 50% and 99% of the Objective) or the Objective was partially de-scoped during the year, ‘Red’ for little significant progress made towards completion (below 50% of the Objective) or Objective fully de-scoped during the year.

Strategic Theme	Number of Business Objective in category		Number of ‘Red’ Objectives due to de-scoping
Theme 1: Better protect and uphold the rights of children	Green	4	n/a
	Amber	1	n/a
	Red	1	1
Theme 2: Deliver consistently high quality hearings	Green	5	n/a
	Amber	2	n/a
	Red	1	1
Theme 3: Continue to build an effective and empathetic panel, that is well-supported	Green	10	n/a
	Amber	1	n/a
	Red	0	n/a
Theme 4: Be well-informed and influential in our environment and communities	Green	7	n/a
	Amber	0	n/a
	Red	1	1
Organisational Effectiveness and Staff Support	Green	2	n/a
	Amber	1	n/a
	Red	0	0
TOTALS	Green	28	n/a
	Amber	5	n/a
	Red	3	3

Business Activity Exception Report

Table below gives details of those activities that are not marked 'Green' above:

Theme	Business Objective	Status at Year End	Comment
1	Enable CHS staff to collaborate with people with lived experience on emerging improvements and projects through a new Mutual Mentoring programme	Red	<p>Our Mutual Mentoring Programme launched with its first cohort at the end of Q4, after in-year delays. There were two milestones under this objective which were de-scoped:</p> <ul style="list-style-type: none"> • Sharing the mentoring programme externally was de-scoped due to the delayed launch of the Programme. This work is scheduled to progress in 23/24 after an evaluation of the first cycle of mentoring pairs. • Evaluation and expansion of our mentoring programme was de-scoped due to the delayed launch. This work will progress in 23/24.
1	Develop a Participation Hub on the CHS website to advertise and define our participation opportunities	Amber	While the Participation Hub for the CHS website has been created, launch was delayed due to competing priorities. Plans are on track for launch in Q1 of 23/24.
2	All CHS volunteers complete baseline training on trauma	Red	Completion of baseline trauma training by all volunteers was de-scoped in-year however, this work will carry forward into 23/24 with Trauma training becoming mandatory and a KPI of 100% set for the new business plan.
2	Improve the quality of recorded reasons and decisions - Scope out pilot improvements to the ways reasons are delivered	Amber	There has been much activity to improve the quality of reasons and decisions including national sampling of Records of Proceedings and the development of a quality assessment tool. The Pilot of the quality improvement tool is currently paused while we await more clarity on coming reforms and the impacts they may have on this work.

Theme	Business Objective	Status at Year End	Comment
2	Implement a quality management framework for independent report writers and reports	Amber	In Q4 we anticipated the implementation of a quality management framework for independent reports. Focus throughout the quarter has been on improved access to data regarding the Panel Members who request and receive reports in order better understand the reasons why reports are required, and to ensure they are meeting the needs of decision makers. This will continue into 23/24.
3	Support ASTs to monitor and review their area plans	Amber	The Majority of ASTs have continued to implement and monitor progress against their Area Plans. The prioritisation of the second PM (Panel Member) recruitment and selection process late in 2022, and the work to drive Chairing capacity in all areas affected AST capacity to implement and monitor some Area Plan actions. ASIP's continue to provide support to ASTs to ensure core business and functions are delivered and bring forward any risks to the National Team.
4	Develop and influence research recruitment opportunities with partners and the CHS community	Red	The development and influence of research recruitment opportunities with partners and the CHS community was de-scoped due to other organisational priorities, though CHS continues to engage with research requests and partner opportunities.
Organisational	Provide up-to-date, appropriate generic and role-specific EDI training for all staff and volunteers	Amber	An in-depth Equality, Diversity and Inclusion (EDI) training session was delivered to all staff in Q1, and Q4. Plans are underway to make baseline learning available for all volunteers by the end of Q4. Bespoke video content from an external provider is in progress and will be hosted on the CHSLA site for all volunteers and will form part of a wider suite of materials.

Key Activities and Achievements

During the year, CHS volunteers sat on 22,365 Hearings.

Below are the key activities CHS undertook towards the delivery of our 2022/23 Business Objectives. Descriptions of all of our identified Objectives can be found in our 2022/23 Business and Corporate Parenting Plan.

Theme 1: Better Protect and Uphold the Rights of Children:

- Worked with the Scottish Public Services Ombudsman and a children's rights partner organisation to develop new processes and procedures for child friendly complaints and feedback;
- Carried out work to embed Children's Rights Impact Assessments in our work by launching a new impact assessment toolkit;
- Launched the CHS Mutual mentoring Programme Pilot with our first four sets of mentoring pairs from CHS staff and the Participation Group;

Theme 2: Deliver Consistently High-Quality Hearings:

- Defined change priorities using the Hearing System Working Group's (HSWG) issues list as the key terms of reference;
- Created and released a collaborative Programme Plan for the redesign work, utilising the Scottish Approach to Service Design;
- Agreed the final hearings model to be pursued ("the blueprint") and released this to the HSWG for approval; and
- Evidenced the impact of CHS's implementation of the Children (Scotland) Act 2020 via the Practice and Policy Bank at the start and end of this project showing significantly improved Panel Member confidence in embedding siblings' rights in children's hearings;
- Delivered local projects focussed on areas such as improving participation in hearings and improving the quality of reports at hearings.

Theme 3: Continue to Build an Effective and Empathetic Panel, that is Well-Supported:

- Carried out engagement and improvement work focused on PPA's.
- Developed engagement processes for use in projects across the organisation.
- Consulted with the community on new policy and procedures;
- Monitored the capacity of our panel members which resulted in the launch of a second recruitment campaign;
- Reappointed existing report writers and recruited additional experts;
- Carried out improvements to PPA digital tools and support;
- Reappointed over 700 Panel Members for a further 3 years;
- Recognised and celebrated our panel community during Volunteers Week;
- Supported ASTs to produce Area Plans.
- Launched our Equality, Diversity, and Inclusion Group.

Theme 4: Be Well-Informed and Influential in our Environment and Communities:

- Worked with staff, Area Conveners and the CHS community to identify structures to deliver redesign outcomes;
- Built and rolled out management information reports via Power BI for use by recruitment, National Team, ACs, DACs, and Clerks. In addition, rolled out data summaries for monthly Senior Management Team (SMT) and quarterly Board meetings;
- Responding to consultations on the Care and Justice Bill,
- Participated in a number of research advisory groups.

Organisational Effectiveness and Staff Support:

- Delivered a Neurodiversity training session and NES Trauma Skilled Practice Training Course to staff

Key Performance Indicators

The table below presents the results of our Key Performance Indicators. An asterisk (*) indicates that the KPI has a note below.

KPI		2022/23 Target	2022/23 Result	Past Performance
1	% of practice bank members who evidence familiarity with children's rights	20%	81%	New Measure
2	% of hearing sessions observed during the year	20%	12%*	New Measure
3	% of pre-service trainees who felt that their learning objectives were met	99%	98%	2019/20: 98% 2020/21: 98% 2021/22: 99%
4	% of applicants put forward for preservice training who complete the full training	90%	83%*	2018/19: 92% 2019/20: 61% 2020/21: 87% 2021/22: 87%
5	% of Panel Members successfully reappointed	60%	70%	2018/19: 68% 2019/20: 79% 2020/21: 62% 2021/22: 74%
6	% of Panel Members retained during the year	80%	78.50%*	2021/22: 86%
7	% volunteer community involved in the Practice & Policy bank	20%	13% *	New Measure

KPI		2022/23 Target	2022/23 Result	Past Performance
8	% of complaints resolved within SPSO guidelines	95%	97.50%	2018/19: 92% 2019/20: 100% 2020/21: 99% 2021/22: 85%
9	% CHS employee attendance	96%	97%	2018/19: 95% 2019/20: 97% 2020/21: 99% 2021/22: 85%
10	% invoices not in dispute paid within 10 working days, during normal operations	90%	83%*	2018/19: 92% 2019/20: 85% 2020/21: 85% 2021/22: 85%
11	% positive staff survey feedback on opportunities for learning and development	70%	70%	2018/19: 33% 2019/20: 52% 2020/21: 65% 2021/22: N/A

Regarding the specific KPIs above:

KPI 2: This was a new measure who’s achievement was affected by the prioritisation of two panel member recruitment campaigns and our PPA recruitment drive.

KPI 4: A number of factors have played into a below target score for this KPI. The reasons given by individuals vary from: family bereavement or illness, new employers not supportive of time commitment needed for training, not appreciating the training commitment required, or having a change of heart when fully understanding the commitment needed to fulfil the role of the Panel Member. In addition, there are those applicants who do not satisfactorily complete Pre Service training or who do not meet the background checks required. Similar to KPI 6, retention of volunteers is challenging in the current climate.

KPI 6: This result, although slightly short of target, represents a strong performance for a year in which the ongoing impacts of Covid recovery and the cost of living crisis impacted volunteer numbers nationally, not only within our own organisation.

KPI 7: This was a new measure within the business plan KPI’s, and a new way of interacting and gathering feedback on Practice related issues from our community. Once the Practice Bank was running with over 200 community members taking part, we realised that the numbers were sufficient for our needs and the target of 20% was not required to provide us with the engagement needed.

KPI 10: Absences within the Finance function in Q4 have impacted CHS’ payment performance.

National Convener Functions

The National Convener carried out the following statutory duties set out in the Children’s Hearings (Scotland) Act 2011:

- 1,434 requests for panel member continuity were made as part of decisions for 935 children.
- We received and responded to 2 requests for written advice, relating to 8 children under section 8 of the Children’s Hearings (Scotland) Act 2011.
- 2 requests to serve notice on the implementation authority of their failure to implement the terms of a Compulsory Supervision Order were made under section 146 and 147 of the Children’s Hearings (Scotland) Act 2011.
- 0 applications were made to the Lord President of the Court of Sessions to remove a panel member under para 1(6) of Schedule 2 of the Children’s Hearings (Scotland) Act 2011.
- 0 referrals were received about excluded pupils under section 127 of the Children’s Hearings (Scotland) Act 2011.

In addition, Children’s Hearings Scotland received 33 requests for independent reports.

Environmental Impact and Biodiversity

CHS is committed to meeting the Public Bodies duties set out the Part 4 of the Climate Change (Scotland) Act 2009. CHS does not have a property footprint beyond its Head Office, which, for the duration of the reporting year, was in Thistle House, Haymarket, Edinburgh. Office space in Thistle House has been rented by CHS from the Scottish Legal Aid Board (SLAB) from April 2019 and we occupy 8.5% of the building.

Owing to the timing of environmental reports by SLAB, only emissions associated with gas and electricity are available immediately after the end of the financial year. Other emissions associated with Thistle House will therefore now be reported in the Annual Report of the following year (ie recycling and waste emissions for 2022/23 will be reported in 2023/24).

	2022/23	2021/22	2020/21
Carbon Emissions (kgCO₂e) – Gas	7,538.2	6,551.2	5,539.5
Carbon Emissions (kgCO₂e) – Electricity	5,780.4	6,368.7	5,693.5
SUB-TOTAL (Gas and Electricity Only)	13,318.6	12,919.9	11,233.0
Carbon Emissions (kgCO₂e) – Water	Not Yet Available	3.5	3.2
Carbon Emissions (kgCO₂e) – Refuse	Not Yet Available	176.8	110.6
TOTAL	13,318.6	13,100.2	11,346.8

Our impact associated with business mileage is given below:

	2022/23	2021/22	2020/21	2019/20
Total Travel Distance (miles)	14,793	10,495	1,002	55,743
Emission Factor (kgCO₂/mile)³	0.27436	0.28053	0.28052	0.29103
Carbon Emissions (kgCO₂e) (travel distance × emission factor)	4,058.6	2,944.2	281.1	16,222.9

Relaxation in restrictions due to COVID-19 meant that business mileage increased in 2022/23 compared to 2021/22, when significant restrictions on movement and meeting remained in place.

Opportunities to promote biodiversity are kept under review, but these are restricted due to the limited property footprint with no outside space which could be effectively adapted to promote biodiversity. We will continue to assess the long-term impact and sustainability of home-working arrangements for the organisation and encourage staff to engage with opportunities that either promote biodiversity or help reduce carbon emissions.

How We Allocated Our Resources in 2022-23: Our Financial Performance

In the year ended 31 March 2023, CHS reported net expenditure before Scottish Government funding of £6.584m (31 March 2022: £5.379m) against Scottish Government funding of £5.75m (31 March 2022: £4.912m), an excess of net expenditure over Scottish Government funding of £0.834m (31 March 2022: £0.467m) with revenue grant-in-aid of £5.35m (31 March 2022: £4.629m). The General Fund has a deficit of £0.589m as at 31 March 2023 (a surplus of £0.245m as at 31 March 2022).

Capital grant-in-aid was £0.4m (2021/22: £0.283m). The final spend of £0.425m funded a significant programme of investment in technology for volunteers and staff technology refresh.

In accordance with *International Accounting Standard 19 (revised) 'Employee Benefits'*, the financial statements reflect at fair value the assets and liabilities arising from CHS' retirement benefit obligations. As a result, CHS has a surplus of £1.789m on its pension reserve at 31 March 2023 (a deficit of £0.611m at 31 March 2022). Further details of pension liabilities are provided in the Remuneration Report and the Notes to the Financial Statements.

The Board of CHS has no reason to believe that the Scottish Government's future sponsorship and future Ministerial approval will not be forthcoming or will only provide a reduced support to CHS. Given the above it is considered appropriate to adopt a going concern basis for the preparation of these financial statements. This is in line with the underlying assumption in the Government Financial Reporting Manual (FRM) that Government accounts are prepared on a going concern basis.

³ Emission Factor for 'average sized petrol car' is used here.

In line with Scottish Government guidance, CHS' policy is to pay all invoices, not in dispute, within the lesser of 10 working days and the agreed contractual terms. During the year ended 31 March 2023, CHS paid 83% (31 March 2022: 85%) of invoices within the terms of its payment policy.

CHS Senior Management Team and Board have taken steps to ensure CHS has policies in place to guard against corruption and bribery, including CHS' procurement policy, Financial Regulations and Fraud and Corruption Policy.

Equalities, Social Responsibility and Human Rights

CHS' central purpose is to ensure that children in Scotland who come to hearings have decisions made that ensure they are loved, cared for, and respected. CHS aims to contribute to social progress within Scotland through the delivery of activities to the National Performance Framework for Scotland. Specifically, we undertake work that aligns with those outcomes focussed on (1) ensuring children and young people can realise their full potential (2) respecting and protecting children's rights (3) living in empowered, inclusive safe and resilient communities (4) creating a well-educated and skilled society (5) tackling poverty by sharing opportunities. Fuller exploration of these are available on page 16 our Corporate Plan.⁴

Better protecting children's rights is one of our core strategic themes. This year, work has continued on the embedding of our participation standards to enable our work to be more effectively informed by the views of children and young people. We also prioritised work in relation to UNCRC and launched learning to our CHS volunteer community in relation to rights within children's hearings.

CHS has continued to make steady progress towards achieving equality ambitions over the past year. The Equality, Diversity and Inclusion (EDI) working group formed in December 2019 was replaced by a CHS Strategic EDI group. Drawing on a cross section of the CHS staff and volunteers the group monitors and supports delivery of CHS' EDI strategy.

CHS published its third Gender Pay Gap report in March 2022.⁵ Since the last report the staff headcount had increased by 10% with females making up 72% of the staff headcount and accounting for 60% of our senior management team. When using the mean to calculate, our overall pay gap between male and female salaries is now 5.85% (in favour of men), compared with 1.8% two years ago. While the mean and median gender pay gaps within CHS have increased over past two years, this is largely due to an increase in the overall headcount as well as more equal gender distribution within the organisation. While the organisation grew by 10%, as stated before, the number of male employees increased by 50%. CHS next reports on this in 2024.

CHS published its Equality Outcomes 2022–2023 Report on April 1st 2023.⁶ A detailed update on how each outcome had been progressed during this time was presented to the CHS Senior

⁴ [CHS Corporate Plan 2020-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

⁵ [CHS Gender Pay Gap and Equal Pay Report 2022 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

⁶ [CHS Equality Mainstreaming and Outcomes 2020 - 2022 Progress Report \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

Management Team and to the CHS Board in advance of publication. The report includes annual breakdowns of equality monitoring for CHS staff and from all the staff recruitment campaigns covering the three year period 2020 – 2023.

The outcomes presented a blend of equality ambitions that focus on both our employee group and our volunteer community. They also follow the established principle of being proportionate to an organisation of CHS' size and were therefore achievable, having staggered deadlines within which to achieve the outcomes by April 2023.

Over the course of 2022, the EDI strategic group focused on implementation of the overarching Equality, Diversity, and Inclusion Strategy for CHS and created action plan with specific priorities. The group is now monitoring actions for 2023 – 2024. The EDI strategy was published in October 2021,⁷ encapsulating the ambitions that CHS has to create, promote and celebrate an equal, diverse and inclusive culture within the CHS community through a process of continual engagement, communication, training and development. The end goal of this work is to ensure that equality, diversity and inclusion underpins positive outcomes for children, young people and their families. Implementation of the strategy is now well underway. During 2022 staff and volunteer training and communications on the importance of acting to support equality, diversity, and inclusion – was the priority.

CHS and Island Communities

Under s.12 of the Islands (Scotland) Act 2018, CHS is required to publish information about the steps it has taken to comply with the duty to have regard to island communities in carrying out its functions. This section is designed to fulfil this requirement, covering the first reporting period since s.12 came in to force. This reporting period is 23/12/2021 to 22/12/2022.

CHS operates in every Local Authority in Scotland and is conscious of the particular challenges faced by island communities. We have three Area Support Teams that are dedicated to supporting volunteers to make effective decisions for children and young people in island communities (Eilean Siar, Orkney and Shetland) and others that include island communities as part of their areas (e.g. Argyll & Bute). These ASTs work alongside colleagues in other services and organisations (such as social work, children's reporters, third sector organisations) locally.

In 2022, Area Support Teams produced Area Plans to localise the delivery of national objectives and identify the priorities of the local volunteer community. All Island Community Area Support Teams have produced plans focussed on their specific local needs.

The CHS Learning Academy deliver training services nationally, regionally, and locally across Scotland offering in person and online learning events. Island requirements are taken into account for all delivery and include commitment to support groups of island learners in the most effective way possible e.g. providing virtual opportunities if preferred, covering accommodation and travel costs for attendance at face to face events, or where feasible and preferred by island communities, organising on island training events. Out of pocket expenses, including those incurred through any greater distances travelled, longer stays away from home to attend events

⁷ [Equality, Diversity & Inclusion Strategy \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/equality-diversity-inclusion-strategy)

etc. are reimbursed or pre-paid in advance. CHSLA organises accommodation for training centrally to avoid community members being out of pocket. A combination of face to face and virtual learning sessions have been offered throughout 2022 – 2023. Virtual learning courses and the supporting online resources enabled Panel and AST members to complete essential and optional learning at times and a pace that suited them. Local learning and development co-ordinators, supported by CHS national team and the CHS supported local Learning and Development Co-ordinators forum, offered local learning and development sessions to bring island communities together either face to face or virtually to continue to complement national training.

CHS completed work in 2022 to integrate Island Community Impact Assessments in to an organisational impact assessment process that more robustly identifies when and how they should be completed. The process includes screening and guidance tools and be applied during 2023. CHS did not complete any Island Communities Impact Assessments during the reporting period.

What We'll Do Next Year

Our key priority for 2023/24 is to lead and support the CHS Community to deliver better outcomes for Scotland's children and young people. We will continue to deliver on our strategic themes, while listening to children and young people and making decisions with, and for them, that result in an outcome that keeps them safe and allows them to flourish.

Our Business Plan for 2023/24 focuses on building capacity and structures which will enable us to deliver change and reforms in support of the Promise, the Care and Justice Bill, and the Hearing System Working Group recommendations. Specific objectives from our 2023/24 Business Plan include:

Theme 1: Better Protect and Uphold the Rights of Children:

- Continue to embed and give further effect to the UNCRC in our work by revising our Children's Rights and Inclusion strategy.
- Prepare for the implementation of the Care And Justice Bill in children's hearings by Identifying, developing, and securing a comprehensive training programme for Tribunal members.
- Encourage hearing experienced feedback by young people through the provision of our child-friendly complaints and feedback processes.

Theme 2: Deliver Consistently High-Quality Hearings:

- Develop an implementation plan for the agreed reforms arising from the Hearing System Working Group report.
- Use management information and data available to inform business planning and improvement work through operational delivery by enabling access to data dashboards and improving our reporting structures.
- Improve the extent to which hearings and our work is trauma-informed through training and learning resources.

Theme 3: Continue to Build an Effective and Empathetic Panel, that is Well-Supported:

- Ensure CHS has appropriate and sustainable structures in place to effectively support the people needed to deliver a redesigned hearings system through a refreshed Tribunal Support Model.
- Undertake recruitment activities to ensure capacity to meet hearing demand.
- Equip new Panel Members with the skills and knowledge they need to make effective decisions.

Theme 4: Be Well-Informed and Influential in our Environment and Communities:

- Create a programme of engagement that informs and engages our community and stakeholders as we enter a period of reform and change.
- Continue to embed our digital systems across our community and identify on-going improvements and developments to support the needs of CHS volunteers and staff.
- Influence and engage in the development of emerging legislation that can improve outcomes for children and young people through the hearings system.

Organisational Effectiveness and Colleague Support

- Ensure CHS has the right skills and capacity needed to implement changes to the systems and the tribunal support model.
- Continue to build a culture of engagement and wellbeing across the organisation through a programme of structured activities.
- Continue to improve our feedback and complaints processes to ensure we maximise the opportunities for organisational learning

2022/23 was the third year of our Corporate Plan, Our Strategic Outlook 2020-23. This was due to be the final year of the plan, but to allow time for detailed planning focussed on the redesign of the hearings system to be finalised, an additional year has been added to the strategic planning cycle. The plan will therefore now come to an end in 2024.

Elliot Jackson
Accountable Officer

Accountability Report

Corporate Governance Report

Directors' Report

Senior Management Team (SMT) members' Service Contracts

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Any payment in relation to termination of employment through retirement or redundancy is governed by CHS' relevant policies and procedures. Any discretionary payment made to any member of staff on termination is subject to approval by the Board and/or Scottish Government.

SMT member	Job title	Appointment
Elliot Jackson	National Convener/Chief Executive	7 Oct 19 – 6 Oct 24
Stephen Bermingham	Head of Practice and Policy	25 Oct 21
Lynne Harrison	Head of Strategy, Development and Depute Chief Executive	7 Oct 19
Christine Mullen	Head of Learning	1 Jan 22
Carol Wassell	Head of Area Support and Community Improvement	13 Jan 20

There are three female senior managers and two male senior managers. All contracts have a notice period of 3 months and are permanent unless indicated otherwise by a future end date.

Board members in 2022/23	Original appointment	End of appointment
Garry Coutts (chair)	8 April 2014	7 April 2022
Katharina Kasper (chair)	1 April 2022	31 March 2026
Beth-Anne Logan	1 July 2017	30 June 2025
Henry Robson	1 March 2017	28 February 2025
Barbara Neil	1 February 2019	31 January 2025
Katie Docherty	21 June 2021	21 June 2024
Sean Austin	21 June 2021	21 June 2024
Jo Derrick	1 February 2019	31 January 2025

All Board members have fixed term contracts and of the above five are female and three are male.

Board members are appointed by the Scottish Ministers on the basis of having knowledge or experience relevant to the general purpose and specific requirements of CHS or to the functions of the National Convener/Chief Executive.

Audit

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each central government body in Scotland. For the financial years 2022/23 to 2026/27 the Auditor General appointed Audit Scotland to undertake the audit of CHS. The general duties of the auditors of central government bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Register of Interests

A Register of Interests for Board members and senior staff can be accessed on our website at <http://www.chscotland.gov.uk/about-chs/our-people/the-chs-board/meet-the-chs-board/> or by contacting the Business Operations & Governance Lead (<https://www.chscotland.gov.uk/about-us/meet-the-team>).

Personal data related incidents

For more information on incidents relating to personal data, please refer to the Governance Statement below.

Statement of disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the organisation's auditors are aware of that information.

“Relevant audit information” means information needed by the organisation's auditors in connection with preparing their report.

Statement of Accountable Officer's Responsibilities

Under section 21(1) of the Children's Hearings (Scotland) Act 2011, the Scottish Ministers have directed CHS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CHS and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accountable 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 Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FRoM have been followed, and disclose and explain any material departures in the financial statements,

and

- prepare the financial statements on the going concern basis.

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Accountable Officer of the Scottish Government Directorate with responsibility for sponsorship of CHS designated the National Convener/Chief Executive of CHS as the Accountable Officer for the organisation. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the organisation's assets, are set out in Managing Public Money by the HM Treasury.

As Accountable Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I feel I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.
- the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of CHS' policies, aims and objectives, as set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Memorandum to Accountable Officers for Other Public Bodies.

Governance framework

CHS' governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the Scottish Public Finance Manual and has been in place for the financial year ended 31 March 2023 and up to the date of the approval of the annual report and accounts.

CHS has a Board which meets at least every three months to consider the overall strategic direction of CHS within the policy, planning and resources framework determined by the Scottish Ministers. The Board seeks assurance that corporate objectives are being progressed through the delivery of agreed targets in the business plans and corporate plan on performance, implementation of strategic projects, effective use of resources and management of strategic risks.

The Board Committee structure comprises a Remuneration and Appointments Committee (RAC) and an Audit and Risk Management Committee (ARMC). Each Committee has developed its terms of reference which are documented, approved and reviewed on an annual basis.

The Remuneration and Appointments Committee meets a minimum of three times per year (in this year it met four times) and reviews the arrangements for:

- the performance appraisal process for the Chief Executive, Directors and CHS staff;
- the recruitment and remuneration of all CHS employees;
- the monitoring of the People Strategy and workforce planning arrangements.

In 2022/23 the Committee also considered Staff Forum progress, Equality, Diversity & Inclusion outcomes reporting, progress against Fair Work First requirements, HR policies, and the results of the employee engagement survey.

The Chair of the Remuneration and Appointments Committee briefs the Board following each meeting and the latter receives an annual report on the performance of the Committee.

The Audit and Risk Management Committee meets quarterly and reviews the adequacy of the arrangements for ensuring sound internal control arrangements and provides the Board and Accountable Officer with advice and assurance with regard to the arrangements for:

- financial control and reporting;
- risk management;
- Information Governance;
- legal and regulatory compliance;
- Digital Programme.

The Chair of the Audit and Risk Management Committee briefs the Board following each meeting and the Board receives an annual report on the performance of the Committee.

CHS has an internal audit service provided under contract by BDO, which operates to standards defined in the Public Sector Internal Audit Standards. During 2022/23 Internal Audit undertook reviews of the CHS Project Management Framework, Complaints Management, and Freedom of Information requests. The Committee scrutinises all internal audit reports and the actions taken by managers in response to audit recommendations.

In the internal auditor's opinion, the risk management activities and controls in the areas which they examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on their verification reviews and sample testing, the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.

Operation of the Board

The Board met five times for public meetings during 2022/23, held five Board development sessions for training opportunities and discussion, and two Strategy sessions to support ongoing work within the organisation and with the Hearing System Working Group.

Key issues for the Board in 22/23 included:

- CHS Participation Framework
- Impact Report
- Approving quarterly performance reports
- Board Standing Orders and Self-Assessment
- Scrutiny of ongoing work to improve capacity
- Approving the Budget for 2023/24
- Approving the Business and Corporate Parenting Plans for 2023/24
- Approving the Annual Accounts and Impact Report
- Reviewing Learning Academy progress
- Volunteer Recruitment
- Equalities
- OHOV Calls to Action
- Development and Approval of a new Tribunal Support Model
- Approving the accounting policies to be used for the preparation of CHS' statement of accounts for 2022/23

Strategic and operational finance support is provided through a shared services arrangement with SCRA and CHS has a dedicated HR/OD Lead. The Head of Finance & Resources provides strategic finance advice to the CHS Board and Committee meetings and other meetings as appropriate.

Assessment of corporate governance arrangements

As Accountable Officer, I have reviewed the effectiveness of corporate governance arrangements. My review is informed by:

- the executive managers within CHS who have responsibility for the development and maintenance of the internal control framework, including the organisation's Senior Information Risk Officer
- the work of the internal auditors who submit to the Audit and Risk Management Committee
- regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of CHS' system of internal control together with any recommendations for improvement
- comments made by the external auditors in their management letter and other reports

The following internal control systems are assessed annually as part of the Scottish Government Certificates of Assurance process which must be completed by the National Convener. This process is underway for 2022/23 and to date no major control gaps have been identified.

- Risk Management
- Business Planning
- Major Investment
- Project Management
- Financial Management
- Fraud
- Procurement
- Human Resources
- Equality and Diversity
- Information
- Health & Safety
- Compliance

Assessment of procurement activities

As Accountable Officer, I have reviewed the effectiveness of procurement activities and arrangements. CHS is committed to fair process and best value resourcing and therefore in sourcing suppliers utilises SG procurement frameworks where possible and utilises shared service expertise from the SG procurement team through their Procurement Lite service. CHS has put in place a series of procurement KPIs to help demonstrate the contribution of procurement approaches to the efficient, effective and economical running of the organisation.

CHS reports on the effective contract management CHS Learning Academy by monitoring the contract meetings held, the financial management of the contract, and the KPIs delivered.

In 2022/23 there were 12 Operational meetings held and 3 Strategic contract meetings held. There were 18 KPIs reported against throughout the year. 13 were met or exceeded, 3 were not comparable with previous targets, and 1 KPI did not achieve its target (retention of trainees achieved a score of 83% against a target of 90%).

CHS reports against procurement activity for its annual recruitment campaigns as well as any contracts awarded above £5,000, contracts awarded using the SG framework above £20,000, and the number of contracts awarded using the 'quick quotes' approach.

In 2022/23 the following procurement activities took place which were awarded either via Quick Quotes, through the SG framework, and other procurement exercises.

- 12 procurement activities were awarded with a value between £5,000 - £20,000 which included the following services: consultancy services, learning and development, internal and external auditing, legal services, IT, wellbeing support, and business services.
- 10 procurement activities were awarded above £20,000 which included the following services: consultancy, digital design, IT equipment, media services for the recruitment campaign, legal services, and the provision of the CHS Learning Academy.

Key issues and risks

A framework for identifying, measuring, controlling and monitoring strategic risks has been in place throughout the financial year during which time the senior team and the Audit and Risk Management Committee reviewed and approved the Risk Management Policy. A regular review of the Operational and Strategic Risk Registers is undertaken by the Senior Management Team and the Strategic Risk Register is reported to the Audit and Risk Management Committee on a quarterly basis. Strategic and operational risk management is embedded in CHS' corporate and business planning processes and performance management arrangements.

The key strategic risks identified and monitored during 2022/23 included: An inability to fulfil ambitions due to budgetary constraints; Lack of quality assurance and consistency of practice; Systems fail due to poor cyber resilience, Damage to credibility by failing to deliver and improve our functions in a data and evidence driven manner; Failing to have an influential voice in sector policy and practice; Failure to meet UNCRC obligations; Failure to contribute to positive outcomes for babies, infants, children, young people and their families due to poor quality hearings and hearings decisions and not maintaining an informed, trauma sensitive, sustainable, resilient and motivated volunteer community; and a Reduction in Panel member capacity leading to inability to fulfil statutory requirements, loss of volunteers due to changes in the sector and CHS.

Digital Programme

The main focus of activity throughout 2022/23 has been continued functional improvements to our CSAS platform across several areas including Rota, Observations and Recruitment. Development work has also taken place to support the implementation of a new Tribunal Support Model in 2023/24. Joint Change Control Board and Control Assurance Boards are now in place with SCRA to support the governance and implementation of improvements or changes to the digital platform.

A digital Strategy and Implementation plan has been developed in year alongside significant work to access and provide Management Information derived from CSAS to the National Team and ASTs through Power BI reporting and dashboards to support the operation and improvement of our services. This can be evidenced through the provision of data snapshots in our quarterly performance reports.

We continue to support Panel Members to participate in virtual children's hearings through training and provision of devices to support virtual activity including provision to all new trainees in year.

Personal data related incidents

During 2022/23, CHS has had 44 information security incidents recorded and investigated (including near misses), two of which were reportable to the Information Commissioners Office. The increase in incidents, outside of identifiable trends, indicates a higher standard of consistency in reporting, and increased awareness of types of suspected incidents that may require investigation.

Mitigating measures are in place to reduce the likelihood of data breaches and include compulsory training for all panel and AST members, Clerks, CHS National Team and Board members. Observed trends in breaches lead to the introduction of new or updated mitigations when necessary.

Conclusion

As Accountable Officer, I am satisfied that CHS has effective corporate governance arrangements in place.

Remuneration and Staff Report

Remuneration and Appointments Committee (unaudited)

The Remuneration and Appointments Committee, a sub-committee of the full CHS Board, oversees the remuneration and performance management arrangements of all staff.

For 2022/23, the Remuneration and Appointments Committee consisted of:

- Jo Derrick (chair)
- Beth-Anne Logan
- Katie Docherty

Proposals on the remuneration of the National Convener/Chief Executive are made by the Remuneration and Appointments Committee and form the basis of recommendations to the Scottish Government. Proposals in relation to remuneration of other senior managers and staff remuneration are included in a pay and grading remit, which is submitted to the Scottish Government for approval following approval by the Remuneration and Appointments Committee.

CHS' overall remuneration policy aims to:

- attract, retain and motivate competent and skilled staff at all levels of the organisation
- ensure that salaries are as competitive as possible
- reward staff for their contribution to CHS by arrangements which are simple, fair and transparent.

Board and SMT Remuneration (audited)

Senior managers' remuneration as a single figure

Senior Management Team Members	2022/23 Salary and Allowances	2022/23 Pension benefits ¹	2022/23 Compensation	2022/23 Total	2021/22 Salary and Allowances	2021/22 Pension benefits ¹	2021/22 Total
	£000	£000	£000	£000	£000	£000	£000
Elliot Jackson	80-85	35-40	n/a	115-120	80-85	110-115	195-200
Stephen Bermingham ²	70-75	120-125	n/a	190-195	25-30	(5)-0	25-30
Lynne Harrison	70-75	35-40	n/a	110-115	65-70	25-30	90-95
Christine Mullen	55-60	30-35	n/a	90-95	50-55	20-25	75-80
Carol Wassell ³	70-75	70-75	n/a	140-145	65-70	230-235	300-305

- ¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (real increase in lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
- ² Member was appointed on 25 October 2021 and has elected to link their previous service from another employer in the Scottish LGPS
- ³ This member's figures include a transfer in of benefits which took place in 2021/22.

Remuneration	Salary and allowances ¹	
	2022/23	2021/22
Board	£000	£000
Garry Coutts	0-5	20-25
Katharina Kasper	10-15	n/a
Sean Austin	5-10	0-5
Katie Docherty	0-5	0-5
Barbara Neil	5-10	5-10
Jo Derrick	0-5	0-5
Beth-Anne Logan ²	10-15	5-10
Henry Robson	5-10	0-5

- ¹ CHS does not make any contribution to the Local Government Pension Scheme (LGPS) in respect of Board members, nor provide any other form of pension benefit.
- ² Throughout 2021/22 and 2022/23, this Board member was been remunerated through CHS for additional duties in relation to wider Scottish Government Secure Care projects.

Senior managers' pension entitlements

Senior Management Team Members	Real increase in pension in year to 31 March 2023 £000	Real increase in lump sum in year to 31 March 2023 £000	Total accrued pension as at 31 March 2023 £000	Total accrued lump sum at 31 March 2023 £000	CETV ¹ at 31 March 2022 £000	CETV ¹ at 31 March 2023 £000	Real increase in CETV ¹ during year £000
Elliot Jackson	0-2.5	(2.5)-0	45-50	70-75	794	825	31
Stephen Bermingham ²	5-7.5	0	5-10	0	7	72	65
Lynne Harrison	0-2.5	0	5-10	0	68	91	22
Christine Mullen	0-2.5	0	5-10	0	85	107	22
Carol Wassell	2.5-5	0	15-20	0	150	189	39

¹ CETV stands for Cash-equivalent transfer value

² Member has elected to link their previous service from another employer in the Scottish LGPS

Prior year comparatives

Senior Management Team Members	Real increase in pension in year to 31 March 2022 £000	Real increase in lump sum in year to 31 March 2022 £000	Total accrued pension as at 31 March 2022 £000	Total accrued lump sum at 31 March 2022 £000	CETV ¹ at 31 March 2021 £000	CETV ¹ at 31 March 2022 £000	Real increase in CETV ¹ during year £000
Elliot Jackson	5-7.5	7.5-10	40-45	70-75	688	794	107
Stephen Bermingham ²	n/a	n/a	0-5	0	n/a	7	n/a
Lynne Harrison	0-2.5	0	5-10	0	50	68	18
Christine Mullen	0-2.5	0	5-10	0	67	85	18
Carol Wassell ³	10-12.5	n/a	10-15	0	21	150	129

¹ CETV stands for Cash-equivalent transfer value

² Member had under 2 years' service, therefore no accrued entitlements

³ This member's figures include a transfer in of benefits which took place in 2021/22. This member had no pension entitlement in 2020/21, so the entirety of the increase in pension is the full pension amount in 2021/22.

Other staff members' remuneration

The full time equivalent remuneration paid to CHS staff as at 31 March 2023 ranged from £26,443 to £82,572 (31 March 2022: £25,184 to £80,859).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the following percentiles' remuneration of the organisation's workforce.

Remuneration (continued)	Salary	Allowances	Total remuneration	Salary	Allowances	Total remuneration
	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22
Highest-paid director	£82,572	£0	£82,572	£80,859	£0	£80,859
25 th percentile	£34,609	£0	£34,609	£28,166	£0	£28,166
Median	£42,723	£0	£42,723	£39,793	£0	£39,793
75 th percentile	£55,622	£0	£55,622	£51,419	£0	£51,419

The highest-paid director's salary increased by 2.1% from 2021/22.

The 25th percentile pay has ratio has decreased from 2.87:1 to 2.39:1. The median pay ratio has decreased from 2.03:1 to 1.93:1. The 75th percentile pay ratio has decreased from 1.57:1 to 1.48:1. All these decreases are due to the highest-paid director's pay award being smaller in percentage terms than that awarded to other staff. CHS believes the median pay ratio for 2022/23 is consistent with its pay, reward and progression policies for CHS' employees taken as a whole.

In 2022/23 no employees received remuneration in excess of the highest-paid director (2021/22: none). CHS does not have a separate performance pay scheme for senior managers. The Scottish Government-wide remuneration policy is applied equally to all staff, including senior management.

Compensation

No compensation payments were made in 2022/23 (2021/22: none).

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument. No benefits in kind were received in 2022/23 (2021/22: none).

Amounts payable to/from third parties for the services of a senior manager (audited)

CHS paid Scottish Children's Reporter Administration £5,430 and £nil in 2022/23 in respect of senior management services from Edward Morrison (Head of Finance and Resources) and Susan Deery (Head of Human Resources) respectively (2021/22: £5,165 and £2,583 respectively).

Staff breakdown by gender and permanent/non-permanent contracts (unaudited)

Average number of employees (whole-time equivalents)	2022/23	2021/22
Staff with a permanent contract – male	11	7
Staff with a permanent contract – female	26	23
Staff without a permanent contract – male	2	2
Staff without a permanent contract – female	4	4
	43	36

Staff costs (audited)

Staff with a permanent (UK) employment contract	2022/23 £000	2021/22 £000
Wages and salaries	1,595	1,328
Social security costs	174	143
Contributions to pension scheme	419	330
IAS 19 pension charge*	316	401
	2,504	2,202

Staff without a permanent (UK) employment contract	2022/23 £000	2021/22 £000
Wages and salaries	350	362
Social security costs	28	20
Contributions to pension scheme	64	50
IAS 19 pension charge*	50	-
	492	432

All Staff	2022/23 £000	2021/22 £000
Wages and salaries	1,945	1,690
Social security costs	202	163
Contributions to pension scheme	483	380
IAS 19 pension charge	366	401
	2,996	2,634

* In 2021/22, this charge was not split between staff with a permanent (UK) employment contract and staff without a permanent (UK) employment contract.

The average pay per FTE employee increased by 8.8% between 31 March 2022 and 31 March 2023, due to the pay award, an increase in headcount principally among the higher pay bands, and a number of newer staff progressing within their pay band.

Exit packages

No exit packages were agreed during 2022/23 (2021/22: none).

Expenditure on consultancy

In 2022/23, CHS spent £303,772 on consultancy (2021/22: £49,225). Due to the limited capacity within the small National team to enable effective shaping of the significant transformational reform required of the hearing system, whilst continuing to manage and support the statutory requirements of delivery of the children's hearings tribunal, additional external support has been engaged to work alongside the leadership team to enable development of key strategic plans; build and develop internal skill sets to take forward transformational change identified and has enabled effective consultation, and community wide engagement and analysis upon which to shape strategic responses.

Staff Absence (unaudited)

In the year to 31 March 2023, staff absence was an average of 6.6 days per full time employee (2022: 10.4 days).

Disability, Inclusion, Equality and Diversity (unaudited)

CHS is committed to equality and diversity.

- CHS has been recognised as a Disability Confident Committed Employer.
We plan for, and make reasonable adjustments to, the assessment and interview process ensuring our recruitment process is inclusive and accessible when communicating and promoting vacancies.
- During employment, we anticipate and proactively offer and make reasonable adjustments as required.
- We provide an environment that is inclusive and accessible for staff and volunteers.
- We support employees to manage their disabilities or long term health concerns to enable them to stay in work.
- We ensure there are no barriers to the development and progression of disabled staff.
- We ensure managers are aware of how they can support staff who are sick or absent from work
- We promote information and advice on wellbeing and mental health conditions through our HR channels. . Line managers are encouraged to have conversations with their staff about staff mental health and wellbeing during their regular 121 meetings.
- We provided a paid well being day as part of our 2022/23 Pay Policy, allowing staff an additional paid day for their wellbeing.
- We provide occupational health services and an employee assistance programme (EAP) and regularly promote EAP resources to staff.
- In 2022/23 CHS provided three wellbeing sessions for staff facilitated by The Wellbeing Project. Topics included; Flourish (how to optimise physical, emotional and mental wellbeing), Inner Driver, and the Energise programme.

CHS reports against the statutory Public Sector Equality Duty and in addition has several policies relating to supporting disability in the workplace including:

- Equal Opportunities policy
- Flexible Working policy
- Recruitment and Selection policy
- Dignity at Work policy

With regards to disability, CHS included the following over-arching Equality Outcome that is specifically focussed on supporting those with caring responsibilities.

Increasing accessibility, and promoting inclusion has removed participation barriers to all individuals who make up our CHS Community.

Under this outcome, CHS has a subset of outcomes with the following outcome particularly focused on carers, who by association, can be directly or indirectly discriminated against on the grounds of disability in the general working environment, due to their caring responsibilities for those who have disabilities.

CHS has been recognised as an employer of choice by individuals with caring⁸ responsibilities due to its positive and open recruitment approach and its flexible working and attendance management policies and practices.

Our Volunteer Community continue to be fully aware of and undertake their functions with equality in mind. Our CHS Learning Academy (West Lothian College) incorporate Equality and Diversity learning and assessment into essential training for our panel members before they are appointed. All new panel members complete a qualification awarded by the Scottish Qualifications Authority (SQA) – the Professional Development Award (PDA) Children’s Hearings in Scotland – Panel Members. Our National Team complete a compulsory Equality, Diversity and Inclusion training course.

The training delivered by our CHS Learning Academy focuses on the 2010 Equality Act. In particular, the qualification focuses on the acquisition of skills and knowledge that demonstrate awareness of the equality and diversity needs of children and young people and how to address them.

Our Area Support Teams receive training in the recruitment and selection of new panel members. This includes input on key principles of equality and diversity and an emphasis on understanding the importance of diversity when assessing and supporting candidates.

⁸ A carer is someone who provides unpaid care by looking after an ill, frail or disabled family member, friend or partner. (<http://www.carerpositive.org/>)

Parliamentary Accountability Report

CHS is required to report on any high-value losses and special payments incurred in the financial year, any fees and charges receivable in the financial year and any remote contingent liabilities as at the date the accounts were signed by the Accountable Officer.

- No reportable losses were incurred in the financial year to 31 March 2023.
- No reportable special payments were made in the financial year to 31 March 2023.
- No reportable fees or charges were received in the financial year to 31 March 2023.
- There are no remote contingent liabilities at the date the accounts were signed.

Elliot Jackson
Accountable Officer

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Children's Hearings Scotland for the year ended 31 March 2023 under the Children's Hearings (Scotland) Act 2011. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the Children's Hearings (Scotland) Act (2011) and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 02 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all 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 course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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

Financial Statements

Children's Hearings Scotland

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2023

	Note	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Expenditure			
Staff costs	2	2,996	2,634
Other administration costs	3	3,130	2,449
Depreciation	4,5,6	419	296
<i>Expenditure</i>		6,545	5,379
Income	1.8	(21)	(56)
Net expenditure		6,524	5,323
Pension scheme finance cost	10	59	56
Finance lease interest	5	1	0
Net expenditure before Scottish Government funding		6,584	5,379
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	10	(3,293)	(1,020)
Comprehensive net expenditure for the year		3,291	4,359

The notes following the financial statements form part of these accounts.

Children's Hearings Scotland

Statement of Financial Position as at 31 March 2023

	Note	2023 £000	2022 £000
Non-current assets			
Property, plant & equipment	4	494	717
Right of use asset	5	108	0
Intangible assets	6	283	0
<i>Total non-current assets</i>		885	717
Current assets			
Trade and other receivables	7	268	176
Cash and cash equivalents	8	938	1,146
<i>Total current assets</i>		1,206	1,322
Total assets		2,091	2,039
Current liabilities			
Trade and other payables	9	(782)	(430)
Lease obligation	5	(54)	0
<i>Total current liabilities</i>		(836)	(430)
Non-current assets plus net current assets		1,255	1,609
Non-current liabilities			
Net pension asset/(liability)	10	0	(1,975)
Lease obligation	5	(55)	0
Net assets/(liabilities)		1,200	(366)
Taxpayers' equity			
General fund		(589)	245
Pension reserve		1,789	(611)
Total taxpayers' equity		1,200	(366)

The Accountable Officer authorised these financial statements for issue on 26 September 2023.

Elliot Jackson
Accountable Officer

Children's Hearings Scotland

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net expenditure before Scottish Government funding		(6,584)	(5,379)
<i>Adjustments for non-cash items</i>			
Increase/(Decrease) in pension fund liability	10	(1,975)	(563)
Increase/(Decrease) in pension reserve	10	2,400	1,020
Depreciation charges	4,5,6	419	296
Loss on disposal of assets		-	-
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	7	(92)	(47)
Increase/(Decrease) in trade and other payables	9	303	42
Net cash outflow from operating activities		(5,529)	(4,631)
Cash flows from investing activities			
Purchase of property, plant & equipment	4	(83)	(302)
Purchase of intangible assets	6	(293)	-
Cash flows from financing activities			
Scottish Government funding for year		5,750	4,912
Repayment of leasing liabilities	5	(52)	
Interest paid on lease obligations		(1)	
Net increase/(decrease) in cash and cash equivalents		(208)	(21)
Opening cash balance	8	1,146	1,167
Closing cash balance		938	1,146

Children's Hearings Scotland

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2021		712	(1,631)	(919)
Actuarial gain on pension reserve	10	0	1,020	1,020
Net expenditure for the year		(5,379)	0	(5,379)
Total recognised income and expense for 2021/22		(4,667)	(611)	(5,278)
Funding from Scottish Government		4,912	0	4,912
Balance at 31 March 2022		245	(611)	(366)
	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2022		245	(611)	(366)
Actuarial gain on pension reserve	10	0	2,400	2,400
Net expenditure for the year		(6,584)	0	(6,584)
Total recognised income and expense for 2022/23		(6,339)	1,789	(4,550)
Funding from Scottish Government		5,750	0	5,750
Balance at 31 March 2023		(589)	1,789	1,200

Notes to the Accounts

1. Accounting Policies

1.1 Basis of Accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2022/23 Government Financial Reporting Manual (FRoM). The accounting policies contained in the manual follow International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by the Scottish Ministers. Where the manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CHS for the purposes of giving a true and fair view has been selected. The accounting policies selected have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard.

1.3 Property, plant and equipment

The threshold for capitalisation of property, plant and equipment is £5,000, including non-recoverable VAT. Individual items of plant and equipment whose cost falls below the threshold, but are of a similar nature, are grouped and capitalised.

Expenditure on furniture, fixtures and fittings is charged to the statement of net expenditure in the year the cost is incurred and is not capitalised.

Given the short useful economic lives and low values of property, plant and equipment and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- ICT equipment – three years
- Office equipment – five years
- Leasehold improvements – five years (expected length of lease term)
- Right of Use assets – end of the useful life (or lease term if shorter)

Depreciation is ordinarily charged from when the asset was ready for use, rounded to the nearest whole month, up to point of disposal.

1.4 Intangible assets

Intangible assets are stated at historic purchase cost less accumulated amortisation. Acquired computer software licences, developed software and developed ICT infrastructure environments are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over the shorter term of life of licence and its estimated useful economic life.

1.5 Assets under construction

Where expenditure is incurred in creating an asset (tangible or intangible), but that asset is not ready for use by the end of a financial year, it is deemed as an asset under construction. Depreciation is not ordinarily charged on such assets although they will be reviewed for potential impairment or obsolescence, with any write-down charged to the Statement of Comprehensive Net Expenditure if appropriate.

1.6 Employee benefits

CHS has an agreement with Edinburgh City Council under which all staff are eligible to enter the Local Government Pension Scheme managed by the Council in accordance with scheme rules. It is a defined benefit scheme providing pension benefits and life assurance for all staff members.

The defined benefits pension scheme's assets are included at market value and this is compared to the present value of the scheme liabilities using a projected unit method and discounted at a rate in accordance with the FReM and consistent with IAS 19. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to net expenditure. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves and are recognised in the Statement of Changes in Taxpayers' Equity.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The valuation used was at 31 March 2020. Details of this valuation were included in a report published by Lothian Pension Fund.

1.7 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements.

1.8 Income

CHS recognises income in the year to which it relates.

1.9 Leases

From 1 April 2022, IFRS 16 *Leases* is effective. The adoption of this new standard has resulted in CHS recognising a right-of-use asset and related lease liability in connection with all former operating leases, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

For any new contracts entered into on or after 1 April 2022, CHS considers whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

To apply this definition CHS assesses whether the contract meets two key evaluations:

- whether the contract contains an identified asset, either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to CHS;
- whether CHS has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Measurement and recognition of leases

At lease commencement date, CHS recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by CHS, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). CHS depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. CHS also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, CHS measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the HM Treasury discount rate promulgated in the PES papers (0.95% in 2022). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset.

In line with the FReM, CHS has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the

opening balance of retained earnings for the current period. Prior periods have not been restated.

CHS has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, CHS has applied the optional exemptions to not recognise right-of-use assets, but to account for the lease expense on a straight-line basis over the remaining lease term. The costs relating to these leases amounted to £nil for the year ended 31 March 2023.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 0.95%.

1.10 Government grants

It is CHS policy to credit all government grants and grant-in-aid to the General Reserve in line with the FReM.

1.11 Financial Instruments

Cash requirements for CHS are met through the Scottish Government and therefore financial instruments play a more limited role in creating and managing risk than would apply within a non-public sector body. The majority of financial instruments relate to receivables and payables incurred through the normal operational activities of CHS. CHS is therefore exposed to little credit, liquidity or market risk.

1.12 Value Added Tax

CHS has no chargeable activities within the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.13 Provisions

Provision is recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.14 Related Party Transactions

Material related party transactions are disclosed in line with the requirements of IAS 24.

1.15 Review of Accounting Policies and Estimation Techniques

These financial statements have been prepared under IFRS. Areas of judgement in how CHS' accounting policies are applied include pension estimation technique.

The most significant financial impact arises from assumptions used to calculate the pension deficit/asset. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 March 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in real discount rate	3%	120
1 year increase in member life expectancy	4%	176
0.1% increase in the salary increase rate	0%	8
0.1% increase in the pension increase rate (CPI)	3%	114

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, the actuary estimates that a one year increase in life expectancy would approximately increase CHS' Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme obligations at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the accounting figures provided in this report, based on the profile (average member ages, retirement ages etc.) of CHS as at the date of the most recent valuation.

The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year. However, at 31 March 2023 the fair value of plan assets exceeded the estimated present value of liabilities. In accordance with International Financial Reporting Interpretations Committee Interpretation 14 ("IFRIC 14"), CHS is not recognising this excess as a net asset in its Statement of Financial Position.

1.16 Accounting standards not yet adopted

As at the date of authorisation of these financial statements, no key standards were not yet adopted.

2. Staff numbers and related costs

A detailed breakdown of Staff Costs and Numbers is contained within the Remuneration and Staff Report section of the Accountability Report.

3. Other administration costs

	2022/23	2021/22
	£000	£000
Board fees and expenses	64	69
Shared services	55	98
Legal fees	35	10
Running costs	1,063	673
Direct support for panel	113	58
Training, recruitment and other staff costs	70	76
Auditor remuneration	14	11
Internal auditors' remuneration	12	14
Recruitment of Panel Members	257	268
Training of Panel and AST Members	1138	971
Panel and AST Member Expenses	309	201
	3,130	2,449

4. Property, Plant and Equipment

Additions of total property, plant and equipment in the schedule of £0.129m (2021/22: £0.302m) appear in the cash flow as £0.083m (2021/22: £0.302m) after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

2021/22	Leasehold Improvements £000	Computer equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
Opening Balance	192	680	0	872
Additions	0	302	0	302
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	982	0	1,174
Accumulated depreciation				
Opening Balance	76	91	0	167
Provided in year	38	252	0	290
Withdrawn on disposal	0	0	0	0
Closing Balance	114	343	0	457
Net Book Value				
At 31 March 2022	78	639	0	717
At 31 March 2021	116	589	0	705

2022/23	Leasehold Improvements £000	Computer equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
Opening Balance	192	982	0	1,174
Additions	0	129	0	129
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	1,111	0	1,303
Accumulated depreciation				
Opening Balance	114	343	0	457
Provided in year	39	313	0	352
Withdrawn on disposal	0	0	0	0
Closing Balance	153	656	0	809
Net Book Value				
At 31 March 2023	39	455	0	494
At 31 March 2022	78	639	0	717

5. Leases and Right of Use asset

In the years ending 31 March 2022 and 31 March 2023, CHS had only one lease obligation relating to a right of use asset: an office building called Thistle House. CHS signed a Memorandum of Terms of Occupation (MOTO) with Scottish Legal Aid Board (SLAB) for occupancy of this office space at 91 Haymarket Terrace, Edinburgh. The MOTO is a 1 year rolling agreement.

Total commitments under non-cancellable operating leases are as follows:

	2022-23	2021-22
	£000	£000
Buildings		
Not later than one year	0	54
Later than one year and not later than five years	0	54
Later than five years	0	0
	<u>0</u>	<u>108</u>

The following is a reconciliation of total operating lease commitments at 31 March 2022, as disclosed in the financial statements to 31 March 2022, to the lease liabilities recognised at 1 April 2022:

	£000
Operating lease commitments as at 31 March 2022 under IAS 17	108
The effect of extending lease to March 2025 and of discounting using the incremental borrowing rate at 1 April 2022	54
Total lease liabilities recognised under IFRS 16 at 1 April 2022	<u>162</u>

The right of use asset recognised in CHS' Statement of Financial Position, and the depreciation charged in respect of that asset, is as follows:

	2022-23	2021-22
	£000	£000
Cost/Valuation		
Opening Balance	0	0
Additions	162	0
Transfers	0	0
Disposals	0	0
Closing Balance	<u>162</u>	<u>0</u>
Accumulated depreciation		
Opening Balance	0	0
Provided in year	54	0
Withdrawn on disposal	0	0
Closing Balance	<u>54</u>	<u>0</u>
Net Book Value at 31 March	<u>108</u>	<u>0</u>

Maturity analysis of lease liabilities as at 31 March 2023

	Lease payments	Finance charges
	£000	£000
Within one year	54	1
Later than one year and not later than two years	55	0
	<hr/> 109	<hr/> 1

6. Intangible Assets

Additions of total intangible assets in the schedule of £0.296m (2021/22: £0) appear in the cash flow as £0.293m (2021/22: £0) after adjustment for opening and closing intangible asset accruals in trade and other payables.

2021/22	Developed Software	Website	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	517	18	0	535
Additions	0	0	0	0
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	517	18	0	535
Accumulated amortisation				
Opening Balance	517	12	0	529
Provided in year	0	6	0	6
Closing Balance	517	18	0	535
Net Book Value				
At 31 March 2022	0	0	0	0
At 31 March 2021	0	6	0	6
2022/23				
Cost/Valuation				
Opening Balance	517	18	0	535
Additions	296	0	0	296
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	813	18	0	831
Accumulated amortisation				
Opening Balance	517	18	0	535
Provided in year	13	0	0	13
Closing Balance	530	18	0	548
Net Book Value				
At 31 March 2023	283	0	0	283
At 31 March 2022	0	0	0	0

7. Trade and other receivables

7.1 Amounts falling due within one year

	2023	2022
	£000	£000
Other receivables	0	15
Prepayments	268	161
at 31 March	268	176

7.2 Intra governmental balances

	Receivables: amounts due within one year	Receivables: amounts due within one year
	2023	2022
	£000	£000
Balances with other central government bodies	0	1
Balances with local government bodies	0	0
Intra governmental balances	0	1
Balances with bodies external to government	268	175
at 31 March	268	176

8. Cash and cash equivalents

	2023	2022
	£000	£000
Balance at 1 April	1,146	1,167
Net change in cash and cash equivalents	(208)	(21)
Balance at 31 March	938	1,146
Bank accounts	938	1,146
at 31 March	938	1,146

All bank balances at 31 March 2023 are held with commercial banks.

9. Trade and other payables

9.1 Amounts falling due within one year

	2023	2022
	£000	£000
Trade payables	64	217
Tax and social security	52	48
Other payables	(3)	45
Accruals	669	120
	782	430

The increase in total trade and other payables of £0.352m (2021/22: increase £0.042m) is shown in the statement of cash flows as an increase of £0.303m (2021/22: increase £0.042m) after adjustment for movements in property, plant and equipment (note 4) and intangible assets (note 6).

9.2 Intra governmental balances

	Payables: amounts due within one year 2023 £000	Payables: amounts due within one year 2022 £000
Balances with other central government bodies	86	116
Balances with Local Authorities	206	38
Intra governmental balances	292	154
Balances with bodies external to government	490	276
at 31 March	782	430

10. Pensions

Information about the assumptions underlying the figures in this note can be found in Note 1.6 Employee benefits and Note 1.15 Review of Accounting Policies and Estimation Techniques.

The financial assumptions CHS instructed the actuary to use are:

Year ended 31 March	2023	2022
	% p.a.	% p.a.
Pension increase rate (CPI)	2.95	3.15
Salary increase rate	3.45	3.65
Discount Rate	4.75	2.75

As at the date of the most recent valuation, the duration of CHS' funded obligations is 26 years.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for CHS are:

	Males	Females
Current pensioners	19.9 years	22.9 years
Future pensioners*	21.2 years	24.7 years

* Figures assume members aged 45 as at the last formal valuation date.

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. This applies to both current and future pensioners.

Please note that the mortality assumptions used to value the obligations in CHS' closing position are different to those used to value the obligations in CHS' opening position.

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

All other demographic assumptions are as per the latest funding valuation of CHS.

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2023

	Assets £000	Obligations £000	Net (liability) £000
Fair value of plan assets	4,590	0	4,590
Present value of funded liabilities	0	6,565	(6,565)
Opening Position as at 31 March 2022	4,590	6,565	(1,975)
Current Service Cost	0	849	(849)
Past Service Cost	0	0	0
Total Service cost	0	849	(849)
Interest income on plan assets	134	0	134
Interest cost on defined benefit obligation	0	193	(193)
Total Net Interest	134	193	(59)
Total defined benefit cost recognised in profit or (loss)	134	1,042	(908)
Plan participants' contributions	144	144	0
Employer contributions	483	0	483
Benefits paid	(36)	(36)	0
Expected closing position	5,315	7,715	(2,400)
Remeasurements			
Change in demographic assumptions	0	(39)	39
Change in financial assumptions	0	(3,692)	3,692
Other experience	0	410	(410)
Return on assets excluding net interest	(28)	0	(28)
Asset ceiling adjustment	(893)	0	(893)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(921)	(3,321)	2,400
Fair value of plan assets	4,394	0	4,394
Present value of funded liabilities	0	4,394	(4,394)
Closing position as at 31 March 2023	4,394	4,394	0

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2022

	Assets £000	Obligations £000	Net (liability) £000
Fair value of plan assets	3,702	0	3,702
Present value of funded liabilities	0	6,240	(6,240)
Opening Position as at 31 March 2021	3,702	6,240	(2,538)
Current Service Cost	0	770	(770)
Past Service Cost	0	0	0
Total Service cost	0	770	(770)
Interest income on plan assets	81	0	81
Interest cost on defined benefit obligation	0	137	(137)
Total Net Interest	81	137	(56)
Total defined benefit cost recognised in profit or (loss)	81	907	(826)
Plan participants' contributions	121	121	0
Employer contributions	369	0	369
Benefits paid	(28)	(28)	0
Expected closing position	4,245	7,240	(2,995)
Remeasurements			
Change in demographic assumptions	0	(33)	33
Change in financial assumptions	0	(658)	658
Other experience	0	16	(16)
Return on assets excluding net interest	345	0	345
Total remeasurements recognised in Other Comprehensive Income (OCI)	345	(675)	1,020
Fair value of plan assets	4,590	0	4,590
Present value of funded liabilities	0	6,565	(6,565)
Closing position as at 31 March 2022	4,590	6,565	(1,975)

Fair value of employer assets

The below asset values are at bid value as required under IAS19.

	2023	2023	2023	2022	2022	2022
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	£000	£000	£000	£000	£000	£000
Equity Securities	2,983	0	2,983	2,559	0	2,559
Debt Securities	806	0	806	487	0	487
Private Equity	3	17	20	0	21	21
Real Estate	43	204	247	43	201	244
Investment Funds and Unit Trusts	70	911	981	165	598	763
Derivatives	0	0	0	0	0	0
Cash and Cash equivalents	250	0	250	516	0	516
	4,155	1,132	5,287	3,770	820	4,590

Analysis of projected amount to be charged to operating profit for year to 31 March 2024

Year ended 31 March 2024	£000	% of pay
Projected current service cost*	359	18.6
Interest income on plan assets	(265)	(13.7)
Interest cost on defined benefit obligation	220	11.4
Total included in Statement of Comprehensive Net Expenditure	314	16.3

* The current service cost includes an allowance for administration expenses of 0.3% of payroll. The monetary value is based on a projected payroll of £1.933m.

11. Financial Instruments

Because the cash requirements of CHS are met through grant-in-aid, financial instruments play a limited role in creating and managing risk than would apply in a non-public sector body of a similar size.

12. Related party transactions

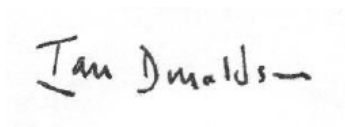
CHS is a Non-Departmental Public Body sponsored by the Care and Justice Division in the Children and Families Directorate. CHS receives funding from the Care and Justice Division in the Children and Families Directorate which is regarded as a related party. During the year 2022/23, CHS received grant-in-aid of £5,750,000 (2021/22 £4,912,000).

No Board Member, key manager or other related party has undertaken any material transactions with CHS during the year 2022/23 (2021/22: £nil).



CHILDREN'S HEARINGS SCOTLAND
DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 1 of the Children's Hearing Scotland Act (2011), hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2023, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 9 June 2022 is hereby revoked.



Ian Donaldson

A member of the staff of the Scottish Ministers

Dated: 22 May 2023



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