

Annual Report and Accounts

2011-12



CIVIL SERVICE COMMISSION

Annual Report and Accounts

2011-12

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Foreword by the First Civil Service Commissioner

This Annual Report covers my first year as First Civil Service Commissioner. It coincides with a period of great challenge for the Civil Service, as the numbers of civil servants reduce and demands for better performance grow. Just a few weeks ago, the Government set out its ambitions for a better skilled, more flexible and more innovative Civil Service in its Civil Service Reform Plan.

The biggest change of the last year for the Commission has been in its composition. Six of the eleven Commissioners reached the end of their five year term on 31 March 2012. I am very grateful to them for their hard work and contribution to public service. They were part of a historic period in which the Commission's legal responsibilities and its independence from Government were finally enshrined in primary legislation.

In seeking six new Commissioners, through open competition, I have been conscious of the need to reinforce the Commission's independence, expertise and diversity. The new Commission comprises senior figures from the private, public and third sectors. Only one is a former civil servant; most have senior private sector experience; and the majority are women. We have, therefore, completed a transition from a Commission which 20 years ago was somewhat uncertain about its role and comprised mainly civil servants, to the Commission of 2012, whose role and independence is clear and guaranteed by law.

We have a simple objective given to us by Parliament: to ensure the selection of the best people, on merit, from strong and diverse fields of candidates, to a Civil Service which remains impartial and objective. We firmly believe that a Civil Service of this kind will be best placed to achieve the ambitions set out in the Civil Service Reform Plan.

If the aim is to improve the skills and performance of the Civil Service and to change its culture, then getting the best person against a clear specification of the skills required for the job remains the best way of achieving this. Some of this will be led from inside the Civil Service, but there will also continue to be the need for external recruitment at all levels, including at senior levels, in order to refresh and supplement the considerable talent inside.

Following the recruitment freeze introduced in 2010 external recruitment to the Civil Service reduced by two-thirds from 39,005 in 2009/10 to 13,401 in 2010/11.¹ This is understandable and inevitable as the size of the Civil Service reduces sharply and recruitment is frozen. However, it is important to the quality of the future Civil Service that it continues to attract and recruit some of the country's most talented people.

¹ Source: Office for National Statistics Civil Service Statistics

Senior level recruitment, for which the Civil Service Commissioners chair selection panels, recovered somewhat from the previous year. As this report shows, we chaired external competitions for 62 appointments and internal competitions for 15 appointments to senior posts in 2011/12. Of the external competitions, just under half were won by candidates from outside the Civil Service. There is a myth that the senior positions in the Civil Service are filled largely by lifelong civil servants. This is simply not the case. In fact over the last five years Civil Service Commissioners have chaired 371 external competitions, resulting in 181 appointments from outside the Civil Service, 111 of which were from the private sector. This is an important means of upgrading both the skills and the leadership capability of the Senior Civil Service.

One clear message from our work in chairing competitions is that, if the Civil Service really wants to attract the best candidates from outside to the top positions, it must ensure sufficient time and resources are given to the task. In our view there are three recurring barriers to external recruitment at senior level. The first is too little focus at the beginning of the process on defining the job and skill requirements in terms which people outside the Civil Service can relate to and understand. This is particularly important given the Reform Plan's emphasis on new skills. The second is not allowing enough time for a strong field to be found, given sufficient information on the job and the Civil Service, encouraged to apply, and assessed. It can be a very big step for external candidates to cross into the Civil Service later in their career. They are unlikely to be willing to do so in the four or five weeks in which Ministers and senior civil servants often want to complete the selection process.

Thirdly, there is the issue of the remuneration package, including salary. There appears little doubt that the Government's tight cap on Senior Civil Service salaries has driven down overall pay rates. But with this there is an increasing danger that it is also limiting the fields of candidates for some jobs, where the salary on offer is simply not competitive. This can make it difficult to attract rising stars from outside the Civil Service, who are not at a stage in their career where they are able or willing to take a sizeable reduction in salary. It makes it more likely that jobs will be filled from inside the Civil Service or from external candidates who are in a position to take a substantial pay cut.

These are the messages that we have been working with the Cabinet Office this year to explain and promote. In the course of the year we have seen a growth in the use of more in-depth interviews, media tests, leadership assessments, briefings and detailed reference-taking for senior competitions. This helps to ensure that the final panel has the strongest possible evidence for selecting the best candidate. We applaud the Cabinet Office's efforts and will encourage them to evaluate the success of different approaches.

Open competitions, using the best possible evidence of suitability, will always be the Commission's preference in upholding the principle of selection on merit. However, there is scope in the law for exceptions to the general rule and this has been a particular focus for the Commission in the past year.



We report later (in section 3) on how exceptions are currently being used, including the outcome of last year's audit of Departmental recruitment practices by our auditors, DLA Piper, which focused particularly on the Departments' delegated powers to make exceptions below the most senior level appointments. Despite some shortcomings in the available data, DLA Piper found the overall number of appointments made by exception appeared to be consistent with previous years. They also found that, in the main, exceptions have been used appropriately and random sampling did not reveal any evidence of misuse of the power. At the most senior levels, where exceptions are individually approved by the Commission, there has been an increase in the number of exceptions allowed for urgent business reasons to bring in highly specialist individuals. But the numbers of exceptions for first time appointments remain in single figures.

In the context of the Civil Service Reform Plan, we will continue to allow exceptions to facilitate time limited appointments, to bring in highly specialist skills and to meet urgent business needs. However, at a time when Civil Service numbers are falling and recruitment is limited, we would not expect the overall use of exceptions to increase further.

Finally, the Government has proposed in the Reform Plan a strengthened role for Secretaries of State in the appointment of senior civil servants and, particularly, of Permanent Secretaries. This is a sensitive issue for the Commission because it goes to the heart of our responsibilities for ensuring selection on merit to a politically impartial Civil Service. We have long supported the view that Secretaries of State should have interest and influence in the appointment of people with whom they must work in close partnership. That is particularly true in the case of Permanent Secretaries. Our long-standing view has been, however, that this influence and involvement should stop short of giving Ministers the final choice.

We are committed to engaging constructively with Ministers on these issues. Our intent, like theirs, is to support a highly skilled and effective Civil Service now and for the future, but also a Civil Service in which the key principles of impartiality and objectivity are protected.

Sir David Normington
First Civil Service Commissioner

Our role

2.1 Who we are

The Civil Service Commission comprises the Civil Service Commissioners and staff. We are independent of Government and of the Civil Service.

Civil Service Commissioners are recruited on merit following public advertisement and a fair and open selection competition for a five year non-renewable term. From our different careers and interests we bring experience of the public, private and voluntary sectors, and a clear and independent perspective. This helps us to support a Civil Service that is effective, politically impartial, responsive to changing needs, and that is true to its core values. During the period of this report we have taken forward a continuous professional development programme to strengthen our collective and individual skills.

Short biographies of each of the Commissioners are in section 5 of this report 'Meet the Commissioners'.

The Commissioners (Board members) during the period of this report were:

Sir David Normington GCB, First Civil Service Commissioner

Mark Addison CB*

Sir Michael Aaronson CBE*

Adele Biss

Peter Blausten

Prof. Christine Hallett

Eliza Hermann

Bernard Knight CBE*

Sir Neil McIntosh

Anthea Millett CBE*

Ranjit Sondhi*

Libby Watkins DL*



The First Commissioner is on average a three-day-a-week commitment; and other Commissioners usually work from two to eight days a month, depending on the volume of work.

During 2011-2012 we ran a recruitment competition in order to appoint new Commissioners to replace those whose terms of appointment were due to come to an end at the beginning of April 2012 (indicated *). From January to March we provided an induction programme for five new Commissioners, who took up their posts from April 2012:

Kathryn Bishop

Christine Farnish

Dame Moira Gibb CBE

Wanda Goldwag

Angela Sarkis CBE

Philip Augar was also selected, but due to other commitments decided not to take up the appointment.

Jonathan Baume was selected through the same recruitment competition and will commence his five year term on 1 November 2012.

Short biographies of each of the new Commissioners, who have had distinguished careers outside the Civil Service, in the private, public and voluntary sectors, are included in section 5 of this report 'Meet the Commissioners'.

2.2 What we do

The Civil Service Commission has two primary functions, as detailed in the Constitutional Reform and Governance Act 2010.

First, we are responsible for upholding the statutory requirement that selection for appointment to the Civil Service must be on merit on the basis of fair and open competition.

Second, we hear and determine appeals raised by civil servants under the Civil Service Code. The Code describes the values of the Civil Service and is part of the contractual relationship between civil servants and their employer.

We also work with departments to help them promote the Code and the core values of the Civil Service. The core values of the Civil Service are integrity, honesty, objectivity, impartiality; and selection on merit. Everything the Commission does is directed towards upholding them.

2.3 Working with departments and agencies

Link Commissioners

Each of the main Government departments and the larger agencies has a Commissioner who is linked to it.

The Link Commissioner regularly meets the Permanent Secretary or agency Chief Executive. Often we will also meet the departmental Human Resources Director and sometimes the departmental board.

These meetings explore current issues of common interest relating to our regulatory functions and help to give us a strategic overview of recruitment and other relevant activity in departments and agencies. Core topics for discussion at Link Commissioner meetings include:

- Current and future senior recruitment competitions
- Any lessons learnt from recent competitions
- Findings from the Commission's compliance monitoring audit of recruitment
- Promotion of the Civil Service Code
- Appeals made under the Civil Service Code
- Findings from the Commission's audit concerning the Civil Service Code

Link Commissioners are usually the first choice to chair competitions for the most senior posts in their link departments. This has given us the opportunity to gain a better understanding of the challenges and culture of our link departments.

We continue to value greatly the positive relationships we have with Permanent Secretaries and Human Resources Directors.

Commissioners – HR Directors Liaison Group

The liaison group, comprising a number of Commissioners and Human Resources Directors drawn from some of the main departments, continued to meet through the year. It is supported by a joint secretariat from the Civil Service Commission and the Cabinet Office.

During the course of the year the group considered topics of mutual interest, including the review of the Commission's Recruitment Principles; the Talent Management Strategy for Directors General and Permanent Secretaries; the Senior Appointments Protocol; Director General interview panels having access to common data (in the form of moderated talent grids, tailored references and, where appropriate, psychometric assessments); a pilot on common interview panel data; and the review of public appointments regulation conducted by David Normington in his role as Commissioner for Public Appointments.

The group has continued to prove to be a valuable means of sharing experiences and perspectives, and for discussing issues of common interest between the Commission and departments.



Open Meeting

The Commission is committed by the Memorandum of Understanding with our sponsoring department, the Cabinet Office, to hold an annual open meeting.

The Board of the Commission decided that this year, the first full year of the Commission's establishment as a statutory body, the open meeting should be held at Civil Service Live in London in July. The Commission's regulatory remit is concerned with the Civil Service. Civil Service Live brings together civil servants of all grades from different departments and agencies and from all regions and nations. To hold the meeting at this event provided the opportunity for civil servants from up and down the country to attend.

Sir David Normington, the First Civil Service Commissioner chaired the session with a number of fellow Commissioners: Adele Biss; Eliza Hermann; Sir Neil McIntosh; and Ranjit Sondhi. The open meeting was combined with a workshop session on successful approaches to job applications and interviews. The session proved extremely popular, with more than double the number of participants than the workshop venue was designed to hold; handouts of the Commission's Top Tips for successful job hunting were much in demand during and after the event. The 'open meeting' portion of the session gave the opportunity for civil servants in the audience to raise any questions they had on the remit, or the work, of the Commission.

2.4 Secretariat support

From 1 January 2011 the two roles of First Civil Service Commissioner and Commissioner for Public Appointments have been combined in a single dual post-holder; from 1 April 2011, Sir David Normington has held both positions.

Accordingly, the Civil Service Commission and the Commissioner for Public Appointments have been supported by a joint secretariat. The secretariat provides a full range of support services to the dual post-holder, and to the Commission, including:

- Policy development and delivery
- Audit of departmental compliance with the Recruitment Principles and the Civil Service Code
- Delegated decision making on appeals, complaints, exceptions and accreditation of Non Departmental Public Bodies
- Promotion of the Civil Service Code
- Administration and policy support to the Board and its committees,
- Administrative support, business services, allocating competitions to Commissioners, advice and guidance, collecting and analysing data and responding to enquiries
- Briefing for senior staff
- Communication of our regulatory role

Sandra Campbell joined the Commission in July 2011 on secondment from the Government Equality Office/Home Office. Two additional members of the secretariat joined in November 2011, Lisa Ollerhead and Sean Edwards-Playne. This completed the recruitment exercise to replace some of the staff whose departures were reported in last year's annual report.

In November 2011 the Commission moved offices from 35 Great Smith Street to 1 Horse Guards Road.

The current staff members of the joint secretariat, as at 1 May 2012, all civil servants on secondment, are:

Richard Jarvis, Chief Executive

Alamgir Khan, Business Support Manager

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

Diane Macfarlane, Complaints Case Manager

Elaine McNaughton, Civil Service Recruitment Policy Manager

Leila Brosnan, Principal Policy Adviser, Audit and Public Appointments Policy and Review

Leroy Cargill, Administration Officer

Lisa Ollerhead, Public Appointments Policy Adviser

Mariatu Turay, Audit Policy and Contract Manager

Nicola Carpenter, Finance Officer

Sandra Campbell, Audit Policy and Contract Manager

Sean Edwards-Playne, Communications and Case Officer

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

Val Icton, Support to the dual post-holder and the Chief Executive

2.5 Links with other governments/international organisations

The Commission is pleased each year to be able to welcome a number of visitors from overseas governments and international organisations, when this is possible. Other governments often look to the UK as a model for achieving the fundamentals of civil administration: appointment on merit and adherence to ethical values that underpin the notion of political impartiality. We continue to find widespread international interest in our work as an example of good practice.

Please see appendix 6.2 of this report, 'Timeline April 2011- March 2012', for details of visits that we received during the period of this report.

Regulating Appointment on Merit

3.1 The review of the Recruitment Principles

Section 10 of the Constitutional Reform and Governance Act 2010 requires selection for appointment to the Civil Service to be on merit on the basis of fair and open competition (“the requirement”) and Section 11 of that Act requires the Civil Service Commission to publish Recruitment Principles which explain how the requirement is to be applied.

The Recruitment Principles were introduced on 1 April 2009, replacing the previous Recruitment Code. The Recruitment Principles were intended to be a more focussed, high level and accessible document than the Recruitment Code. As such much of the detail in the previous Code was stripped away.

We decided this year, two years after the Recruitment Principles came into effect, to conduct a focused, limited review to ensure that there were no particular issues that had come to light since their introduction that needed addressing. The Commission reviewed its own experience with competitions, and consulted all departmental Human Resources Directors on the experience of staff in departments. This confirmed a generally positive reaction to the move to a more principles-based approach, but also highlighted a limited number of areas where clarification was needed; either because of issues that had arisen in the last two years in operating under the Recruitment Principles, or following legal advice on clarifications required by the 2010 Act. It is our intention to carry out a fuller review in the next few years to take the views of stakeholders and the public.

The changes made following the review and subsequent consultation with the Minister for the Cabinet Office, were mostly of a technical nature and made in light of the Commission’s experience, or on legal advice, or for clarification at the request of Human Resources Directors.

The following more substantive changes were also made:

- a clear requirement for departments and agencies to retain recruitment data for a reasonable period reflecting the evidence of inconsistent record keeping in recent audits.
- a statement, for the avoidance of doubt, that the use of “reasonable adjustments” for disabled candidates falls within the interpretation of “fair”. This change makes the previous exemption 9 redundant.

- a qualification to exception 5 in the Recruitment Principles (re-appointment of civil servants) to limit the length of absence from the Civil Service to 5 years, and to prevent a return on promotion without fair and open competition. This was the most significant change. The Commission believes that with the passing of the 2010 Act it is not publicly defensible, or consistent with our statutory role, to retain the previously open-ended exception that allowed someone who has been a civil servant at any time in their previous career, and at any level, to be subsequently re-appointed permanently at a more senior level without fair and open competition.

Following the review, and prior to the introduction of the revised Recruitment Principles on 1 April 2012, the Commission ran eight briefing sessions for departments to raise awareness of the changes. Over 150 civil servants attended these sessions, which were held in London, Cardiff and Edinburgh.

The revised Recruitment Principles came into effect on 1 April 2012.

3.2 Chairing competitions for senior appointments

The Civil Service Commission contributes to the development of an effective and impartial Civil Service by giving assurance that appointments to the service are made on merit on the basis of fair and open competition.

For recruitment to the most senior grades in the Civil Service the Commission plays a direct and 'real-time' role. A Civil Service Commissioner oversees the whole recruitment process and chairs the selection panel for all Senior Civil Service pay bands 2 and 3, and Permanent Secretary appointments, where the vacancy is open to applicants outside the Civil Service ('open competitions').

In addition, under the terms of the Civil Service Senior Appointments Protocol, agreed between the Commission and the Civil Service Senior Leadership Committee (SLC), we also chair 'internal' competitions for Senior Civil Service pay band 3 and Permanent Secretary appointments, where the vacancy is only open to applicants already in the Civil Service.

For most levels of recruitment outside the top tiers of the Senior Civil Service the Commission provide assurance by auditing compliance with our Recruitment Principles.

3.3 Summary of appointments

Total number of competitions chaired by Commissioners

In total we chaired 80 competitions for 83 appointments (two competitions were competitions for 2 roles each, and there were 2 appointees for one post, when that role was split).

This year there were 6 competitions where no appointment was made (last year the number was 8).

So, 77 appointments were made in total following competitions chaired by Commissioners.



‘Open’ competitions chaired by Commissioners

An ‘open’ competition is one where both existing civil servants and non-civil servants are able to apply. The vacancy is advertised publicly, and sometimes a specific search for suitable applicants is commissioned to ensure a strong and diverse field. During the period of this report, the restrictions on external recruitment to the Civil Service that came into effect in May 2010 were still in force.

During the reporting year there were 62 appointments to the Senior Civil Service through open competitions chaired by a Commissioner. This is an increase from last year when the comparable total was 32. In the year before it had been 74.

‘Internal’ competitions chaired by Commissioners

The Commission also chaired 11 ‘internal’ competitions, under the terms of the Civil Service Senior Appointments Protocol, where only existing civil servants could apply. Last year the number was 15 and in the year before it had been 9.

We also chaired an additional 4 internal competitions by special invitation: one for the Head of the Civil Service; two appointments at Senior Civil Service Pay Band 2; and one at Pay Band 1. Pay Bands 1 and 2 are below the level at which a Commissioner will usually chair an internal competition.

Backgrounds of successful candidates for ‘open’ competitions

In 2011-12 there was a decline in the number of successful candidates for open competitions who came from the Civil Service, and an increase in the number that have come from the wider public sector, and a small increase in the number that came from the private sector. It should be noted that the chart below records their sector at the time of this appointment, not across their career. So, for instance, someone who had only joined the Civil Service in the previous few years after a long private sector career would be recorded as ‘Civil Service’. As the chart indicates, the sources of successful candidates have fluctuated over the past five years.

Year	Civil Service	Wider Public Sector	Private Sector	Voluntary/ Third Sector	Total
2007/08	43 (41%)	24 (23%)	38 (36%)	No data	105
2008/09	62 (63%)	13 (13%)	23 (23%)	No data	98
2009/10	32 (43%)	12 (16%)	30 (41%)	No data	74
2010/11	21 (66%)	4 (12%)	6 (19%)	1 (3%)	32
2011/12	32 (52%)	16 (26%)	14 (22%)	0	62

Sources of All Senior Appointments in external competitions (‘open competitions’)

Gender of successful candidates all competitions

Of the 77 appointments made this year following competitions chaired by a Commissioner, 60 of the successful candidates (78% of the total) were men; 17 of the successful candidates (22% of the total) were women.

There was a higher percentage of female appointees for ‘open’ competitions (24%) than for ‘internal’ competitions (13%).

Overall, women in the Civil Service are better represented in more junior grades, and less well represented in the higher grades; although the Civil Service has a higher percentage of senior women than many other sectors (see: Sex and Power who runs Britain in 2011; The Female FTSE Index 2011).

% of women in Civil Service	53% ¹
% of women in Senior Civil Service (SCS)	35% ¹
% of women in SCS Pay Band 3	22% ²

Gender of successful candidates 'open' competitions

This year, of those 'open' competitions chaired by a Civil Service Commissioner, 24% of successful candidates have been women.

Type of competition	Male appointees	Female appointees	Total appointees
Perm Secs, DGs, Chief Execs, PB3 external	24 (80%)	6 (20%)	30
PB2 external	23 (72%)	9 (28%)	32
Total	47 (76%)	15 (24%)	62

Gender successful candidates in external competitions ('open competitions')

As the chart below indicates, this percentage of appointees following 'open' competitions who were women has fluctuated quite considerably over the past five years. These are however very small samples and so great caution should be taken in drawing any conclusions from these figures.

Year	PB3 and Perm Sec			PB2			All senior		
	F	M	Total	F	M	Total	F	M	Total
2007/08	8 (28%)	21 (72%)	29	17 (22%)	59 (78%)	76	25 (24%)	80 (76%)	105
2008/09	7 (23%)	23 (77%)	30	27 (40%)	41 (60%)	68	34 (35%)	64 (65%)	98
2009/10	7 (28%)	18 (72%)	25	10 (20%)	39 (80%)	49	17 (23%)	57 (77%)	74
2010/11	6 (46%)	7 (54%)	13	7 (37%)	12 (63%)	19	13 (41%)	19 (59%)	32
2011/12	6 (20%)	24 (80%)	30	9 (28%)	23 (72%)	32	15 (24%)	47 (75%)	62

Gender successful candidates in external competitions ('open competitions') 2007/8 – 2011/12

¹ 2011 Civil Service Employment Survey

² Senior Leadership Committee analysis



Gender of successful candidates 'internal' competitions

The overall figure of 24% for successful female candidates for open competitions is a higher percentage than for internal competitions, where women only represented 13% of successful candidates. Again, the sample size is very small so these figures should be interpreted with caution.

Type of competition	Male appointees	Female appointees	Total appointees
PB3 internal	9 (82%)	2 (18%)	11
Head of the Civil Service	1 (100%)	0 (0%)	1
PB2 internal	2 (100%)	0 (0%)	2
PB1 external	1 (100%)	0 (0%)	1
Total	13 (87%)	2 (13%)	15

Gender successful candidates in Civil Service only competitions ('internal competitions')

3.4 Compliance monitoring: the approach

Under the Constitutional Reform and Governance Act 2010, the Commission must carry out whatever reviews of recruitment policies and practices it thinks are necessary to establish that the statutory requirement of recruitment on merit on the basis of fair and open competition is being upheld, and is not being undermined. We do this through an audit of the recruitment policies and practices of Government departments and agencies to posts below Senior Civil Service Pay Band 2. Appointments to the Civil Service at Pay Band 2 above are chaired by Civil Service Commissioners.

Monitoring of compliance is currently contracted to DLA Piper, a specialist firm appointed after competitive tender. DLA Piper reports to the Commission and the compliance monitoring process is overseen by the Commission's Recruitment Standing Committee. The Committee determines how to select the departments and agencies to be visited and decides any topics for thematic review.

The 2010/11 assessment round was the third audit undertaken by the Commission's contractors, DLA Piper and the second to follow a principles-based approach to audit. The approach, introduced last year, focuses more on outcomes rather than minor elements of process, and aims to drive improvement in practice by departments and agencies.

Risk-based self-assessment

The Commission encourages departments and agencies to review the design and operation of their recruitment policies and procedures objectively against the requirements of the Commission's Recruitment Principles.

The Commission's compliance monitoring approach requires departments and agencies to carry out a risk-based self-assessment of their policies and procedures. As part of their self-assessment submission departments and agencies must provide the Commission

with a Certificate of Compliance, signed by their Permanent Secretary or Chief Executive. The Certificate declares whether or not their recruitment has complied with the Recruitment Principles. If there has been a failure to comply the department or agency must explain what remedial action has been taken or is proposed.

Assessments and on-site visits

The Commission, with our auditors, assesses the departmental returns and supporting documentation against the risk of non-compliance with the Recruitment Principles.

On the basis of the evidence supplied in the self-assessment return, DLA Piper make a provisional assessment of each department's risk rating. In the light of these assessments a sample of organisations is chosen for follow-up visits by the auditors, accompanied wherever possible by a Civil Service Commissioner. The intention of these visits is to look at the operation of the organisation's recruitment policies and procedures and examine the records of a sample number of recruitment competitions. The visits are also an opportunity for the Commissioners and the auditors to discuss the details of recruitment and any issues face-to-face with members of the departmental human resources team.

Departments and agencies that receive an on-site visit are subsequently sent a report. The report includes recommended actions that the organisation should take to improve its recruitment practices and reduce its future risk rating. Departments and agencies that have not been visited receive a letter addressing any particular issues revealed by their returns. Both the letters and the reports of visits also note areas of good practice.

This year, building on our commitment to improving departmental performance, the Commission introduced a more differentiated approach to compliance monitoring. Following on from the visit reports and action plans issued by DLA Piper, and based on their final risk rating, the First Civil Service Commissioner wrote to all visited organisations requiring all those rated Medium or High to report back on progress against their action plan within 6 months. In addition, departments and agencies were also sent feedback on the five main areas of risk across all organisations, as identified by DLA Piper's review of recruitment practices.

3.5 Compliance Monitoring: our findings for 2010/11

The Commission received returns from all 95 departments and agencies that were eligible.

17 departments or agencies were selected for visits. The selection for visits was made using a number of criteria which included:

- a provisional high risk rating.
- a borderline risk rating.
- a high volume of recruitment during the year.
- a high number, or proportion, of appointments made by exception during the year.
- not having had a visit in the preceding three years.

For the 2010/11 assessment round, Commissioners or representatives from the Commission accompanied DLA Piper on a significant number of the visits.



The list of departments and agencies visited last year, with their post-visit profile is in the appendix in section 6.3 of this report. Two departments were found to be high risk: the Department of Education and the Welsh Government. The First Civil Service Commissioner wrote to the Permanent Secretaries of these departments, and they were given an action plan for improvement and have been asked to report back regularly to the Commission on progress. We have also asked our auditors to revisit these departments in September 2012 to check on the steps they have taken to improve their performance.

The most serious issue identified at the Department of Education was the lack of auditable material to identify who had been brought into the department under one of the exceptions in the Recruitment Principles, and on what basis and for what length of time. The Human Resources team in the department recognised the seriousness of the issue and have been active in identifying the full scale of the problem and taking active measures to ensure things are put right and robust systems put in place to prevent a reoccurrence.

The most serious issue identified at the Welsh Government related to the use and management of secondments. Secondments had been repeatedly extended beyond the period allowed in the Recruitment Principles without any reference to the Commission. The Welsh Government has been working with the Commission to address outstanding secondments that are not in accord with the Commission's Recruitment Principles. The First Commissioner and Link Commissioner for Wales met with the Permanent Secretary of the Welsh Government as part of the post audit work to ensure that robust procedures are in place to enable future compliance.

The Commission was pleased to note that the number of organisations with a high risk rating had fallen, compared to previous years; and well over half the organisations reviewed were rated as low risk in 2010/11.

The final risk rating profile for departments and agencies over the past five years is as follows:

FINAL RISK RATINGS: 2006/7 – 2010/11 (% of total organisations by risk rating)					
Risk Rating	2006/7 Profile	2007/8 Profile	2008/9 Profile	2009/10 Profile	2010/11 Profile
High	6 (5%)	6 (6%)	5 (5%)	7 (7%)	2 (2%)
Medium	78 (72%)	53 (49%)	40 (42%)	29 (30%)	36 (38%)
Low	25 (23%)	48 (45%)	51 (53%)	60 (62%)	57 (60%)
Total	109 (100%)	107 (100%)	96 (100%)	96 (100%)	95 (100%)

Observations from 2010/11 compliance monitoring round

On the basis of the 2010/11 compliance monitoring round, DLA Piper made a number of general observations, which included:

- External recruitment was very low in comparison to previous years, reflecting the Civil Service recruitment freeze.
- Most departments had appropriate policies and procedures to enable recruitment on merit on the basis of fair and open competition, which if followed, will support compliant recruitment.
- The principal shortcoming was generally inadequate record keeping and non-completed or incomplete assessment documentation needed to underpin the decision making process.
- Understanding, recording and use of exceptions remained a problem area for many departments and agencies.

3.6 Exceptions to appointment on merit on the basis of fair and open competition

The Commission's powers to grant exceptions

The Constitutional Reform and Governance Act 2010, and before that, the Civil Service Order in Council, allows the Commission to except certain appointments from the requirement of appointment on merit through fair and open competition where we believe this is justified by the needs of the Civil Service, or to enable the Civil Service to participate in a Government employment initiative that major employers have been asked to participate in.

The permitted exceptions are listed in the Commission's 'Recruitment Principles'.

In most cases departments have delegated authority to use the listed exceptions. However the Commission's explicit authority is required for appointments using exceptions at Senior Civil Service Pay Band 2 and above; and for any post where there is a proposal to extend an appointment by exception beyond two years.

Exceptions approved by the Commission at senior grades 2011-12

The Commission's Recruitment Principles require all use of exceptions at Senior Civil Service Pay Band 2 and above to be subject to the Commission's specific approval. The Recruitment Principles in force up until 31 March 2012 list nine specific exceptions which may be agreed by the Commission. In the revised Recruitment Principles in force from 1 April 2012 some of the exceptions were amended and the number was reduced to eight (see section 3.1 for details of the revision).

The chart below shows all the new exceptions and extensions to exceptions that were granted by the Commission at pay band 2 and above for 2011/12 and 2010/11. The chart shows that there has been an increase in new exceptions this year from 1 to 8 and a reduction in extensions from 9 to 6. Most of the new exceptions were short term appointments up to a maximum of two years to provide managers with the flexibility to meet short term needs.



Exceptions granted by the Commission at Senior Civil Service Pay Band 2 and above

EXCEPTION	2010/11			2011/12		
	NEW	EXTENSION	TOTAL	NEW	EXTENSION	TOTAL
Exception 1: Short term appointments to meet short term needs, up to 2 years	1	2	3	5	2	7
Exception 2. Not applicable at senior grades						
Exception 3. Individuals with highly specialist skills, up to 2 years	0	0	0	1	0	1
Exception 4. Secondments up to 2 years to facilitate interchange	0	7	7	1	4	5
Exception 5. Reappointment of former civil servants	0	0	0	1	0	1
Exception 6. Transfer of an organisation into the Civil Service	0	0	0	0	0	0
Exception 7. Transfer of individuals into the Civil Service	0	0	0	0	0	0
Exception 8. The recruitment of disabled people	0	0	0	0	0	0
Exception 9. Assistance for disabled people	0	0	0	0	0	0
TOTAL	1	9	10	8	6	14

Total numbers of exceptions agreed by the Commission in 2011/12

During 2011/12 the Commission approved a total of 211 exceptions to the Recruitment Principles. The total includes those exceptions at senior grades in the chart above, and the remainder (which are the majority) which are extensions of time limited exceptions at lower grades beyond two years, and other use of exceptions requiring the Commission's approval. These included:

- 71 short-term appointments.
- 7 appointments of individuals with highly specialised skills.
- 108 inward secondments from external organisations.
- 12 transfers into the Civil Service from other public bodies.

This compares with a total of 170 exception requests that were approved overall in 2010/11.

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

The Commission also investigates situations where departments may have misunderstood or failed correctly to apply the Recruitment Principles. Twenty eight cases were identified in 2011-12 compared to eighteen in 2010-11. In part, this may be due to more active auditing by the Commission and greater knowledge in Human Resources teams, partly as a result of awareness training sessions run by the Commission. These cases include:

- 11 Scottish Government (under exception 4, secondments for up to two years).
- 7 Welsh Government (under exception 4, secondments for up to two years).
- 5 Ministry of Justice/National Offender Management Service (exception 4, secondments for up to two years, and exception 1, to meet short term business needs).
- 2 Department of Health (exception 4, secondments for up to two years)
- 3 others.

The Scottish cases were in respect of long term secondees, some of whom had been on secondment for significantly longer than allowed under the Civil Service Commission's Recruitment Principles, and our previous Recruitment Code. These cases were reviewed by two Civil Service Commissioners and found to be due to the complex and unclear inter-relationships between the Scottish Government Health Department, as was, and an NHS body NHS National Services Scotland (NSS): NSS recruited staff and then directly seconded them to the Scottish Government. The Commission agreed exceptions in order that 10 individuals could transfer formally into the Scottish Government; and additionally agreed the re-appointment of one ex-civil servant.

Application of permitted exceptions by departments and agencies

As noted in last year's Annual Report, we asked DLA Piper for this Compliance Monitoring round (which looked at recruitment that had taken place in 2010-11) to focus particularly on the use of delegated exceptions by departments and agencies. The Commission sought assurance that the transition to a new government, budgetary pressures and the recruitment freeze had not led to a greater use of exceptions to effect appointment to the Civil Service.

As in previous years, departments and agencies were asked to provide figures on the number of appointments made by exception, reporting numbers against each exception. Many departments had difficulty providing accurate figures, demonstrating both a poor understanding of what constituted an exception and poor recording practices.

Despite some shortcomings in the available data, DLA Piper found that the overall number of appointments made by exception appeared to be consistent with previous years. The proportion of appointments made by exception, however, was higher than in previous years, reflecting the lower number of overall appointments made by open competition as a result of the recruitment freeze. DLA Piper noted that some departments and agencies did not use exceptions at all, and others had not used any during 2010-11.



In the main, DLA Piper found that exceptions had been used appropriately by departments, in particular to address short term business needs (Exception 1), which in a small number of cases were defined as arising from the transition to a new Government. DLA Piper's findings did not indicate any systemic misuse of exceptions and random sampling did not reveal any abuse of the power. However the process of focusing on exceptions revealed a substantial degree of misunderstanding and poor recording of exceptions. The revised Recruitment Principles (see section 3.1) now therefore include a clear requirement for departments and agencies to retain recruitment data including data on the use of exceptions.

3.7 Complaints under the Commission's Recruitment Principles

Individuals can complain if they believe the requirements of the Commission's Recruitment Principles have been breached. They should first complain to the department or agency concerned. If they are not satisfied with the response, they can bring their complaint to us. If we uphold a complaint, we make recommendations both in relation to the specific case and to guard against future breaches of the Recruitment Principles.

Last year's report mentioned that three complaints received during 2010/11 were still under investigation. No breach of the Recruitment Principles was identified in any of these cases.

The Commission handled 13 complaints during the year. Last year the total was 20.

Four of the complaints brought to us this year are still under investigation. We will include them in our next Annual Report.

In the remaining 9 cases, no breach of the Recruitment Principles was identified.

Upholding and promoting the Civil Service Values

4.1 Role of the Civil Service Commission

The Civil Service Code outlines the core values of the Civil Service and gives illustrations of the standards of behaviour expected from civil servants. It also explains the duties of departments to make civil servants aware of the Code and its values. Departments must consider concerns raised by civil servants under the Code and must ensure that civil servants are not penalised for raising concerns.

Under the Act, and previously under the Civil Service Order in Council, the Civil Service Commission considers and investigates concerns raised by civil servants under the Civil Service Code. The Commission may then make recommendations about how the matter should be resolved.

A civil servant with a concern will usually raise it by talking to their line manager or someone else in the line management chain. If for any reason this would be difficult, they can raise the matter with one of their department's Nominated Officers. Nominated Officers are appointed to advise staff on the Code. Civil servants, who raise a concern but do not receive what they consider to be a reasonable response, may bring a complaint to the Civil Service Commission.

The Commission can also consider complaints from civil servants direct, and will do so if the circumstances require it. But we believe that it is in the best interests of all parties that difficulties should be resolved at the departmental or agency level when that is possible.

The Commission also works with departments to help them promote the Code and the core values. We took on this role in 2003 at the suggestion of the Committee on Standards in Public Life, and with the support of the Cabinet Secretary.

4.2 Summary of Code cases

The Commission dealt with 16 approaches this year concerning complaints under the Civil Service Code. In the previous year, 2010-11, there were 25 approaches.

Complaint upheld

The Commission took one case through to final decision and upheld the complaint. In this case the Commission were asked to consider a number of issues, but only one



aspect of the approach was considered to fall under the Code: the allegation that an MP had been misled by officials. The complaint related to an MP being given misleading information in a letter about the reasons why a civil servant had a job offer withdrawn. The Commission considered whether the requirement in section 9 of the Code not to 'deceive or knowingly mislead Ministers, Parliament or others' had been breached. The Commission concluded that the letter did not deceive as it was factually correct, but as the department was in possession of information that was not reflected in the letter, it did mislead.

The Commission upheld the complaint and recommended an apology to the MP for the failure to provide fully balanced information. We also recommended that the department confirmed the missing information. We have subsequently received evidence from the department that it has acted upon this recommendation.

Under Investigation

One complaint remains under investigation at the end of the reporting period. We will report the outcome of this complaint in next year's Annual Report.

In one further case, shortly after making the approach, the individual wishing to bring the complaint expressed uncertainty over whether the matter should be pursued and requested that any further consideration of the detail be put on hold.

Update

Last year's report mentioned that five complaints received during 2010/11 were still under investigation.

The Commission judged two of these cases to be about human resources management issues. Two approaches were judged to be outside the scope of the Code. In one case the complainant decided to withdraw the concern.

Anonymous Approaches

We received two approaches this year that were anonymous.

The Commission does not encourage anonymous approaches. It is difficult to investigate an anonymous complaint, or to exclude the possibility it is motivated by malice, or to establish that the complaint does indeed come from a civil servant.

However we do try to ensure that any complaints are brought to the attention of the appropriate person or organisation to check whether there is a genuine concern that should be investigated. If possible, the Commission will make the relevant department aware that an anonymous complaint has been received. We were able to do this in one case, but in the other the relevant department was not identified.

Invalid Complaints

Each year the Commission receives a number of approaches requesting investigation of complaints under the Code which on examination do not fall within its scope.

We received six approaches that were judged to be about human resources management issues. The Code does not cover these issues. They are specifically excluded by paragraph 18 in the 2010 edition of the Code.

One further approach was dealt with during the reporting year. A case originally received by the Office of the Civil Service Commissioners in 2007 claiming that after raising concerns locally about a possible breach of the Code colleagues had raised grievances against him. On numerous occasions over the intervening years the complainant was invited to produce evidence to enable the complaint to be given serious consideration, but failed to provide any information related to anything other than a protracted series of HR management issues. The Commission finally concluded that, as such matters are not covered by the Code and therefore cannot be seen to constitute a breach of the Code, we had no jurisdiction to investigate.

There were three approaches from people who were not civil servants. The right of complaint under the Code only applies to civil servants. If a member of the public wishes to complain about the actions of a department or agency, or its civil servants, this should in most cases be done through the Parliamentary and Health Services Ombudsman.

There were a further three approaches that were judged to be outside the scope of the Code. One concerned the behaviour of a senior manager outside of work. In two cases, it was felt the issues raised were more properly considered by other bodies, and the complainants were advised accordingly.

4.3 Audit of departments

Last year we reported the initial findings from our audit of departments' activities to promote and uphold the values in the Civil Service Code, conducted in April and May 2011. This was the second audit under the Civil Service Code, following the first audit in 2009. The Commission had decided to give departments time to reflect on the results of the 2009 audit, and to consider how they could apply the lessons and the examples of good practice in their own organisation.

Second audit 2011

In last year's Annual Report we reported on the initial findings of the 2011 audit. The initial analysis indicated that there was generally positive movement against most of the questions in the audit survey. However, we made a commitment to continue our in-depth consideration of the returns and the supporting material provided by departments; in order to produce further detailed analysis, and to consider whether the results indicate where the Commission should be applying its efforts in order to assist departments best going forward.

The further analytical work indicated a number of areas where there is general need for improvement across the Civil Service: leadership; clear routes to raise concerns; Nominated Officers; and induction.



Audit – High Level Messages	
Leadership	<p>There should be a clear statement to staff from senior leaders that the department encourages and supports them in raising issues of concern.</p> <p>There should be a clear policy on how and when the Code, the values, and procedures for raising concerns are promoted. This is an area of particular weakness in many organisations.</p> <p>Organisations should find ways to actively promote the Code to their staff at least once a year.</p>
Clear routes to raise concerns	<p>There should be clearly marked and appropriate routes for raising concerns under the Code.</p> <p>There should be a clear statement on how complaints will be investigated.</p> <p>Departments need to communicate clear messages about the relationship of ‘whistle-blowing’ and the Civil Service Code.</p> <p>Many organisations have no specific procedures for investigating complaints under the Code. Many rely on other procedures, and not all of these appear to be appropriate for investigating Code concerns, for example disciplinary procedures.</p>
Nominated Officers	<p>There should be a Nominated Officer network that is appropriate to the organisation with particular regard to:</p> <ul style="list-style-type: none"> ● the number of staff in the organisation ● their geographical spread ● their grade profile – not all in the top grades of the SCS <p>It should be clearly communicated that the role of the Nominated Officer is to provide assistance to staff with concerns under the Code; Nominated Officers are not part of the investigation or decision making process.</p>
Induction	<p>New staff, including temporary and seconded staff, should be given a copy of the Code when they start and should sign to say they have received it.</p>

The Commission was conscious after its first audit in 2009, that while it provided detailed feedback to the larger departments and agencies, there were very many organisations, and some quite sizeable, that did not receive any detailed feedback. We felt that this was a missed opportunity and wanted to extend our detailed analysis to all participating organisations. Sir David Normington, the First Civil Service Commissioner, wrote to all Permanent Secretaries and Chief Executives in March 2012 to make them aware of the high level generic messages from the 2011 audit, and to provide them with individually tailored feedback based on their own departmental audit return.

Further discussion of the tailored feedback is included in departments meetings with Link Commissioners, and those organisations with no Link Commissioner were offered the opportunity for an in-depth discussion based on the feedback with Commission staff.

One of the generic messages from our first audit in 2009, which has been confirmed in the 2011 audit, is that while the largest departments and agencies generally have reasonable policies and procedures in place, many medium sized and small Civil Service organisations do not. We agree with the conclusion of our auditors that it would be helpful for these small and medium sized organisations if there was a model set of policies and procedures they could use or adapt to fit their own needs.

The Commission began to take forward work on model policies and procedures when we became aware of a similar exercise being undertaken by Civil Service Employee Policy. We are now working with the Cabinet Office to ensure that there are recommended policies and procedures available across departments and agencies. We believe this will greatly assist small Civil Service organisations, and will give larger organisations a standard against which to judge their own policies and procedures.

4.4 Civil Service Staff Survey

The third Civil Service-wide staff survey, the Civil Service People Survey, took place in October 2011, and again it included three questions on the Civil Service Code.

A table comparing the results on the Civil Service Code questions from 2009 to 2011 is shown below. The detailed staff survey results for each department have been published and are available on the Government's data site: <http://data.gov.uk>.

Theme	Question Text	Civil Service 2009 Benchmark Score (% positive)	Civil Service 2010 Benchmark Score (% positive)	Civil Service 2011 Benchmark Score (% positive)
Civil Service Code	Are you aware of the Civil Service Code?	75%	81%	86%
	Are you aware of how to raise a concern under the Civil Service Code?	44%	53%	59%
	Are you confident that if you raised a concern under the Civil Service Code in [the organisation] it would be investigated properly?	58%	62%	64%



We are very pleased to note that awareness of the Code and confidence in Code investigations has grown across the Civil Service in the three years that the survey has been run. The results reflect the work that has been done by civil servants across departments and agencies to increase awareness of the Code. It reinforces the evidence provided by our own interaction with departments over the past three years, though there is still scope for further improvement.

This direct information from civil servants on their knowledge of the Code complements the results of the Commission's own Civil Service Code audit. Our audit tells us what departments say they are doing, and the survey tells us what civil servants say they know and believe.

4.5 Promotion of the Civil Service values

Throughout the year, individual Commissioners have taken the opportunity of their link meetings with Permanent Secretaries and Chief Executives to discuss the Code and the Civil Service values. In addition, the Commission has continued to support a number of other initiatives to promote the values to civil servants.

Civil Service Live

The Civil Service Commission produced a 'Question Time on Civil Service Values' at Civil Service Live in London in July 2011.

Sir David Normington, the First Civil Service Commissioner, chaired the session with panel members Sir Gus O'Donnell, the Cabinet Secretary; Sir Neil McIntosh, Civil Service Commissioner; Shami Chakrabarti, Director of Liberty; and, Chris Stephens, Chair of the Judicial Appointments Commission.

Since 2008, we have found these Question Time sessions to provide an effective way of raising and discussing ethical issues that can challenge civil servants in their working lives. The panellists bring a variety of views and experiences to the discussions, from inside and outside the service. At Olympia there were wide ranging topics that included whether delivery of public services by private sector organisations would erode the Civil Service values; whether it is realistic to expect civil servants to speak up when things are not right in the face of job cuts; and, whether it is ever right for a civil servant to leak information.

Civil Service Awards

The Commission again sponsored the Cabinet Secretary's Award at the Civil Service Awards. Now in their sixth year, the awards celebrate and recognise individuals and teams who have shown outstanding achievement in delivering excellence in public service and showcasing innovation. The Cabinet Secretary's Award is presented to an individual or team who have displayed the core Civil Service values of honesty, integrity, objectivity and impartiality in their work.

Making the award for his last time as Cabinet Secretary and Head of the Civil Service, Sir Gus O'Donnell announced the winner: The Work Programme, Department for Work and Pensions.

Meet the Commissioners

There are eleven currently serving Commissioners. These form the Board of the Commission from April 2012.



Sir David Normington GCB

David became the First Civil Service Commissioner, and Commissioner for Public Appointments, on 1 April 2011, following an open recruitment exercise conducted in line with the Civil Service Commission's Recruitment Principles. He was confirmed in the post following pre-appointment scrutiny by the Public Administration Select Committee of the House of Commons.

David was Permanent Secretary at the Home Office from January 2006 to December 2010. His early career in the Civil Service involved a range of jobs in the fields of employment, training and industrial relations, and included a time as Principal Private Secretary to the Secretary of State for Employment. He moved through a series of senior positions in the Department for Education, and the Department for Education and Employment, including Director for Personnel and Corporate Services, and Director General for Schools. In 2001 he was appointed Permanent Secretary at the Department for Education and Skills, a post he held until the end of 2005 when he joined the Home Office.

As Permanent Secretary, David made a particular specialism of senior leadership development and human resources. In 2008 he chaired a special steering group that reported to the Cabinet Secretary on workforce and reward strategy for the Senior Civil Service. He is a Fellow of the Chartered Institute of Personnel and Development.

He received a KCB in 2005 and was appointed GCB in the 2011 New Year's Honours list.



Adele Biss

Adele has been a non-executive director of various private and public sector companies, most recently Eurostar International Limited and Engine, a marketing and media services group. Over forty years her career has included founding and running a PR business and, later, a Corporate and Public Affairs consultancy. She has been chairman of the British Tourist Authority and English Tourist Board, a governor of Middlesex University and a Council Member of University College London (UCL).

Her early experience was in brand marketing at Unilever and in marketing and communications at Thomson Holidays.

Adele was appointed as a Civil Service Commissioner on 1 April 2010.



Kathryn Bishop

Kathryn is an Associate Fellow at the University of Oxford's Saïd Business School.

She has worked as a management consultant at Accenture and as an independent practitioner, and was formerly HR Development Director at Allied Dunbar and Business Transformation Director at Zurich Financial Services. She has held appointments as a non-executive director at the UK Intellectual Property Office, at the UK Border Agency and with the Welsh Government. She is also a Trustee of an educational charity, and a Governor of a Gloucestershire primary school.



Peter Blausten

Peter Blausten is Group Human Resources Director of Morgan Crucible plc.

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

Peter was appointed as a Civil Service Commissioner on 1 April 2010.



Christine Farnish

Christine currently chairs the Family and Parenting Institute and Consumer Focus.

Prior to that she was a Managing Director at Barclays, CEO at the National Association of Pension Funds, Consumer Director at the Financial Services Authority and at OFTEL; and held a number of senior roles in local government. Her early career was at the Countryside Commission. Christine has served on the Boards of the Office of Fair Trading, the Advertising Standards Authority, ING Direct and Papworth NHS Trust; and is currently a non-executive director on the ABTA Board.



Moira Gibb

Moira was Chief Executive of Camden Council from 2003 to 2011.

She chairs the Social Work Reform Board implementing the recommendations of the Social Work Task Force, which she also chaired, having previously been President of the Association of Directors of Social Services. She also serves on the Board of the UK Statistics Authority, and was a Director of the London Marathon from 2005. Moira has taught nationally and internationally, at school and university level.



Wanda Goldwag

Wanda is an advisor to Smedvig Venture Capital and Non Executive Director of the Performing Right Society, International Copyright Enterprise, True North Human Capital and Surelaw.

She had a 25 year career in marketing and her last corporate role was as Managing Director of British Airways owned AIR MILES. Wanda is also Treasurer of Eaves Housing for Women.



Professor Christine Hallett

After an initial spell as a civil servant, Christine spent most of her career as an academic working in the field of social policy. She was Principal and Vice-Chancellor of the University of Stirling, Scotland from 2003-2010. She is a Fellow of the Royal Society of Edinburgh, a Governor of Bournemouth University and Chair of the Board of Trustees of UKCISA (the UK Council for International Student Affairs).

Christine was appointed as a Civil Service Commissioner on 9 July 2008.



Eliza Hermann

Eliza is currently a Non Executive Director of Brightpoint, a private-sector distributor of mobile phones throughout the world, and of NHS Hertfordshire, where she chairs the Finance & Performance Committee.

Her earlier career comprised more than 20 years commercial and human resources experience in the international oil and gas industry. At Amoco and subsequently BP, she led projects in Asia, Europe, the Middle East, the countries of the former Soviet Union, and in North and South America. Most recently from 2001 to 2008 she served as Vice President Human Resources at BP's global headquarters in London.

Eliza was appointed as a Civil Service Commissioner on 1 April 2010.



Sir Neil McIntosh

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

Neil was appointed as a Civil Service Commissioner on 9 July 2008.



Angela Sarkis

Angela is a charity management consultant. She is a Member of the Youth Justice Board, an Adviser to the Street Pastor's Initiative of the Ascension Trust and Future First, and Secretary to Forest United Youth Football Club.

Angela spent several years working for the Probation Service, Family Service Units; and is a former Chief Executive to the DIVERT Trust, the Church Urban Fund, YMCA England and the Nurture Group Network. She was a founding member of the Social Exclusion Unit in the Cabinet Office, a member of the Home Office Correctional Services Board, the House of Lords Appointments Commission, and adviser to the Department for Education and Skills. Angela is a former Governor of the BBC and has recently served on the Board of Capacity Builders.

One more Commissioner will join the Board of the Commission from November 2012.



Jonathan Baume

Jonathan is currently General Secretary of the FDA, a professional association and union for the UK's senior public servants and professionals. Jonathan was first elected as the FDA's General Secretary in 1997. In December 2011 he announced his intention to retire from this position by 31 October 2012. He joined the FDA as Deputy General Secretary in 1989, previously working at the TUC specialising in employment law and equality issues.

After studying politics, philosophy and economics at Keble College Oxford, he joined Oxfordshire County Council in 1974 as a graduate trainee, and entered the Department of Employment Group in 1977, leaving for the TUC in 1986. Jonathan is a member of the TUC General Council, serves on the ACAS Council.

The following Commissioners finished their terms of office in April 2012 and were members of the Board of the Commission during the period of this report.



Sir Michael Aaronson CBE

Michael is Chairman of Frimley Park Hospital NHS Foundation Trust, a non-executive director of Oxford Policy Management Ltd, and a Co-Director of cii – the Centre for International Intervention – at the University of Surrey, where he is also a Professorial Research Fellow. A visiting fellow at Nuffield College, Oxford, he also lectures at the UK Defence Academy and is a Senior Adviser to NATO on civil/military cooperation.

Mike spent 16 years in HM Diplomatic Service. He was subsequently International Director of Save the Children and, from 1995-2005, Chief Executive. Mike was appointed as a Civil Service Commissioner on 4 April 2007. His five-year term finished on 3 April 2012.



Mark Addison CB

Mark is a Non-Executive Director of the Management Board of The National Archives.

He left the Civil Service in 2006 as Director General, Operations and Service Delivery, Defra. He was from 1998 to 2001 Chief Executive, Crown Prosecution Service and before that held posts in the Cabinet Office, the Health and Safety Executive, No 10 and the Department of Employment.

Mark was appointed as a Civil Service Commissioner on 4 April 2007 and he acted as Interim First Civil Service Commissioner, and Commissioner for Public Appointments, from January to March 2011. His term as a Civil Service Commissioner was completed on 3 April 2012.



Bernard Knight CBE

Bernard has spent most of his career in local government. In 2007 he retired from Bolton Metropolitan Borough Council where he was Chief Executive for 10 years. Before that he was Chief Executive of West Lancashire Council from 1990 to 1997.

He has been a non-executive director of a Training and Enterprise Council and Business Link, and a Governor of a Further Education College and Secondary School. He is currently the Chair of Trafford Housing Trust and a Board Member and Trustee of the Halle Concerts Society.

Bernard was appointed as a Civil Service Commissioner on 4 April 2007. His five-year term finished on 3 April 2012.



Anthea Millett CBE

Anthea has held a number of appointments and posts in the public sector, most recently as Chairman of Avon, Gloucestershire and Wiltshire Strategic Health Authority from 2002 to 2006.

Her earlier career spanned secondary education, HM Inspectorate of Schools, and initial teacher training as Chief Executive of the Teacher Training Agency from 1995 to 1999. She has also chaired the Wiltshire Health Authority, led the Green Paper Quality Assurance Unit at DfES and, latterly, has acted as Chairman for the Wiltshire Primary Care Trust.

Anthea was appointed as a Civil Service Commissioner on 4 April 2007. Her five-year term finished on 3 April 2012.



Ranjit Sondhi

Ranjit trained as a physicist, is an experienced community action worker, and has served on a number of national public bodies since the late 1980s. He has been a member of the Independent Broadcasting Authority and of the Radio Authority; a deputy Chairman of the Commission for Racial Equality; Chairman of the Refugee Employment Training and Education Forum; member of the Lord Chancellor's Advisory Committee on Legal Education and Conduct; member of the Home Secretary's Race Equality Advisory Panel; trustee of the National Gallery; and a governor of the BBC with special responsibility for the English regions. He was a senior lecturer at the University of Birmingham in the Community and Youth Studies department from 1985 to 2007. Until very recently, he was Chairman of the Heart of Birmingham Teaching Primary Care Trust and a member of the Tenant Services Authority.

He is currently a Trustee of the Baring Foundation; Chairman of Sampad, a South Asian Arts organisation; trustee of the National Education Trust; and lay member of the Council of the University of Birmingham. In February 2012, he was appointed to the Judicial Appointments Commission.

Ranjit was appointed as a Civil Service Commissioner on 4 April 2007. His five-year term finished on 3 April 2012.



Libby Watkins DL

Libby is currently Vice President of the Upper Tribunal, Asylum and Immigration Chamber. She practised at the Bar in London before serving as Senior Crown Counsel and later Registrar of the Supreme Court in Bermuda. Accompanying her diplomat husband, she lived in Pakistan, Canada and Swaziland where she became involved with various NGOs and charities. A former member of the National Lottery Charities Board, later Community Fund, Libby also chaired the Wales Committee.

She is a member of the Lord Chancellor's Advisory Committee on the Appointment of JPs in Gwent. She is a Bencher of Gray's Inn. A Welsh speaker, she is a Deputy Lieutenant of Gwent.

Libby was appointed as a Civil Service Commissioner on 4 April 2007. Her five-year term finished on 3 April 2012.

Civil Service Commission Annual Report

Signed by

Dr Richard Jarvis

Chief Executive

Civil Service Commission

6 July 2012

Appendices

6.1 Approval of appointments to the Senior Civil Service

Table 1

Senior Leadership Committee appointments: external competitions – Permanent Secretaries; and Directors General, Chief Executives (Pay Band 3)

Department	Post Title	Appointee	Previous Employment
Attorney General's Office	Director, Serious Fraud Office	David Green	Queen's Counsel (in practice at the Bar)
Department for Business, Innovation and Skills	Chief Executive, UK Trade and Investment	Nick Baird	Director General, Europe and Globalisation, Foreign and Commonwealth Office
Department for Communities and Local Government	Director General, Neighbourhoods	Peter Schofield	Director, Enterprise and Growth, HM Treasury
Department for Education	Permanent Secretary	Chris Wormald	Director General, Deputy Prime Minister's Office
Department for Energy and Climate Change	Chief Operating Officer	No appointee	N/A
Department for Environment, Food and Rural Affairs	Chief Operating Officer	Ian Trenholm	Chief Executive, Windsor and Maidenhead Local Authority
Department for Environment, Food and Rural Affairs	Chief Scientific Adviser	Ian Boyd	Director of the Scottish Oceans Institute, University of St Andrews
<i>Department for International Development</i>	<i>Director General for Africa, South and East Asia and the Western Hemisphere</i>	<i>Joy Hutcheon</i>	<i>Acting Director General, Country Programmes, Department for International Development</i>



Department	Post Title	Appointee	Previous Employment
<i>Department for International Development</i>	<i>Director General for the Middle East, West Asia, Security and Humanitarian Response</i>	<i>Mark Bowman</i>	<i>Director of Strategy, Planning and Budget, HM Treasury</i>
Department for International Development	Permanent Secretary	Mark Lowcock	Director General, Country Programmes, Department for International Development
Department for Transport	Director General, International Strategy and Environment	Lucy Chadwick	Director of Rail and Road Projects, Department for Transport
Department for Transport	Director General, Major Projects and London	Peter Strachan	Chief Executive, Translink Transit Authority, Australia
Department for Transport	Permanent Secretary	Philip Rutnam	Director General, Business Skills, Department for Business, Innovation and Skills
Department for Work and Pensions	Chief Information Officer and IT Director General	Philip Langsdale	Chief Information Officer, BAA
Department of Health	Chief Executive, Public Health England	Duncan Selbie	Chief Executive, Brighton and Sussex University Hospitals NHS Trust
Department of Health	Director General Group Operations and Assurance	Karen Wheeler	Transition Director for the National Health Service and Department of Health
Department of Health	Director General Partnerships and External Relations	Charlie Massey	Ageing Society and State Pensions Director, Department for Work and Pensions
Department of Health	Director General, Public Health Policy	Felicity Harvey	Director of the Performance and Reform Unit, HM Treasury
HM Revenue and Customs	Director General Business Tax	Jim Harra	Director, Personal Tax Operations, HM Revenue and Customs
HM Treasury	Director General, Public Services	Sharon White	Head of Review, HM Treasury's Management of the Financial Crisis

Department	Post Title	Appointee	Previous Employment
Home Office	Chief Executive of the UK Border Agency	Rob Whiteman	Managing Director, Improvement and Development Agency
Home Office	Head of the National Crime Agency	Keith Bristow	Chief Constable, Warwickshire
Ministry of Defence	Chief Executive, Defence Science and Technology Laboratory	Jonathan Lyle	Director of the Programme Office, Defence Science and Technology Laboratory
Ministry of Defence	Chief of Materiel, Joint Enablers	Peter Worrall	Interim Chief of Materiel, Joint Enablers, Ministry of Defence
Ministry of Defence	Chief Scientific Adviser	Vernon Gibson	Chief Chemist, BP plc
Ministry of Defence	Director General, Resources	Michael Bradley	Finance Director (Operations) Enterprise plc
Ministry of Justice	Chief Executive, Legal Services Commission	Matthew Coats	Head of Immigration, UK Border Agency/Acting Head of UK Border Force
Ministry of Justice	Director General, Transforming Justice	Antonia Romeo	Executive Director, Governance Reform and Enterprise, Cabinet Office
Scottish Government	Director General, Enterprise and Environment	Graeme Dixon	Director of Health and Social Care Integration, Scottish Government
Scottish Government	Director General Health/Chief Executive NHS Scotland	Derek Feeley	Acting Director General, Health and Social Care, Scottish Government
Welsh Government	Director General, Business, Enterprise, Technology and Science	James Price	Acting Director General, Business, Enterprise, Technology and Science, Welsh Government

Italics = joint competition



Table 2
Other Senior Appointments made through external competition – Pay Band 2

Department	Post Title	Appointee	Previous Employment
Department for Business, Innovation and Skills	Chief Scientific Adviser	John Perkins	Provost, MASDAR Institute of Science and Technology, Abu Dhabi
Department for Business, Innovation and Skills	Managing Director of UK Trade and Investment's Business Group	Crispin Simon	Chief Executive Bio-compatibles International plc
Cabinet Office	Deputy Government Chief Information Officer	Liam Maxwell	Head of Computing, Eton College
Cabinet Office	Executive Director, Commercial, Efficiency and Reform Group	Ed Welsh (New Models role) Bill Crothers (Supplier Management role)	Managing Director and Global Co-Head of Business Services, Rothschild Investment Bank Commercial Director, Home Office
Cabinet Office	Executive Director – Digital	Mike Bracken	Director Digital Development and Board Member, Guardian News and Media
Department for Education	Chief Executive, Standards and Testing Agency	Ian Todd	Chief Executive and Registrar, General Dental Council
Department for Education	Chief Executive Officer, Teaching Agency	No appointee	N/A
Department for Education	Director of Capital, Education and Funding Agency	Michael Green	Head of Store Care, Alliance Boots Property
Department for Energy and Climate Change	Chief Economist and Director of Analysis	Steven Fries	Chief Economist, Royal Dutch Shell
Department for Energy and Climate Change	Commercial Director	Hugo Robson	Corporate Finance Director, Royal Mail Group

Department	Post Title	Appointee	Previous Employment
Department for Energy and Climate Change	Director, Energy Efficiency Deployment Office	No appointee	N/A
Department for Environment, Food and Rural Affairs	Chief Analyst and Chief Economist	Ulrike Hotopp	Deputy Director, ESBR, Department for Business, Innovation and Skills
Department of Health	Director, Communications	Sam Lister	Health Editor, the Times
Department of Health	Director of Nursing and the Government's Principal Adviser on Public Health Nursing	Vivienne Bennett	Deputy Chief Nursing Officer (England), Department of Health
Department for International Development	Chief Economist	Stefan Dercon	Development Economist, Oxford University
Department for International Development	Director, International Finance	Shaila Khan	Director, Risk GE Capital Private Equity
Department for Transport	Chief Scientific Adviser	Rod Smith	Research Professor, Imperial College, London University
Department for Transport	Director of Major Projects, Highways Agency	Peter Adams	Divisional Director, Major Projects South, Highways Agency
Department for Work and Pensions	Director of Strategic Communications	John Shield	Director of Corporate Affairs, Go-Ahead plc
HM Revenue and Customs	Director, Debt Management and Banking	Graham Brammer	Executive Director, Employer Compliance Regime, Pensions Regulator
HM Revenue and Customs	Director, Internal Audit	Ian Haldenby	Chief Internal Auditor, Department for Education and the Home Office
Home Office	Programme Director, Emergency Services Mobile Communications Programme	Peter Duffy	Programme Director, BP



Department	Post Title	Appointee	Previous Employment
Medicines and Healthcare Products Regulatory Agency	Director of Devices	John Wilkinson	Chief Executive, Ecomed
Ministry of Defence	Commandant, Royal College of Defence Studies	David Bill	Retired/ UK MILREP to NATO/EU
Ministry of Defence	Director of Commercial Services	No appointee	N/A
National Savings and Investments	Director of Finance	Rodney Norman	Treasury Accountant, HM Treasury
Office of Rail Regulation	Director of Railway Markets and Economics	Cathryn Ross	Executive Director of Markets and Economics, OFWAT
Office of Rail Regulation	Executive Director, Railway Performance	No appointee	N/A
OFSTED	Director of Education	No appointee	N/A
OFWAT	Senior Director of Markets and Economics	Sonia Brown	Transition Policy Director, Monitor
Scottish Government	Chief Executive, Scottish Prison Service	Colin McConnell	Director General, Northern Ireland Prison Service
Scottish Government	Chief Scientific Adviser	Muffy Calder	Dean of Research, College of Science and Engineering and Professor of Computing Science, University of Glasgow
Treasury Solicitor's Department	General Counsel (Commercial)	Lucy Wylde	General Counsel, Asset Protection Agency
Welsh Government	Director, Delivery, Business, Enterprise, Technology and Science	Jeff Collins	Acting Director, Local Communities and Government, Transport

Department	Post Title	Appointee	Previous Employment
Welsh Government	Director of Strategy and Policy, Department for Health, Social Services and Children	Abigail Harris	Corporate Director Wellbeing, Bridgend County Borough Council
Welsh Government	Director of Transport, Local Government and Communities	Frances Duffy	Acting Director of Transport, Local Government and Communities

Table 3
Senior Leadership Committee internal competitions for senior appointments at Permanent Secretary/ Pay Band 3 Level

Department	Post Title	Appointee
Cabinet Office	Chairman, Joint Intelligence Committee*	Jon Day
Cabinet Office	Director General, Economic and Domestic Secretariat	Melanie Dawes
Cabinet Office	First Parliamentary Counsel	Richard Heaton
Cabinet Office	Director General for the Deputy Prime Minister*	Philip Rycroft
Cabinet Office	Prime Minister's Adviser on Europe and Global Issues and Head of the European and Global Issues Secretariat*	Ivan Rogers
Cabinet Office	Principal Private Secretary to the Prime Minister*	Chris Martin
Home Office	Director General, Strategy, Immigration and International Group	Mike Anderson
Northern Ireland Office	Director General, Northern Ireland Office	Julian King
<i>OFGEM</i>	<i>Senior Partner Distribution (Smarter Grids and Governance)</i>	<i>Hannah Nixon</i>
<i>OFGEM</i>	<i>Senior Partner Transmission (Smarter Grids and Governance)</i>	<i>Ian Marlee</i>
Scottish Government	Director General, Strategy and External Affairs	Ken Thomson

Italics = joint competition

*The Commission gave its permission for these competitions to be extended to include ex-civil servants who had left the civil service within the last five years.



Table 4
Other competitions chaired by Commissioners on request

Department	Post Title, Grade and Type of Competition	Appointee
Attorney General's Office	Director, Criminal Law and Superintendence, PB2 internal	Kevin McGinty
Scottish Government	Chief Economist, PB2 internal	Gary Gillespie
Cabinet Office	Head of the Civil Service, Permanent Secretary, internal	Bob Kerlake
Department of Health	Deputy Director of Communications (Head of News), PB1, internal	Tim Jones

6.2 Timeline April 2011 – March 2012

The section gives details of some additional significant events and activities during the year.



**April
2011**

- Sir David Normington takes up his appointment as First Civil Service Commissioner, and Commissioner for Public Appointments.
- Start of the Commission's second audit of departments' policies and practices in promoting and upholding the Civil Service Code.
- First Civil Service Commissioner and officials meet a party from the Organisation Department of the Chinese Communist Party, in the UK on a visit organised by the Foreign and Commonwealth Office.



**May
2011**

- Commission begins process to recruit new Commissioners to take up appointment in 2012.



**June
2011**

- The Commission's Chief Executive meets with delegates from the Independent Oversight Bureau of Kosova.



**July
2011**

- The Commission's first Annual Report since its statutory establishment under the Constitutional Reform and Governance Act 2010 is laid before Parliament and published on-line.
- Annual Report contains results of Commission's second survey under the Civil Service Code.
- Commission produces a 'Question Time on Civil Service Values' at Civil Service Live event at Olympia.
- Commission holds an open meeting at Civil Service Live in conjunction with a session on successful application and interview techniques.
- The Commission and the Cabinet Office issue a revised Civil Service Senior Appointments Protocol.



**August
2011**

- Commissioners accompany auditors on the first of a series of Compliance Monitoring visits under the Commission's Recruitment Principles.



**September
2011**

- Commission commences review of its Recruitment Principles.



**October
2011**

- The third Civil Service-wide staff survey is conducted; the survey contains three questions on the Civil Service Code.
 - Interviews held to appoint new Commissioners.
-

**November
2011**

- Commission sponsors the Cabinet Secretary's Award at the Civil Service Awards.
 - First Civil Service Commissioner and officials receive representatives of various National Public Service Commissions on visit to the UK for a training programme organised by Public Administration International.
 - First Civil Service Commissioner receives visit from the Chief Human Resources Officer from the Government of Canada.
 - The Commission moves offices from Great Smith Street to 1 Horse Guards Road.
-

**December
2011**

- David Normington, First Civil Service Commissioner speaks at the Public Sector Reform Symposium in London.
 - First Civil Service Commissioner receives a visit from the Chairman of the Mauritius Public Service Commission.
 - Six new Commissioners are announced who will take up office in April 2012.
-

**January
2012**

- Induction training for new Commissioners commences.
-

**February
2012**

- First Civil Service Commissioner and officials meet senior representatives of the National Personnel Authority of Japan.
-

**March
2012**

- First Civil Service Commissioner writes to all Permanent Secretaries and agency Chief Executives with detailed departmental feedback following the second audit of departments' policies and procedures to uphold and promote Civil Service values.
- Commission launches its revised website.
- Commission holds eight training sessions for departments in advance of the Commission's revised Recruitment Principles coming into effect on 1 April.
- Six Commissioners complete their five-year terms of office (last contractual day 3 April).

6.3 Departments and agencies who received a Compliance Monitoring visit and their pre- and post-visit risk ratings

Department/Agency	Final Rating	Provisional Rating
Department for Education	High	High
Welsh Government	High	Medium
Cabinet Office	Medium**	Medium
Forestry Commission	Medium	Medium
Government Car & Despatch Agency	Medium	High*
HM Revenue & Customs	Medium	Low
Identity & Passport Service	Medium	Medium
Ministry of Justice	Medium	Low
NOMS	Medium**	Medium
Vehicle Certification Agency	Medium	Medium
UK Border Agency	Medium	Medium
DECC	Low	Low
Department for Transport	Low	Medium
DVLA	Low	Low
Highways Agency	Low	Low
Health & Safety Executive	Low	Low/Medium
Office of Fair Trading (OFT)	Low	Low/Medium

* Default position resulting from late submission

** Borderline high risk organisations

Annual accounts

GOVERNANCE STATEMENT, FINANCIAL STATEMENTS AND NOTES

Chief Executive's Report

The Chief Executive of the Civil Service Commission is Richard Jarvis. Richard is responsible for the overall effectiveness and efficiency of the Civil Service Commission. He is head of the administrative team and principal policy adviser to the Commissioners on all matters relating to their role. The Accounting Officer of the Cabinet Office has designated Richard Jarvis, the Chief Executive, as Accounting Officer of the Civil Service Commission.

Management commentary

This is the Civil Service Commission's first full year continuing the work previously done by the Civil Service Commissioners. See section 2.2 of this Annual Report for details of our activities and our legislative and operational environment. Our strategic plan says:

"Over the period April 2011 to March 2014 the Civil Service Commission, in discharging its statutory responsibilities under Part 1 of the Constitutional Reform and Governance Act 2010, aims to contribute to an effective, efficient and impartial Civil Service by:

1. Upholding and working to embed the core values of the Civil Service – integrity, honesty, objectivity, impartiality – and the Recruitment Principles of appointment on merit on the basis of fair and open competition (i.e. promoting compliance).
2. Being an exemplary, independent, statutory regulator: ensuring effective and efficient compliance with the core values of the Civil Service and the Recruitment Principles (i.e. ensuring compliance).
3. Becoming [with the Office of the Commissioner for Public Appointments] a respected and influential source of expertise in merit-based selection through fair, open and transparent processes (i.e. building capacity and setting standards).

The Commission will achieve this through the delivery of annual, published, business plans, resourced within the agreed resource allocations for the Spending Review (SR10) period and within the following framework:

- a. Operation of the Commission's mandatory Recruitment Principles, including:
 - i. Appointments where compliance with the Principles is delegated to departments.
 - ii. Appointments requiring explicit Commission approval of compliance with the Principles – through Commissioner chaired recruitment competitions.

- iii. Appointments that can be made by exceptions to the Principles where justified by the needs of the Civil Service.
- b. External Audit of Departments:
 - i. Compliance with delegations and the use of exceptions under the Recruitment Principles.
 - ii. Promotion of, and internal handling of complaints under, the Civil Service Code.
- c. Handling complaints made to the Commission under the Recruitment Principles and under the Civil Service Code.
- d. Appointments to the Top 200 senior Civil Service posts.
- e. Strengthening the Link Commissioner, Permanent Secretary/HR Director relationship.
- f. Developing Civil Service Commissioners' capability through a programme of continuing professional development.
- g. Knowledge management and capability of the combined secretariat supporting the Commission and Commissioner for Public Appointments.
- h. Effective and targeted communications.”

We plan to refresh this plan in July 2012. In July 2013 two Commissioners come to the end of their terms of office and we will shortly begin the recruitment exercise to find their replacements.

The Commission had a small budget of £ 1.35 million for 2011/12 (£485k for 11 November 2010 to 31 March 2011). This budget is explained and accounted for in the accounts of the Commission.

However, the Commission actually receives £1.13m of this in the form of net Grant-in-Aid. The remainder (£0.22m) is deducted from the Grant-in-Aid before we receive it and retained by the Cabinet Office for corporate services:

Total budget	£1.35m
minus corporate overheads	£0.22m
Net Grant-in-Aid	£1.13m

This budget provides for the First Civil Service Commissioner, 11 Commissioners and 14 staff¹.

The Commission regulates all recruitment to the Civil Service², and in 2011/12 Commissioners personally chaired 80 recruitment competitions for the most senior staff.

¹ This figure is for the joint secretariat. Staff effort is calculated as 65% for the Civil Service Commission; 35% for the Commissioner for Public Appointments.

² In the last few years overall Civil Service recruitment has run at about 40,000 a year (39,005 in 2009/10). This was down to 13,401 in 2010/11, the last year for which there are figures. (Source: Office for National Statistics Bulletin Civil Service Statistics.)



The Commissioners form the Board of the Civil Service Commission. During the year the attendance at the Board, and the Board's standing committees, was as follows:

<i>Board meetings:</i>	1 Commissioner missed 3 meetings, 2 Commissioners missed 2 meetings, 4 Commissioners missed 1 meeting and 5 Commissioners attended all 11 Board meetings this year.
<i>Recruitment Standing Committee:</i>	2 Commissioners missed one meeting each and all other members attended all meetings.
<i>Code Standing Committee:</i>	2 Commissioners missed one meeting each and all other members attended all meetings.
<i>Audit and Risk Committee:</i>	2 Commissioners missed one meeting each and all other members attended all meetings.

Our main items of expenditure to 31 March 2012 are Commissioners' costs of £195k (£81k in the period 1 November 2010 to 31 March 2011), staffing costs of £629k (£214k in the period 1 November 2010 to 31 March 2011) and the contract with the auditor that we use to monitor the compliance of departments with the Recruitment Principles £198k (£67k in the period 1 November 2010 to 31 March 2011). All our cash funding is provided by the Cabinet Office as Grant-in-Aid. Following the creation of the Commission as a statutory body in November 2010 the Secretariat supporting the Commissioners also supports the Commissioner for Public Appointments. We have finished the year within our budget and the accounts have been prepared under a direction issued by Cabinet Office under the Constitutional Reform and Governance Act 2010.

To 31 March 2012 the Commission has a variance from the budget of £130k (under spent) after off-setting anticipated income of £315k. The Commission's main workload (competitions) is demand led, and while we base our budget on an estimate of the number of recruitment competitions that may be held, we have no control over when, or how often, departments chose to recruit. The Commission ended the previous financial period 1 November 2010 to 31 March 2011 with a variance from budget of £74k (under spent).

These accounts have been prepared on the assumption that the Civil Service Commission is a going concern on the grounds that where the Commission has outstanding current liabilities at the end of the year these will be funded in the next year by annual Grant-in-Aid. The Cabinet Office has agreed our budget and business plan for 2012-13 and our three year corporate plan and these can be viewed on our website: <http://civilservicecommission.independent.gov.uk>

In common with Government departments, the future financing of the Commission's liabilities is accordingly to be met by future grants of supply to the Cabinet Office and the application of future income, both to be approved by Parliament. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of this report and accounts 2011-12.

The Commission has no assets of any value and we use the assets and services of the Cabinet Office under a Service Level Agreement and for a per capita charge.

The Commission has no pension liabilities. The Commissioners' appointments are not pensionable.

The Commission is a regulator and does not have targets. Our remit is to:

- uphold the requirement that selection for appointments in the Civil Service must be on merit on the basis of fair and open competition,
- hear and determine appeals raised by civil servants under the Civil Service Code.

The Commissioners record any interests such as company directorships and other significant interests in our Register of Interests which is available on our website. The Commission has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

The Commission is an executive non-departmental body (eNDPB) sponsored by the Cabinet Office. The Commission meets with its sponsor team within the department on a quarterly basis to discuss any corporate issues as the Cabinet Office supply the majority of the Commission's corporate services. The Commission, by way of a service level agreement, also uses many of the Cabinet Office's suppliers, most significantly DWP who provides the Cabinet Office with much of its corporate finance requirements. As a statutory body the Commission has the authority to appoint service providers on its own behalf. DLA Piper LLP is contracted to conduct annual audits of Government departments and agencies recruitment policies and procedures on the Commission's behalf to ensure that they comply with the Commission's Recruitment Principles.

As a statutory body the Commission has some corporate functions that sit outside the Cabinet Office. During 2011-12 it appointed Compupay as its PAYE bureau to help with processing the payment of Commissioners, who are not civil servants, and are independent of Government.

Government departments and agencies are key stakeholders and the Commission needs to maintain good relationships with them while ensuring that its role as regulator is carried out in an effective and independent manner.

Information on environmental, social and community issues

The Civil Service Commission is responsible for upholding the requirement that selection for appointment to the Civil Service must be on merit on the basis of fair and open competition. We also hear and determine appeals raised by civil servants under the Civil Service Code. The Code describes the values of the Civil Service and is part of the contractual relationship between civil servants and their employer. In both these activities we positively contribute to the values and diversity of the Civil Service.

The Civil Service Commission has adopted the Cabinet Office's equality and diversity approach where everyone is treated with fairness and respect and feels valued for who they are and the contribution they make. The Commission has a Code of Practice for Commissioners that requires them to observe the highest standards of integrity, honesty, objectivity and impartiality and a Code of Practice for staff which requires them to offer the highest standards of conduct and service to the public.



The Civil Service Commission is committed to improving the work/life balance for its staff and we value diversity. We try to accommodate different work patterns and our staff may join the Cabinet Office's diversity networks:

- Cabinet Office Black and Asian staff (COBAN)
- Cabinet Office Christian Network
- Carers Network
- Disability in the Cabinet Office (DisCO)
- Rainbow Network (lesbian, gay, bisexual and transgender staff)
- Spark (Dyslexia) Network
- Women's Network

The Civil Service Commission contributes to the Cabinet Office's commitment to making an ongoing contribution to the goals, priorities and principles of the UK Government Sustainable Development Strategy, *Securing the Future*. In particular reducing the amount of energy we use along with the associated CO₂ emissions and costs and buying sustainable goods, works and services:

- reducing the total amount of waste we generate; and
- increasing the amount we recycle.

The Civil Service Commission has adopted the Cabinet Office's policy on volunteering which aims to:

- encourage staff to participate in volunteering activity in the community;
- enable staff to build their skills through practical experience.

Staff are eligible for up to five days paid leave per year for volunteering activity as part of their Personal Development Plan.

Policy on Payment of Suppliers

Payment of the Commission's suppliers is carried out by the Cabinet Office and it is not possible to separately identify the payment of the Commission's suppliers from those of the Cabinet Office. The terms of contract are usually payment within 30 days of receipt of a valid invoice. During the year the Cabinet Office paid 99.8 per cent of invoices within 30 days. On 1 May 2010 the then Prime Minister committed Government organisations to speed up the payment process, paying suppliers wherever possible within 5 days. During the year the Cabinet Office paid 74% of invoices within 5 days (76.3% in 2010-11).

Personal Data Related Incidents

There were no protected personal data related incidents reported to the Information Commissioner's Office during the year.

Risks and uncertainties

The Commission maintains a risk register which is regularly reviewed by the Audit and Risk Committee and by the Board. As the regulator for recruitment to the Civil Service our principal risks and uncertainties are:

- Government/Civil Service/departmental policy initiatives and/or practice changes including European legislation.
- The Commission's own policy and/or practice unintentionally undermines confidence in our regulatory framework.

All the identified risks have agreed risk controls and mitigation including reliance on legislation and a clear Ministerial Code, and our regulatory approach and instruments becoming more clear to departments since the introduction of revised Recruitment Principles in April 2012. The risk controls also include maintaining close and productive links with the Cabinet Office and other Government departments, including the Cabinet Office as our sponsor department and through Commissioners' link roles.

Statement on the Disclosure of Relevant Audit Information

Insofar as the Accounting Officer is aware:

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

The external audit of the Commission's accounts is undertaken by the Comptroller & Auditor General under the Constitutional Reform and Governance Act 2010. The remuneration for this work is £7,250 for 2011-12 (2010-11: £7,600) see note 3. No other non-audit work was undertaken by the National Audit Office during the year 2011-12 (2010-11: nil).

**Dr Richard Jarvis**

Chief Executive
Civil Service Commission
6 July 2012



Remuneration Report

The Commission does not have a Remuneration Committee because all staff members are currently on secondment from the Civil Service.

The Chief Executive was appointed by the First Commissioner with the approval of the Cabinet Office. The Chief Executive is a senior civil servant on secondment to the Civil Service Commission. The Commission has determined that the Chief Executive meets the definition of senior management.

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com

The First Commissioner is a part time office holder; Commissioners are all part time fee-paid office holders.

All pension arrangements for staff are dealt with by their home department in the Civil Service. All pension arrangements relate to defined contribution pension schemes. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the arrangements.

Board Member emoluments (all served throughout the year except where stated) – see table overleaf.

The following information is subject to audit.

Period 1 April 2011 to 31 March 2012				Period 11 November 2010 to 31 March 2011
Senior Management	Salary (to nearest £5000 payband)	Bonus (to nearest £5000)	Benefits in kind (to nearest £100)	Total salary to (to nearest £5000 payband)
Dr Richard Jarvis	60-65	5 -10	0	25-30*
** Band of Highest Paid Employee's remuneration (no Director level employee)	60-65			25-30
** Median Total Remuneration	£32,222			£13,053
** Ratio	2.25			2.11

* This salary for 2010-11 was a pro-rata figure equivalent to the 2011-12 salary range of £60-65. There was no bonus in 2010-11.

** "Hutton" fair pay disclosure ratio. Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The Commission does not have any Directors so we have reported on the Chief Executive's remuneration instead. The banded remuneration of the highest-paid employee in the organisation in the financial year 2011-12 was £65-70k (2010-11, £25-30k). This was 2 times (2011-12) the median remuneration of the workforce, which was £32k (2010-11, £13k for the period 11 November 2010 to 31 March 2011). In 2011-12, nil (2010-11, nil) employees received remuneration in excess of the highest-paid employee. Remuneration ranged from £22k to £53k (2010-11 £22k-£53k). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The change in this ratio is mostly due to 2010-11 being a part year accounts covering the period November 2010 to March 2011.



Board fees paid to Commissioners

	Period 1 April 2011 to 31 March 2012	Period 11 November 2010 to 31 March 2011
Commissioners	Pay band	Pay band
David Normington	85-90	Joined 1 April 2011
Mark Addison	5-10	15-20**
Adele Biss	5-10	0-5
Anthea Millett	5-10	0.5
Bernard Knight	5-10	0.5
Christine Hallett	5-10	0-5
Eliza Hermann	5-10	0-5
Libby Watkins	0	0
Mike Aaronson	5-10	0-5
Neil McIntosh	5-10	0-5
Peter Blausten	5-10	0-5
Ranjit Sondhi	5-10	0-5

**This figure includes three months as Interim First Commissioner.

The total fees payable to Commissioners for the period 1 April 2011 to 31 March 2012 for charring competitions were £107k. (£15k 11 November 2010 to 31 March 2011).

Libby Watkins is a member of the judiciary and therefore receives no fees from the Commission.

No bonuses or benefits in kind were received in year.

Pension

Senior Management	Accrued pension at pension age as at 31 March 2010 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2012	CETV at 31 March 2011	Real increase in CETV
	£000	£000	£000	£000	£000
Dr Richard Jarvis	16 plus 45-50 Lump Sum	£0	234	245	£11 (reduced)

The Chief Executive, Dr Richard Jarvis, is a member of the Principal Civil Service Pension Scheme. In real terms the value of Dr Jarvis's pension fell during 2011-12. His pension as shown has accrued in his role as a civil servant and he is on secondment to the Commission. The Commission itself does not provide a pension for the Chief Executive.

Note

From January 2011 Commissioner appointments, including that of the First Civil Service Commissioner, are not pensionable.


Dr Richard Jarvis

Chief Executive
Civil Service Commission
6 July 2012



Statement of the Commission's and the Accounting Officer's responsibilities

Under the Constitutional Reform and Governance Act 2010 the Civil Service Commission is required to prepare, for each financial year, accounts prepared on an accruals basis and give a true and fair view of the state of affairs of the Civil Service Commission and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual (FRM)* and in particular to:

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

The Accounting Officer of the Cabinet Office has designated the Chief Executive as Accounting Officer of the Civil Service Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Civil Service Commission's assets, are set out in guidance published by the Cabinet Office and by HM Treasury.

Governance Statement

The Civil Service Commission

The Civil Service Commission is an independent executive Non Departmental Public Body sponsored by the Cabinet Office that was created on 11 November 2010 by the commencement of Part 1 of the Constitutional Reform and Governance Act 2010. The Civil Service Commission continued the work of the Civil Service Commissioners. The Commission Board is chaired by the First Civil Service Commissioner and comprises 11 Commissioners who are members of the Board. The Board is supported by a Secretariat that is headed by a Chief Executive and has 14 members of staff. (The secretariat also supports the Commissioner for Public Appointments. 65% of staff effort is apportioned to the Civil Service Commission.) Together, the Board and Secretariat constitute the Civil Service Commission.

The Board meets on a monthly basis except in August and its approval is required for any significant changes relating to the operation of the Commission. The Commission also has a number of standing committees that advise the Board on specific areas of the Commission's policy as well as its corporate governance responsibilities such as the Audit and Risk Committee (ARC). Any recommendations made by the standing committees have to be approved by the Board.

The Commission meets with its sponsor group within Cabinet Office on a quarterly basis to discuss corporate issues.

Corporate Governance

As Accounting Officer, I have responsibility for maintaining a sound system of corporate governance controls that supports the achievement of the Civil Service Commission's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. The Commission follows Cabinet Office guidelines and procedures and has its own its Standing Orders which are available on our website: <http://civilservicecommission.independent.gov.uk> and which include Commissioner and Staff codes of practice, delegations and standing committee structures.

The Board reviews its own performance annually to ensure that the Board and its standing committees are acting effectively. Each Commissioner has an annual discussion with the First Commissioner. These discussions cover their contribution to the work of the Board and its sub committees, their link role with departments and their role as competition chair for recruitment exercises. The Board complies with the *Corporate governance in central government departments: Code of good practice 2011 Compliance checklist*, which is regarded as best practice, except in the following matters:

- We have a proportionately large Board (12 members) for a small executive unit (14 staff) and a very small budget compared to other executive NDPBs (£1.35M in 2011-12). The Commission does not have a non-executive on the Board but all our Commissioners are non executives.
- The Board does not include a financial director who is professionally qualified, instead, we rely on the Cabinet Office for scrutiny, support and for professional input as required.
- Attendance of Board members is publicly reported in this Annual Report and we will soon be publishing our Board minutes on our website which will include attendance information.
- The Board does not lead on the governance statement, the Chief Executive writes the statement, which is reviewed by the Audit and Risk Committee, and cleared by the Board before publication.
- Our Memorandum of Understanding with the Cabinet Office is not automatically re-negotiated when the First Commissioner or Chief Executive leaves the Commission nor when sponsor team staff leave. We have a very comprehensive MOU for such a small unit, the Cabinet Office sponsor team and Commission meet quarterly to discuss the MOU informally, and it is formally reviewed every 3 years.

The Main issues considered by the Board in 2011/12 were:

- Current and future recruitment in the Civil Service
- The review of the Recruitment Principles
- The review of public appointments
- Cabinet Office's revised Senior Appointment Protocol and Senior Talent Management strategy
- Compliance monitoring of departments
- Civil Service Code
- Data Protection Policy



The Board reviews data on the Commission's core work at each Board meeting:

- Senior Civil Service competitions (volumes, best practice and quality of outcome)
- Exceptions to the Recruitment Principles
- Queries received
- Complaints
- Freedom of Information requests
- Subject access requests
- Compliance monitoring activity
- Civil Service Code promotion
- Investigations of potential breaches of the Recruitment Principles
- Senior Leadership Committee feedback
- Website
- Visitors to the Commission
- Budget, spend and forecast
- Office changes
- Link Commissioner meetings with departments
- Awareness events and visits to departments

Management of risk

The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Risks are managed on an ongoing basis in a process that is designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. Cabinet Office guidelines and procedures have been observed for the whole of 2011/12 and this annual report and accounts accords with HM Treasury guidance.

The Civil Service Commission has a risk register in place that has been assessed and considered at senior management level and at Board level. The risk register has been scrutinised, discussed and ratified at both the Audit and Risk Committee (ARC) and the full Board. The risks are owned either by the Chief Executive or the relevant team leader. Team leaders ensure that members of staff are trained and equipped to manage risk. Where staff members require training or skills outside their normal areas of responsibility the Civil Service Commission ensures that this is provided. The organisation is sufficiently small that good practice can be shared by way of a monthly meeting and internal bulletins to all members of staff.

ARC supports the Board of the Commission in its responsibilities for issues of risk control and governance, it does this by reviewing whether proportionate assurances for meeting the Board's and Accounting Officer's responsibilities are available and by testing the reliability and integrity of these assurances. This includes oversight of the effective operation and impact of the Memorandum of Understanding with the Cabinet Office; the Commissioners' Code of Practice; the Staff Code of Practice; the Commission's business planning process; communications strategy and Commissioner appointments. ARC is attended by the Chief Executive, a number of Commissioners, internal audit and the National Audit Office. ARC reports to the Commission Board and meets every 3-4 months.

During 2011-12 the following Commissioners were members of ARC:

- Bernard Knight (Chair)
- Adele Biss
- Anthea Millett
- Mark Addison
- Mark Aaronson

A number of Commissioners came to the end of their terms on 3 April 2012 and the following Commissioners joined ARC with effect from 1 April 2012:

- Christine Hallett (replaced Bernard Knight as Chair)
- Neil McIntosh
- Wanda Goldwag

The risk register is considered at each ARC meeting and is kept by the Secretariat for the Commission and is available to all staff and Commissioners. The Commissioners, Chief Executive, team leaders and the staff of the Commission all contribute to the compilation of the risk register.

The risk and control framework

The Commission's risks were identified by the Commissioners, by me, as Accounting Officer and by my senior management team and they were ratified by the Audit and Risk Committee and the Commission's Board. The risks have been ranked according to 'Likelihood', 'Impact' and 'Severity'. We have also assessed what actions are in place, or need to be taken, to mitigate the organisational risks identified.

During the course of the Commission's first full year of operation 'start-up' risks reduced. Our main risks were reputational and risks to our infrastructure, including maintenance of IT and protection of our information. In November 2011 we moved to new offices at 1 Horse Guards Road.

On-going operational risks are managed as follows:

- As an on-going process any risk is identified, evaluated and controlled by me and my senior management team under a delegation from the Board and following advice from ARC;
- Any changes to the assessment and evaluation of risk have to be ratified by ARC and the full Board;
- ARC and the full Board lead on determining and evaluating the Civil Service Commission's risks.

These risks are communicated to staff by team leaders, at monthly Secretariat meetings and in the risk register.

We have reviewed our procedures for information security against those used by the Cabinet Office and against the advice provided by the Information Commissioner and we have registered with the Information Commissioner and have reviewed these procedures during the



course of this reporting period in consultation with the Cabinet Office. Line managers check to ensure compliance with Cabinet Office procedures as outlined in the weekly reports that we receive from the Cabinet Office. The annual budget is set in agreement with Cabinet Office and expenditure against budget is reviewed regularly by the Secretariat senior managers and monthly by the Commission Board. We produce a monthly board report on Commission activities which is scrutinised by the full Board of the Commission at each Board meeting. We have published our delegations on our website and these were agreed by the full Board of the Commission and were reviewed in year by the Secretariat's business support team.

Risk management is embedded in the activity of the organisation by constructing roles and team responsibilities that are closely aligned to specific areas of Commission work outlined in our Business Plan, which in turn are aligned to specific risks. Our business plan, corporate three year plan and our risk register were agreed by the Board of the Commission and by the Cabinet Office.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the of the Commission's governance procedures and controls.

All of our support activities are provided by the Cabinet Office. I have engaged an internal audit team and consulted them, and the National Audit Office, regularly on matters of internal control. NAO and internal audit attend all ARC meetings and we had three internal audits during the course of 2011-12.

I have been advised during my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee and a plan to ensure improvement has been developed.

During 2011-12 the Commission's two main risks were:

Risk 1

That Government/Civil Service/Departmental policy initiatives and/or practice impact negatively upon core regulatory role and/or lead to loss of confidence in Civil Service appointments system.

Mitigation

The Commission strategic and business plans are focussed on reducing this risk. Legislation and Ministerial Code are clear. Regulatory approach and regulatory instruments clear. Commission is maintaining close and productive links with the Cabinet Office and departments with regular key stakeholder engagement at all levels. Revised Senior Appointments Protocol requires evidenced-based business case for selection route.

Status after mitigation

Estimated 25-50% chance of occurring and expected impact moderate (an event that will undermine public trust or a key relationship for a short period). Risk level is expected to increase in 2012-13.

Risk 2

Commission policy and/or practice undermines confidence in regulatory framework or exceptions are mis-used by departments.

Mitigation

The Commission strategic and business plans focussed on reducing this risk, fit for purpose governance arrangements in place including appropriate risk management and Commissioner and staff codes of conduct. Measures to ensure consistency of approach are in place including continuing professional development for Commissioners, peer reviews, monitoring of final panel reports and practice guidance. Internal audit reviewed our governance framework in 2011/12. Our process for handling complaints about Commission decisions was tested and is now in place and we have an effective compliance monitoring process.

Status after mitigation

Should only occur in exceptional circumstances and expected impact moderate (an event that will undermine public trust or a key relationship for a short period). Risk level is expected to reduce in 2012-13.

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

Finally, as an independent Cabinet Office sponsored executive NDPB, the Commission follows the Cabinet Office internal control processes and this provides further assurance.

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



Dr Richard Jarvis

Chief Executive

Civil Service Commission

6 July 2012



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

I certify that I have audited the financial statements of the Civil Service Commission for the year ended 31 March 2012 under the Constitutional Reform and Governance Act 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Commission, Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Civil Service Commission's affairs as at 31 March 2012 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Constitutional Reform and Governance Act 2010 and directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse

9 July 2012

Comptroller and Auditor General

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



**Statement of Comprehensive Net Expenditure
for the period ended 31 March 2012**

		2011-12	11 Nov 2010 to 31 March 2011
	Note	£000	£000
Expenditure			
Staff and Commissioner costs	2	825	295
Other Expenditures	3	707	208
Income			
Income from Other Government Departments	4	(315)	(92)
Net Expenditure		1217	411
Interest Payable / Receivable		<u> -</u>	<u> -</u>
Net Expenditure After Interest		<u>1217</u>	<u>411</u>
Total Comprehensive Expenditure for the period ended 31st March 2012		<u>1217</u>	<u>411</u>

The notes on pages 71 to 82 form part of these accounts.

**Statement of Financial Position
as at 31st March 2012**

	Note	2011-12 £000	11 Nov 2010 to 31 March 2011 £000
Total Non-current Assets		–	–
Current assets			
Trade and other receivables	5	0	1
Cash and cash equivalents		–	–
Total current assets		<u>0</u>	<u>1</u>
Total assets		0	1
Current liabilities			
Trade and other payables	6	(165)	(55)
Total current liabilities		<u>(165)</u>	<u>(55)</u>
Total assets less current liabilities		(165)	(55)
Total non-current liabilities		–	–
Assets less liabilities		<u>(165)</u>	<u>(55)</u>
Taxpayer's equity			
I & E Reserve		(165)	(55)
Total taxpayers' equity		<u>(165)</u>	<u>(55)</u>

The notes on pages 71 to 82 form part of these accounts.



Dr Richard Jarvis

Chief Executive
Civil Service Commission
6 July 2012



**Statement of Cash Flows
for the period ended 31 March 2012**

		2011-12	11 Nov 2010 to 31 March 2011
	Note	£000	£000
Cash flows from operating activities			
Net Deficit	2, 3 & 4	(1217)	(411)
Adjustment for non-cash transactions		–	–
(Increase)/Decrease in Inventories		–	–
(Increase)/Decrease in trade and other receivables	5	–	–
Increase/(Decrease) in trade payables	6	110	55
Net cash outflow from operating activities		<u>(1107)</u>	<u>(356)</u>
Cash flows from investing activities			
Net cash outflow from investing activities			–
Cash flows from financing activities			
Grants from parent Department		<u>1107</u>	<u>356</u>
Net financing		<u>1107</u>	<u>356</u>
Net increase / (Decrease) in cash and cash equivalents in the period		–	–
Cash and Cash equivalents at the beginning of the period		–	–
Cash and Cash equivalents at the end of the period		<u>–</u>	<u>–</u>

The notes on pages 71 to 82 form part of these accounts.

**Statement of Changes in Taxpayers Equity
for the period ended 31 March 2012**

Note	I & E Reserve £000	Total Reserves £000
Balance at 1 April 2010	–	–
Grants from Parent Department	356	356
Comprehensive Net Expenditure for the year	(411)	(411)
Balance at 31st March 2011	<u>(55)</u>	<u>(55)</u>
Changes in Taxpayers equity for 2011-12	(55)	(55)
Grants from Parent Department	1107	1107
Supply repayable to Parent Department		–
Comprehensive Net Expenditure for the year	(1217)	(1217)
Balance at 31st March 2012	<u>(165)</u>	<u>(165)</u>

The notes on pages 71 to 82 form part of these accounts.



Notes to the accounts for the year ended 31 March 2012

1. Statement of Accounting Policies

Basis of preparation

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

Going concern

The financial statements have been prepared on the basis that the Commission is a going concern. The Commission is a statutory body created by the Constitutional Reform and Governance Act 2010. The Commission's budget, business plan for 2012-13 and corporate plan for 2012-13 through to 2013-14 have been agreed by the Cabinet Office.

Comparative Information

The Civil Service Commission came into being on 11 November 2010 and 2011-12 is the first full accounting period of its existence as a statutory body. Consequently, the comparative information provided only covers the part-year 11 November 2010 to 31 March 2011.

1.1 Accounting convention

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

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

The Commission has not made any estimates in producing these accounts.

1.2 Income

Re-charges. Under a Memorandum of Understanding the Commission receives the services of staff who also support the Office of the Commissioner for Public Appointments (OCPA) which is part of the Cabinet Office. For these accounts we have assumed that each member of staff spends 35% of their time on public appointments work and 65% of their time on Commission work. Therefore all staff and related costs such as training are apportioned, and a recharge of 35% is invoiced to the Cabinet Office, this is shown above as a (notional) income. These percentages were based on information provided by staff in August 2010 and an exercise has taken place during 2012 to establish whether they remain accurate. The

only exception to this is the First Civil Service Commissioner, who in his dual role, is also the Commissioner for Public Appointments. For the 2011-12 accounting period his costs alone have had a 50/50 split between the Commission and Cabinet Office budgets. This is because during this reporting period the First Commissioner, in his capacity as Public Appointments Commissioner, oversaw a review of the public appointments framework. This required him to devote more time to public appointments work than would take place in other years.

1.3 Staff Costs

This figure represents 100% of staff costs for the period 1 April 2011 to 31 March 2012. 35% of those costs relating to the Office of the Commissioner of Public Appointments (OCPA) are then re-charged to the Cabinet Office and this re-charge is accounted for as income in these accounts. The Commission also provides business support to two other Cabinet Office management units in addition to OCPA and in 2011-12 10% of the Chief Executive's costs were re-charged for this support.

1.4 Other Expenditure

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

1.5 Property, plant and equipment

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

1.6 Depreciation

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

1.7 Intangible assets

The Commission owns no intangible assets.

1.8 Leases

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

1.9 Financial assets

The Memorandum of Understanding with the Cabinet Office ensures that the Commission has no financial assets.

1.10 Cash and cash equivalents

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

1.11 Payables

Payables are recognised at cost, which is deemed to be materially the same as the fair value. Where the time value of money is material, payables are subsequently measured at amortised cost.



A financial liability is de-recognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1.12 Grant-in-Aid

As the Commission is an independent executive non-departmental public body, Grant-in-Aid is treated as financing from the sponsoring department. This is recognised as a credit into general reserves and is treated on a cash (rather than accruals) basis in accordance with guidance given in the FReM.

1.13 Programme expenditure

The Commission has no programme expenditure.

1.14 Pensions

The Commission does not have its own pensions scheme. All staff are on secondment from the Civil Service and are therefore members of the PCSPS. The recharge from the parent departments includes any employer pension contributions which are shown as 'superannuation' costs in the accounts.

1.15 Value Added Tax

The Commission is not registered for VAT.

1.16 Financial Instruments

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

1.17 Operating Segments

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

1.18 Future changes in Accounting Policy

Previous FReM changes in 2011-12

The following 2011-12 FReM changes are relevant to Civil Service Commission but had only a minor impact on the financial statements:

Chapter 3 Parliamentary Accountability
Chapter 11 Income and Expenditure

Previous IFRS changes issued

The following will have no impact in the future:

New IFRSs:

- IFRS 9 – Financial Instruments

Amendments to IFRSs:

- IFRS 7 – Financial Instruments Disclosures
- IAS1 – Presentation of Financial Statements

It has been determined that the following accounting standard amendments, issued and effective in 2011-12 for the first time, have no significant impact on the financial statements:

- IFRS 3 – Business Combinations
- IFRS 7 – Financial Instruments: Disclosures
- IAS 24 – Related Party Disclosures
- IAS 34 – Interim Financial Reporting

There have been no new standards issued in 2011-12.



2. Staff Numbers and Related Costs

2.1 Staff costs comprise:

	2011-12			11 November 2010 to 31 March 2011
	Total	Staff on secondment from the Civil Service £000	Commissioners £000	Total
Wages and salaries	666	496	170	235
Social security costs	67	42	25	21
Other pensions costs	91	91	–	38
Agency/temporary		–	–	–
Total	824	629	195	294

Note

From January 2011 Commissioner appointments, including that of the First Civil Service Commissioner, do not attract pensions.

The figure of £496k for 'Wages and salaries' in the table above includes £20,250 VAT. One of the secondees is providing maternity cover for a member of the Commission secretariat.

2.2 Staff numbers

The average number of full time equivalent seconded staff and Commissioners during the period 1/4/2011 to 31/3/2012 was:

	2011-12			11 November 2010 to 31 March 2011
	Total	Staff on secondment to the Civil Service	Commissioners	Total
Directly employed	0	0	0	0
Inward secondments	13.6	13.6	0	12.6
Office holders	11.4	0	11.4	11.4
Total	25	13.6*	11.4	24

* this figure is for the joint secretariat. Staff effort is calculated as 65% for the Civil Service Commission; 35% for the Commissioner for Public Appointments.

3. Other Expenditure

	Note	2011-12 £000	11 Nov 2010 to 31 March 2011 £000
Other Expenditure			
Accommodation and utilities	220	99	
IT costs	–	–	
Consultancy	220	72	
Supplies and services	65	4	
Other staff related costs	46	3	
Travel, subsistence and hospitality	42	8	
Competition Fees paid to Commissioners	107	15	
Audit Fee	<u>7</u>	<u>8</u>	
Total		<u>707</u>	<u>209</u>

Note

The majority of the £220k Consultancy figure above relates to the audit of departments' compliance with the Recruitment Principles.



4. Income

	2011-12	11 Nov 2010 to 31 March 2011 £000
<hr/>		
Administration		
Income From Other Government Departments	315	92
Total	<u>315</u>	<u>92</u>

5. Trade Receivables and Other Assets

	2011-12	11 Nov 2010 to 31 March 2011 £000
Current		
Trade receivables		
Grant-in-Aid owed by Parent department	-	-
Prepayments and accrued income	-	1
Total	<u>-</u>	<u>1</u>

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

5.1 Intra-Government Balances

	2011-12	11 Nov 2010 to 31 March 2011 £000
Current		
Balances with other central government bodies	-	-
Subtotal: intra-government balances	<u>-</u>	<u>-</u>
Balances with bodies external to government	-	1
Total receivables at 31st March 2012	<u>-</u>	<u>1</u>



6. Trade Payables and Other Liabilities

	2011-12	1 Nov 2010 to 31 March 2011 £000
Current		
Trade payables	127	26
Other payables	–	–
Accruals and deferred income	38	29
Total	165	55

6.1 Intra-Government Balances

	2011-12	1 Nov 2010 to 31 March 2011 £000
Current		
Balances with other central government bodies	130	5
Subtotal intra-government balances	130	5
Balances with bodies external to government	35	50
Total payables at 31st March 2012	165	55

7. Related Party Transactions

The Civil Service Commission is an independent executive NDPB funded by the Cabinet Office. The Commission has had a small number of transactions with other government departments such as the Home Office.

Services are provided to the Commission from the Cabinet Office under a Service Level Agreement for a per capita charge of £338k for the period ending 31 March 2012. As with the Commission's staff and First Commissioner costs a percentage of the per capita charge is re-charged to cover the public appointments work undertaken by the Commission's secretariat and the dual office-holder. The re-charge is set at 35%. However, only the net amount of £220k owed by the Commission is shown in these accounts. This charge has been treated as a related party transaction.

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



8. Events after the Reporting Period

Six Civil Service Commissioners concluded their terms on 3 April 2012. The departing Commissioners were:

- Mark Addison CB
- Anthea Millett CBE
- Bernard Knight CBE
- Libby Watkins DL
- Sir Michael Aaronson CBE
- Ranjit Sondhi

Five new Civil Service Commissioners began their terms on 1 April 2012. The new Commissioners are:

- Kathryn Bishop
- Christine Farnish
- Dame Moira Gibb DBE
- Wanda Goldwag
- Angela Sarkis CBE

Jonathan Baume has been appointed by Her Majesty as a Civil Service Commissioner following an open competition. He will commence a five year term of office on 1 November 2012.

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







Civil Service Commission

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