

# Annual Report & Accounts

2016-17

Preserving the past | Recording the present | Informing the future



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September 2017

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## Foreword from the Chief Executive

National Records of Scotland exists to collect, preserve and produce information about Scotland's people and history and make it available to inform current and future generations. In these pages, you will read more about how we have gone about that in 2016-17.

Our antecedents as an institution are very old indeed – the first reference to a government official responsible for looking after the records dates from 1286, and a record of baptisms and marriages has been kept for more than 400 years.



**Tim Ellis**  
Chief Executive, National Records of Scotland

But our current incarnation is more recent, and this report covers our sixth year. There is much more to do, but we have achieved a lot in six years, and we are making steady progress to becoming the organisation we want to be. In the year covered by this report we have strengthened our management board and governance and work on the latter in particular will continue into the next financial year and beyond.

2016-17 saw the successful relaunch of our ScotlandsPeople website, leaps forward in our Digital Archiving programme, and several milestones reached along the road to delivering Scotland's Census 2021.

It also saw an astounding amount of work take place on our core business. One of our most famous records, the Declaration of Arbroath, was recognised by UNESCO. Our demographic statistics continued to make and shape the news. And we continued to implement the Public Records (Scotland) Act 2011 across the range of Scottish bodies.

**“2016-17 saw the successful relaunch of our ScotlandsPeople website, leaps forward in our Digital Archiving programme, and several milestones reached along the road to delivering Scotland's Census 2021.”**



“Building on all that has gone before, both as NRS and the organisations that preceded it, we’re committed to continuous improvement of our service and our information holdings, for the benefit of the people of Scotland.”

In the 2017-18 financial year, we are looking further at our structures and operating model, to ensure that they help us do our work – of protecting the past, recording the present, and informing the future – as well as we possibly can. Building on all that has gone before, both as NRS and the organisations that preceded it, we’re committed to continuous improvement of our service and our information holdings, for the benefit of the people of Scotland. Of course, we’ll be working to ensure we are able to operate successfully in an increasingly digital world. But one constant will remain: our reliance on our people, and their skills, experience and knowledge.

In the pages that follow there’s more information about what National Records of Scotland achieved in its sixth year, as well as what we hope to do in our seventh, and beyond. I hope you enjoy reading more about it and the journey we are taking.

Tim Ellis,  
Chief Executive  
31 August 2017

## Overview



### Our Business

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

National Records of Scotland performs the registration and statistical functions of the Registrar General for Scotland and the archival functions of the Keeper of the Records of Scotland, including maintaining the archives as one of Scotland's five National Collections.

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

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

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

We take the census of Scotland's population every 10 years and prepare and publish regular demographic statistics. These statistics play a vital part in underpinning decision-making from national to local level, and are a building block in the development of a large number of economic and social statistics.

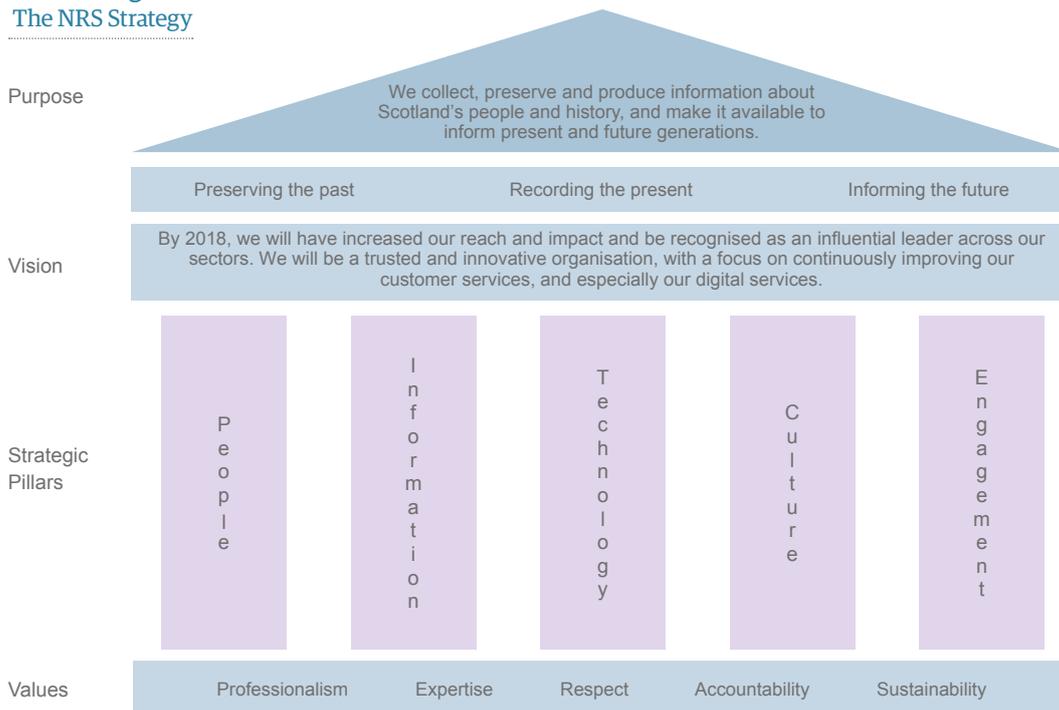
We have a global audience for our work, for example genealogists researching their Scots ancestry can access our records online or as part of a visit to Scotland, and the Scottish Register of Tartans attracts worldwide interest.



## Our Objectives

The NRS strategy (see Figure 1) sets out our purpose and vision and the values that underpin what we do. The strategy focuses on what kind of organisation we want to be by 2018 and beyond, consolidating our profile as an influential leader across the sectors in which we operate.

**Figure 1**  
The NRS Strategy



There are four key themes within our Strategy. These are:

1. increasing our reach and impact;
2. delivering in a professional way;
3. improving customer service; and
4. developing our digital services.

We have developed strategic objectives for each theme we can use to measure our progress towards achieving our Strategy.

## Performance Analysis



### Our Performance

As part of Scottish Government we contribute to its [Purpose](#) and key [National Outcomes](#) but as a non-ministerial department we also have our own identity and have developed our own Strategy as shown above. Our governance structure supports the Chief Executive and our senior team to focus on successful business delivery. Last year we strengthened our Management Board by recruiting five additional Non-Executive Directors. This year the Board has been providing advice and guidance on both short and long-term priorities, developing its understanding of the business and supporting the organisation on core governance and strategic issues.

**“This year the Board has been providing advice and guidance on both short and long-term priorities, developing its understanding of the business and supporting the organisation on core governance and strategic issues.”**

We adopt a Management of Portfolios approach to help ensure we invest in the activities that ensure we meet our remit and purpose, and which will also deliver our strategy in the longer term. Using this approach we are able to manage and control how we use our resources, identify the key risks to achieving our strategy and provide assurance around the benefits each activity will deliver. This ensures that our investment decisions are based on a clear understanding of the risks and benefits associated with our portfolio activities and that these are actively managed throughout the activity lifecycle.

A summary of our current change programmes can be found in the Governance Statement.

A key element is to ensure we adopt a joined-up and cohesive approach wherever possible, maximising opportunities for shared development/resources across our portfolio activities to make best use of our resources and avoid unnecessary duplication.

The Business Leadership Group reviews the portfolio on a quarterly basis.



### Basis of Accounts

The Accounts Direction is provided in the Accounts section, under the Director's Report.



## Review of Financial Performance

The budget for National Records of Scotland this year was proposed in Scotland's Spending Plans and Draft Budget 2016-17, subject to revisions during the year. The financial outturn for 2016-17 is summarised in the table below.

The Net Resource DEL (Departmental Expenditure Limit) Outturn is £23,071k, an underspend of £585k on the final budget (£655k excluding depreciation). The principal reasons for this underspend were:

- Following successful launch of the new ScotlandsPeople website during the year, income from users of the site and orders of extracts from records have exceeded our expectations by over £400k.
- Our Governance Statement on page 35 notes that ensuring we have the specialist skills required to support our activities and deliver our programmes is one of the most significant risks currently being managed by NRS. Delays in putting in place appropriately skilled people have affected the pace of a number of activities, contributing to our underspend on budget. This effect was exacerbated by the early departure in March 2017 of a number of agency and contract staff as a result of the IR35 intermediaries legislation affecting off-payroll workers in the public sector.

The Capital DEL outturn was £2,574k, a small underspend of £2k on budget. The negative outturn of £158k on AME (Annually Managed Expenditure) relates to the reversal of provisions which were included last year's accounts. Of the total, £150k was not required.

	Draft Budget 2016-17	Budget adjustments during year	Final Budget 2016-17	Actual 2016-17	Variance	Actual 2015-16
	£000s	£000s	£000s	£000s	£000s	£000s
Operational Costs (excluding depreciation)	29,045	(1,175)	27,870	27,464	(406)	24,447
Depreciation	2,225	(639)	1,586	1,656	70	1,332
Less Retained Income	(5,800)	-	(5,800)	(6,049)	(249)	(6,143)
<b>Total Resource DEL</b>	<b>25,470</b>	<b>(1,814)</b>	<b>23,656</b>	<b>23,071</b>	<b>(585)</b>	<b>19,636</b>
AME	-	-	-	(158)	(158)	-
<b>Net Resource Outturn</b>	<b>25,470</b>	<b>(1,814)</b>	<b>23,656</b>	<b>22,913</b>	<b>(743)</b>	<b>19,636</b>
Capital DEL	2,900	(324)	2,576	2,574	(2)	1,500
<b>Total Outturn</b>	<b>28,370</b>	<b>(2,138)</b>	<b>26,232</b>	<b>25,487</b>	<b>(745)</b>	<b>21,136</b>

Year record  
2016-17

Net Resource Outturn  
£23,071k

Resource Budget  
£23,656k

Underlying Underspend  
£585k

Since 2008-09, the Scottish Government has applied a series of annual efficiency targets to itself and public sector bodies in Scotland. The purpose of this target is to release cash which bodies retain and use for other purposes, while maintaining service outputs and outcomes. NRS, in common with other Scottish public bodies, has an efficiency savings target of 3% of total resource spending (excluding depreciation). NRS achieved £688k of efficiency savings during 2016-17, against a target of £660k (2015-16: £606k).

As part of its plan for supporting economic recovery in Scotland, the First Minister announced on 9 October 2008 that the Scottish Government would aspire to a 10-day target for paying bills to businesses in Scotland. NRS therefore aims to pay 98% of invoices, including disputed invoices once the dispute has been settled, within this 10-day target. During the year ended 31 March 2017, NRS paid 99% of all invoices within 10 days (2015-16: 99%).



## Social, Community and Human Rights

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

Registration of births, deaths and marriages has been at the heart of understanding ourselves and a key interaction with the state for generations. Scotland's Census and demographic statistics published by us filter through to all sectors of local and central government through areas such as service planning, transport, housing, equalities monitoring, Single Outcome Agreements and when complying with the specific duties within the Public Sector Equality Duty.

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

**“National Records of Scotland has a wide and diverse community of stakeholders and plays a central role in the cultural, social and economic life of Scotland.”**

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



## Our Future

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

Our main challenges in 2017-18 will be:

- To professionally and competently deliver high quality services for our customers and stakeholders.
- To strengthen our governance and leadership structures to support delivery in an increasingly digital world.
- To develop key systems and processes for Scotland's Census in 2021.
- To increase our digital archiving capability in particular through progressing the next phase of the Digital Preservation Programme.



## Sustainability statement

NRS has continued to implement its Carbon Management Programme in order to continue to reduce our carbon emissions. To achieve this we have concentrated our efforts in the following areas:

- **Reducing consumption of energy, water, paper and other resources**

We monitor our energy and water consumption and set reduction targets to measure our performance. We continue to upgrade some of our older plant, equipment and lighting with more energy efficient ones and have voltage optimisation in some of our buildings. We have an Energy Committee which continues to manage our energy usage reduction programme. This continues to be successful as we used 391,879 fewer kilowatt (kWh) of energy to operate our buildings in 2016-17, producing 123 tonnes (6.4%) less Co2 than we did in 2015-16. For purposes of comparison, an average family uses 11 kWh of electricity per day so saving 391,879 kWh of energy would provide enough electricity to power nearly 100 family homes for a year.

- **Waste management**

We have continued to focus on our recycling initiatives to reduce the amount of waste we produce by re-using and recycling products and materials and stopped a total of 116.8 tonnes of waste going to landfill in 2016-17. All redundant IT equipment was recycled using a WEEE (waste electronic and electrical equipment) approved company. A total of 56.34 tonnes of paper, card, plastic and aluminium cans were recycled during 2016-17 which have saved approximately 225.4 kWh of energy and 1,690,200 litres of water. 5.6 tonnes of food waste was also recycled.

- **Business Travel**

We continue to promote our Business Travel policy guidelines to continue to encourage alternatives to travel (telephone and video conferencing) and for staff to use local bus and rail tickets. We replaced one of our end-of-life office vehicles with an electric vehicle to further support our emissions reductions target. We travelled 75,454.8 more kilometres in 2016-17 than we did in 2015-16.

- **Sustainable Procurement**

NRS, in accordance with the new Scottish Procurement legislation introduced in 2016, seeks to maximise social, economic and environmental considerations which can be delivered through the performance of its contracted services. We continue, where feasible, to buy goods and services which are derived from natural and sustainable sources and which can be manufactured, delivered and disposed of in an environmentally responsible way.

## Review of the Year

National Records of Scotland's work is characterised by its variety, and this year has been no exception. Although our work covers many areas, our commitment to our purpose remains – to collect, preserve and produce information about Scotland's people and history and make it available to inform current and future generations.



### Demographic Statistics

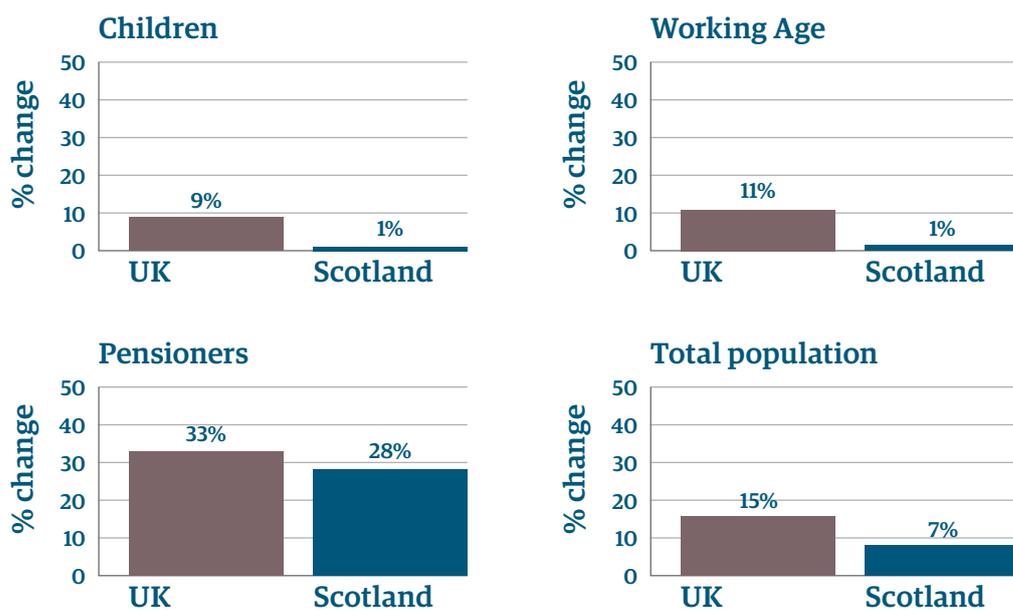
The statistics we produce continue to be fundamental in understanding changes in our population and in helping inform decisions about the people of Scotland. They help in the planning of services and allocation of resources to where they are most needed, whether it be for schools, the building of houses, or care for the elderly.

Population of  
Scotland in 2014  
5.35M

Our statistics are used regularly to inform government and public debate. For example, the Scottish Affairs Committee Inquiry into the demography of Scotland considered evidence provided by National Records of Scotland which described the difference in the projected numbers and age structure of the population in Scotland and the UK as a whole. While the number of pensioners in Scotland and the UK is projected to increase by about a third over the next 25 years, the number of those of working age is projected to increase by only 1% in Scotland and by 11% in the UK as a whole.

#### Projected change in the numbers at different ages, 2014-2039

Figure 1  
Chart showing projected change in the numbers at different ages, 2014-2039



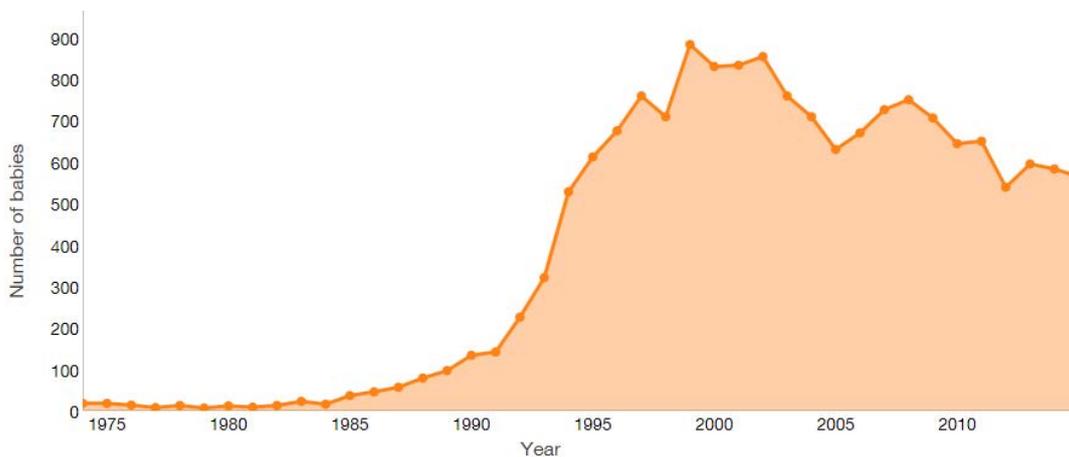
The number of households has increased faster than the population over the last 10 years and is projected to increase to 2.76 million by 2039, an average annual increase of around 13,800 households. Most of the projected growth is among those aged 65 or over.

“The number of households has increased faster than the population over the last 10 years and is projected to increase to 2.76 million by 2039, an average annual increase of around 13,800 households.”

We are continuing to harvest the rich information provided by the 2011 Census. In addition to the millions of tables available on our [Scotland’s Census website](#), we have provided 300 commissioned tables on request this year. More detailed analysis has also been done on specific topics, for example people with learning disabilities and people known to have a developmental disorder such as autism. The census provides a unique opportunity to analyse and present such information.

We have been making greater use of infographics and tweets to help get the messages from our statistics across to a wider audience. Latterly, our most popular interactive data visualisation has been one which shows how the numbers have changed (since 1974) for any babies’ name entered: it is available at <https://scotland.shinyapps.io/babynames/>.

**Figure 2**  
Baby name chart for Jack





## Scotland's Census 2021

Work continues apace to plan for Scotland's Census 2021. We published our response to the Scotland's Census 2021 Topic Consultation in August 2016. The consultation and our response marked an important step in our planning towards the 2021 Census. The report provided an overview of the evaluation process used to assess the responses and summarised the results of the evaluation. It set out the updated NRS view on the topics being considered, including an overview of our plans and intended next steps. Since publication of the report, we have been working with a range of stakeholders undertaking research to further inform our plans. This work will enable us to finalise our initial recommendations in 2018, prior to a rehearsal in 2019.

Scotland's Census 2021 will be delivered in partnership with a range of suppliers providing various products, services and support. A crucial step was therefore taken in 2016-17 when we commenced engagement with potential suppliers, holding a number of market engagement events in Edinburgh and London. A great deal of work has been undertaken since then and procurement of a range of systems and services is now underway. This will continue into 2017-18 and beyond.

**“Scotland's Census 2021 will be delivered in partnership with a range of suppliers providing various products, services and support.”**

Privacy, confidentiality and public confidence is of prime importance to Scotland's Census. Individuals need to be confident that their data will be safe and secure. They will need to be informed about how it will be processed and used and who may require access to it. As a key step in this, we have published the first version of the Scotland's Census 2021 Privacy Impact Assessment and are encouraging stakeholders to provide us with feedback. The assessment will evolve and be updated as many of the specific processes, procedures and operational aspects are further defined.



## Registration

This has been a year of consolidation for Registration, with the three large programmes of change implemented over recent years (same-sex marriage, the new death certification system and data-sharing with the Home Office for purposes of immigration checks and sham marriage prevention) now fully embedded, and working well.

We have worked with individual registrars, local councils and the Association of Registrars of Scotland to promote better understanding of the nature of civil marriage in Scotland. This includes the development of materials for use in councils explaining the recent freedoms for registrars and couples (the first wedding to have rings delivered by alpaca), introducing greater clarity on some aspects of policy on marriage and supporting attendance at national events to educate members of the public about legal requirements for marriage, and the opportunities around civil marriage.



The first wedding to have rings delivered by alpacas

We have also concluded two key internal reviews, one seeking to clarify a number of aspects of registration practice which have been undertaken on a custom and practice basis for some time, but which will benefit from explicit policy positions, and the other exploring the future scope and remit of the district examiner role.

In addition, we have continued to work on the process of computerising the examination for the Certificate of Proficiency in the Law and Practice of Registration in Scotland (the registrars' qualification). While this work has not yet concluded, it is important that in moving to a new and more efficient system than the current handwritten tests, we iron out any potential problems and ensure the system is fit for purpose before its introduction.



## Data Resources

In order to help us to improve how we use and improve the value of the information entrusted to us and ensure it is properly safeguarded, we have changed the structure of Data Resources, bringing together our Security, Data Protection, Records Management and Digital and Information strategy teams. In the last year these teams have extensively supported the operation of NRS and in particular they have rolled out a new Records Management Tool to the organisation and started preparing for the new General Data Protection Regulations that will come into force in 2018.

Within the NHS Central Registry we continue to work closely with our partners in Health, Local Authorities and the charities sector supporting their administration and provision of services to the public. Our ongoing services to medical researchers resulted in NHSCR supporting over 90 studies in the last year.

Along with our partners across Government, Health and academia, our data linkage service continues to grow and develop. In the last year we've supported a wide range of linkage projects involving topics including health, education, demographics, homelessness, mental health and the environment. Our direct involvement in the Scottish Longitudinal Study (SLS) and the Scottish Health and Ethnicity Linkage Study (SHELS) also continues. Last year saw SHELS come to the end of its fourth phase with its results being presented at a range of international conferences from Boston to Vienna, major national dissemination events and new journal publications.



## Conservation

Our conservation and preservation work underpins all access to our collections, and preservation includes all the logistical work essential if we are to make archives available – from keeping track of the records to their delivery to the search rooms, as well as ensuring the archives are stored and handled appropriately.

**“During the year 750 linear metres of records were transferred to permanent archival storage, and there were further moves to ensure we are making the best possible use of our storage space while maintaining the highest professional standards.”**

This year conservation colleagues have been doing additional work monitoring environmental conditions at General Register House to ensure the preservation of our buildings and collections while nearby construction work takes place.

During the year 750 linear metres of records were transferred to permanent archival storage, and there were further moves to ensure we are making the best possible use of our storage space while maintaining the highest professional standards.

The team used the Great Seal of Scotland to seal 31 documents during the year on behalf of Registers of Scotland. These included 10 Letters Patent, two Royal Warrants, 18 Commissions, including Nicola Sturgeon's commission to be First Minister, and one Charter.

The work of the conservation team allowed several collections to be opened up for public access, including the glass plate photographic collections of the Upper Clyde Ship Building Collection and High Court of Justiciary processes from 1586-1593.



Sealing of Nicola Sturgeon's Commission



## Digital Archiving

The Digital Preservation Programme has achieved its objectives for this financial year through the successful delivery of two core projects. The Web Continuity project has delivered a web archiving capability that has already begun to capture and preserve the content of Scottish Government websites. The archive can be found at <http://webarchive.nrscotland.gov.uk/>. The Minimum Bit Preservation project has delivered the design and procured a hardware infrastructure that will support all the future developments in the Digital Preservation Programme. This fully delivers against the commitment made in the Scotland's Spending Plans and Draft Budget 2016-17 which states that "NRS will initiate the design of its new Digital Preservation Service". The Project delivered on time, at lower cost than originally estimated, and with an enhanced specification. Next year we will fully configure the infrastructure to automate the process of bit preservation to provide the foundations for a fully automated digital preservation and archive capability in future years.

**"The Project delivered on time, at lower cost than originally estimated, and with an enhanced specification."**

We have been lucky enough to host two trainees this year under the Opening Up Scotland's Archives scheme, administered by the Scottish Council on Archives and funded through the Heritage Lottery Fund's Skills for the Future Programme. They are working on digital preservation guidance and a planning tool. Both products will be launched in 2017 and will directly support Scotland's local authorities, helping them to meet the requirements of the Public Records (Scotland) Act 2011.

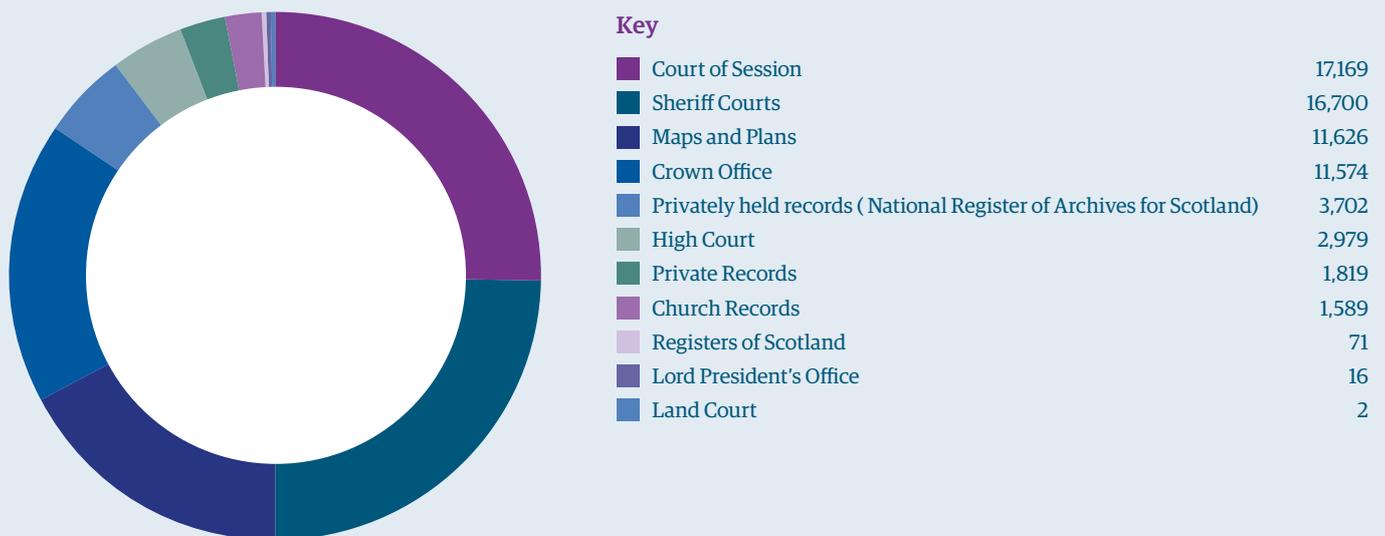


## Cataloguing and Accessions

**Figure 3**  
Chart showing breakdown of public records from government departments catalogued during 2016-17



**Figure 4**  
Chart showing breakdown of court, legal and private records catalogued during 2016-17





## Private Records

During the year, we took in church records for over 65 congregations from several denominations across Scotland. Perhaps the most unusual was a register from the Church of Scotland recording war damage to church buildings and moveable property, 1940-45. The entry for Bearsden South, 14 March 1941, the night of the Clydebank Blitz, states: 'Totally Destroyed. Only walls standing.'

We were grateful to receive a donation of papers from the Finlay family of Edinburgh, including material relating to the related families of Dundas, Pitt-Dundas, Lockhart Ross and Strange, 1784-1988. It includes a comprehensive series of travel journals and diaries (1905-59) for the classical scholar Robert Hamilton Dundas, covering his travels in Europe, the Middle East and Far East, mostly in the 1930s. Significant additions were made to our catalogues for the records of the Earls of Airlie and the charity Children First.



## Court and Legal Records

During the summer we collected and catalogued records from seven sheriff courts, covering the 1970s to the 1990s. The project to catalogue 19th century High Court cases continued and we now have only four years of the century to complete. Similarly long-term work continues on cataloguing the acts and decreets of the 19th Century Court of Session, with the unlisted gap now narrowed to the years 1851 to 1879. All of this work is progressively unlocking major sources for researchers working on Victorian Scotland.



## Declaration of Arbroath recognised by UNESCO

The Declaration of Arbroath, the most famous document in Scotland's history, was added to the UNESCO Memory of the World UK Register this year. The register honours documentary heritage of national and regional significance and raises awareness of the importance of preserving it for future generations. Fiona Hyslop MSP, Cabinet Secretary for Culture, Tourism and External Affairs was presented with the award by the Chair of the UNESCO UK Committee on 5 July 2016.



Cabinet Secretary for Culture, Tourism and External Affairs Fiona Hyslop receiving UNESCO award



### Government Records

On 1 January 2017, Scottish Cabinet papers and Government files from 2001 were opened for the first time. The year saw the appointment of Jack McConnell as First Minister. The Cabinet minutes reflect the transfer of authority from Henry McLeish and other matters of national interest including the government’s response to the foot-and-mouth outbreak.

We catalogued nearly 12,000 new government records including Met Office and Dissolved Companies files for the year 1995. We brought in records as diverse as visitor books from the Scottish Parliament containing the signatures of Her Majesty The Queen and The Duke of Edinburgh, to a Historic Environment Scotland file which refers to using Doune Castle as a venue for the TV series ‘Game of Thrones’.

We obtained Wellcome Trust funding for a two-year project to catalogue and preserve First World War Pensions Appeal Tribunal Records. They contain 30,000 appeals by ex-servicemen who were refused war pensions. The project will start in 2017. As part of events to mark the centenary of WWI a public lecture was given about Military Service Appeal Tribunal records. These contain cases of thousands of men who appealed against military conscription during the First World War.



### National Register of Archives for Scotland (NRAS)

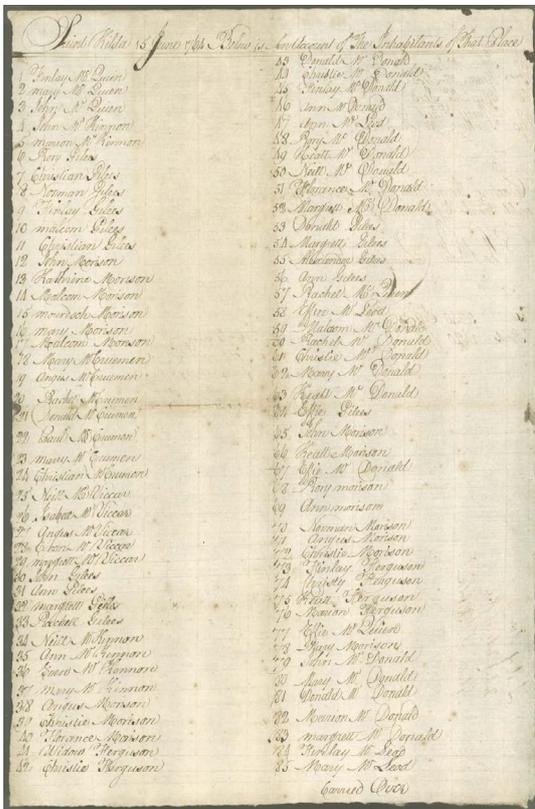


Image of the St Kilda census

In 2016 the NRAS celebrated 70 years of providing advice to private owners of archives, cataloguing their records and organising access for researchers. A series of talks to celebrate the anniversary included presentations by the archivists of the Dukes of Buccleuch and Argyll. Just after Christmas we publicised the exciting discovery of the earliest known census of the inhabitants of St Kilda, dated 1764, found among the papers of the Maclachlan of Maclachlan family. Media interest focussed on the astonishing number of eggs and wild birds eaten by the inhabitants as reported at the end of the census: 36 eggs and 18 birds per day per person.



## Maps and Plans

Highlights from our accessions this year included a small collection of plans and architectural drawings bought at auction. They include a plan of the village of Laurieston, Kirkcudbrightshire (1804), plans of the Skipness and Lochnell estates in Argyll (1862 and 1865), and plans of the lands of Mauldslie, near Carluke, Lanarkshire (1872). Separately, we received a gift of some significant 18th century Perthshire estate plans, including a plan of Taymouth on vellum by Thomas Winter (1754), a book of plans of the lands of Aberfeldy and Murthly by John McArthur (1769), and of Taymouth policies by George Langlands (1786). NRS has long held photocopies of these plans and we are delighted now to have the originals. We have also recently accessioned a collection of plans of Scotland's canal network which include some interesting late 18th and early 19th century examples.



## Public Records (Scotland) Act 2011

We sent our 200th invitation to a public authority to submit their records management plans, issued 52 invitations and agreed 42 plans this year. Since the Act came into force in January 2013 we have agreed 142 plans and remain on target to complete the invitation process by 2018.

This year we developed a new Progress Assessment Mechanism to measure improvement models submitted as part of agreed plans. East Lothian Council shared their experience as the pilot authority at related stakeholder events. We also published Supplementary Guidance on Proper Arrangements for Archiving Public Records, designed to help public authorities named under the Act understand their responsibilities for records identified for permanent preservation.

Outreach activities included giving papers at national and international events such as the Forum for Archives and Records Management Education Research conference in Dundee; a records management seminar run for senior Irish civil servants by the National Archives of Ireland in Dublin, and an Archival Accountability Gap conference at Northumbria University. We also prepared significant briefing for Joe FitzPatrick MSP, Minister for Parliamentary Business, when he attended the Open Government Partnership Global Summit seminar in Paris, and gave presentations to visiting groups from the People's Republic of China and Iceland.

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Record management  
plans agreed  
**42**

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Invited authorities to  
submit their plans  
**52**

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Total plans agreed  
**142**



## ScotlandsPeople

We launched an extensive upgrade to our ScotlandsPeople genealogy website with a fresh look and several new features that allow our customers to more easily locate and view our records. For the first time customers can search across the indexes of all our record sets for free and we have seen a 13% increase in the number of sessions since re-launch.

In preparation for the new ScotlandsPeople website we created 28 features about people, events and records, and continue to build on this creating a further 19 since the site went live. We added more than 150,000 baptism entries from Scottish Presbyterian churches to our collection.

A new digital service was introduced enabling customers to order and pay for birth, death, marriage and other official documents online using ScotlandsPeople.



## Search Rooms

We welcomed over 20,000 visitors to our ScotlandsPeople centre and Historical Search Room. We provided 53,136 official certificates from our Statutory, Census and Old Parish Records and 829 official extracts for our property records.



## Outreach

We commemorated the centenary of the Battle of the Somme by telling the stories of several Scots soldiers in special online features on the NRS and the ScotlandsPeople websites. Life on the Home Front was explored in an article about munitions workers.

Visitors to our websites can learn even more about our archives in our expanded learning resources about the [First World War](#) and other [general features](#).

We loaned documents to the 'Celebrate' exhibition at Tullie House, Carlisle, seen by almost 3,000 visitors, and to the National Library of Scotland's exhibition 'Plague!' which ended in May 2016.

We delivered a programme of talks by staff and outside experts to 825 visiting adult learners, undergraduates and postgraduates.

About 1,200 people enjoyed special access to General Register House and the Archivists' Garden on Doors Open Day on 24 September.



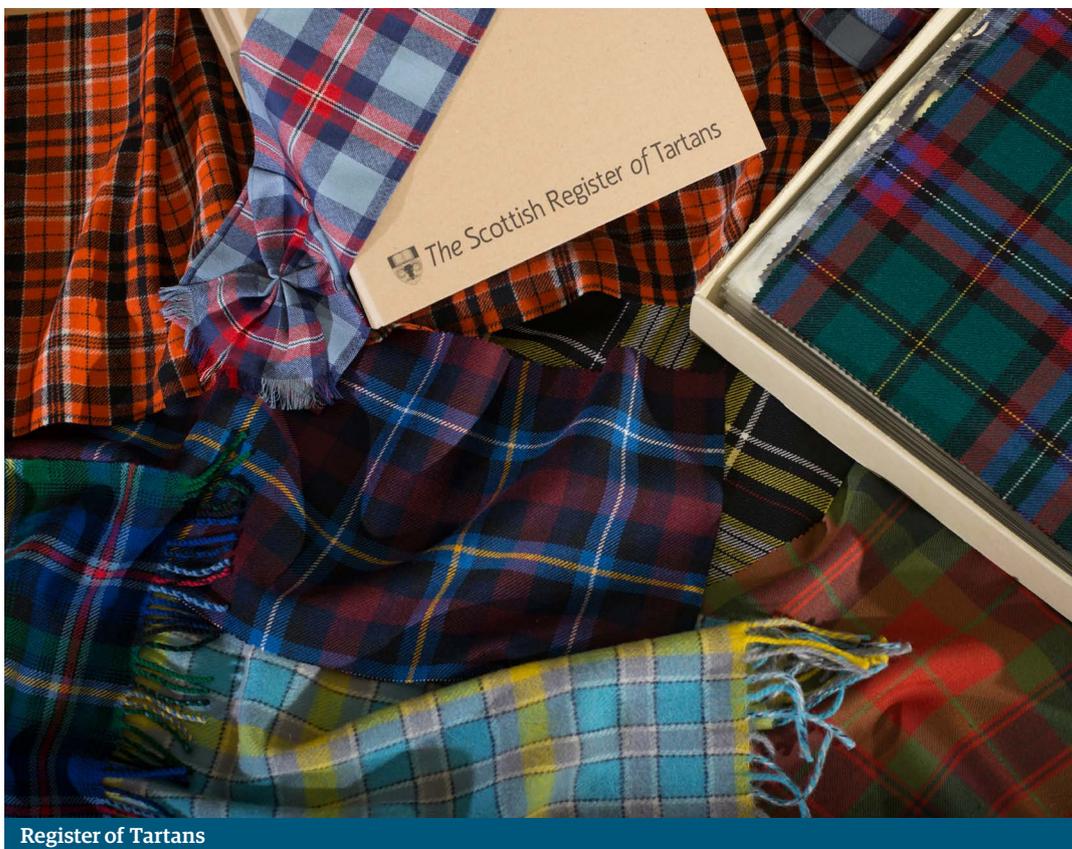
Historical Search Room



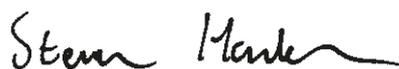
## The Scottish Register of Tartans

The number of tartans registered on the Scottish Register of Tartans website continued to increase to 259 exceeding last year's total by 17.

Notable registrations during 2016-17 from the Scottish Arts and Culture sector included tartans for the Edinburgh Festival Fringe, the Edinburgh International Film Festival and the Royal Conservatoire of Scotland. From the world of food and drink we had registrations from Nando's Restaurants and representing the Scotch Whisky industry were Glenlivet and Talisker. Tartans were also registered in the "District" category for the picturesque Scottish islands of Eriskay and Raasay.



Register of Tartans



Steven Hanlon  
Accountable Officer  
31 August 2017

## Accountability Report and Financial Statements for the Year Ended 31 March 2017

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## Accountability Report for the Year Ended 31 March 2017

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

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

### Corporate Governance Report

The Corporate Governance Report consists of:

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

### Director's Report

#### Basis of Accounts

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounts direction is reproduced at page 85 of these accounts.

#### Departmental Accounting Boundary

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

## Ministers and Senior Officers

National Records of Scotland (NRS) is a non-ministerial department (NMD) within the Scottish Administration. It is headed by a Chief Executive, who fulfils the role of two non-ministerial office holders, the Registrar General for Scotland and the Keeper of the Records of Scotland. The Chief Executive reports to the Scottish Government’s Director of Culture, Tourism and Major Events and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Tourism and External Affairs. During the year from 1 April 2016 to 31 March 2017, this post was held by Fiona Hyslop MSP.

## Composition of Boards

The governance structure for NRS is shown in Figure 1 below.



During 2016-17, NRS has begun a review of its governance, operating model and leadership roles. This review will continue over the course of 2017-18 and its findings are likely to have implications for the governance structure described here.

The following sections provide information on the membership and remits of the groups that comprise the governance structure.

## The Management Board

The Management Board (MB) advises the Chief Executive on the operations of NRS, with a particular focus on the strategic direction of the organisation, checking it is on track to deliver its purpose and vision. It considers the balance between business as usual and transformation activities in the portfolio and uses experience of Non-Executive Directors (NXDs) to identify opportunities and emerging issues that NRS should consider. The Board meets quarterly and in 2016-17 comprised the Chief Executive (Chair), three Business Leads and seven NXDs. NRS registers Management Board interests and members are asked to declare any relevant interests at meetings. No members hold outside interests which are considered to conflict with their NRS responsibilities.

The Management Board comprises:

- Tim Ellis (Chair)
- Ian Doig (NXD; appointment ended 31 March 2017)
- Michael Moss (NXD; appointment ended 31 March 2017)
- Bill Matthews (NXD)
- Colin Ledlie (NXD)
- Mandy Gallacher (NXD)
- Catherine McFie (NXD)
- Gordon Shipley (NXD)
- Laura Mitchell (Business Lead)
- Penni Rocks (Business Lead and Accountable Officer until 27 January 2017)
- Anne Slater (Business Lead from 30 January 2017)
- Amy Wilson (Business Lead)

## The Audit and Risk Committee

The Audit and Risk Committee supports the Accountable Officer with regard to the efficient and effective use of income and expenditure and the associated responsibilities around risk, control, governance and assurance. The Committee meets quarterly and is chaired by an NXD with the rest of the membership made up of other NXDs alongside SG Internal Audit, External Audit and representatives from SG Finance Directorate, who attend by invitation.

The Audit and Risk Committee comprises:

- Ian Doig (Chair; appointment ended 31 March 2017)
- John Aldridge (NXD; appointment ended 31 March 2017)
- Michael Moss (NXD; appointment ended 31 March 2017)
- Mandy Gallacher (NXD)
- Gordon Shipley (NXD)
- Bill Matthews (NXD)
- Colin Ledlie (NXD)

Following the conclusion of Ian Doig's appointment as NXD, Colin Ledlie succeeded him as chair of the Audit and Risk Committee on 1 March 2017.

## The Business Leadership Group

The Business Leadership Group (BLG) is responsible for delivering the day-to-day management of NRS to ensure that it achieves its purpose and vision. BLG has responsibility for overseeing the Portfolio of core business, programmes and projects, and also identifying future priorities. The Group meets quarterly, is chaired by the Chief Executive and comprises all of the business leads of NRS. Other NRS staff attend by invitation.

Membership during the year was as follows:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Penni Rocks	Accountable Officer & Head of Business Portfolio & Corporate Services (until 27 January 2017)
Steven Hanlon	Accountable Officer (from 27 January 2017) & Chief Finance Officer (from 16 January 2017)
Amy Wilson	Head of Statistical Futures
Kirsty MacLachlan	Head of Demographic Statistics
Rod Burns	Head of Registration, Deputy Registrar General
Anne Slater	Head of Public Services & Head of Business Portfolio & Corporate Services (from 30 January 2017)
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records
Gerry Donnelly	Head of Data Resources
Tim Gollins	Head of ICT (from 30 January 2017)

## The Corporate Leadership Group

The Corporate Leadership Group (CLG) is responsible for the strategic direction towards delivery of the vision, ensures implementation of Management Board decisions and oversees transformation of the organisation. The Group meets monthly, is chaired by the Chief Executive and comprises some of the business leads of NRS.

Membership during the year was as follows:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Penni Rocks	Accountable Officer and Head of Business Portfolio & Corporate Services (until 27 January 2017)
Anne Slater	Head of Business Portfolio & Corporate Services (from 30 January 2017)
Amy Wilson	Head of Statistical Futures
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records

## Handling of Personal Data

We handle a large volume of personal and sensitive information every year and understand the risks associated with this. We treat maintaining the privacy of the information entrusted to us with the highest importance. In 2016-17 we reported one incident to the Information Commissioners Office (ICO). Our Service Provider had a technical error which impacted 192 customers who, for a period of 35 hours, were able to see a different customer's account details should they have gone into the 'My Account' area of the website. The minimum information that could have been seen would have been an email address, forename and surname, and 45 of the 192 accounts also held address information.

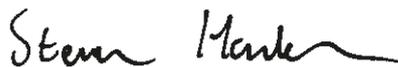
The ICO investigated the incident and concluded that, because the personal data involved in this incident was very limited and the incident was quickly resolved, in their view the incident did not meet the criteria set out in their Data Protection Regulatory Action Policy and so no further regulatory action was required.

The ICO did suggest that NRS should review its procedures and training in this area, which we have done with our service provider. Immediate, tactical and strategic measures were implemented to ensure that this incident could not re-occur. This included adding failsafe mechanisms to the underlying databases and improved database configuration, which were implemented in January 2017.

## Independent Auditors

Responsibility for auditing the accounts of NRS lies with the Auditor General for Scotland. Audit Scotland were appointed as NRS external auditors on behalf of the Auditor General for Scotland for the period 1 April 2016 to 31 March 2017.

The external auditors were remunerated in the sum of £62,640 in respect of statutory audit services for the financial year 2016-17. The fees payable to the external auditors are shown in the Statement of Comprehensive Expenditure and in Note 3 to the accounts. There were no payments made for non-audit work during the year.



Steven Hanlon  
Accountable Officer  
31 August 2017



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

In accordance with an accounts direction issued under article 19(4) of The Public Finance and Accountability (Scotland) Act 2000 National Records of Scotland (NRS) is required to prepare resource accounts for each financial year in the form and on the basis set out in the Accounts Direction reproduced on page 85 of this document.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NRS, the net resource outturn, resources applied to objectives and cash flows for the financial year.

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

- observe the accounts direction including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

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

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

The Accountable Officer has a separate, and independent, duty to ensure certain standards and to take action if these are not met. The Chief Finance Officer has been appointed by the Principal Accountable Officer as Accountable Officer for NRS.



The responsibilities as the Accountable Officer for NRS include the propriety and regularity of the public finances for which he is responsible, keeping proper records and safeguarding NRS assets. These responsibilities are described in full in the 'Memorandum to Accountable Officers from the Principal Accountable Officer' published in the Scottish Public Finance Manual.

### Accountable Officer's Declaration

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

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

Steven Hanlon  
Accountable Officer  
31 August 2017

## Governance Statement

### Scope of Responsibility

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

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

### Purpose of the Governance Report

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

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our purpose and objectives; to evaluate the likelihood of those risks being realised, and the impact should they be realised; and to manage them efficiently, effectively and economically. This process is integral to our business planning and progress monitoring regime and accords with the Scottish Public Finance Manual. The supervision of the regime is undertaken by the executive managers of business areas within our organisation.



## Governance of NRS

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

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

Scottish Government has specific responsibilities with regard to NMDs which are set out in an individual framework document covering accountability arrangements and other relevant matters.

The RG/Keeper is assisted in his role by the Management Board, which supports and advises him. I am supported in discharging my responsibilities as Accountable Officer by the Audit and Risk Committee. Details of the remit and composition of both the Management Board and the Audit and Risk Committee can be found in the Director's Report, on pages 28-32.

## Financial Management

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

The budget for NRS is set in the context of the Scottish Government's annual budget process. The Management Board and Business Leadership Group receive at each meeting a financial update which highlights performance in the year-to-date and the current forecast to the end of the year. In addition, NRS provides monthly financial monitoring information to Scottish Government Finance Directorate.

## Planning and Risk Management Arrangements

### Planning

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

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

Under the reporting model put in place during 2016-17, owners of objectives on the business plan are required to report on progress and risks to delivery quarterly. This is then reported to the Business Leadership Group, which is responsible for holding managers to account for the delivery of objectives.

### Risk and Benefits Management

We have put in place a risk management framework that helps us take a structured and consistent approach to identifying and managing the threats and opportunities associated with delivering both our long-term and short-term strategic priorities. Risks are identified and prioritised with reference to NRS' objectives and to the external and internal context in which they arise. Key elements of the risk management framework are:

- The Management Board, led by the Chief Executive, has overall responsibility for reviewing and monitoring strategic risk, and risk across NRS' portfolio of activities is a regular agenda item at meetings;
- The Business Leadership Group has lead responsibility for managing operational risk in NRS and receives regular reports from managers on the status of operational risks;
- NRS senior managers have responsibility for identifying, evaluating and managing operational and strategic risk within their areas and for escalating risks to Management Board or Business Leadership Group as appropriate, following guidelines which are set out in the framework; and
- The Audit and Risk Committee reviews risk across the organisation at each meeting. The Audit and Risk Committee advises the Chief Executive and Management Board on the management of risks and supports me, as Accountable Officer, in my responsibility to ensure that risk management and internal control arrangements are sound.

Significant strategic risks that NRS is currently managing include:

- Ensuring that we have the specialist skills that we require to support our activities and deliver our key programmes, most notably Census 2021 and its supporting activities; and
- Developing our physical and ICT infrastructure so that it meets our current and future demands, helps us ensure business continuity and supports the safeguarding of the information assets and personal data we hold.

## Business Continuity

In the event of an incident resulting in a loss of resource (people, premises, technology, information and/or supplies), NRS' business continuity aim is to protect the records and information within our control; to satisfy statutory and legal responsibilities; to maintain communication with customers and stakeholders; to continue services at a level that will safeguard our credibility; and to keep all other impacts within acceptable limits. NRS operates a Business Continuity Management System to coordinate contingency planning across the organisation, and has incident control arrangements in place to ensure the protection, preservation and restoration of our valuable records. Our recent focus has been on improving our IT disaster recovery capability and an ICT Disaster Recovery Plan has been developed to ensure that services will be maintained or recovered in an efficient and prioritised manner. The Audit and Risk Committee continues to take an active interest in our contingency planning.

## Asset Management and Counter-Fraud

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

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

During 2016-17 we have worked on raising awareness of fraud through a combination of staff messages and physical signage across our estate. For 2017-18 we will look at how we operate on a day-by-day basis to identify any potential vulnerabilities and to ensure proportionate counter-fraud controls are in place. We will continue to highlight to staff our zero tolerance approach to fraud and will also introduce mandatory counter-fraud training.

An Asset Management Policy has been developed that provides a framework within which all NRS assets can be managed effectively. In implementing this policy, we have been reviewing our physical asset controls by focusing on how we take assets in, how we protect them and how we dispose of them at end of life. This work will continue into 2017-18.

## Information Security

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

NRS adheres to all relevant legal requirements, follows the principles of the International Security Standard (ISO27001) and works within HM Government Security policies and guidance as well as following various relevant professional codes of conduct. All staff and contractors employed in NRS are required to undergo pre-employment checks carried out to the Baseline Personnel Security Standard (BPSS) which is outlined in the HMG Security Policy Framework.

All staff undertake mandatory annual data protection training and all new staff attend a new entrant security/data handling seminar. During the year, there were 15 face-to-face Information Security User Education seminars. Furthermore, all existing staff receive regular security bulletins. We have in place a programme of Security Risk Assessment, IT checks and audits across our whole business and have established a senior level Information Board chaired by the Chief Executive that will take a strategic view of our Information Risks and the associated Governance and Assurance activity.

## Programmes and Projects

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

Our key programmes and projects are summarised below.

## 2021 Census

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

The risk of failure to meet the primary aims of the 2021 Census is a key risk for NRS, due to its impact on policy and funding across the public sector and wider stakeholders, and the potential for reputational damage to NRS. This risk is being managed through strong engagement with stakeholders, including the Scottish Government as funders of the programme, market engagement to test whether the packages of services that the census will rely on can be delivered and through the use of independent assurance mechanisms such as internal audit, gateway reviews and the Scottish Government Digital assurance process for ICT programmes.

## Digital Preservation Programme

The Keeper of the Records of Scotland has a statutory duty to preserve and make available records created by him or deposited by stakeholder bodies, including Scottish Government, Scottish Courts and the Scottish Parliament. This purpose of this project is to deliver the capability to discharge this duty for records that have been created in digital, rather than paper, form. A key risk that the programme is currently managing is the availability of the specialist skills required for successful delivery. This risk has been managed until now through the use of contractors to provide the required skills, and plans for resourcing the programme in the medium term are currently being developed.

## IT Solution (ITSol)

The primary aim of this programme is to bring all NRS staff together onto a common desktop, corporate applications, intranet, file system and email system so that we can work more efficiently and communicate more effectively, consistently and securely. This programme is approaching completion, with two of the three projects in the current tranche completing in quarter 1 of 2017-18 and the third due to complete in quarter 2 of 2017-18.



## Estates Strategy

The goals of this programme are to provide archival storage to meet current and future needs, to support the development of NRS into a more cohesive and collaborative organisation through colocation of staff in modern, flexible office accommodation, and to reduce the operational and administrative costs associated with the estate. Plans for enhanced archival storage are being pursued in partnership with other Scottish Administration bodies, while options for office accommodation are currently being developed and assessed.

## ScotlandsPeople

The new ScotlandsPeople website provides an expanded and richer web service, offering users a wider range of our images and records than has previously been available. The new website was successfully launched in September 2016 and has seen a 13% increase in user sessions and a 32% increase in page views compared to the previous year. The programme is now focused on improving site functionality, updating images and indexes and preparing to roll the new service out in our public Search Rooms.

## Review of Effectiveness

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

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

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

As noted in the Director's Report above, NRS is in the process of reviewing its operating model, governance and leadership arrangements. This work will continue in 2017-18 and will provide an opportunity to strengthen the existing governance and internal control system.

Based on these reviews and my own knowledge of internal control matters, I am satisfied that during the year the system of internal control was effective in helping us to meet NRS' policies, aims and objectives and, while recognising that there are improvements still to be fully implemented, that there were no significant matters arising.



Steven Hanlon  
Accountable Officer  
31 August 2017

## Remuneration and Staff Report

The Remuneration and Staff Report consists of two elements:

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

### Remuneration Report

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

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

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



## Salaries

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

### Single total figures of remuneration 2016-17: <sup>(1), (2), (3)</sup>

Management Board Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits <sup>(5)</sup> (£'000)		Total (£'000)	
	2016-17	Restated 2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	Restated 2015-16
Tim Ellis Chief Executive	75-80	75-80	-	-	-	-	30	35 <sup>(6)</sup>	105-110	110-115 <sup>(6)</sup>
Penni Rocks <sup>(7)</sup> Head of Business Portfolio & Corporate Services, Accountable Officer - left post 27 January 2017	55-60	65-70	-	-	-	-	15	25	70-75	90-95
Amy Wilson <sup>(8)</sup> Head of Statistical Futures	55-60	45-50 <sup>(9)</sup>	-	-	-	-	44	32 <sup>(6)</sup>	100-105	75-80 <sup>(6)(9)</sup>
Laura Mitchell <sup>(8)</sup> Head of Records and Archives Services	55-60	50-55 <sup>(9)</sup>	-	-	-	-	42	28	95-100	80-85 <sup>(9)</sup>
Anne Slater <sup>(7)</sup> Head of Public Services - joined 27 January	10-15	-	-	-	-	-	3	-	10-15	-
Michael Moss <sup>(4)</sup> Non-Executive - retired 16 February 2017	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Ian Doig <sup>(4)</sup> Non-Executive - retired 16 February 2017	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Bill Matthews <sup>(4)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Catherine McFie <sup>(4)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Colin Ledlie <sup>(4)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Gordon Shipley <sup>(4)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Mandy Gallacher <sup>(4)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5

(1) The figures within the 2016-17 table above, both pension tables below and the median pay reported below are the only parts of the Remuneration Report audited by external audit. External Audit review the unaudited section of the remuneration report and staff report for consistency with the audited accounts.

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

(3) In line with Scottish Government pay policy arrangements, no performance related awards apply for 2015-16 and 2016-17.

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

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



(6) Figures include values for Principal Civil Service Pension Scheme ("PCSPS") and also Alpha Pension Scheme.

(7) Full year equivalent salary band 65-70.

(8) Part time members, full time equivalent salary band 65-70.

(9) 2015-16 Restated to show part time salary.

## Fair Pay Disclosure

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

The banded remuneration of the highest-paid director in NRS in the financial year 2016-17 was £75-80k (2015-16: £75k-80k). This is 2.9 times the median remuneration of the workforce, which was £25-30k (2015-16: 2.9 times, median £25-30k). The range between the lowest and highest remuneration bands was £15-20k to £75-80k (2015-16: £15-20k to £75-80k).

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

## Benefits In Kind

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



## Civil Service Pensions

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

### Single total figures of pensions 2016-17:

Management Board Officials	Accrued pension at pension age as at 31/3/17 and related lump sum £'000	Real increase in pension and related lump sum at pension age at 31/3/17 £'000	CETV at 31/3/17 <sup>(1)</sup> £'000	CETV at 31/3/16 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Tim Ellis Chief Executive	25-30 plus lump sum of 70-75	0-2.5 <sup>(10)</sup> plus lump sum of 0-2.5	427	396 <sup>(11)</sup>	12 <sup>(11)</sup>	-
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer - left post 27 January 2017	20-25 plus lump sum of - <sup>(10)</sup>	0-2.5 plus lump sum of - <sup>(10)</sup>	366	346	13	-
Amy Wilson Head of Statistical Futures	15-20 plus lump sum of 35-40	0-2.5 <sup>(10)</sup> plus lump sum of 2.5-5	238	202 <sup>(11)</sup>	25 <sup>(11)</sup>	-
Laura Mitchell Head of Records and Archives	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5	439	392	28	-
Anne Slater Head of Public Services	20-25 plus lump sum of 80-85	0-2.5 plus lump sum of 0-2.5	517	513	2	-

(10) Officer in premium pension scheme with no automatic lump sum.

(11) Figures include values for Principal Civil Service Pension Scheme ("PCSPS") and also Alpha Pension Scheme.



### Single total figures of pensions 2015-16:

Management Board Officials	Accrued pension age as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at 31/3/16	CETV at 31/3/16	CETV at 31/3/15	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Tim Ellis Chief Executive	20-25 plus lump sum of 70-75	0-2.5 <sup>(14)</sup> plus lump sum of 0-2.5	396 <sup>(14)</sup>	341	15 <sup>(14)</sup>	-
Audrey Finch-Robertson Head of Corporate Services, Accountable Officer - resigned 8 April 2015	- plus lump sum of -	- plus lump sum of -	-	259	-	-
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer - from 8 April 2015	15-20 plus lump sum of <sub>-(13)</sub>	0-2.5 plus lump sum of <sub>-(13)</sub>	346	297	22	-
Amy Wilson Head of Statistical Futures	10-15 plus lump sum of 35-40	0-2.5 <sup>(14)</sup> plus lump sum of 0-2.5	202 <sup>(14)</sup>	167	17 <sup>(14)</sup>	-
Laura Mitchell Head of Records and Archives	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 2.5-5	392	340	22	-

(13) Officer in premium pension scheme with no automatic lump sum.

(14) Figures include values for Principal Civil Service Pension Scheme ("PCSPS") and also Alpha Pension Scheme.

## Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

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

## Staff Report

### Our People

We have 408 members of staff. The senior team, called the Business Leadership Group (BLG) comprises nine members (including the Chief Executive). Only one member of the BLG is in the Senior Civil Service, but all members of the team are included in the statistics below.

Staff Information	2016-17	2015-16
Staff (whole time equivalent)	408	393
Staff turnover	11.1%	11.4%
Sick absence/person	10.4 days	8.3 days
Male/Female staff %	51/49%	51/49%
Male/Female Board members % (Management Board)	55/45%	55/45%
Male/Female Senior Management %	45/55%	30/70%

### Pay

We follow Scottish Government Pay Policy for Staff Pay Remits regarding pay increases. The key features of the 2016-17 policy were that inflationary pay increases were set at 1%, and a minimum increase of £400 per year for staff earning £22,000 per year or less. Staff pay will increase by the annual progression steps that are set out within the current pay scheme. Information on the cost of staff pay in 2016-17 is provided on page 51, under 'Staff Numbers and Related Costs'.



## Pension Benefits

Pension benefits for our staff are provided through Civil Service pensions arrangements, predominately the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos or alpha). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase Legislation. Members joining from October 2002, or any members who are eligible to participate in alpha, may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3.8% and 8.05% of pensionable earnings. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos and alpha, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase Legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach normal pension age (NPA) or immediately on ceasing to be an active member of the scheme if they are already at or over NPA. NPA is 60 for members of classic, premium and classic plus and 65 for members of nuvos. For members of alpha, NPA is linked to their state pension age. Further details about the Civil Service pension arrangements can be found on the website <http://www.civilservice.gov.uk/pensions>.

Further details of pensions costs and contributions during 2016-17 can be found under 'Staff Numbers and Related Costs' and 'Pension Costs' below.



## Sickness Absence

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

## Civil Service Employee Survey 2016

In October 2016, our staff were asked to participate in the annual employee survey. This was part of a Civil Service-wide survey which measured the extent of employee engagement within the organisation. A total of 63% of staff participated and we achieved an overall engagement score of 53%. A copy of the results can be found on our [website](#).

## Equality and Diversity

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

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

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

A copy of both our Mainstreaming Report and Equality Outcomes, published on 1 April 2013, and an Update Report published in June 2015 can be found on our [website](#).

## Disability

NRS follows the Scottish Government Diversity Policy which states that: All staff should be treated equally irrespective of their sex, marital/civil partnership status, maternity/paternity status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity (transgender), caring responsibility, or trade union membership.

The Equality Act makes it illegal to discriminate against disabled people in the areas of recruitment and promotion. As an employer, we ensure that at no point in the selection process do the arrangements or criteria used, put disabled candidates at a disadvantage compared to candidates who do not have a disability. This applies when filling any post and not just to external recruitment. If any candidate meets the minimum advertised criteria for any post, and they have a disability as defined by the Equality Act, they are guaranteed an invite to interview or assessment centre.



Under the Equality Act 2010, NRS, as an employer, is required to make reasonable changes to our premises or employment arrangements if these substantially disadvantage disabled employees, or prospective employees. We call these changes 'reasonable adjustments'. Some of the adjustments we have made are procurement of adapted ICT equipment, furniture and telephones. Reasonable adjustment is also taken into consideration when assessing an individual's performance as part of the Annual Performance Appraisal cycle.

As part of their induction to NRS, all staff must complete mandatory Diversity Training via an online package. The training deals with all protected characteristics including disability.

To assist us to monitor our staff make-up, develop better policies and ensure that we can put in place reasonable adjustments in the workplace, all staff are encouraged to record their disability on their own online HR record (e-HR).

## Staff Numbers and Related Costs

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

	2016-17 Average W.T.E Staff	2015-16 Average W.T.E Staff
Registration	32	32
Statistical futures	43	20
Demographic statistics	31	34
Data resources	22	30
Records & archives services	51	51
Public services	104	103
Business portfolio & corporate services	46	64
ICT	70	53
Senior management, strategy & communications	9	6
<b>Total</b>	<b>408</b>	<b>393</b>

*Staff numbers reported against Corporate Services incorporate any staff assigned during the year to a centrally managed budget for the purposes of managing maternity leave and long-term sick. These figures, as well as the staff and pension costs below, are subject to external audit.*

Average WTE staff numbers during 2016-17 can be broken down into 354 permanent staff and 54 temporary staff (2015-16: 361 and 32 respectively). The principal contributions to the changes in staff numbers in 2016-17 compared to 2015-16 have been the increase in resources within Statistical Futures as planning and procurement activity for the 2021 Census has stepped up, and the use of external staff secured through a service contract with our ICT business area.

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

	2016-17	2016-17	2016-17	2015-16	2015-16	2015-16
	Permanent Staff	Temporary Staff	Total Staff	Restated Permanent Staff	Restated Temporary Staff	Restated Total Staff
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	10,197	4,664	14,861	9,830	2,704	12,534
Social security costs	975	18	993	700	23	723
Pension costs	2,065	38	2,103	1,997	64	2,061
Other staff costs	93	-	93	43	-	43
<b>Total</b>	<b>13,330</b>	<b>4,720</b>	<b>18,050</b>	<b>12,570</b>	<b>2,791</b>	<b>15,361</b>

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

## Exit Packages

There were no exit packages incurred during the year (2015-16 Nil).

## Pension costs

The PCSPS is unable to identify individual employers' shares of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2012. Details can be found in the separate scheme statement for the PCSPS (Cabinet Office: Civil Superannuation [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)).

For 2016-17 employers' contributions of £2,103k (2015-16: £2,061k) were payable to PCSPS at one of five rates in the range 20 to 24.5% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this year to existing pensioners.

Employees who are eligible to join the alpha scheme could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. From October 2015 employer contributions are age-related and range from 8 to 14.75% of pensionable pay. There were no contributions due to the partnership pension or prepaid at the balance sheet date.

For 2016-17 the value of Employers' Contributions relating to the partnership pension account was £26,405.64 (2015-16: £27,349.09).



Steven Hanlon  
Accountable Officer  
31 August 2017

## Parliamentary Accountability and Audit Report

The Parliamentary Accountability and Audit Report consists of:

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

## Parliamentary Accountability Report

### Regularity of Expenditure

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

Losses during the year were reported at £2k (2015-16: £6k). Special payments of £7k were made during the year (2015-16: nil).

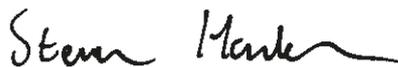
### Fees and Charges

Details of income gathered by NRS through fees and charges can be found in Note 4 to the financial statements, on page 69. This note also gives details of the financial objectives of the fees and charges and performance against these objectives.

### Remote Contingent Liabilities

The Financial Reporting Manual states that where information about contingent liabilities is not required to be disclosed because the likelihood of a transfer of economic benefits is considered too remote, they should be disclosed separately for parliamentary reporting and accountability purposes. NRS does not have any remote contingent liabilities at 31 March 2017.

The information in this report is subject to audit.



Steven Hanlon  
Accountable Officer  
31 August 2017



## Independent Auditor's Report to the Members of National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament

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

### Report on the audit of the financial statements

#### Opinion on Financial Statements

I have audited the financial statements in the annual report and accounts of National Records of Scotland for the year ended 31 March 2017 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016-17 Government Financial Reporting Manual (the 2016-17 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016-17 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

## Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of the Accountable Officer for the financial statements

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

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

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

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



## Other information in the annual report and accounts

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

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## Report on regularity of expenditure and income

### Opinion on regularity

In my opinion in all material respects:

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

### Responsibilities for regularity

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

## Report on other requirements

### Opinions on other prescribed matters

I am required by the Auditor General for Scotland to express an opinion on the following matters.

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

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

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

### Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.



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

31 August 2017



## Financial Statements for the year ended 31 March 2017

### Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2017

	Note	2016-17 £'000	2015-16 Restated £'000
<b>INCOME</b>			
<b>Operating Income</b>	4	<b>(6,049)</b>	<b>(6,143)</b>
Fees & charges for records and services	4	(5,712)	(5,833)
Property rental income	4	(337)	(310)
<b>EXPENDITURE</b>			
<b>Staff Costs</b>	2	<b>18,050</b>	<b>15,361</b>
<b>Operating Expenditure</b>	3	<b>10,912</b>	<b>10,418</b>
Depreciation and amortisation	6	1,656	1,332
Movement on provisions	10	(158)	18
Grants	3	188	140
Other operating expenditure	3	9,225	8,928
<b>Net Operating Costs for the Year</b>		<b>22,913</b>	<b>19,636</b>
<b>Other Comprehensive Income</b>		<b>(934)</b>	<b>(617)</b>
Revaluation gain	6	(934)	(617)
<b>Total Comprehensive (Income)/Expenditure for the Year</b>		<b>21,979</b>	<b>19,019</b>

The notes on pages 62 to 84 form part of these financial statements.



## Statement of Financial Position as at 31 March 2017

	Note	2016-17 £'000	Restated 2015-16 £'000	Restated 2014-15 £'000
<b>Non-Current Assets</b>				
Property, plant & equipment	6	17,500	16,665	16,785
Intangible assets	6	9,245	8,228	7,323
Trade and other receivables	7	166	152	70
		26,911	25,045	24,178
<b>Current Assets</b>				
Trade and other receivables	7	1,353	1,474	1,406
Cash and cash equivalents	8	1	1	1
		1,354	1,475	1,407
<b>Total Assets</b>		<b>28,265</b>	<b>26,520</b>	<b>25,585</b>
<b>Current Liabilities</b>				
Trade and other payables	9	2,481	1,931	1,805
Provisions for liabilities and charges	10	22	158	148
<b>Non-Current Assets Less Net Current Liabilities</b>		<b>25,762</b>	<b>24,431</b>	<b>23,632</b>
<b>Non-Current Liabilities</b>				
Provisions for liabilities and charges	10	31	143	234
<b>Net Assets</b>		<b>25,731</b>	<b>24,288</b>	<b>23,398</b>
<b>Taxpayers' Equity</b>				
General Fund	SoCTE	19,290	18,388	17,786
Revaluation Reserve	SoCTE	6,441	5,900	5,612
<b>Total Equity</b>		<b>25,731</b>	<b>24,288</b>	<b>23,398</b>

The notes on pages 62 to 84 form part of these financial statements.

Steven Hanlon  
Accountable Officer  
31 August 2017

*The Accountable Officer authorised these financial statements for issue on 31 August 2017.*

## Statement of Cash Flows for the Year Ended 31 March 2017

		2016-17 £'000	2015-16 £'000
<b>Cash flows from operating activities</b>			
Net operating cost	Note SoCNE	(22,913)	(19,636)
<b>Adjustments for non cash transactions</b>			
- depreciation	3	1,656	1,332
- gain on disposal of non-current assets	3	2	-
- audit fee	3	63	60
<b>Movements in working capital</b>			
-(Increase)/decrease in receivables	7	107	(150)
-(Decrease)/increase in payables	9	550	126
-(Decrease)/increase in provisions	10	(248)	(81)
<b>Net cash outflow from operating activities</b>		<b>(20,783)</b>	<b>(18,349)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(1,113)	(315)
Purchase of intangible assets	6	(1,465)	(1,185)
Proceeds from disposal of property, plant and equipment	6	2	-
<b>Net cash flow from investing activities</b>		<b>(2,576)</b>	<b>(1,500)</b>
<b>Cash flows from financing activities</b>			
Funding	SoCTE	23,359	19,849
Cash flows from financing activities		23,359	19,849
<b>Net movement in cash and cash equivalents</b>		<b>8</b>	<b>-</b>
Cash and cash equivalents at beginning of year	8	1	1
Cash and cash equivalents at end of year	8	1	1

The exact sum of Parliamentary net funding drawn during the 2016-17 financial year was £23,358,679.25.

The notes on pages 62 to 84 form part of these financial statements.

## Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2017

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
<b>Balance at 1 April 2016</b>		<b>18,388</b>	<b>5,900</b>	<b>24,288</b>
Net operating costs for the year ended 31 March 2017	SoCNE	(22,913)	-	(22,913)
Revaluation adjustment	6	-	934	934
Transfers between reserves	6	393	(393)	-
Non cash charges - auditors' remuneration & impairment	3	63	-	63
Net funding		23,359	-	23,359
<b>Balance at 31 March 2017</b>		<b>19,290</b>	<b>6,441</b>	<b>25,731</b>

## Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2016

	Note	Restated General Fund £'000	Revaluation Reserve £'000	Restated Total Equity £'000
<b>Balance at 1 April 2015</b>		<b>17,786</b>	<b>5,612</b>	<b>23,398</b>
Net operating costs for the year ended 31 March 2016	SoCNE	(19,636)	-	(19,636)
Revaluation adjustment	6	-	617	617
Transfers between reserves	6	329	(329)	-
Non cash charges - auditors' remuneration & impairment	3	60	-	60
Net funding		19,849	-	19,849
<b>Balance at 31 March 2016</b>		<b>18,388</b>	<b>5,900</b>	<b>24,288</b>

The notes on pages 62 to 84 form part of these financial statements.

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the principles and disclosure requirements set out in the Financial Reporting Manual (FRoM) for 2016-17, published by HM Treasury. The financial statements have been prepared on a going concern basis. The FRoM interprets and applies International Financial Reporting Standards (IFRS) to the central government context. Where the FRoM and IFRS permit a choice of accounting policy, the policy judged most appropriate to the circumstances of National Records for Scotland has been selected. The accounting policies described below have been applied consistently to all material items within the financial statements.

#### 1.1 Key Estimates

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

##### [Property, Plant and Equipment](#)

Valuations and useful life estimates in respect of NRS buildings have been supplied by District Valuer Services (DVS), a division of the Valuation Office Agency. The valuations have been carried out by a Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with the RICS Valuation – Professional Standards 2014 UK Edition.

##### [Intangible Assets](#)

Following a review of asset life, management is satisfied that NRS should retain existing estimated life for website images for the purposes of 2016-17 financial statements. Management is also satisfied, based on sensitivity analysis, that there are sufficient future income streams in excess of the website images asset category to support the existing valuation. This will be reviewed annually. As there is no active market for our website images asset, the cost model has been applied and therefore no revaluations are possible.

#### 1.2 Accounting Convention

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

### 1.3 Non-Current Assets: Property, Plant and Equipment

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

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

Freehold land and buildings are shown at fair value less subsequent depreciation using professional valuations every five years and appropriate indices in intervening years. Other non-current assets are shown at historic cost net of depreciation as a proxy for fair value.

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

<b>Property, Plant &amp; Equipment</b>	<b>£'000</b>
Freehold land & buildings	20
Office equipment (including fixtures & fittings)	5
Vehicles	5
Plant & equipment	10
ICT systems	1
Specialised shelving	10
Antiques & works of art	20

Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £1000 in line with SG guidance on capitalisation.

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

#### [Depreciation](#)

Freehold land and assets held for sale are not depreciated.

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

<b>Property, Plant &amp; Equipment</b>	<b>Years</b>
Freehold land & buildings	2-50 (as per valuation)
Office equipment (including fixtures & fittings)	5
Vehicles	5
Plant & equipment	5
ICT systems	3-5
Specialised shelving	10-20
Antiques & works of art	30

#### 1.4 Non-Current Assets: Intangible Assets

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

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

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

Intangible Assets	£'000
Website images	5
Computer software & computer licences	1

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

#### Amortisation

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

Intangible Assets	Years
Website images	60
Computer software & computer licences	3-5

#### 1.5 Third Party Assets

NRS holds, as custodian or trustee, certain assets belonging to third parties. In particular, NRS holds privately-owned records collections which have been deposited by their owners. These are not recognised in the financial statements since neither NRS nor government, more generally, has a direct financial beneficial interest in them.

## 1.6 Heritage Assets

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

NRS is responsible for holding and maintaining a wide range of historical records, documents and current data in the care of Scottish Ministers. Given the nature of these assets it is not possible to obtain a reliable valuation for them. Accordingly they have not been capitalised. Details of NRS' preservation and conservation work, and its policies with regard to records management, can be found on the website at <https://www.nrscotland.gov.uk/record-keeping>.

## 1.7 Operating Income

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

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

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

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

### Trade Receivables

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

## 1.8 Staff Costs and Operating Expenditure

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

### Trade Payables

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

## 1.9 Grants

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

## 1.10 Foreign Exchange

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

## 1.11 Pensions

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

## 1.12 VAT

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

## 1.13 Leases

The leases entered into by NRS are classified as operational leases and, as such, the rentals are charged to the Operating Cost Statement over the term of the lease.

## 1.14 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Business Leadership Group (BLG) and Management Board (MB). These bodies support and advise the Chief Executive in managing and overseeing the organization and are therefore considered to be the key decision makers for NRS.

## 1.15 Prior Period Adjustments

Over the course of 2016-17, three errors have been identified within the published 2015-16 accounts. Prior period comparative information has been restated to correct these errors.

### [Classification of the cost of agency and contract workers](#)

Costs for agency and contract workers were incorrectly classified as Supplies and Services under the Administration Expenditure heading in the 2015-16 accounts, rather than as Staff Costs. The impact of this correction is to reclassify £1,991k from Supplies and Services to Staff Costs, with no impact on Net Operating Costs. In addition, costs for employees on fixed-term contracts were incorrectly including within permanent staff costs. Correcting this reclassifies £457k from permanent to temporary staff costs.

### [Capital Commitments](#)

Capital Commitments as at 31 March 2016 were measured incorrectly in the 2015-16 accounts. Correcting this error reduces the level of commitment from £2,900k to £835k.

### [Measurement of the accrual for employee benefits](#)

Inaccurate data has been used to calculate the accrual for employee benefits in previous years. The impact of recalculating the accrual with corrected data is to reduce the balance of the 2015-16 and 2014-15 accruals by £341k.

In addition to the corrections described above the £10,418k of operating expenditure shown in Note 3.1 and the £6,049k of operating income shown in Note 4.1 have been recategorised under new lines in this year's accounts. This change has been made to separately identify material classes of transaction and improve the quality of the information provided by the accounts.

## 1.16 IFRS updates issued but not yet effective

Two IFRS standards in issue have potential to have a significant impact on NRS' accounts when they become effective:

### [IFRS 16 Leases](#)

IFRS 16 replaces IAS 17 and largely removes the distinction between operating and finance leases for lessees, by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. NRS holds two of its buildings under leases which are currently accounted for as operating leases. Under IFRS 16 these would be capitalised. HM Treasury is considering the impact of the standard on central government and is currently expected to apply it within 2019-20 FReM.

### [IFRS 15 Revenue from contracts with customers](#)

The core principle in IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled to, in exchange for those goods or services. NRS generates income from customers through a number of services. Some of this income is in the form of statutory fees which are likely to be outside the scope of IFRS 15, and for many income streams the timing and amount of revenue recognised are not likely to be affected. However, it will be necessary to review revenue recognition policies across NRS to ensure

compliance with the new standard. HM Treasury is considering the impact of the standard on central government and is currently expected to apply it within 2018-19 FReM.

## 2. Staff Costs

The aggregate payroll costs for 2016-17 were £18,050k split between permanent staff £13,330k and temporary staff £4,720k (2015-16 £15,361k, £12,570k and £2,791k). As noted in the Remuneration and Staff Report on page 43.

## 3. Operating Expenditure

### 3.1 Analysis of Operating Expenditure

	2016-17 £'000	Restated 2015-16 £'000
Accommodation	3,730	3,510
ICT Maintenance and Supplies	1,430	1,042
Support Services from Other Public Bodies	536	711
Contractor's share of ScotlandsPeople income	528	1,359
Specialist Service Contracts	848	732
Communications Services	296	313
ScotlandsPeople Web Hosting	253	-
Website Development and Running Costs	231	181
Stationery	206	224
Marketing	201	-
Training	161	122
Transport and Travel	98	93
Other Supplies and Services	633	580
Losses and Special Payments	9	1
<b>Non-cash items</b>		
Movement on provisions	(158)	18
Depreciation and amortisation	1,656	1,332
Gain on disposal of assets	2	-
Audit fee	63	60
<b>Programme expenditure</b>		
Grant to Scottish Council on Archives	188	140
<b>Total</b>	<b>10,912</b>	<b>10,418</b>

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

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

### 3.2 Other Operating Expenditure

There is £874k of expenditure relating to operating lease arrangements for properties recorded within Other Operating Costs (2015-16: £874k).

## 4. Operating Income

### 4.1 Analysis of Operating Income

	2016-17 £'000	2015-16 £'000
Income from contract to operate NHS Central Register	(930)	(997)
Charges for access to records and associated services	(1,533)	(1,577)
Income from the ScotlandsPeople website	(2,667)	(2,971)
Other fees and charges	(581)	(288)
Property rental income from other public bodies	(337)	(310)
<b>Total Administration Income</b>	<b>(6,049)</b>	<b>(6,143)</b>

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

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

	Income Received £'000	Full Cost £'000	Surplus/ (Deficit) £'000
<b>Service Provided:</b>			
<b>Change of name, vital events sales, extracts, microfilm, microfiche and public charges.</b>	3,761	3,855	(94)
<b>Financial Objective:</b>			
Use income received through the ScotlandsPeople services to meet the associated running costs and to enable investment that enhances the services and increases the record collection and in turn improves the customer experience.			
<b>Performance Against the Financial Objective:</b>			
In 2016-17 there was a deficit. This deficit happened because the development costs associated with the re-launch of the ScotlandsPeople website in September 2016 were significant. We also introduced a new customer service management system to allow us to improve the way that we handle and analyse customer enquiries as well as a new customer communication system to allow us to directly communicate with our customers through newsletters.			
<b>Maintenance of the National Health Service Central Register (NHSCR) of patients and associated research data sales.</b>	941	924	17
<b>Financial Objective:</b>			
To meet the cost of running the National Health Service Central Register which we provide as a service to the NHS and the Improvement Service through funding received from the Scottish Government.			
<b>Performance Against the Financial Objective:</b>			
In 2016-17 there was a small surplus arising from providing these services.			

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

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

	2016-17 £'000	2015-16 £'000
Net operating cost	22,913	19,636
Net resource outturn	22,913	19,636
Of which:		
Departmental expenditure in DEL	23,071	19,636
Main departmental programmes in AME	(158)	-

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

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



## 6. Non-Current Assets – Property, Plant & Equipment 2016-17

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant & Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Antiques & Works of Art £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
<b>Cost or valuation</b>											
At 1 April 2016	1,940	10,460	847	96	1,246	5,918	2,914	3,040	-	-	26,461
Additions	-	80	7	21	362	636	7	-	-	-	1,113
Disposals	-	-	(11)	(23)	-	(291)	-	-	-	-	(325)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Revaluation	300	20	-	-	-	-	-	-	-	-	320
<b>At 31 March 2017</b>	<b>2,240</b>	<b>10,560</b>	<b>843</b>	<b>94</b>	<b>1,608</b>	<b>6,263</b>	<b>2,921</b>	<b>3,040</b>	-	-	<b>27,569</b>
<b>Accumulated Depreciation</b>											
At 1 April 2016	-	-	820	85	784	5,194	2,147	766	-	-	9,796
Charged in year	-	614	-	9	89	299	85	112	-	-	1,208
Disposals	-	-	(11)	(23)	-	(287)	-	-	-	-	(321)
Revaluation	-	(614)	-	-	-	-	-	-	-	-	(614)
<b>At 31 March 2017</b>	-	-	<b>809</b>	<b>71</b>	<b>873</b>	<b>5,206</b>	<b>2,232</b>	<b>878</b>	-	-	<b>10,069</b>
<b>Net book value current year</b>	<b>2,240</b>	<b>10,560</b>	<b>34</b>	<b>23</b>	<b>735</b>	<b>1,057</b>	<b>689</b>	<b>2,162</b>	-	-	<b>17,500</b>
Net book value prior year	1,940	10,460	27	11	462	724	767	2,274	-	-	16,665

As part of the five-year rolling programme, General Register House, New Register House, West Register House, and Thomas Thomson House underwent a formal inspection and revaluation on the basis of Existing Use Value, at 31 March 2017. Valuations were carried out by the District Valuer Services (DVS), a division of the Valuation Office Agency. The valuations have been carried out by the Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with RICS Valuation – Professional Standards 2014 UK Edition.

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

The realised element of the depreciation charged for the year is £393k (£614k depreciation charge calculated under current cost accounting method as per note 6, minus £221k charge under historic cost accounting). This has been transferred from the revaluation reserve to the general fund.

The Assets under Construction category relates to website and IT costs which have been transferred to intangible assets and IT costs respectively.



## 6. Non-Current Assets – Property, Plant & Equipment 2015-16

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant & Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Antiques & Works of Art £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
<b>Cost or valuation</b>											
At 1 April 2015	1,840	10,460	875	96	919	5,756	2,861	3,040	243	-	26,090
Additions	-	-	-	-	100	162	53	-	-	-	315
Disposals	-	-	(28)	-	(16)	-	-	-	-	-	(44)
Transfers in	-	-	-	-	243	-	-	-	(243)	-	-
Revaluation	100	-	-	-	-	-	-	-	-	-	100
<b>At 31 March 2016</b>	<b>1,940</b>	<b>10,460</b>	<b>847</b>	<b>96</b>	<b>1,246</b>	<b>5,918</b>	<b>2,914</b>	<b>3,040</b>	<b>-</b>	<b>-</b>	<b>26,461</b>
<b>Accumulated Depreciation</b>											
At 1 April 2015	-	-	843	76	729	4,940	2,064	653	-	-	9,305
Charged in year	-	517	5	9	71	254	83	113	-	-	1,052
Disposals	-	-	(28)	-	(16)	-	-	-	-	-	(44)
Revaluation	-	(517)	-	-	-	-	-	-	-	-	(517)
<b>At 31 March 2016</b>	<b>-</b>	<b>-</b>	<b>820</b>	<b>85</b>	<b>784</b>	<b>5,194</b>	<b>2,147</b>	<b>766</b>	<b>-</b>	<b>-</b>	<b>9,796</b>
<b>Net book value current year</b>	<b>1,940</b>	<b>10,460</b>	<b>27</b>	<b>11</b>	<b>462</b>	<b>724</b>	<b>767</b>	<b>2,274</b>	<b>-</b>	<b>-</b>	<b>16,665</b>
Net book value prior year	1,840	10,460	32	20	190	816	797	2,387	243	-	16,785



## 6. Non-current Assets – Intangible Assets 2016-17

	Computer Licences £'000	Website Images £'000	Computer Software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation</b>					
At 1 April 2016	1,439	7,900	1,224	845	11,408
Additions	132	1,333	-	-	1,465
Disposals	-	-	-	-	-
Adjustments	-	-	-	-	-
Transfers	-	845	-	(845)	-
Revaluation	-	-	-	-	-
<b>At 31 March 2017</b>	<b>1,571</b>	<b>10,078</b>	<b>1,224</b>	<b>-</b>	<b>12,873</b>
<b>Accumulated Amortisation</b>					
At 1 April 2016	1,017	939	1,224	-	3,180
Charged in year	126	322	-	-	448
Adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
<b>At 31 March 2017</b>	<b>1,143</b>	<b>1,261</b>	<b>1,224</b>	<b>-</b>	<b>3,628</b>
<b>Net book value current year</b>	<b>428</b>	<b>8,817</b>	<b>-</b>	<b>-</b>	<b>9,245</b>
<b>Net book value prior year</b>	<b>422</b>	<b>6,961</b>	<b>-</b>	<b>845</b>	<b>8,228</b>

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

## 6. Non-current Assets – Intangible Assets 2015-16

	Computer Licences £'000	Website Images £'000	Computer Software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation</b>					
At 1 April 2015	1,099	7,900	1,224	-	10,223
Additions	340	-	-	845	1,185
Disposals	-	-	-	-	-
<b>At 31 March 2016</b>	<b>1,439</b>	<b>7,900</b>	<b>1,224</b>	<b>845</b>	<b>11,408</b>
<b>Accumulated Amortisation</b>					
At 1 April 2015	936	808	1,156	-	2,900
Charged in year	81	131	68	-	280
Disposals	-	-	-	-	-
<b>At 31 March 2016</b>	<b>1,017</b>	<b>939</b>	<b>1,224</b>	<b>-</b>	<b>3,180</b>
<b>Net book value current year</b>	<b>422</b>	<b>6,961</b>	<b>-</b>	<b>845</b>	<b>8,228</b>
Net book value prior year	163	7,092	68	-	7,323

## 7. Trade and Other Receivables

	2016-17 £'000	2015-16 £'000
<b>Amounts falling due within one year</b>		
Trade receivables	33	264
Prepayments and accrued income	1,319	636
Other receivables - sundry debtors	-	574
<b>Total receivables falling within one year</b>	<b>1,353</b>	<b>1,474</b>
<b>Amounts falling due after one year</b>		
Prepayments and accrued income	166	152
<b>Total receivables falling after one year</b>	<b>166</b>	<b>152</b>
<b>Total Receivables</b>	<b>1,519</b>	<b>1,626</b>
<b>Movement</b>	<b>(107)</b>	<b>150</b>
<b>Analysis by category of counterparty</b>		
Other Central Government Bodies	-	163
Local Authorities	-	4
NHS Bodies	-	-
Bodies External to Government	1,519	1,459
Public Corporations & Trading Funds	-	-
<b>Total Receivables</b>	<b>1,519</b>	<b>1,626</b>

## 8. Cash and Cash Equivalents

	2016-17 £'000	2015-16 £'000
At 1 April	1	1
Movement	-	-
<b>At 31 March</b>	<b>1</b>	<b>1</b>
Commercial banks and cash in hand	1	1
<b>Total Cash</b>	<b>1</b>	<b>1</b>



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

	2016-17 £'000	Restated 2015-16 £'000
Trade payables	238	176
Deferred income	17	22
Employee benefits	688	608
Accruals	1,248	1,125
Capital Accruals	290	-
<b>Total Payables</b>	<b>2,481</b>	<b>1,931</b>
<b>Movement</b>	<b>550</b>	<b>126</b>
<b>Analysis by category of counterparty</b>		
Other central government bodies	738	639
Local authorities	22	12
NHS bodies	-	48
Bodies external to government	1,721	1,232
<b>Total Payables</b>	<b>2,481</b>	<b>1,931</b>

There were no amounts falling due after more than one year.

The Employee Benefits accrual has been restated for 2015-16, due to an error in the calculation of staff annual leave entitlement. Correcting this reduced the accrual by £341k.



## 10. Provisions for Liabilities and Charges

	Early Departure Costs 2016-17 £'000	Other Provisions 2016-17 £'000	Total 2016-17 £'000
<b>Total as at 1 April 2016</b>	<b>144</b>	<b>158</b>	<b>302</b>
Provided in the year	1	-	1
Provisions not required written back	-	(151)	(151)
Amounts utilised in year	(92)	(7)	(99)
Discount amortised	-	-	-
<b>Total as at 31 March 2017</b>	<b>54</b>	<b>-</b>	<b>54</b>
<b>Analysis of expected timing of any resulting outflows of economic benefits</b>			
Payable in 1 year	22	-	22
Payable between 2-5 yrs	31	-	31
Payable between 6-10 yrs	-	-	-
Thereafter	-	-	-
<b>Total as at 31 March 2017</b>	<b>54</b>	<b>-</b>	<b>54</b>

	Early Departure Costs 2015-16 £'000	Other Provisions 2015-16 £'000	Total 2015-16 £'000
<b>Total as at 1 April 2015</b>	<b>234</b>	<b>148</b>	<b>382</b>
Provided in the year	-	7	7
Provisions not required written back	-	-	-
Amounts utilised in year	(94)	-	(94)
Discount amortised	3	3	6
<b>Total as at 31 March 2016</b>	<b>143</b>	<b>158</b>	<b>301</b>
<b>Analysis of expected timing of any resulting outflows of economic benefits</b>			
Payable in 1 year	-	158	158
Payable between 2-5 yrs	143	-	143
Payable between 6-10 yrs	-	-	-
Thereafter	-	-	-
<b>Total as at 31 March 2016</b>	<b>143</b>	<b>158</b>	<b>301</b>

During the financial year 2016-17, no NRS employees were awarded early retirement.

The balance payable beyond one year as at 31 March 2017 represents an estimate of the future annual payments that NRS must make in relation to retirements up to March 2019. There is little uncertainty over future payments from this provision, although over time marginal variations may occur in the annual amount payable.

The VAT provision created in 2014-15 has been released in 2016-17 £151k as it is no longer required. The provision of £7k added in 2015-16 to reflect payment to employees in relation to overtime, has been paid in 2016-17.

## 11. Commitments under Leases

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

	2016-17 £'000	2015-16 £'000
<b>Obligations under operating leases comprise:</b>		
<b>Land and Buildings</b>		
- Within one year	874	874
- Between two and five years	1,729	2,540
- After five years	12	75
<b>Total</b>	<b>2,615</b>	<b>3,489</b>
<b>Other</b>		
- Within one year	23	-
- Between two and five years	22	-
- After five years	-	-
<b>Total</b>	<b>45</b>	<b>-</b>
<b>Total obligations under operating leases</b>	<b>2,660</b>	<b>3,489</b>

These operating leases are in respect of rent for Ladywell House and Cairnsmore House, where rental fees are reviewed every five years. Current rental fees for these buildings are £810k and £64k respectively. There was a rental review for Ladywell House on 26 January 2016 and the lease expiry date is in 2020. The next rental review for Cairnsmore House is on 1 June 2017 and the lease expiry date is in 2022.

## 12. Capital Commitments

	2016-17 £'000	Restated 2015-16 £'000
Capital commitments at 31 March 2017 for which no provision has been made	48	835

These commitments reflect the capital commitment for the following year.

## 13. Related party transactions

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

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

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

## 14. Contingent Liabilities

There were no contingent liabilities for the 2016-17 financial year (2015-16: nil).

## 15. Financial Instruments

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

## 16. Segmental Analysis as at 31 March 2017

NRS strategic objectives are supported by the ongoing work of the following nine business areas:

**Business  
Portfolio and  
Corporate  
Services:**

Supports the work of other branches in the department and provides finance, procurement, information security, portfolio and estates services.

- ICT:** The remit of the Corporate ICT business area is the provision of corporate ICT systems and services to support the business of NRS delivering its purpose and vision. Corporate ICT also provides the supplier management of a number of third party services including the SCOTS service which delivers the NRS desktop computing environment and access to SG corporate applications.
- Statistical Futures:** Consists of a number of teams whose joint responsibility is to successfully deliver Scotland's Census 2021 programme.
- Demographic Statistics:** Publishes statistical information about the people of Scotland including Census outputs, population and household estimates and projections, births, deaths, migration, life expectancy and electoral counts. These statistics are used by the Scottish Government, local authorities, health boards and others to inform policies, allocate resources and plan services.
- Registration:** Responsible for the administration of civil registration of vital events (births, deaths, stillbirths, marriages, civil partnerships, divorces, dissolution of civil partnerships, gender recognition and adoptions). It is also responsible for the administration of the statutes relating to the legal preliminaries to marriage and civil partnership, and the solemnisation of civil marriages and registration of civil partnerships.
- Public Services:** Encompasses NRS' public services, both on-site and online. On-site services include Extract Services, ScotlandsPeople, the Historical Search Room and the Legal Search Room, as well as a special service for adopted individuals. It meets NRS' statutory duty to provide extracts from various legal registers including the registers of births, deaths, marriages, civil partnerships, adoptions, and sasines. NRS' education and outreach programmes, its online resources team, digital imaging unit and the Scottish Register of Tartans are also housed in this division.
- Records and Archives Services:** Deals with issues related to archives and record-keeping. It selects, preserves and conserves, and catalogues records of permanent historical value in all formats created by outside bodies and NRS. It leads record-keeping in Scotland through the Public Records (Scotland) Act 2011 and the UK Archive Service Accreditation Scheme. It advises government bodies, the courts, private and corporate owners about their record-keeping responsibilities.
- Data Resources:** Responsible for delivering data sharing and data linking services through multiple teams. The NHSCR Team provides the central register of people in Scotland used for administration in health, verification and for supporting medical research. While the Data Linkage teams deliver data indexing services for the national statistical research centre and provide support for a major longitudinal study spanning over 30 years.

Senior Management, Strategy and Communications:

The Strategy and Communications Team supports the development and delivery of the NRS Vision and Purpose and leads on improving communication across the organisation.

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

**Segmental Reporting of 2016-17 Outturn:**

	Staff Costs £'000	Grants, Goods and Services £'000	Total Expenditure £'000	Operating Income £'000	Total Net Operating Costs £'000
Registration	1,005	119	1,124	(304)	820
Statistical futures	1,804	1,062	2,866	-	2,866
Demographic statistics	1,224	15	1,239	(23)	1,216
Data resources	706	169	875	(1,212)	(337)
Records & archives services	1,876	700	2,576	(65)	2,511
Public services	2,907	1,497	4,404	(4,045)	359
Business portfolio & corporate services	2,081	4,232	6,313	(400)	5,913
ICT	2,036	5,386	7,422	-	7,422
Senior management, strategy & communications	420	225	645	-	645
	<b>14,059</b>	<b>13,405</b>	<b>27,464</b>	<b>(6,049)</b>	<b>21,415</b>
<b>Adjust for items not allocated by segment:</b>					
Movement on Provisions				3	(158)
Depreciation				3	1,656
					<b>22,913</b>
<b>Total Net Operating Costs per Statement of Comprehensive Net Expenditure</b>					<b>22,913</b>

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



## Segmental Reporting of 2015-16 Outturn:

	Staff Costs £'000	Goods and Services £'000	Total Expenditure £'000	Administration Income £'000	Total Net Operating Costs £'000
Registration	1,073	171	1,244	(227)	1,017
Statistical futures	911	231	1,142	-	1,142
Demographic statistics	1,205	89	1,294	(62)	1,232
Data resources	961	262	1,223	(1,118)	105
Records & archives services	1,814	297	2,111	(58)	2,053
Public services	2,804	1,617	4,421	(4,274)	147
Business portfolio & corporate services	2,319	4,871	7,190	(383)	6,807
ICT	1,759	3,309	5,068	(21)	5,047
Senior management, strategy & communications	279	29	308	-	308
	<b>13,125</b>	<b>10,876</b>	<b>24,000</b>	<b>(6,143)</b>	<b>17,858</b>
<i>Adjust for items not allocated by segment:</i>					
Staff costs accounted for centrally					245
Grants paid				3	140
Depreciation				3	1,332
Other costs accounted for centrally					61
<b>Total Net Operating Costs per Statement of Comprehensive Net Expenditure</b>					<b>19,636</b>

## Accounts Direction



Scottish Government  
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### NATIONAL RECORDS OF SCOTLAND

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

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



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