



Community Justice Scotland

Ceartas Coimhearsnachd Alba

Annual Report and Accounts

2017-18

Laid before the Scottish Parliament by the Scottish Ministers
under Section 11 (4) of the Community Justice (Scotland) Act
2016 SG/2018/145

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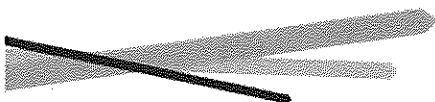
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Appendix A – Organisation Structure

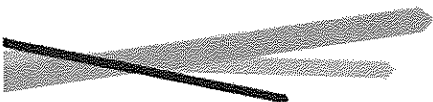


Performance Report

Performance Overview

Summary

2017/18 was Community Justice Scotland's (CJS's) first full year of operation and this overview provides a commentary on its effectiveness in establishing the new system for community justice in Scotland and advancing the outcomes detailed in the National Strategy for Community Justice. In addition, it describes how the organisation became established and how CJS grew its capacity and capability over the year. The description of our operating environment and engagement with stakeholders and partners across the justice sector is a principle theme of the Annual Report and illustrates how within a relatively short period of time CJS was able to become a significant contributor to the collective effort to reduce offending and re-offending and make Scotland a safer country.



1. Foreword



Community Justice Scotland was established in a shadow capacity on 1st October 2016 and assumed its full functions on 1st April 2017. Our vision is to make Scotland a safer place to live by leading and promoting world-class standards of community justice. We do not underestimate the challenge that this simple sentence involves.

As with any new organisation this first year has been devoted to establishing relationships with external stakeholders and partners, setting our own corporate priorities (set out in the Corporate Plan), recruiting new staff, and ensuring that we have sound governance in place through our internal systems and procedures. It has been a busy year but thanks to the hard work of the Chief Executive and her team we have laid solid foundations on which to build.

Following a recent recruitment process we are looking forward to increasing the membership of our small Board by the end of December 2018 and strengthening our governance framework.

Relationships and partnership are key to achieving the vision: it is only by working collectively that we can hope to bring about the Smart Justice that this report describes. We are working in different ways with a wide range of those involved in justice in Scotland: the local Community Justice Partnerships, criminal justice social workers, third sector agencies, the Scottish Prison Service, academics who specialise in this area, those with lived experience of the justice system and those involved with the formal delivery of justice.

I am pleased to commend our first Annual report to you. I would like to thank everyone who has worked with us and look forward to continuing our work together over the coming years.

Glenys Watt
Acting Chair



2. Report on Community Justice Scotland's functions

Community Justice Scotland (CJS) is the national body for community justice in Scotland. Launched on 1 April 2017 by the Community Justice (Scotland) Act 2016, our aim is to create a more robust and effective community justice system based on local planning and delivery by a range of statutory and other partners, supported and guided by national leadership and oversight.

As an executive non-departmental public body (NDPB), Scottish Government sets the strategic framework but Community Justice Scotland retains independence and carries out its duties without political interference.

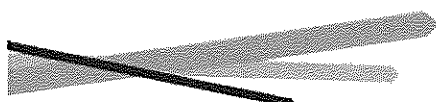
We work with a range of statutory and non-statutory partners including Local Authorities, Police Scotland, Scottish Prison Service, Scottish Courts & Tribunals Service, Crown Office and Procurator Fiscal Service, Scottish Fire and Rescue Service, national agencies such as Skills Development Scotland, Health Boards, Health and Social Care Integration Joint Boards, the third sector, academics and communities. We will seek to work with existing partnership arrangements where they exist or establish them where they are required. As an NDPB we will manage all our resources effectively and have established Board governance arrangements to support and oversee planning, delivery and reporting of this. Our organisation structure is shown at **Appendix A**.

Specifically, CJS's Corporate Plan details four strategic objectives for the new organisation, they are:

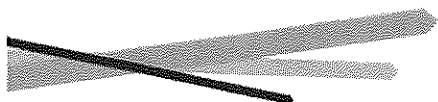
- to become a trusted source of expertise in community justice.
- to improve the understanding of community justice with stakeholders and in the wider community.
- to have tested and evaluated new approaches to community justice.
- to have worked collaboratively to identify improvements and changes that can be made in the delivery of community justice.

Functionally, our approach to delivering these objectives is to:

- **Promote:** We will champion justice by taking the lead role in delivering the National Strategy for Community Justice.
- **Support:** We will work with our partners and help drive change by identifying challenges and supporting improvements in our community justice system.



- Lead: We will act as a trusted source of expertise in community justice, providing leadership, learning and insight to support community justice partners to explore new thinking and promote best practice to prevent offending and reduce the number of future victims.
- Prevent: We will work with others to prevent offending and reduce further offending.



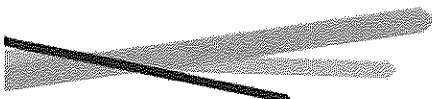
3. Key Issues and Risks

As at the 31st March 2018, the following risks were listed on the CJS Corporate Risk Register;

- The Outcomes Performance Improvement (OPI) framework doesn't support consistent local reporting and will impact on reporting at National level.
- Loss of Criminal Justice Social Work (CJSW) training expertise.
- With current capacity/budgets CJS will not be able to commission services effectively.
- If CJS budgets, functions and accountability do not align, the organisation will not perform effectively.
- If Stakeholders' expectations of CJS are unrealistic or inaccurate, the organisation will not be perceived as delivering and/or succeeding.
- Inconsistent national data captured and reported across Community Justice (CJ) partners means CJS will be unable to effectively report and monitor progress on a national scale.
- Key legislation core to achieving aims of increasing community disposals are not enacted.

Risk mitigation was progressed by the Senior Management Team (SMT) under direction of the CJS Board and Audit and Risk Committee (ARC).

Corporate risks are assessed at each meeting of the Senior Management Team and at all meetings of the CJS Board and Audit and Risk Committee. Changes to the risk register are reported for consideration at each meeting of the Board and ARC.



4. Going Concern

Community Justice Scotland (CJS) is a Non Departmental Public Body (NDPB) funded entirely by Scottish Government (SG) through Grant in Aid.

The overall budget is negotiated with Scottish Government each year and is based upon a detailed assessment of staff costs (including estimates of pay awards and uplifts) and operational costs. Grant in aid is drawn down from SG on a quarterly basis and is provided on the basis of need (that is to meet the costs outlined in the budget bid).

The budget is profiled across the operational year and expenditure is measured against the profile and reconciled against actual expenditure on a monthly basis. Expenditure and reconciliation reports are submitted to SG each month, and 'as asked' information is provided on an ongoing basis.

Budget performance is reviewed at each Senior Management Team meeting and the CJS Board and Audit and Risk Committee receive a report on budgetary issues at each meeting. Budget controls are sufficiently robust to minimise error and mitigate the risk of fraud.

CJS has no obligations, financial contracts or other potential calls on its budget that would adversely affect its financial position.

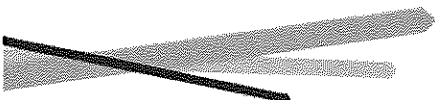
Internal and External audit is undertaken each year and the organisation's accounts are signed-off by external auditors annually.

As constituted the budget provided to CJS is sufficient to allow it to deliver its legislative functions and duties, the priorities detailed in its corporate and business plans and make a significant contribution to the outcomes contained in the National Strategy for Community Justice. As further demands emerge, the positive relationship CJS has with its Scottish Government sponsor team, facilitates the process of having any emerging demands considered within the annual budget round. Ad hoc requests are also considered supported by detailed business cases.

On that basis I believe that CJS is a going concern.



Karyn McCluskey
Chief Executive



5. Performance summary

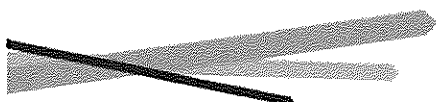
In its first year, Community Justice Scotland (CJS) made a significant contribution to establishing the new model for community justice which was introduced on 1 April 2017 and successfully engaged with partners and stakeholders in developing innovative and effective approaches to the delivery of the National Strategy for Community Justice.

Of real significance, was our work with partners to bring into even sharper relief the connection between offending and the prevalence of poverty, homelessness, addiction, health and mental health in Scottish society. These (and other) conditions effectively define the disadvantage and inequality that is disproportionately represented in the prison population; particularly so in the large group of people who serve repeated short term sentences. Regular engagement with individuals who suffer from and struggle against these challenges and the groups that represent them, has helped CJS make a compelling case for a different approach – an approach that aims to sensitise the criminal justice system to trauma and the deleterious effects of inequity.

Motivated in large part by the strength and courage of individuals who have suffered adversity, we pushed back against simplistic notions of ‘hard’ and ‘soft’ justice and the moral relativism that underpins them. It is our conviction that Community Justice must be Smart Justice; a system characterised by rational decision making and sharply focussed on individuals and the achievement of good outcomes. Smart Justice promotes rehabilitation and redemption and its successes are measured by the positive life changes made by people who have struggled against adversity and have previously been largely written-off by society.

CJS has a very specific emphasis on prevention; addressing needs and challenges at the earliest possible opportunity, as the most effective way of reducing offending and entry into the criminal justice system. We recognise however that individuals do – and always will - commit offences and that they will enter into the criminal justice system as a consequence. Consequently, we invested considerable time and energy in promoting the role of diversion within the system; most crucially at the stage of the process where prosecution decisions are made. The most notable example of our positive impact is found in the proof of concept diversion project which is based in Aberdeen. This was established on a full co-productive basis, with local partners and CJS contributing their different but complementary skills, knowledge and perspectives to the development of an improved approach to diverting into community based interventions.

CJS’s remit covers a broad range of duties and responsibilities including providing direct support for local planning and service delivery, promoting innovation and improvements to practice, providing training to community justice professionals and communicating the benefits of community justice to stakeholders and the wider public.



Performance Analysis

6. How we measure performance

Our Strategic and Operational objectives are detailed in CJS's Corporate and Business Plans which were approved by the CJS Board. Progress is reviewed formally by the Senior Management Team (SMT) which meets fortnightly and is reported to the CJS Board. Information on our performance is shared with colleagues at Scottish Government Sponsor Team and discussed at our regular meetings with them.

In our first operational year, we built our capacity, largely through recruitment, so that we could make a significant contribution to the outcomes articulated in the national strategy. Our activities were focussed on making the changes to policy, practice, attitudes and general information consistent with our aims of the strategy and our national leadership role.

Promoting community justice in Scotland

In order to establish and advance its national lead role CJS committed early on to making sure that the organisation was visible and engaged across the length and breadth of Scotland. During the year, CJS colleagues visited communities from the northern isles to the Scottish Borders and from Dumfries to Dundee. That degree of visibility and presence greatly accelerated the process of relationship building and collaborative working and aided efforts to develop joint approaches to improving community justice services.

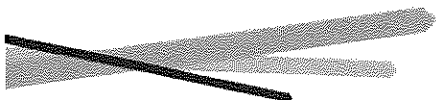
CJS also has a statutory duty to promote community justice across Scotland and our active engagement with the 30 local Community Justice (CJ) Partnerships established under the auspices of 2016 Act, was key to our success in doing so.

As a practical measure aimed at supporting local community partnerships, CJS developed and published a guidance document on Planning and Reporting to improve the reporting of the progress of Community Justice Outcome Improvement Plans (CJOIPs). We also consulted upon, developed and published a template and associated guidance for local areas to report on improvement activity.

Our engagement strategy was similarly purposeful and effective and within the course of the year we attended and/or presented at over 90 events and formal meetings.

Positive steps were also taken to take forward our aim of being recognised as the national expert body on matters related to community justice. The establishment of the CJS Academic Advisory Group was a prime example of our ambition to commission innovative research and identify best practice from across the world.

Our efforts to influence national policy development, including legislation, also gained momentum throughout the year. For example we were involved in providing responses to the



Scottish Government Consultation on Electronic Monitoring and Stage 1 of the Bill on Management of Offenders. Our Chief Executive and Head of Improvement were invited by the Parliament's Justice Committee to provide evidence on the use of Remand.

We have also participated in a range of statutory partner led working groups on justice including SHORE Standards (Sustainable Housing on Release for Everyone) with Scottish Prison Service (SPS).

Events

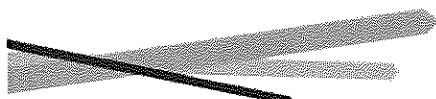
Our programme of events provided important opportunities to engage directly with stakeholders and members of the public and to promote Smart Justice. Our National Conference held on 9 March 2018 at the Glasgow Citizens Theatre, Glasgow was attended by 230 delegates and was considered to be a huge success.

Speakers on the day included:

- Dr Mary Hepburn
- Professor Jason Leitch
- Darren McGarvey (Loki)
- Roza Salih
- Byron Vincent
- Professor Sir Harry Burns
- Three individuals who have been through the justice system; including a victim of crime.

The event trended on Twitter in Glasgow with the hash tag #SmartJustice and 96% of respondents to the evaluation were satisfied or very satisfied with the event. When asked to describe the event in three words, the majority of respondents said:

Entertaining Insightful Encouraging Humbling Challenging
 Eye Opening **Provoking** Uplifting Interesting Hopeful
 Engaging Worthwhile Thought-provoking Empowering
 Reflective



CJS also hosted five road show events around the country attended by over 400 delegates. The events successfully communicated recent changes to Scotland's community justice landscape and highlighted CJS's new national leadership role. The Lived Experience event, held on 17 August 2017 in Glasgow, proved extremely popular and the audience in attendance heard from thought provoking and challenging speakers including John Carnochan, Violence Reduction Unit and James Docherty, who is a mentor for Community Justice Scotland.

Digital

Our digital and social media strategies were successfully launched during the year.

We established four social media channels - Twitter, Facebook, Instagram and LinkedIn and each has been used to good effect in communicating with our stakeholders and the wider public. Our strongest channel to date is Twitter, where by the end of the year we had gained 1536 followers. Twitter has proved an excellent vehicle for promoting the concept of Smart Justice with more than 400 posts using the hash tag #SmartJustice and 1,106,340 people having seen tweets that contain #SmartJustice

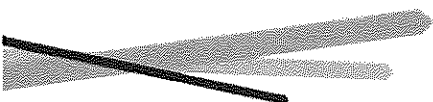
The CJS website (<https://communityjustice.scot/>) has received positive feedback from stakeholders and partners. During the year, more than 15,000 people viewed the website with the average time spent on it being 1 minute and 16 seconds. In addition, there were over 2000 views of the CJS animation. A digital Hub, which is intended to become a practitioner forum, was established in test mode in October 2017 and will be fully integrated into the website during 2018/19.

Promoting community justice across the UK and beyond

CJS believes that the distinctive Scottish approach to community justice has considerable merit and that it should be promoted internationally. We have benefited from the international renown of the Scottish legal system and our history of introducing progressive innovative practice to the criminal and social care systems.

This reputation for innovation and excellence has created numerous opportunities to meet and learn from colleagues from other countries and jurisdictional areas. These included meeting with:

- the Head of Crime for Welsh Government,
- representatives of the Dutch Ministry of Justice,
- colleagues at justice events in Canada,
- delegates at the Welsh NHS Confederation.



During the year, CJS was also invited to participate in a joint agency visit to Finland that took place in April 2018.

Following the publication of the Centre for Justice Innovation report comparing England & Wales with Scotland on 1 November 2017, the Chief Executive led a small team of colleagues to meet with legislators and key influencers at the House of Lords. The events provided an excellent opportunity to promote our approach to community justice and succeeded in generating considerable interest from members of the Lords and Commons and from the national media.

Developing our organisation and our people

Our corporate values– *respect, compassion, trust, support, integrity, fairness* - shaped the way that we recruited, worked and demonstrated leadership. This was exemplified in our work with the new Scottish Social Security Agency which sought to encourage the public sector to become more representative of the community it serves, particularly in relation to the employment of individuals with convictions.

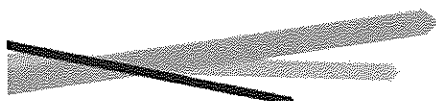
Our first corporate plan was developed and shaped with our partners and stakeholders as was our first National Learning, Development and Innovation Strategy.

Research

CJS established an Academic Advisory Group (AAG) to provide strategic direction and leadership as CJS championed the better policy, practice, and innovation from within Scotland, the UK and internationally. We are confident that the AAG will assist CJS to contribute directly to the delivery of a more robust and effective community justice system based on local planning and delivery by a range of statutory and other partners. The AAG also provides an opportunity for academic experts to provide direct input into influencing and shaping the policy agenda, and it will provide a platform for an academic contribution to the development of the national community justice agenda.

Resources

CJS's overall capacity and capability was enhanced progressively throughout the year. We developed a resourcing strategy which was applied to the recruitment of 19 staff from a diverse range of professional backgrounds including police, health, local authority, civil service and the private sector. In addition, we set up our modern apprenticeship scheme through which we will follow through on our commitment to providing employment opportunities for individuals with diverse personal backgrounds, including lived experience of the criminal justice system.



Looking forward

Significant progress was achieved in developing a strategic commissioning framework for community justice and this work will continue during 2018/19 when it will be applied to address service needs within the sector.

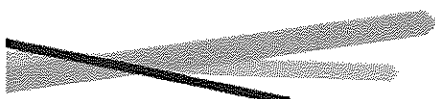
We developed a research proposal that will examine the implications of PASS (Presumption Against Short term Sentences) on community justice services, although within CJS we talk about this as a presumption for community sentences. The extension of PASS from 3 to 12 months was announced in the Programme for Government in September 2017 and research will be commissioned in 2018/19 to assess the impacts of that change.

CJS has specific responsibility for providing information about community justice to the public and enhancing the general level of understanding of its efficacy and benefits. To that end we will implement a national information campaign that will address a wide range of issues connected to community justice. The research phase of the campaign was completed in early 2018 and its findings will provide the areas of focus for the campaign as it is rolled out.

CJS will also be offering and providing local CJ Partnerships with consultation and feedback on the next iteration of their CJOIPs. This will build upon the collaborative partnerships built during the first operational year of the new community justice model.

CJS is also confident that working in partnership with colleagues in the Scottish Prison Service it will finalise an Information Sharing Agreement which will provide a lawful and effective mechanism for sharing appropriate information that supports and underpins Community Justice Arrangements across Scotland.

The Learning, Development & Innovation team constructed a National Training Plan for Criminal Justice Social Work and have mapped learning products across the community justice landscape. This significant work has set the foundations to an ambitious training programme that will be implemented from 1 April 2018.



7. Sustainability Reporting

CJS is committed to reducing its carbon footprint. Listed below are some of the initiatives that we took to achieve this:

- CJS will be based in an office that is part of the wider Scottish Government estate. As such CJS adhered to the Scottish Government Environmental Policy, buildings, waste and sustainable places strategy.
- To reduce our carbon footprint, CJS sought when consistent with operational requirements and wherever possible, to use public transport when travelling for business. It is noted that in some instances using public transport will not be possible due to time constraints and distance/location of meeting.
- CJS arranging meetings in locations where the fewest people have to travel to attend, thus reducing our carbon footprint and utilising public transport where applicable.
- CJS uses video conferencing and Skype to meet with stakeholders.

Complaints

During the period of this report, no complaints were received. Our complaints procedure is set out in full on the CJS website.

Data Breaches

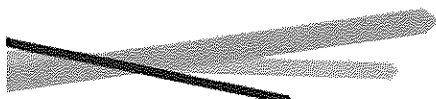
There were no data breaches recorded.

Freedom of Information

During the period 1 April 2017 to 31 March 2018 Community Justice Scotland received 11 requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA). All responses were provided within the statutory 20 working days. There were no requests rejected and we did not refuse to provide any information requested.

SIGNED: 
Karyn McCluskey
ACCOUNTABLE OFFICER

Date: 2 Oct 18



Accountability Report

Corporate Governance Report

8. Directors Report

CJS Structure

The CJS Board consists of:

- Chair, Jean Couper
- Acting Chair, Glenys Watt. Due to the Chair's absence for an extended period, Glenys Watt was appointed Acting Chair.
- Three Board members: Gerry Bann, Linda Bendle, Gerry McClay
- One advisor to the Board: Sheriff Kathrine Mackie

There is a Chief Executive and Accountable Officer: Karyn McCluskey.

The CJS Register of interests is available on the CJS website. Potential conflicts of interest are declared at all meetings and no conflicts arose during the year.

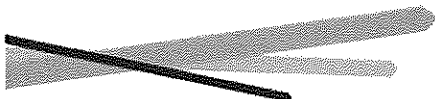
The CJS Board has been key to the process of developing and strengthening the organisation through oversight and scrutiny of its activity. During the year the Board committed to increasing its membership in order to enhance its resilience and bring a wider range of skills and experience to the exercise of its governance function. New members will be appointed by end of 2018.

To assist in its work the Board has established two Committees.

Audit and Risk Committee

The Audit and Risk Committee advises the Board and Accountable Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, the accounts, and the annual report of Community Justice Scotland, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- the adequacy of management response to issues identified by audit activity, including external audit's management letter/report;
- the effectiveness of the internal control environment;



- assurances relating to the corporate governance requirements for Community Justice Scotland;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

Committee Membership: Mr Gerry Bann (Chair), Mr Gerry McClay, Ms Glenys Watt

Officials in attendance: Ms Karyn McCluskey (Chief Executive), Mr Bill Fitzpatrick (Director of Operations) Mrs Dorothy Smith (Business Manager).

The Committee met twice during the year and in addition to providing general oversight of corporate governance, received reports on the CJS's actual and projected expenditure and risk register.

Human Resources and Remuneration Committee

On behalf of the Board, the Committee monitors and recommend actions in respect of relevant matters including:

- Annual pay remit for Chief Executive, Chair and Board Members submission to the Scottish Government.
- People strategy and plan.
- Employment policies.
- Staff development strategies and plans.
- Equality and diversity strategies and plans.
- Health, safety and wellbeing strategies and plans (for monitoring only).
- Implementation of recommendations and decisions of the Board.

Committee Membership: Ms Glenys Watt (Chair), Ms Linda Bendle

Officials in attendance: Mrs Dorothy Smith (Business Manager)

During the period covered by this report the Committee did not meet. Subsequent meetings will be reported in the next annual report.



Board Member attendance at the Board and Committee meetings during the year was as follows:

Details	Board	Audit and Risk Committee
Total Meetings	11*	2
Mr Gerry Bann	8/11	2/2
Ms Linda Bendle	11/11	-
Ms Jean Couper	7/11	-
Ms Lillian Cringles(co-opted member)	6/7	-
Mr Gerry McClay	10/11	2/2
Sheriff Kathrine Mackie(advisor to the Board)**	1/2	-
Ms Glenys Watt	11/11	2/2

/=possible attendance depending on when members joined left the Board/Committee

* There was a meeting of the Board held on 17 August to discuss the Corporate Plan only. The 31 August Board meeting was cancelled as the meeting was not quorate. There was no meeting held in December. The February meeting was cancelled due to adverse weather.

** Sheriff Mackie was appointed in January 2018.

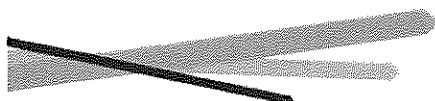
Auditors

The *Public Finance and Accountability (Scotland) Act 2000* places personal responsibility on the Auditor General for Scotland to determine who should undertake the audit of the NDPB. For the financial years 2016-17 to 2020-21, the Auditor General has appointed Grant Thornton UK LLP to undertake our audit. The general duties of the auditors, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Scottish Government Internal Audit Directorate provides internal audit work for CJS. Internal Audit conducted reviews of Governance and Performance Management both of which were reported in 2017/18 and were given an assurance rating of reasonable.

Disclosure of relevant audit information

As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.



Personal data related incidents

There were no data security incidents during the year.

Managing financial transactions and payment of suppliers

For 2017-18, CJS paid all invoices not in dispute within 10 days.

Working with Communities

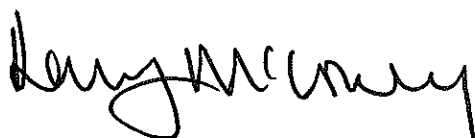
CJS is committed to providing equality of opportunities to those in our society who are most in need. We put in place the process that will enable us to recruit modern apprentices early in 2018-19. We will support them through a tailored programme that will incorporate learning, qualifications, and practical experience, supported by colleagues and mentors. Providing this opportunity is part of our commitment to practice our values of support, compassion, trust, respect, integrity and fairness.

Funding

CJS is financed 100% by grant-in-aid from the Scottish Government, Community Justice Division. The Scottish Ministers are accountable to the Scottish Parliament for the financial resources of the CJS and for the allocation of the correct level of funding from the Scottish Government. CJS spent £1,268,000 in 2017-18, as follows:

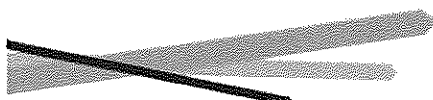
	2017-18
	£000's
Staffing costs	945
Other operating costs	323
Total	1,268

SIGNED:



Karyn McCluskey
ACCOUNTABLE OFFICER

Date: 2 Oct 18



9. Statement of Accountable Officer's Responsibilities

In terms of the Community Justice (Scotland) Act 2016, Scottish Ministers have directed CJS to prepare for each financial year a statement of accounts in the form and on the basis set out in their Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the CJS and of its comprehensive net expenditure, financial position, cash flows and movement in taxpayers' equity for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by 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 FReM have been followed and disclose and explain any material departures in the financial statements.
- prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the organisation will continue in operation.

The Chief Executive is designated as the CJS's Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. 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 CJS assets, are set out in the Memorandum to Accountable Officers for Other Public Bodies issued by the Scottish Government.

As accountable officer I can confirm that:

- (a) As far as I am aware, there is no relevant audit information of which the entity's auditors are unaware.
- (b) All the steps that ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.
- (c) That the annual report and accounts as a whole is fair, balanced and understandable.
- (d) I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



10. Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CJS's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to CJS, in accordance with the responsibilities set out in the "Memorandum to Accountable Officers".

Purpose of the System of Internal Control

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was put in place during the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

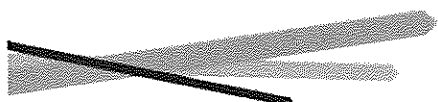
The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the CJS's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The processes within the organisation have regard to the guidance to public bodies in Scotland issued by Scottish Ministers and set out in the Scottish Public Finance Manual with further guidance contained within the Governance and Accountability Framework Document agreed with Scottish Government.

SIGNED: 

Karyn McCluskey
ACCOUNTABLE OFFICER

Date: 2 Oct 18



Remuneration and Staffing Report

Pay and conditions of service

The Acting Chair Glenys Watt was appointed by the Board and confirmed in post by Scottish Ministers on 25 April 2018. She holds the position in the absence of the Chair.

The Chair is entitled to receive a fee of £303 (non-pensionable) for every day of not less than 7.5 hours (excluding meal breaks) devoted to performing her functions (as required or requested by Community Justice Scotland) on a pro rata basis. She is not expected to devote any more than 300 hours, equating to a maximum total fee of £12,120 per financial year, to the exercise of her functions.

The Chair did not devote more than 300 hours (40 days) in this financial year. However, the Scottish Ministers may, exceptionally, approve any request for additional remuneration if they consider it necessary or expedient that she devote significantly more time to performing her functions during any particular financial year.

The Chair is not entitled to a pension in respect of her office, and is not entitled to any gratuity, allowance or compensation when her period in office ends. She is not entitled to remuneration for any period during which she is disqualified from holding office. The Chair may resign office by giving three months written notice to the Scottish Ministers.

Board members were appointed for three years, commencing on 1 March 2017 and ending on 29 February 2020. Members are expected to be able to devote up to 20 days a year, plus an additional 5 to 8 days in this, the first year of operation of CJS, to the exercise of their functions as a Member. They are entitled to receive from CJS a fee of £217.15 for every 7.5 hours (excluding meal breaks) devoted to performing their functions (as required or requested by CJS) on a pro rata basis, up to a maximum total annual fee of £6,080.20 in the first year of their appointment and a maximum total fee of £4,343 in any financial year thereafter.

The Chief Executive and Accountable Officer Karyn McCluskey was appointed on 1st October 2016. The Chief Executive's base starting salary is £90,000, on a salary range of £90,000 to £95,000 per annum. Progression within this range, if any, will be considered by CJS against the Scottish Government's Public Sector Pay Policy for Senior Appointments.

There is no mandatory retirement age. The Chief Executive is required to give a minimum of three months' written notice when she wishes to retire from her employment.

Pay for CJS staff is set through an analogue arrangement with the pay award for the Scottish Government Main Bargaining Unit, which is agreed within the parameters of the Scottish Government's Public Sector Pay Policy. In line with that policy, there was no performance or other form of bonus payment made in 2017-18.



Employee contracts normally have no fixed period and can be terminated on up to three months' notice and fixed term contracts are terminable on up to five weeks' notice by CJS.

There were no contractual termination payments in 2017-18.

Staff Resources

The breakdown of staff resources by gender is shown in the table below:

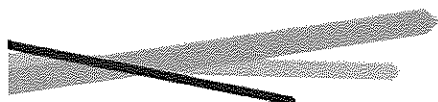
	All	Male	Female
Chair	1*	-	1
Acting Chair	1**	-	1
Board members	3	2	1
Co-opted member	1***	-	1
Advisory member	1****	-	1
Total Board Members	7	2	5
Chief Executive	1	-	1
Permanent staff total	16	6	10
Fixed term appointments	5	3	2
Secondees	1	-	1
Agency staff	1	-	1
Total Staff at 31 March 2018	23	9	14

*Chair commenced a period of absence during the year

** Board member appointed as Acting Chair

***Co-opted member resigned from Board during the year

**** An advisory member was appointed in March 2018



Remuneration (subject to audit)

	Total Remuneration Year Ended 31 March 2018
Karyn McCluskey	
Chief Executive	
Salary	£90,000-£95,000
Pension benefit	£35,000
Total	£125,000-£135,000

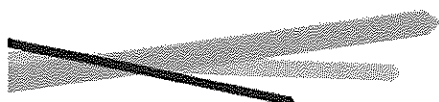
No performance bonuses or benefits in kind were made.

Fair Pay (subject to audit)

	Year Ended 31 March 2018
Median remuneration of all CJS staff, annualised	£37,727
Pay multiple between mid-point of Highest paid member of staff banding and median total remuneration of all staff, annualised	2.45
Lowest pay banding:	£23,167-£26,713
Highest pay banding	£90,000 - £95,000

The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The



pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

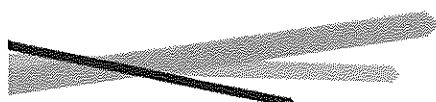
The real increase in the value of the CETV

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

Pension Benefits	Total accrued pension at age 67 as at 31 March 2018 and related lump sum	Real increase in pension and related lump sum at age 67	CETV at 31 March 2018	CETV at 31 March 2017	Real Value of CETV increase over year
	£'000	£'000	£'000	£'000	£'000
Karyn McCluskey	0-5	0-2.5	37	11	18

Pensions

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



basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Pension Liabilities

CJS pension benefits are provided through the Civil Service pension arrangements and administered for CJS by Scottish Government. More details of the Civil Service Pension Scheme can be found in the annual accounts note 1(k).

Sickness absence

Number of sickness absence incurred by CJS staff in 2017/18, totalled 12 days.

Expenditure on Consultancy and Off Payroll Matters

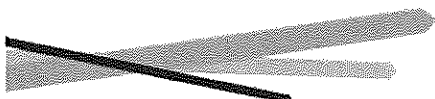
CJS did not incur any off payable transactions or consultancy spend in this year.

Equal opportunities and diversity

The CJS is fully committed to equality in the work place and across our operation.

CJS has a range of policies in place to ensure equality matters are given priority. These policies include; Fairness at Work Code of Conduct and Interim Resourcing.

CJS's aims to encourage employers to employ individuals with lived experience of the justice system. CJS encouraged people with such lived experience to apply for positions in the organisation, and reviewed its recruitment procedures so as not to discriminate against them.



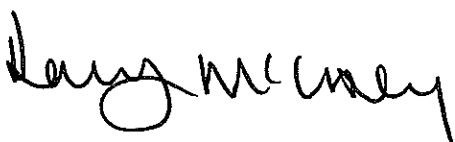
Staff costs

Staff Costs:	12 months to 31 March 2018
	£'000
Wages and salaries	681
Social security costs	68
Other pension costs	133
Agency costs	34
Board fees and expenses	29
Total administration staff costs	945

Staff Numbers

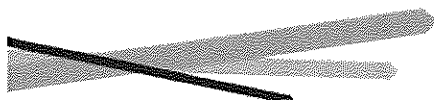
It is usual to report average numbers of employees during the year. As staff numbers increased steadily during the period, an average figure would be of little use. Instead, we are reporting the number of staff working at CJS on 31 March 2018. (See **Staff Resources** section)

CJS had no exit packages in the year to 31 March 2018

SIGNED: 

Karyn McCluskey
ACCOUNTABLE OFFICER

Date: 20 Oct 18



Parliamentary Accountability Report

Auditor's Remuneration

The annual accounts of Community Justice Scotland are audited by an auditor appointed by the Auditor General for Scotland in accordance with Section 11 (4) of the Community Justice (Scotland) Act 2016. External audit services for the 2017-18 accounts were at a cost of £10,330 and no additional payments were made to the auditor for non-audit work.

Political Expenditure

Community Justice Scotland made no political donations or incurred no political expenditure in the financial year.

Gifts and Charitable Donations

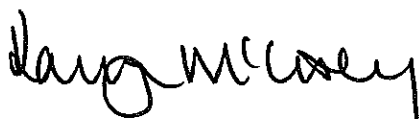
Community Justice Scotland made no gifts or charitable donations in the financial year.

Losses and Special Payments

Community Justice Scotland incurred no losses or made special payments in the financial year.

Remote Contingent Liabilities

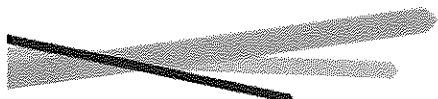
Community Justice Scotland had no contingent liabilities in the financial year.



Karyn McCluskey

Chief Executive and Accountable Officer

Date: 2 Oct 17



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

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

Report on the audit of the financial statements

Opinion on financial statements

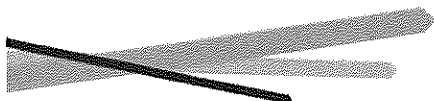
We have audited the financial statements in the annual report and accounts of Community Justice Scotland for the year ended 31 March 2018 under the section 12 of the Community Justice Scotland Act 2016. The financial statements comprise the Statement of Comprehensive Expenditure, Statement of Financial Position, Cashflow Statement, Statement of changes to taxpayer's equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2017/18 Government Financial Reporting Manual (the 2017/18 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the section 12 of the Community Justice Scotland Act 2016 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2018 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 FReM; and
- have been prepared in accordance with the requirements of the section 12 of the Community Justice Scotland Act 2016 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with



these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

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

Responsibilities of the Accountable Officer for the financial statements

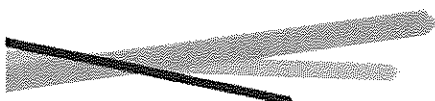
As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 our auditor's report.

Other information in the annual report and accounts



The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report. In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our 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. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

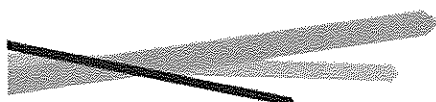
Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the section 12 of the Community Justice Scotland Act 2016 and directions made thereunder by the Scottish Ministers.

In our 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 section 12 of the Community Justice Scotland Act 2016 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 section 12 of the Community Justice Scotland Act 2016 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

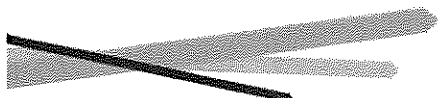
- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Joanne Brown,
For and on behalf of Grant Thornton UK LLP
110 Queen Street
Glasgow
G1 3BX

3 October 2018

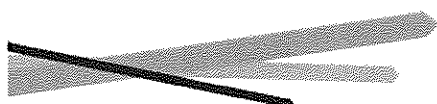


Financial Statements

Community Justice Scotland

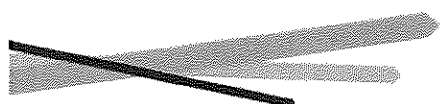
Annual Accounts

Year ending 31 March 2018



STATEMENT OF COMPREHENSIVE NET EXPENDITURE
For the year ended 31 March 2018

	<i>Note</i>	12 months to 31 March 2018 £'000s	Six months to 31 March 2017 £'000s
Administrative Costs			
Staff costs	2	(945)	(123)
Other admin costs	3	(319)	(173)
Notional cost	4	(3)	(3)
Depreciation	5a	0	0
Amortisation	5b	(1)	0
Net operating cost		(1,268)	(299)



STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

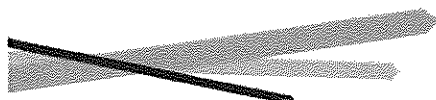
	<i>Note</i>	12 months to 31 March 2018 £'000s	Six months to 31 March 2017 £'000s
Non-current assets			
Property, plant and equipment	5a	1	0
Intangible assets	5b	6	0
Total non-current assets		7	0
Current assets			
Trade and other receivables	6	0	0
Cash and cash equivalents	7	200	0
Total current assets		200	0
Total assets		207	0
Current liabilities			
Trade and other payables	8	(115)	0
Total current liabilities		(115)	0
Non-current liabilities			
Other Financial liabilities	8	0	0
Total non-current liabilities			0
Total liabilities		(115)	0
Net Assets/(liabilities)		92	0
Taxpayers Equity			
General Fund	<i>SOCTE</i>	92	0
Total taxpayers equity		92	0

The annual accounts report the results of Community Justice Scotland for the year to 31 March 2018. They have been prepared in accordance with the Accounts Direction given by the Scottish Ministers in accordance with section 12 of the Community Justice (Scotland) Act 2016. The Accountable Officer authorises these financial statements for issue on the date noted below.

Signed on behalf of the Body
Karyn McCluskey Chief Executive and Accountable Officer



Date: 2 Oct 18



CASH FLOW STATEMENT
for the year ended 31 March 2018

	<i>Notes</i>	12 months to 31 March 2018 £'000s	Six months to 31 March 2017 £'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating cost	SOCNE	(1,268)	(299)
Adjustments for non-cash transactions:			
* Depreciation	5a	0	0
* Amortisation	5b	1	0
* Notional costs	4	3	3
Movements in working capital:			
* (Increase)/Decrease in trade and other receivables	6	0	0
* Increase/(Decrease) in trade and other payables	8	115	0
Net cash outflow from operating activities		(1,150)	(296)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5a	(1)	0
Purchase of intangible assets	5b	(6)	0
Net cash flow from investing activities		(7)	0
CASH FLOWS FROM FINANCING ACTIVITIES			
Funding	SOCTE	1,357	296
Net cash flow from financing activities		1,357	296
Net increase/(decrease) in cash and cash equivalents		200	0
Cash and cash equivalents at beginning of period	7	0	0
Cash and cash equivalents at end of period	7	200	0
Net change in Cash and cash equivalent balances		200	0

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2018**

	<i>Note</i>	General Fund £'000
Balance at 31 March 2017		0
Non-cash charges – notional costs	<i>4</i>	3
Net operating cost for the year	<i>SOCNE</i>	(1,268)
Net funding		1,357
<i>Balance at 31 March 2018</i>		<i>92</i>

Prior Year

	<i>Note</i>	General Fund £'000
Balance at 1 October 2016		0
Non-cash charges – notional costs	<i>4</i>	3
Net operating cost for the year	<i>SOCNE</i>	(299)
Net funding		296
<i>Balance at 31 March 2017</i>		<i>0</i>

Notes to Accounts

For the year ended 31 March 2018

1. Statement of accounting policies

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

(a) Accounting convention

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

(b) Property, plant and equipment (PPE) and Intangible Assets

Depreciated historic cost will be used as a proxy for the fair value of all assets. All of the assets in these categories have:

- low values and short useful economic lives which realistically reflect the life of the asset and;
- a depreciation/amortisation charge which provides a realistic reflection of consumption.

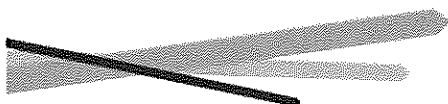
The capitalisation thresholds for the principal categories of assets will be £5,000, with the exception of Information Technology assets, where the capitalisation threshold will be £1,000.

Assets classified as under construction will be recognised in the statement of financial position to the extent that money has been paid or a liability has been incurred.

(c) Depreciation

Depreciation will be provided on property, plant and equipment, on a straight line basis at rates sufficient to write down their cost over their estimated useful lives. The depreciation periods for the principal categories of assets will be: -

Buildings	15 years
Office Equipment	5 years
Information Technology Hardware	3 years



Assets under construction are not depreciated.

(d) Government grants

All of the expenditure of the CJS is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. Funding for the acquisition of fixed assets received from the Scottish Government is credited to the general fund. Funding received from any other source for the acquisition of specific assets is recognised as income in the statement of comprehensive net expenditure.

(e) Amortisation

The benefit of rent-free periods on leases of premises is amortised over the period of the lease or over the period to a lease break point when this is the most probable end of lease, whichever is the shorter.

Amortisation is provided on intangible assets, on a straight line basis at rates sufficient to write down their cost over their estimated useful lives. The amortisation periods for the principal categories of assets will be: -

IT Software	3 years
IT Websites	5 years

(f) Operating leases

Rentals payable under operating leases are charged to the revenue account over the term of the lease.

(g) Provisions

Provisions are made for obligations which are of an uncertain amount or time at the balance sheet date. During financial year 2017-18, the CJS made no provisions.

(h) Value added tax

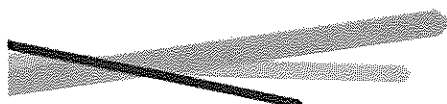
Irrecoverable tax is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

(i) Receivables

All material amounts due as at 31 March 2018 have been brought into the account irrespective of when actual payments were received.

(j) Payables

All material amounts outstanding as at 31 March 2018 have been brought into account irrespective of when actual payments were made.



(k) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme which is an unfunded multi-employer defined benefit scheme.

As it is not possible to identify the CJS share of the underlying assets and liabilities of the scheme, CJS has accounted for the contributions to the scheme as if it was a defined contribution scheme. This is in accordance with FRS 17.

The funding arrangements are through defined contributions.

It is not possible to identify or describe the extent to which CJS is liable for other entities obligations or any agreed allocation of deficit/surplus on the wind-up of the plan given the scale of our involvement in relation to the wider Scottish Government (SG). The exact proportion of the plan attributable to CJS is negligible in relation to SG and other related bodies within the plan.

Employer contributions to the scheme are shown in the Remuneration and Staffing Report.

(l) Going concern

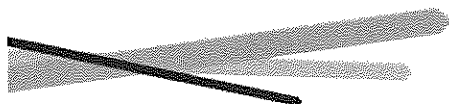
The Community Justice (Scotland) Act 2016 established the Community Justice Scotland (CJS). The act came in to effect on 1 October 2016 with limited powers and CJS was fully established from 1st April 2017. It is appropriate for the accounts of CJS to be prepared on a going concern basis.

(m) New Accounting Standards

A number of new accounting standards have been issued or amendments made to existing standards, but do not come into force until future accounting periods and therefore are not yet applied. All new standards issued and amendments made to existing standards are reviewed by Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable. The standards that are considered relevant to Community Justice Scotland and the anticipated impact on the consolidated accounts are as follows:

IFRS 16 – Leases

This standard will come into effect for accounting periods beginning after 1 January 2019, when the distinction between finance and operating leases is removed and all leases become “on balance sheet”. FRAB will consider if this standard is to be adapted or applied in full, although it is anticipated that the principles of the standard will be applied.



2. Staff costs

Staff Costs:	12 months to 31 March 2018 £'000	Six months to 3 March 2017 £'000
Wages and salaries	681	68
Social security costs	68	8
Other pension costs	133	15
Agency costs	34	25
Board fees and expenses	29	7
Total administration staff costs	945	123

3. Other operating costs

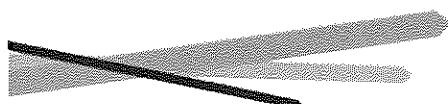
Other Operating Costs:

	12 months to 31 March 2018 £'000	Six months to 31 March 2017 £'000
Accommodation, including Rent, Rates and Setup	36	26
IT	29	114
Other Staff costs	12	28
Recruitment	2	4
Other Office costs	114	1
Advertising	110	0
Training	16	0
Total other operating costs	319	173

4. Notional costs

Notional Costs:

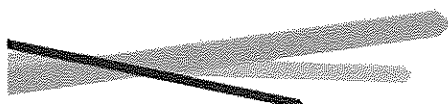
	12 months to 31 March 2018 £'000	Six months to 31 March 2017 £'000
Internal Accountancy Fees	3	3



Total		3	3
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5a. Property, plant and equipment

	Information Technology Hardware £'000	Total £'000
Cost		
At 31 March 2017	0	0
Additions	1	1
Disposals	0	0
At 31 March 2018	1	1
Depreciation		
At 31 March 2017	0	0
Charge for year	0	0
Disposals	0	0
At 31 March 2018	0	0
NBV at 31 March 2018	1	1
Analysis of asset financing:		
Owned	1	1
Finance leased	0	0
NBV at 31 March 2018	1	1

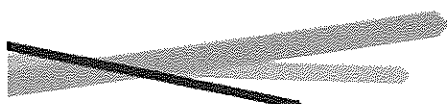


Prior Year

	Information Technology Hardware £'000	Total £'000
Cost		
At 1 October 2016	0	0
Additions	-	-
Disposals	-	-
At 31 March 2017	0	0
Depreciation		
At 1 October 2016	0	0
Charge for year	-	-
Disposals	-	-
At 31 March 2017	0	0
NBV at 31 March 2017	0	0
Analysis of asset financing:		
Owned	-	-
Finance leased		
NBV at 31 March 2017	0	0

5b. Intangible Assets

	IT Software (licences) £'000	Total £'000
Cost		
At 31 March 2017	0	0



Additions	7	7
Disposals	0	0
At 31 March 2018	7	7

Amortisation

At 31 March 2017	0	0
Charge for year	1	1
Disposals	0	0
At 31 March 2018	1	1

NBV at 31 March 2018	6	6
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Analysis of asset financing:

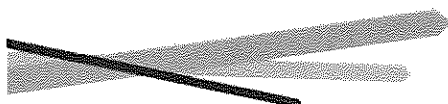
Owned	6	6
Finance leased	0	0
NBV at 31 March 2018	6	6

Prior Year

	IT Software (licences) £'000	Total £'000
Cost		
At 1 October 2016	0	0
Additions	0	0
Disposals	0	0
At 31 March 2017	0	0

Amortisation

At 1 October 2016	0	0
Charge for year	0	0
Disposals	0	0



At 31 March 2017	0	0
NBV at 31 March 2017	0	0
Analysis of asset financing:		
Owned	0	0
Finance leased	0	0
NBV at 31 March 2017	0	0

6. Trade receivables and other current assets

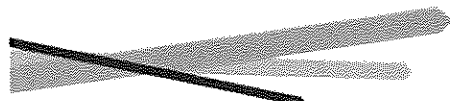
	12 months to 31 March 2018	Six months to 31 March 2017
	£'000	£'000
Amounts falling due within one year:		
Prepayments and accrued income	0	0
Other receivable	0	0
Total receivable within 1 year	0	0

Intra Government Receivables

There are no intra government receivables.

7. Cash and cash equivalents

	12 months to 31 March 2018	Six months to 31 March 2017
	£'000	£'000
Balance at 31 March 2017	0	0
Net change in cash and cash equivalent balances	200	0



Balance at 31 March 2018	200	0
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The following balances were held at 31 March:

GBS account	200	0
Commercial banks and cash in hand	0	0
Balance at 31 March 2018	200	0

8. Trade payables and other current liabilities

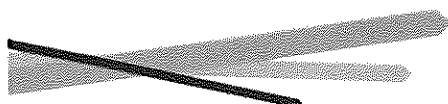
	12 months to 31 March 2018	Six months to 31 March 2017
	£'000	£'000
Amounts falling due within one year:		
Trade payables	112	0
Other payables	3	0
Total due within one year	115	0
Amounts falling after more than one year:		
Deferred lease payments	0	0
Total due after more than one year	0	0

Intra Government Payables

There are no intra government payables.

9. Financial instruments

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



10. Related party transactions

The Scottish Government Justice Directorate is the sponsor department of the CJS. The Scottish Government Justice Directorate is regarded as a related party with which there have been various material transactions during the year.

Neither the Chair, Chief Executive nor any key managerial staff have undertaken any material transactions with the CJS during the year.

11. Capital commitments and contingent liabilities

There were no contracted capital commitments or contingent liabilities.

12. Commitments under Leases

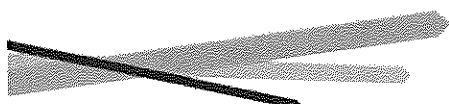
Obligations under operating leases comprise:

	12 months to 31 March 2018 £'000
Buildings:	
Not later than one year	25
Later than two years and not later than five years	17
Later than five years	0

Payments due under operating leases relate to the lease of premises.

13. Segmental reporting

CJS is considered to have just one operating segment and therefore no segmental information is produced.



Direction by Scottish Ministers

Scottish Government
Riaghaltas na h-Alba
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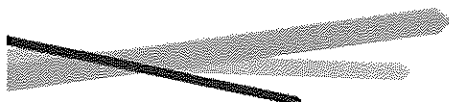
COMMUNITY JUSTICE SCOTLAND**DIRECTION BY THE SCOTTISH MINISTERS**

The Scottish Ministers, in pursuance of section 12 of the Community Justice (Scotland) Act 2016, hereby give the following direction:

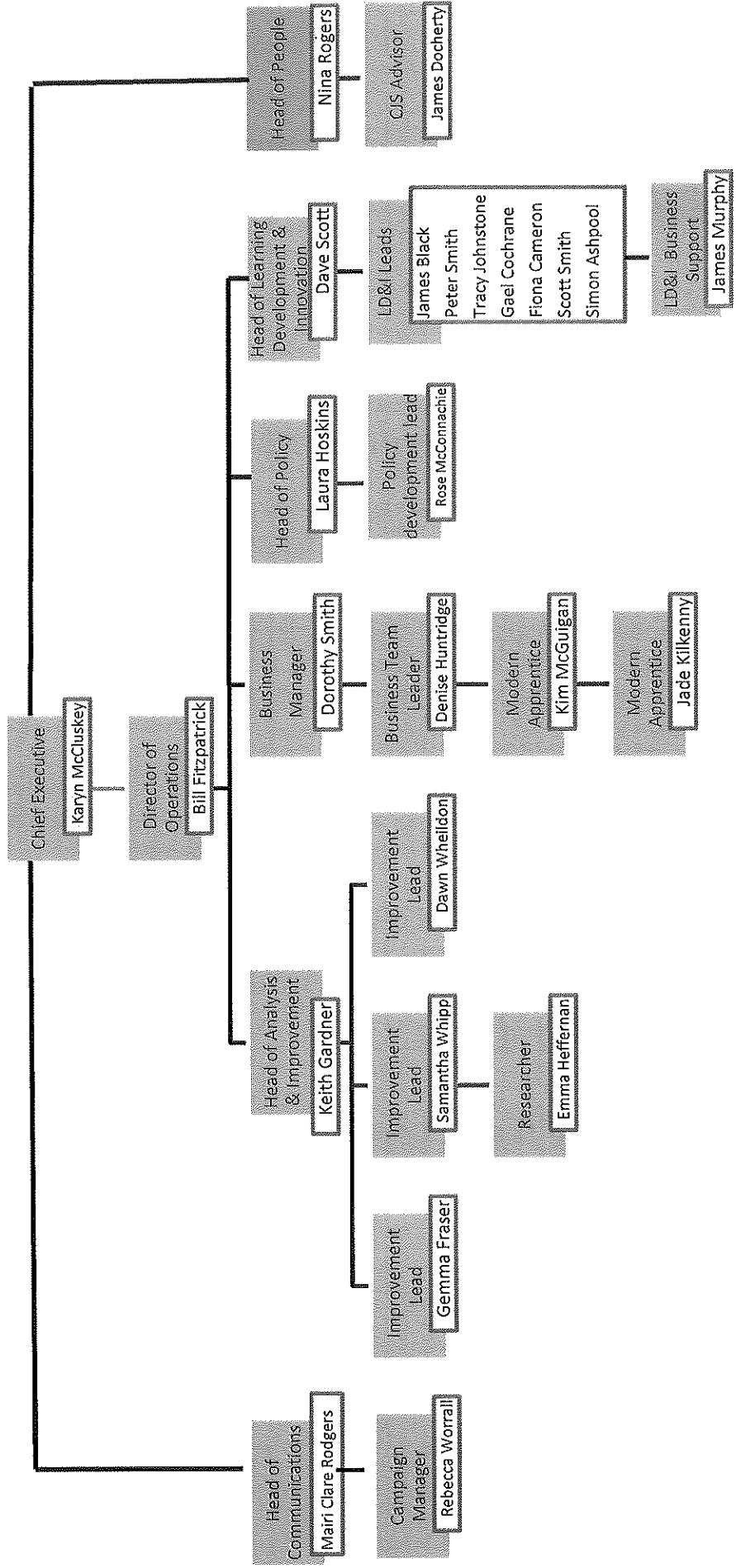
1. The statement of accounts for the six months of financial year ended 31 March 2017, and subsequent full years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the period for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial period, and of the state of affairs as at the end of the financial period in the exercise of its functions.
3. This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Scottish Ministers

Linda Pollock, Deputy Director, Community Justice Division
Dated 02 June 2017



Appendix A





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