

**Annual Report
and Accounts
2016-17**



Trusted

Food Standards Scotland
is a trusted, efficient and
effective organisation.



Contents

4 Performance Report

- 4 Overview
- 5 Chief Executive's Statement
- 7 Statement of the purpose and activities of Food Standards Scotland
- 7 Key issues and risks
- 8 Performance Summary
- 19 Performance Analysis

44 Accountability Report

- 48 Corporate Governance Report
- 48 Directors' Report
- 50 Statement of Accountable Officer's Responsibilities
- 51 Governance Statement

61 Remuneration and Staff Report

75 Independent Auditor's Report

79 Financial Statements for the year ended 31 March 2017

- 80 Statement of Comprehensive Net Expenditure
for the year ended 31 March 2017
- 81 Statement of Financial Position as at 31 March 2017
- 82 Statement of Cashflows for the year ended 31 March 2017
- 83 Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2017

84 Notes to the Annual Report and Accounts

111 Accounts Direction

Performance Report

Overview

This overview begins with a statement from the Chief Executive, and then provides information on Food Standards Scotland's purpose, the key risks to achievement of objectives, and a summary of performance during 2016/17. It is followed by a more detailed Performance Analysis.



Chief Executive's Statement

As I said in our Annual Report last year, our first year was about establishing FSS as a new, independent, standalone organisation, ensuring we could deliver against our legislative remit, and developing an ambitious strategy for the next 5 years. Our second year has seen considerable development and progress.

Our second year has also been a real challenge and one that has really tested our values and delivery of our strategic outcomes to the core. On food safety, authenticity, and diet and nutrition, we have very ably demonstrated delivery of our strategic outcomes and the past year has shown that these are not abstract objectives with little impact. In fact, protection of consumers, has been at the core of all we have done this year, whether that has been in a major food incident or shifting the nature of the debate on diet and nutrition, FSS has made a difference.

This year, we published our Strategy to 2021 and Corporate Plan, and have worked up a number of supporting strategies, including reducing foodborne illness, science and evidence, and food surveillance. We also set out our wider direction for effective and sustainable regulatory oversight, and following extensive consultation, we established a regulatory strategy programme, with a number of strands, to ensure that we become the best regulator we can be.

We have fully delivered on our regulatory commitments, have delivered a major training programme for frontline staff on Hazard Analysis and Critical Control Points, and are making excellent progress with both the Food Law Code of Practice Annex 5 risk scoring review and the Scottish National Database, both of which will contribute to the effective and efficient delivery of official controls. We have also done considerable work to support both enforcers and businesses. This includes running successful courses for enforcers on purification systems and on specialist cheesemaking, working with local authorities on guidance

issued by the Scottish Food Enforcement Liaison Committee (SFELC) on 'less than thoroughly cooked burgers', and providing online tools for industry, such as [safe smoked fish](#) and [fresh produce](#).

Our Scottish Food Crime and Incidents Unit has continued to develop its capability and capacity. The unit has established a number of key working and information-sharing relationships, set up and publicised a hotline for food fraud reports from members of the public and whistleblowers, and has worked on strategic food crime assessments and prioritisation.

On the dietary front, the recommendations that we published in January 2016 have been supported by health professionals and advocates for action, and we followed them up with the publication in March 2017 of further recommendations aimed at making food eaten outside of the home healthier. We are piloting an online tool which provides small businesses with a means to provide calorie information on their menus. And we ran a successful Healthy Eating campaign, using a variety of media and support materials, which, according to our research, motivated 72% of parents to take action to address unhealthy snacking.

From the end of July 2016 until March 2017 FSS was a part of the multi-agency team (led by Health Protection Scotland and involving South Lanarkshire Council as well) that dealt with the E. coli blue cheese incident in which sadly one child died and 17 people were hospitalised. This cheese was one of a number of different cheeses manufactured in single premises by Errington Cheese Limited (ECL). This incident had a major impact on our resources and has taken up a significant amount of time and meant we had to re-prioritise work across other areas of our business. We now await the outcome of the court process. Throughout this incident FSS was very clear that protection of public health was of primary importance and all our decisions had to be based



Statement of the purpose and activities of Food Standards Scotland

on evidence. The epidemiology, microbiological test results and the serious deficiencies in the food safety management system of the business was ultimately compelling evidence for taking the action that we did to protect consumers and withdraw all ECL manufactured cheese from the market. All food safety management systems are required to identify, manage and eliminate hazards, and the evidence from this incident was that this had not happened.

During the year the wider EU and constitutional situations continued to develop around us and will inevitably have an impact going forward as around 95% of our legislation derives from directly applicable EU law.

We couldn't have done this without the dedication and commitment of our staff. I was delighted to find that this year we earned a staff engagement score of 63% in the People Survey - putting us in the civil service 'high performer' category. This great score is a reflection of how FSS staff have taken ownership of our work across all aspects of the organisation.

This year's workload has tested our individual - as well as collective - resolve and resilience, and we have undoubtedly delivered on our remit to protect public health.

Whilst our foundations are now firmly in place for the year ahead, we are certain that the UK's EU exit and wider constitutional issues will have an impact and as an organisation we will need to recognise that we will be managing high degrees of uncertainty going forward. It is also highly likely that we will need to prioritise our efforts to manage the EU exit and other constitutional developments if and when they occur. Our capacity is going to come under significant pressure and we are likely to require high degrees of flexibility and to continue to invest in our capability.

Year 3 will no doubt be challenging, but regardless of the issues that come our way, the protection and interests of consumers has and always will come first.

Purpose

FSS was established on 1 April 2015 by the Food (Scotland) Act 2015 as the public sector food body for Scotland with three statutory objectives:

- to protect the public from risks to health which may arise in connection with the consumption of food;
- to improve the extent to which members of the public have diets which are conducive to good health; and
- to protect the other interests of consumers in relation to food.

Our purpose, therefore, is consumer protection – making sure that food is safe to eat, ensuring consumers know what they are eating and improving nutrition. Putting consumers first is the value that is at the heart of FSS's vision, which is **"To create a food and drink environment in Scotland that benefits, protects and is trusted by consumers."**

Activities

To deliver our purpose, we have the following specific functions:

- to develop and help others develop policies on food and animal feed;
- to advise the Scottish Government, other authorities and the public on food and animal feed;
- to keep the Scottish public and users of animal feed advised to help them make informed decisions about food and feed stuffs; and
- to monitor the performance of food enforcement authorities.

FSS ensures that information and advice on food safety and standards, nutrition and labelling is independent, consistent, evidence-based and consumer focused. We are a trusted source of advice for consumers.

FSS provides advice, information and assistance to the Scottish Ministers and other public bodies on food and animal feed matters, and develops, and assists the Scottish Ministers and others to develop policies in those areas. We also influence the decision-making process of the relevant EU institutions, ensuring that Scottish policy preferences are fully considered as part of the development of EU Regulations on Food and Animal Feeding-stuffs.

FSS is defined in law as a 'competent authority' and an 'enforcement authority' to implement and monitor Scottish and European Union food and feed regulations, and protects consumers through delivery of a robust regulatory and enforcement strategy.

Our [five-year strategy](#) outlines how FSS plans to achieve its vision to create a food and drink environment in Scotland that benefits, protects and is trusted by consumers. The Strategy sets out six strategic outcomes that will be the focus of what FSS will do up to 2021:

- Food is safe
- Food is authentic
- Consumers have healthier diets
- Responsible food businesses flourish
- FSS is a trusted organisation
- FSS is efficient and effective

Key issues and risks

Our approach to managing risk is covered in more detail as part of the Corporate Governance Report on page 54 of this report.



Performance summary

Food is safe

We delivered official controls in 110 meat plants, to ensure compliance. 

We monitored shellfish production areas for marine biotoxins, resulting in 86 temporary closures.



We classified the safety of marine waters for 178 shellfish production areas.

We developed a new holistic Strategy for Reducing (Foodborne) Illness. 

Our additional measures on animal welfare resulted in increased reports and 4 cases under investigation.



Around 80% of people seeing our food safety campaigns said they took action as a result.



We audited 4 local authorities on their capacity and capability to enforce food law, and published the outcomes.



Our audits reported good or satisfactory levels of compliance in the vast majority of meat plants.

We provided online tools and training events for food safety management in the smoked fish and fresh produce sectors.



We set up data-sharing with the Scottish Environment Protection Agency (SEPA) to support monitoring programmes for shellfish harvesting waters.



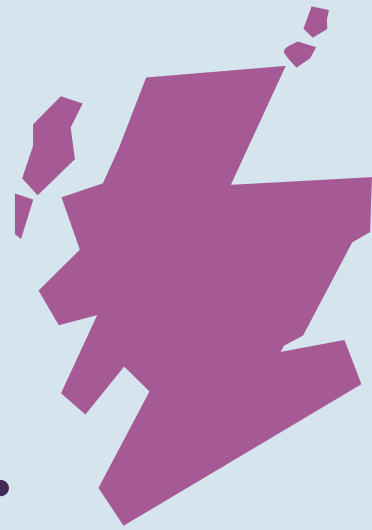
We handled 104 food incidents, issuing 13 recall notices and 12 alerts.



Performance summary

Food is authentic

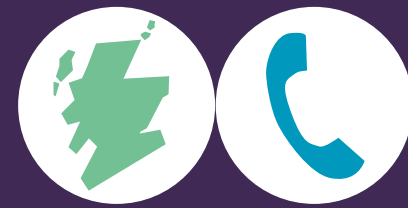
Our Scottish Food Crime and Incidents Unit enhanced its ability to combat food crime by partnering with a number of other agencies.



We co-ordinated a multi-agency operation targeting counterfeit and substandard food and drink.

Our food crime hotline was launched, raising public awareness of food crime and methods of reporting.

Scottish Food Crime Hotline



0800 028 7926

We launched a **training manual** on enforcement of food labelling and standards.



We developed our Food Surveillance Strategy, to identify risks to food safety and authenticity.

Performance summary

Consumers have healthier diets



We contributed to the body of evidence supporting movement for dietary change, and engaged with other organisations on measures for sugar reduction and restrictions on advertising high fat, salt and sugar food and drink.

Our Eatwell Guide has been published and is complemented by an interactive teaching tool.



We instigated a new cross government policy and research group, maintaining knowledge exchange.

We published research on the out-of-home food and drink environment in Scotland, and recommendations aimed at improving the Scottish diet.



We are piloting MenuCal, an allergen management and calorie calculator tool.



We commissioned and published nutrition research, including studies to understand factors influencing dietary choices.

We worked with the Scientific Advisory Committee on Nutrition on an updated folic acid risk assessment, and commissioned modelling of mandatory folic acid fortification.



We monitored diet through trends in food consumption and nutrient intakes.



Our Healthy Eating campaign motivated 72% of parents in Scotland to take action.



Our proposed measures for dietary change have been supported by health professionals and advocates for action.

There is an increased awareness of healthy eating concerns

up 10% from last year.





Performance summary

Responsible food businesses flourish

Our Food Hygiene Information Scheme listed 47,470 food businesses, with an average pass rate of 92%, and consumer awareness increased to 55%.



We have developed a strategy on how we will regulate the food and drink industry in Scotland, making clear that compliance is good for consumers and responsible businesses.



We have developed a Scottish National Database, for more effective and efficient collection and analysis of data on enforcement activity.

We have developed a new animal feed official control model for implementation in 2017/18.



We have completed a review of **FHIS**, to be discussed by the Board 2017/18.



We worked closely with other government bodies, local authorities and industry to ensure the success of third country delegations regarding food exports.

Our pilot of a revised risk scoring matrix for food law enforcement has received positive feedback.



Performance summary

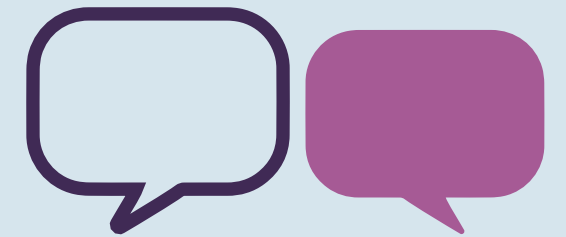
FSS is a trusted organisation

We issued 12 public consultations.



We have spoken directly to over **3,000** people to increase our understanding of consumer knowledge, attitudes and behaviour.

We made information and data freely available for use, for example dietary data, and information on shellfish official controls.



We have kept in touch with our stakeholders through early, ongoing and extensive informal engagement.

Our Board meetings were held in public.



Awareness of FSS increased from 44% last year to 57% this year, and among those aware, trust in FSS increased from 70% to 76%.





Performance summary

FSS is efficient and effective

The civil service staff survey shows a staff engagement score for FSS of **63%** – putting us in the civil service ‘high performer’ category.

We undertook a training needs analysis to improve focus in our learning and development.

We kept our staff in touch and engaged through email, meetings, forums and newsletters.

We published our Science, Evidence and Information Strategy and related Governance documents.

We reviewed our Scheme of Delegation from Board to Executive.

Our Mainstreaming Equality Report was published, and supported with staff training.

We identified financial savings of £276k from across our business in order to reinvest this money in other key parts of our work.

We collaborated with Scottish Government’s Digital Transformation Service to develop our digital capability.

We improved our frameworks for providing financial and operational performance and assurance reports to the Board.

We undertook an operational review project to evaluate the potential for the meat industry to reduce their charges for official controls.

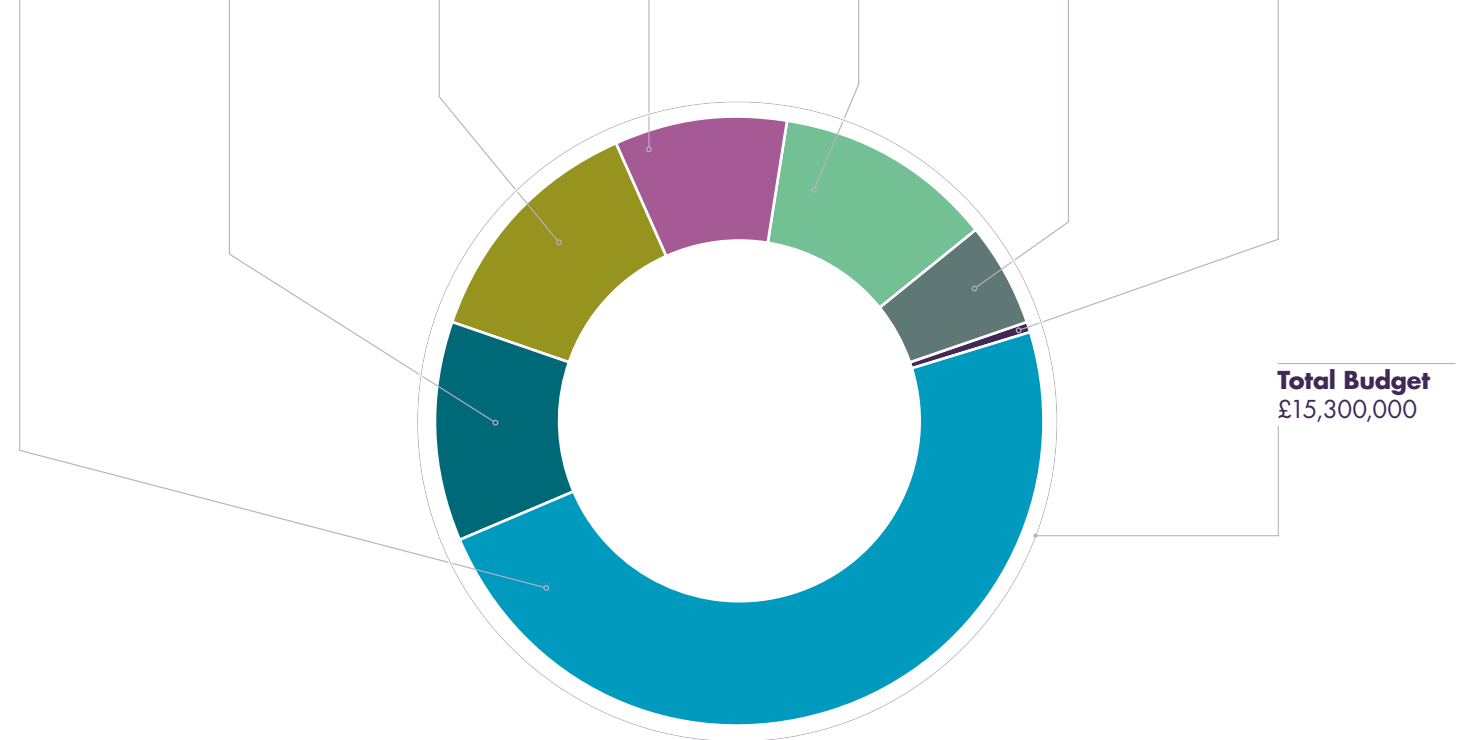
Allocation of resources to Strategic Outcomes

An overview of how we allocated, and spent, our financial resources to deliver our six Strategic Outcomes during 16/17 is provided below. The budget allocation shows the revised position

following an in-year budget review exercise. The actual spend for each outcome represents the final outturn for the year as a percentage of our total budget of £15.3m.

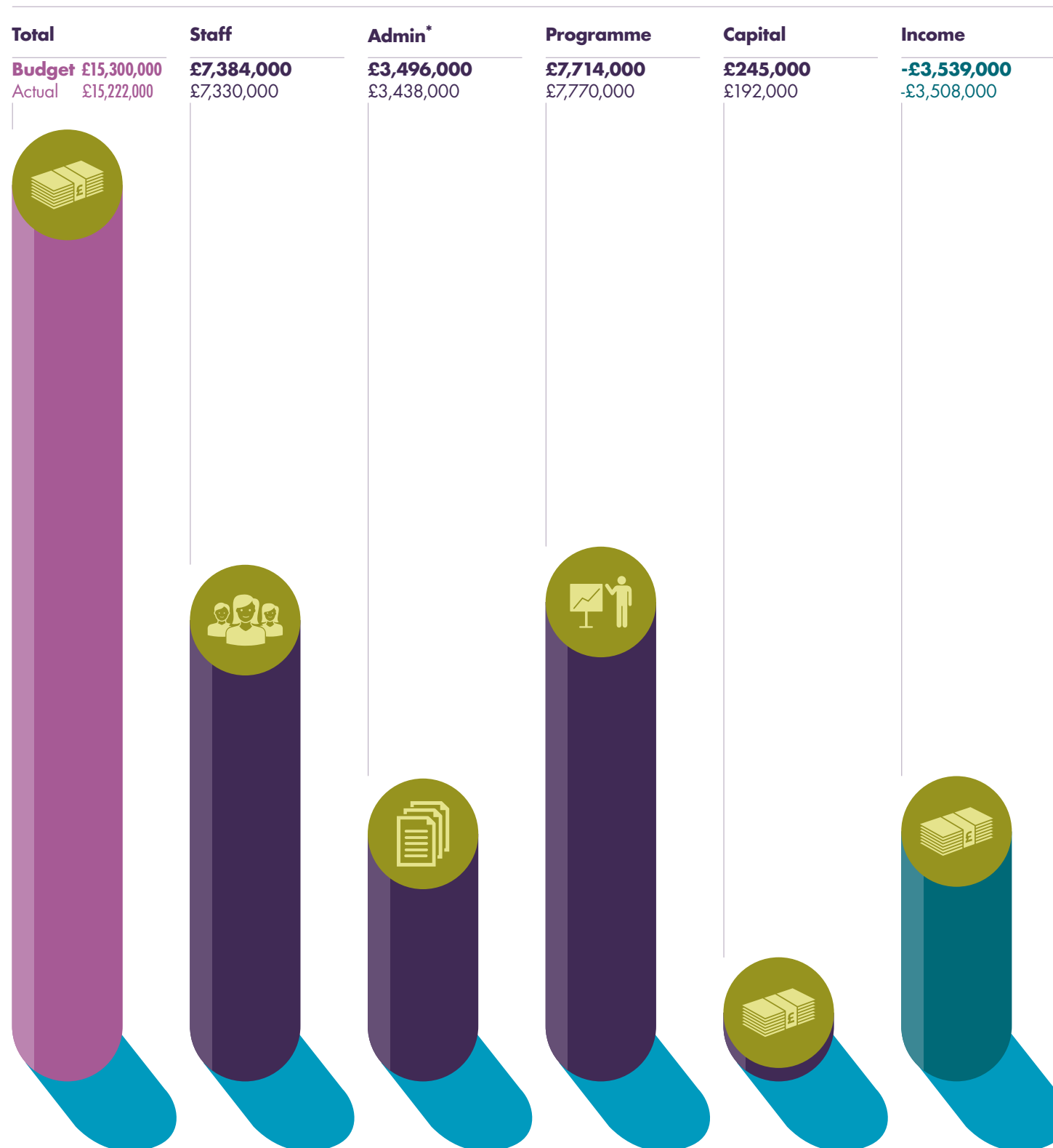
Strategic outcomes

Food is Safe	Food is Authentic	Consumers Choose a Healthier Diet	Responsible Food Businesses Flourish	FSS is Trusted	FSS is efficient and Effective	Underspend
£7,429,000 (49%)	£1,769,000 (12%)	£1,987,000 (13%)	£1,417,000 (9%)	£1,785,000 (12%)	£835,000 (5%)	£78,000 (1%)





Budget Allocation by Category



* includes rent, rates, travel and subsistence and other non-staff running costs. More information on administration costs is provided at Note 3.

Financial Performance

Financial performance against our delegated 16/17 budget is shown in the table below.

	Actual	Budget	Variance
DEL Operating Expenditure	15.0	15.1	(0.1)
DEL Capital Expenditure	0.2	0.2	(0.0)
Total DEL	15.2	15.3	(0.1)
Total AME	0.5	0.4	0.1
Total expenditure	15.7	15.7	0.0

FSS drew down £15.5m in cash terms to cover its capital and net operating costs for the year.

Supplier Payment Policy

In line with Scottish Government policy, FSS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. We aim to pay 100% of these invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2017, we paid 100% (2015/16, 100%) of our invoices within these terms.

Additionally, in accordance with Scottish Government's guidance on prompt payment, an associated 10 day payment target also exists, for all valid and undisputed invoices. During the year ended 31 March 2017, we paid 82% (2015/16, 89%) of its invoices within these terms.

Health, Safety and the Environment

During the year, FSS developed a new Health, Safety and Environmental (HSE) management system which forms part of the overall assurance package which demonstrates that HSE management within FSS has a structured format and is reflective of current organisational needs and legislative requirements. Our Health and Safety Committee continues to meet quarterly and is chaired by the Director of Operations and is attended by members of Operations, Corporate Services, contractors and trade union representatives. The Committee considers all matters related to the health and safety of our staff. We have continued to invest in specific health and safety related training for our staff and have rolled out our e-learning suite of courses across FSS.



Reportable Incidents, Diseases and Dangerous Occurrence's Regulations (RIDDOR)

During the year we recorded a total of 26 (2015/16, 25) health and safety incidents. 9 (2015/16, 12) related to accidents in the workplace and 17 (2015/16, 13) were reported near misses. No incidents were required to be reported to the Health and Safety Executive (2 in 2015/16), however all incidents reported were followed up in accordance with the FSS health and safety policies and corrective action taken where necessary.

Sustainability and Climate Change Reporting

FSS is committed to environmental stability and cutting carbon emissions. We are a listed body under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015, which came into force on 23 November 2015.

The order requires that all listed bodies prepare a report on compliance with its climate change duties as outlined in the Climate Change (Scotland) Act 2009 within 8 months of the end of the reporting year. As a new body within the Scottish Administration, FSS published its first [Climate Change Duties Report](#) in November 2016, which relates to 2015/16.

Complaints Handling

FSS has adopted the Model Complaints Handling Procedure as published by the SPSO, and we have published the [procedure](#) and an associated [Guide for Customers](#) on our website.

We received 41 formal complaints during 2016/17, compared with 11 in 2015/16. Of these, 40 were resolved at the frontline within 5 days, with 19 being partially upheld, and 21 not upheld. A further complaint required investigation, was resolved within 20 days, and was upheld. The substantial increase was due a number of complainants expressing concerns regarding references to diabetes in the

initial wave of our healthy eating campaign. We took these concerns on board, and adjusted the material used in the campaign in order to address them.

The Scottish Public Services Ombudsman (SPSO) is the final stage for complaints against FSS. A member of the public may ask the SPSO to look at their complaint if they are not satisfied with our decision or the way that we have handled the complaint. We have not been contacted by the SPSO regarding any complaints about our service.

Freedom of Information

Under the Freedom of Information (Scotland) Act 2002 (FOISA) everyone has the right to ask for any information that we hold. We received 36 Freedom of Information requests during 2016/17 (compared with 5 in 2015/16), and responded to 29 of these within 20 working days (80% compared with 100% in 2015/16). Two requests for review were received, and decisions were made within 20 days. None of our decisions have been the subject of an appeal to the Scottish Information Commissioner. We report our performance in responding to FOI requests quarterly [here](#).

FOISA requires authorities to adopt an approved publication scheme and pro-actively publish information as well as respond to requests. We have adopted the Scottish Information Commissioner's Model Publication Scheme, and reviewed our Guide to Information this year. We have published some open data in an open non-proprietary format, for example [shellfish official controls data](#) and [dietary data](#), and have been working on an open data publication plan. Further details on how FSS manages its compliance with FOISA can be found on our [website](#).

Performance Analysis

Introduction

FSS has a wide and diverse remit, and the activities outlined in our Corporate Plan represent an ambitious and challenging programme of work. Our [Corporate Plan](#) covers a 3 year period (April 2016 to March 2019), which allows us to be flexible and adaptable within an overall strategic direction. It is brigaded under our 6 strategic outcomes, and sets out the key activities that we will undertake to March 2019 to help us move towards our vision.

Key performance measures

Some of our work – for example the delivery of official controls – lends itself to objective quantitative measurement, both of outputs and outcomes. Other areas of work are more complex – for example the reduction of foodborne illness, or improvement of diet – where outcomes are slower to become evident, and may be affected by factors outside of our control. In these cases, it can be difficult to identify direct measures: in some instances we may provide a narrative progress report on actions that we decided, on the basis of evidence, were the best contribution to achieving the desired outcomes.



1. Food is safe



2. Food is authentic



3. Consumers have healthier diets



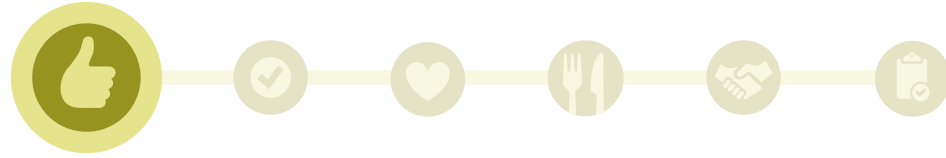
4. Responsible food businesses flourish



5. FSS is a trusted organisation



6. FSS is efficient and effective



1. Food is safe

What does this mean?

- Food placed on the market is compliant with food safety legislation.
- Wherever appropriate, food is supplied with accurate instructions to ensure safe storage and handling.
- Consumers understand the risks and how to protect themselves, and those for whom they prepare food, from foodborne illness.

What have we achieved?

Regulation

FSS delivers official controls in slaughterhouses, game handling establishments, and cutting plants, undertakes classification and monitoring with respect to shellfish production areas, and monitors and audits the delivery of food and feed safety official controls by local authorities, contractors and partners.

Meat

In 2016/17 FSS delivered official controls in **110** approved meat establishments to ensure that food businesses were complying with food law requirements, and that slaughterhouses were complying with relevant standards of animal health and welfare. We have four key performance measures: contamination levels; veterinary audit outcomes; animal welfare incidents; and formal enforcement notices.

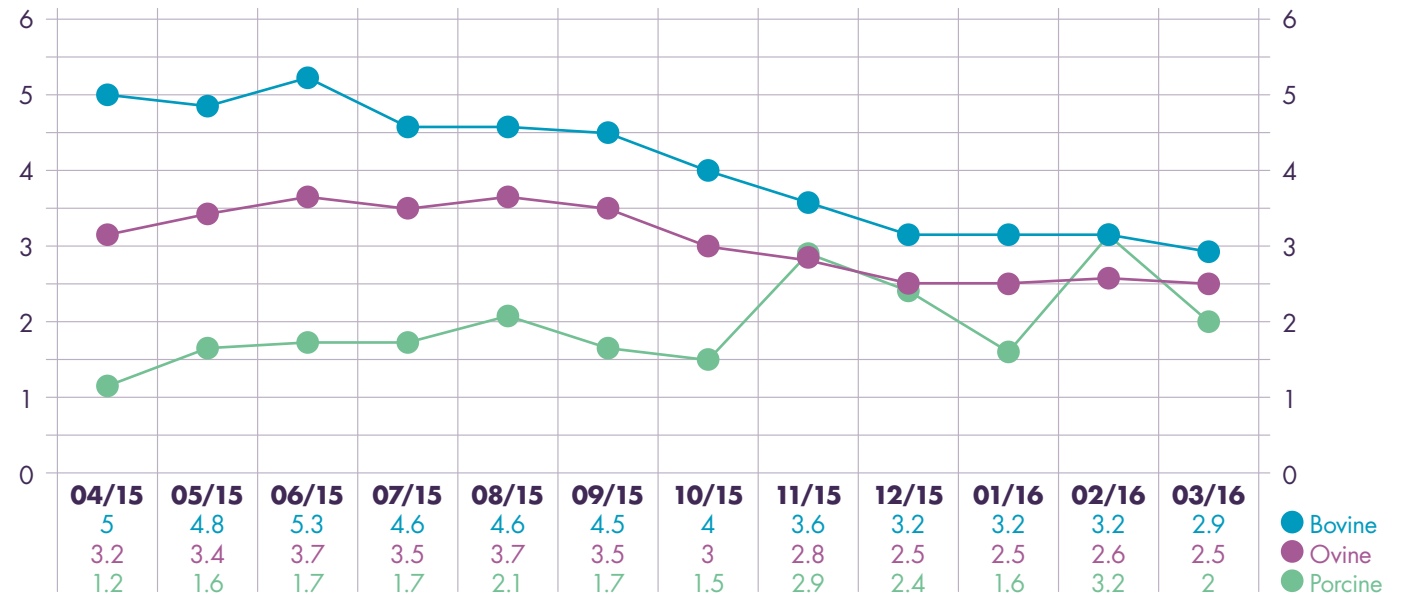
Contamination levels

Red meat carcasses cannot be placed on the market unless they are health marked. FSS ensures that all red meat carcasses where a health mark is applied are free from contamination and fit for human consumption. If contaminated carcasses are presented for inspection then we do not apply a health mark. The food business operator (FBO) has an opportunity to rectify the carcass and resubmit for final inspection once it is free of visible contamination.

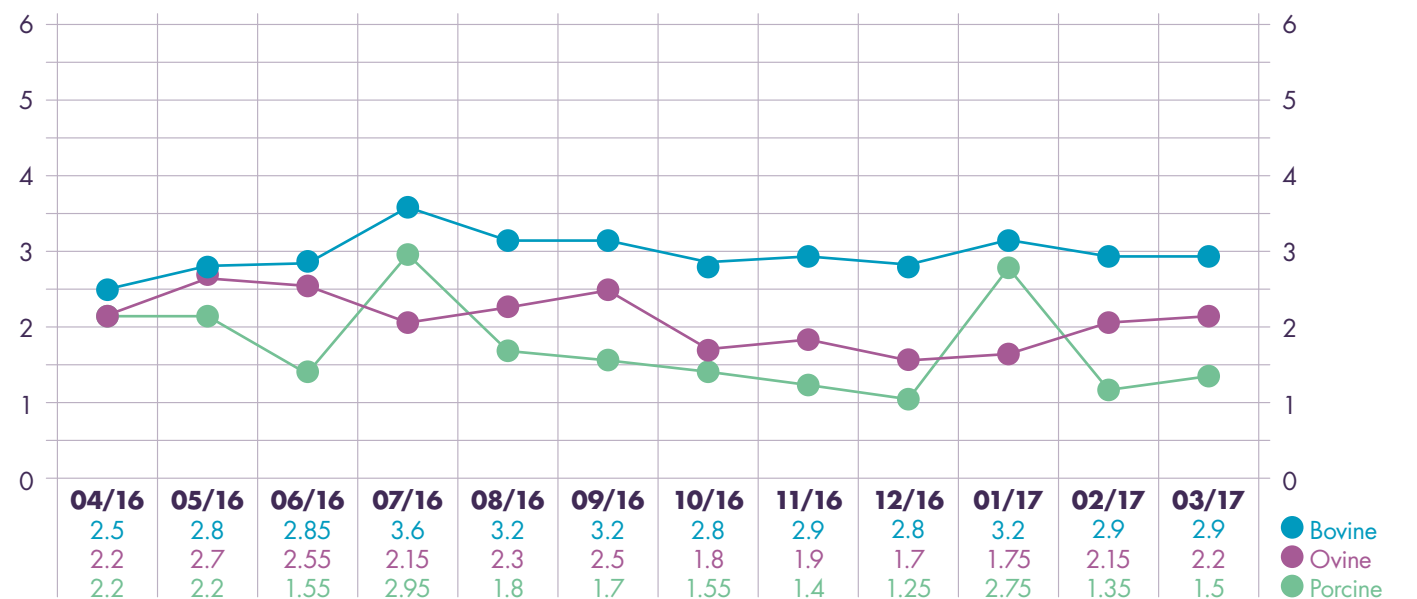
FSS actively engages with FBOs to secure reducing levels of contamination on carcasses presented for inspection. We set annual limits for levels of contamination. Limits set for 2016/17 were 5% for cattle, 4% for sheep, and 2% for pigs, the variation in limits recognising different methods of processing for each species. If contamination exceeds limits then proportionate enforcement action is taken. It is the FBO's responsibility to investigate the root cause of contamination but our staff can and do play an important role, often advising the FBO of the most likely causes.

The number of contaminated carcasses presented to FSS staff for inspection is a proxy measure for hygienic production at slaughterhouses. The following graphs show levels of contamination as a percentage of the number of animals slaughtered.

Contamination monthly averages, all Scotland 2015/16



Contamination monthly averages, all Scotland 2016/17





Veterinary audit

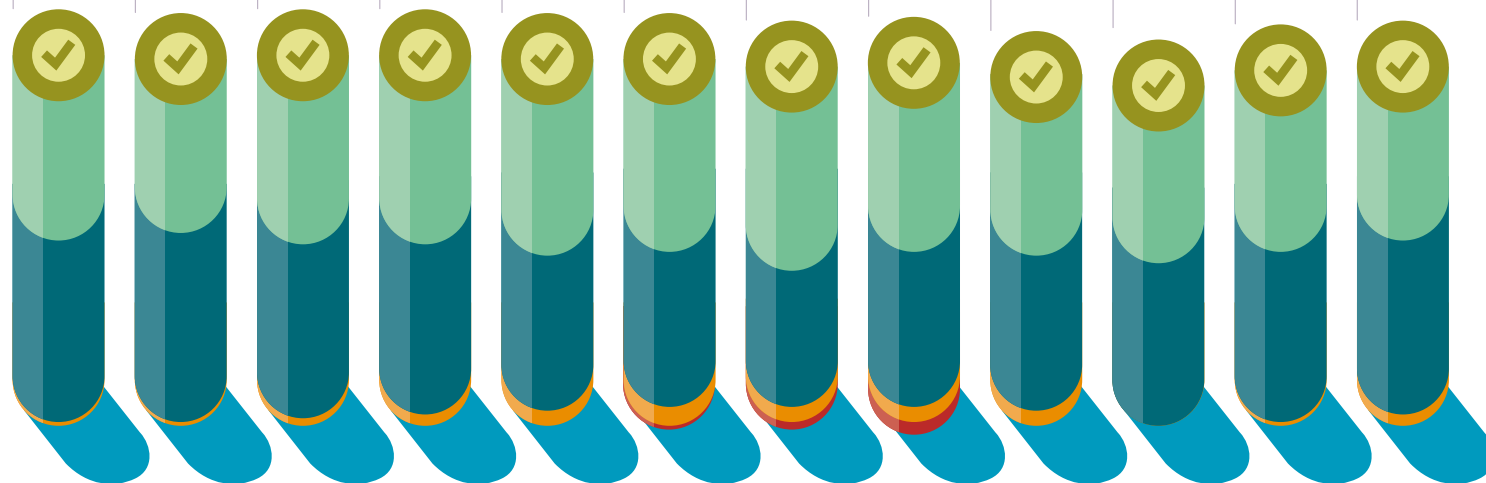
Our team of trained veterinary auditors deliver audits in approved meat plants with two main aims: to make sure that FBOs are complying with food law requirements; and to ensure FBOs are meeting relevant standards in relation to public health and, in slaughterhouses, animal health and welfare.

Audit reports detail any non-compliances identified and provide the FBO with an indicative timescale to address them. Further audits are scheduled at intervals varying from 3 months to 12 months, depending upon the level of compliance found, and additional partial audits, or unannounced inspections, may be undertaken in the case of non-compliances.

The following graph shows the number of meat plants at each level of compliance on a monthly basis, and demonstrates that the outcome trend is stable, with the majority of plants categorised as generally satisfactory or good.

Veterinary Audit Outcomes 2016/17

04/16	05/16	06/16	07/16	08/16	09/16	10/16	11/16	12/16	01/17	02/17	03/17
49 G	46 G	50 G	50 G	52 G	51 G	54 G	50 G	48 G	47 G	48 G	46 G
48 GS	50 GS	46 GS	45 GS	41 GS	41 GS	38 GS	41 GS	42 GS	43 GS	45 GS	46 GS
1 IN	1 IN	2 IN	3 IN	4 IN	5 IN	4 IN	4 IN	4 IN	0 IN	1 IN	3 IN
0 UIN	0 UIN	0 UIN	0 UIN	0 UIN	2 UIN	3 UIN	4 UIN	0 UIN	0 UIN	0 UIN	0 UIN



G Good
GS Generally Satisfactory
IN Improvement Necessary
UIN Urgent Improvement Necessary

Animal welfare

One of the important functions of FSS is to ensure that animals are protected by FBOs prior to and during slaughter and killing. We enforce legislation on behalf of the Scottish Government, and assist the Animal and Plant Health Agency (APHA) and local authorities (LAs) with animal welfare on farm and during transport through providing information relating to potential animal welfare breaches attributable to conditions or treatment on farm and during transport.

FSS has continued to improve the monitoring and reporting system for animal welfare breaches. Recent initiatives in the summer of 2016 and increased controls in the autumn of 2016 raised the profile of animal welfare resulting in increased levels of reporting, and FSS has collaborated with APHA and LAs to improve monitoring and action on animal welfare non-compliances originating on farm or in transport.

All animal welfare breaches that occur within approved slaughterhouses in Scotland are investigated and proportionate action is taken by official veterinarians working on behalf of FSS, who are on site during slaughter¹. Actions will range from verbal advice, enforcement letters, welfare enforcement notices to investigations with a view to providing reports to the Procurator Fiscal, and if required the suspension or revocation of slaughterer's Certificate of Competence. We referred 4 cases for investigation this year and one of those is already at the prosecution stage. We have suspended a slaughterer's Certificate of Competence in 9 cases in 2016/17.

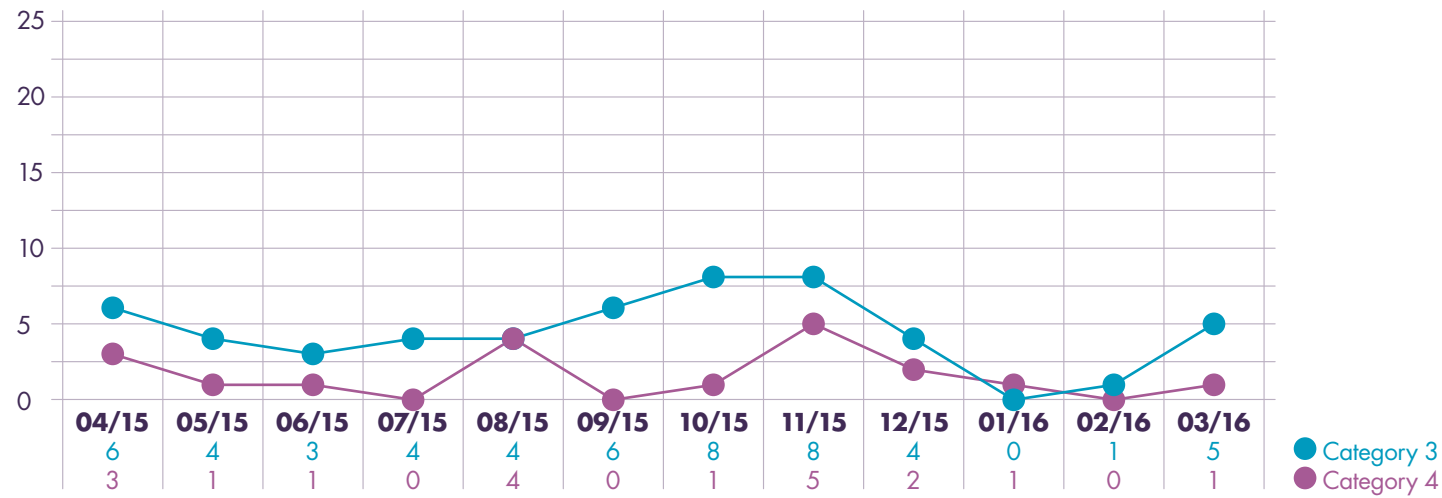
The following graphs show the number of welfare incidents in slaughterhouses, the number originating on farm or in transport, and the total number of welfare incidents recorded. We have a zero tolerance for animal cruelty, and so the number of welfare incidents, particularly those occurring in slaughterhouses, is a key performance indicator for us. It should be read in the context that in 2016/17 in Scotland 475,000 cattle, 1,190,000 sheep, 319,000 pigs and 44,790,000 poultry were slaughtered.

¹ potential animal welfare breaches attributable to conditions or treatment on farm and during transport are investigated by APHA or LA respectively.

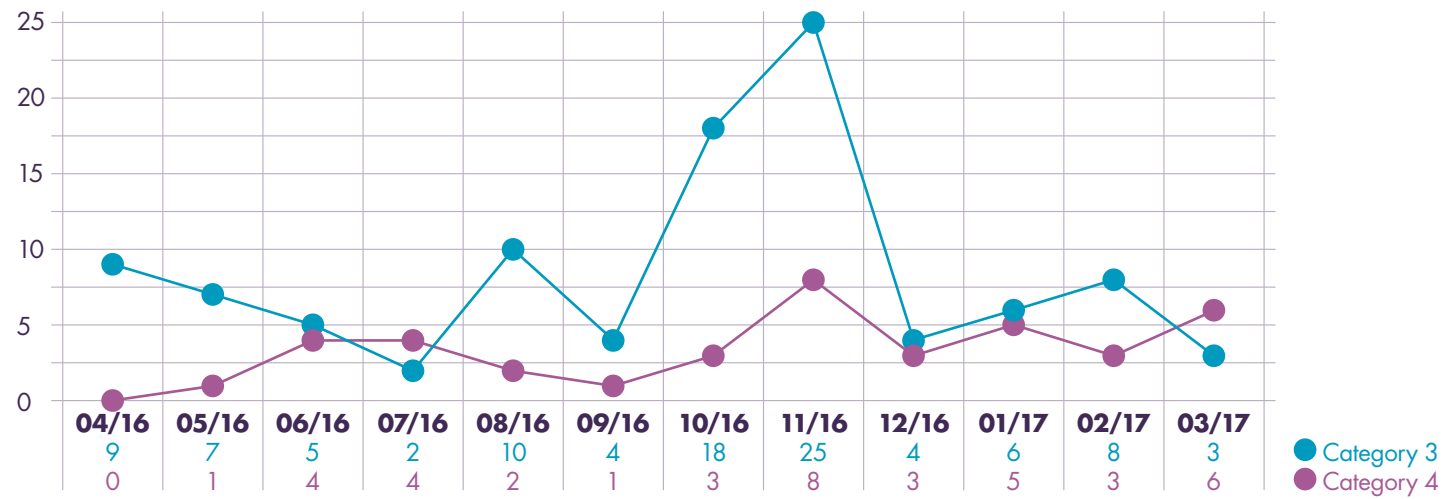


Animal Welfare Breaches – Slaughterhouse

Animal Welfare Breaches in Slaughterhouses 2015/16

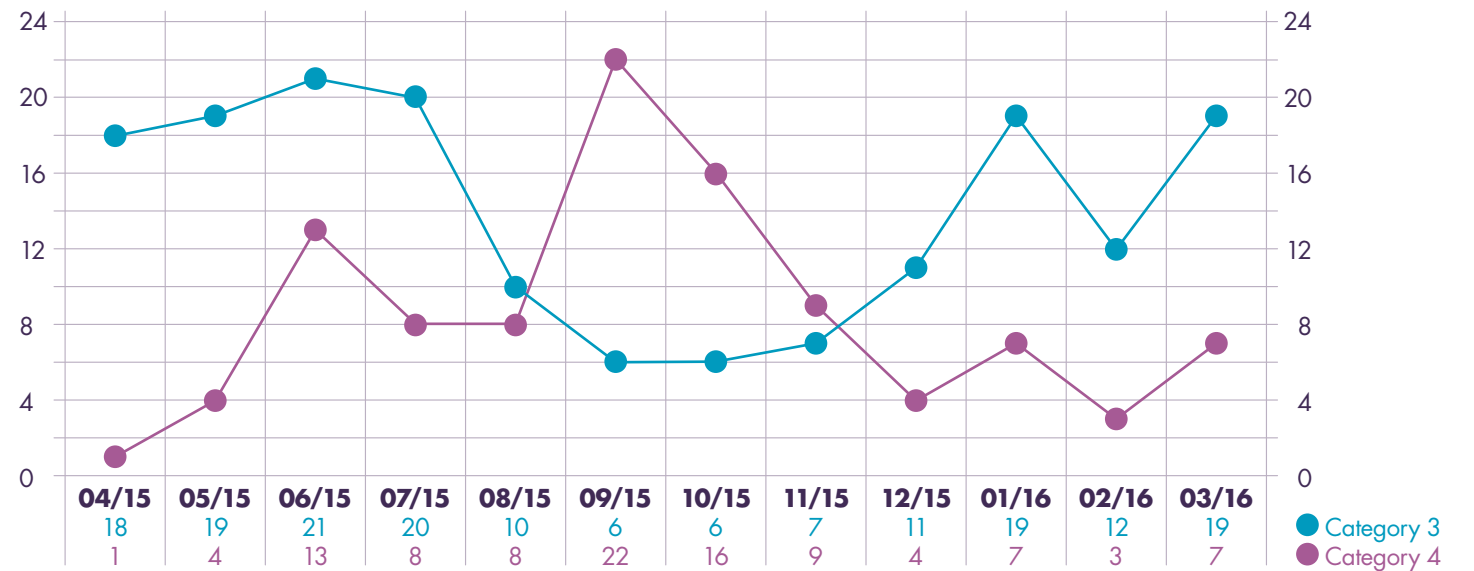


Animal Welfare Breaches in Slaughterhouses 2016/17

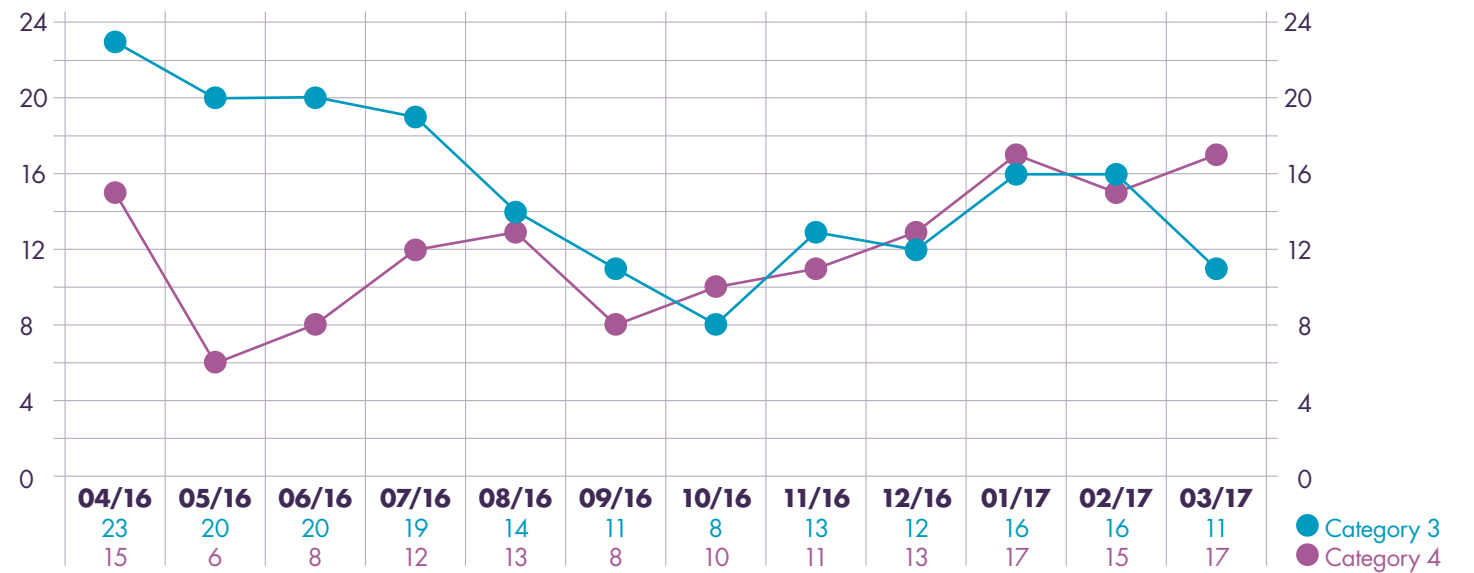


Animal Welfare Breaches – Farm or in Transport

Animal Welfare Breaches on Farm or in Transport 2015/16



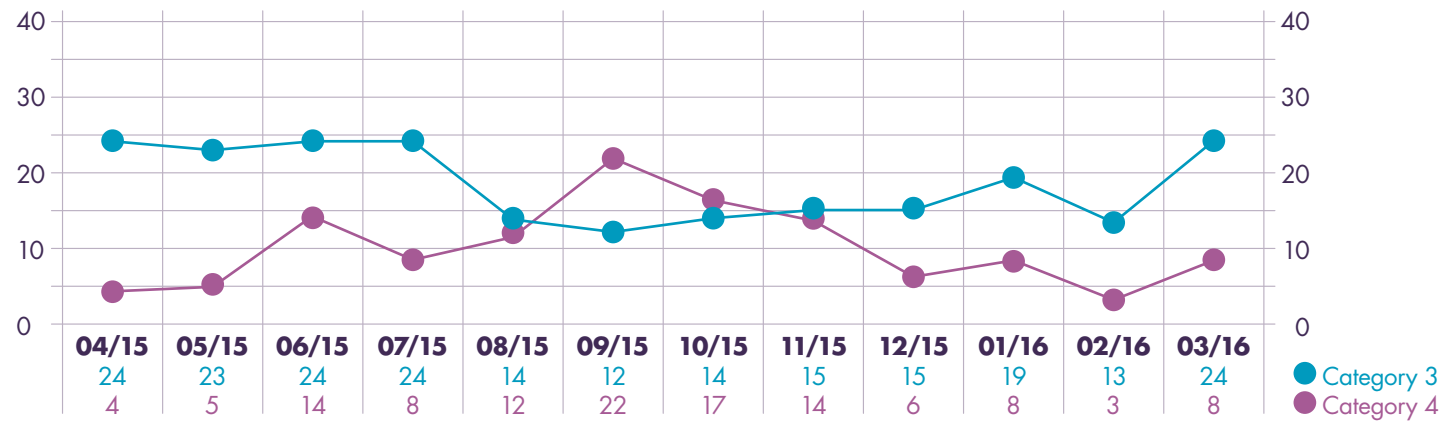
Animal Welfare Breaches on Farm or in Transport 2016/17



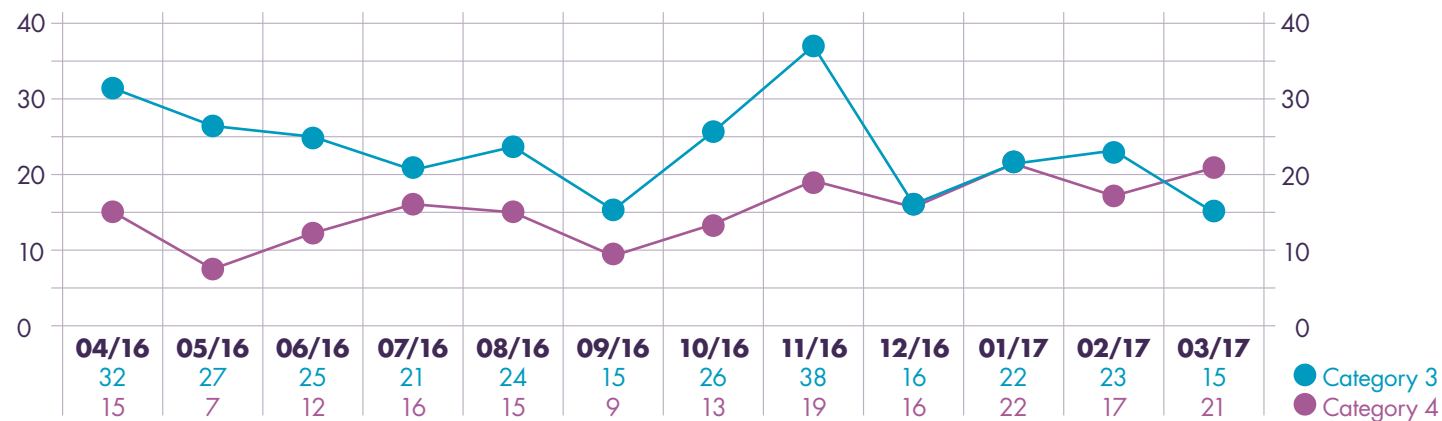


Animal Welfare Breaches – Total

Total Animal Welfare Breaches 2015/16



Total Animal Welfare Breaches 2016/17



Category 3 and 4 welfare incidents are defined as follows:

Category 3: A technical breach of welfare regulations but there was no evidence of any avoidable pain, distress or suffering to the animal during their killing and related operations.

Category 4: A breach of welfare regulations with evidence of avoidable pain, distress or suffering to the animal during their killing and related operations, or a contravention poses a serious and imminent risk to animal welfare.

In 2016/17 in Scotland 475,000 cattle, 1,190,000 sheep, 319,000 pigs and 44,790,000 poultry were slaughtered.

Formal Enforcement Action

In accordance with the Food (Scotland) Act 2015 we report each year on enforcement action taken. The figures below show the numbers and types of enforcement action taken by FSS in approved slaughterhouses, game handling establishments and cutting plants in Scotland during 2016/17, compared with those for 2015/16.

Statutory notices may be served for failures in hygiene, unsatisfactory structural matters, to stop the use of particular types of equipment, to impose conditions on the meat production process, to close down the operation completely, or to stop a particular practice that contravenes the hygiene provisions of the legislation.

Formal Action	Number of notices 2016/17	Number of notices 2015/16
Hygiene Emergency Prohibition Notice served under the Food Hygiene (Scotland) Regulations 2006	0	0
Hygiene Improvement Notice served under the Food Hygiene (Scotland) Regulations 2006	17	26
Remedial Action Notice served under the Food Hygiene (Scotland) Regulations 2006	5	16
Welfare Enforcement Notice served under The Welfare of Animals at the Time of Killing (Scotland) Regulations 2012 Dumfries & Galloway	10	5

Informal Action	Number of warnings 2016/17	Number of warnings 2015/16
Written warning	266	238



Shellfish

FSS delivers official controls to determine the safety of marine waters used for the harvesting of live bivalve molluscs (shellfish) in Scotland, and to ensure that shellfish from designated harvesting areas meet the health standards laid down in European legislation. We use levels of E. coli in shellfish flesh as the basis for annual classification of production areas, and also for monitoring. We use levels of marine biotoxins in shellfish samples taken throughout the year to determine whether a production area should be open or closed for harvesting. We classified **178** shellfish production areas this year, on the basis of 2256 E. coli samples taken in 2015/16, and we took 1998 E. coli samples during 2016/17, which were used for monitoring, and for the annual classification of production areas for 2017/18. In the course of this year we took 2816 biotoxin samples (as against 3077 in 2015/16), and there were 86 production area closures. Responsibility for the safety of the product rests ultimately with the FBO. FBOs are provided with information on the outcome of biotoxin sampling on a daily basis, and E. coli sampling on a weekly basis, or immediately if action is required.

Our biotoxin sampling plan is risk-based, but sampling can be routinely affected by a number of external factors, for example whether active harvesting is taking place, the availability of vessels, or weather conditions, and the plan is actively managed to ensure that deviations have as low an impact as reasonably possible upon food safety.

To be effective, food safety needs to be monitored throughout the food chain. Local authorities are responsible for enforcement of food and feed law in the majority of food businesses, and FSS has a key role in overseeing delivery of feed and food law by local authorities, contractors and partners, and promoting best practice. We do this by setting and monitoring standards, and auditing delivery of feed and food law. This year FSS began a programme of auditing local authority capacity and capability to deliver food law. We publish the audits on our website once they are completed, and the following table shows the outcome of the first four completed audits, together with the outcome of follow-up work from a previous audit programme.

In January 2017, FSS organised a Food Enforcement Partnership Event along with the Scottish Food Enforcement Liaison Committee (SFELC) and the Society of Chief Officers of Environmental Health in Scotland (SOCOEHS), with the aim of demonstrating the importance and value of partnership working. There was a high level of interest in the event, with over 200 attendees, and extremely positive feedback about the event, which covered a wide range of food law enforcement topics.



Local Authority Audits – Capacity and Capability Audit Programme

Local Authority	Audit Scope	Audit Date	Audit Outcome
Scottish Borders	Capacity and Capability	November 2016	Insufficient Assurance
Falkirk	Capacity and Capability	December 2016	Limited Assurance
Inverclyde	Capacity and Capability	January 2017	Substantial Assurance
South Ayrshire	Capacity and Capability	February 2017	Substantial Assurance
Dumfries & Galloway	Follow Up Audit – Audit of Core Enforcement Activities	March 2017	Audit file closed on successful completion of the action plan



Response to Food Incidents

A food incident is where concerns about actual or suspected threats to the safety or quality of food require intervention to protect consumers. FSS leads on the Government response to food incidents in Scotland, and provides businesses with advice on how to report, respond to and prevent an incident, as well as carrying out monitoring and planning work. This year we have begun to use a new incident management system, which will allow partner organisations access, and will better equip FSS to manage and respond effectively to food incidents.

FSS issues [information](#) about product withdrawals and recalls to let consumers and local authorities know about problems associated with food. We issue food alerts for action where intervention by enforcement authorities is required, and allergy alerts when a product is mis-labelled or a potential allergen not labelled. In 2016/17 FSS dealt with 104 incidents specifically related to Scotland, issuing 13 recall information notices, 6 food alerts for action, and 6 allergy alerts. FSS was a member of the NHS Health Scotland-led incident management team, working with a number of partners, which dealt with the *E. coli* O157 outbreak in the summer of 2016 which led to 17 people being hospitalised and sadly, one fatality. The incident management report on the investigations and conclusions relating to that incident are published [here](#).

A two-year Emergency Exercise programme was initiated in May 2016, intended to rehearse and interrogate FSS's incident management processes in the event of a non-routine incident. Significant planning work was undertaken to develop a scenario for a table-top exercise, Exercise Leven, which took place in Pilgrim House on 8 December 2016. Representatives from a range of multi-agency partners participated and lessons learned were clearly identified.

Incidents teams in FSS and the FSA continued to successfully coordinate and manage incidents

across the UK during 2016. The need for a quality management system to provide a framework for incident management plans and standard operating procedures on a four nation basis was identified. Working groups were established to allow the delivery of the required standard operating procedures on a four nation basis and were comprised of colleagues from across the UK (FSA offices in England, Wales and Northern Ireland and FSS in Scotland).

FSS also participated in Exercise Delta 52, held in June 2016, and Exercise Kestrel, held in September 2016, to test the multi-agency response to radiological incidents in Scotland.

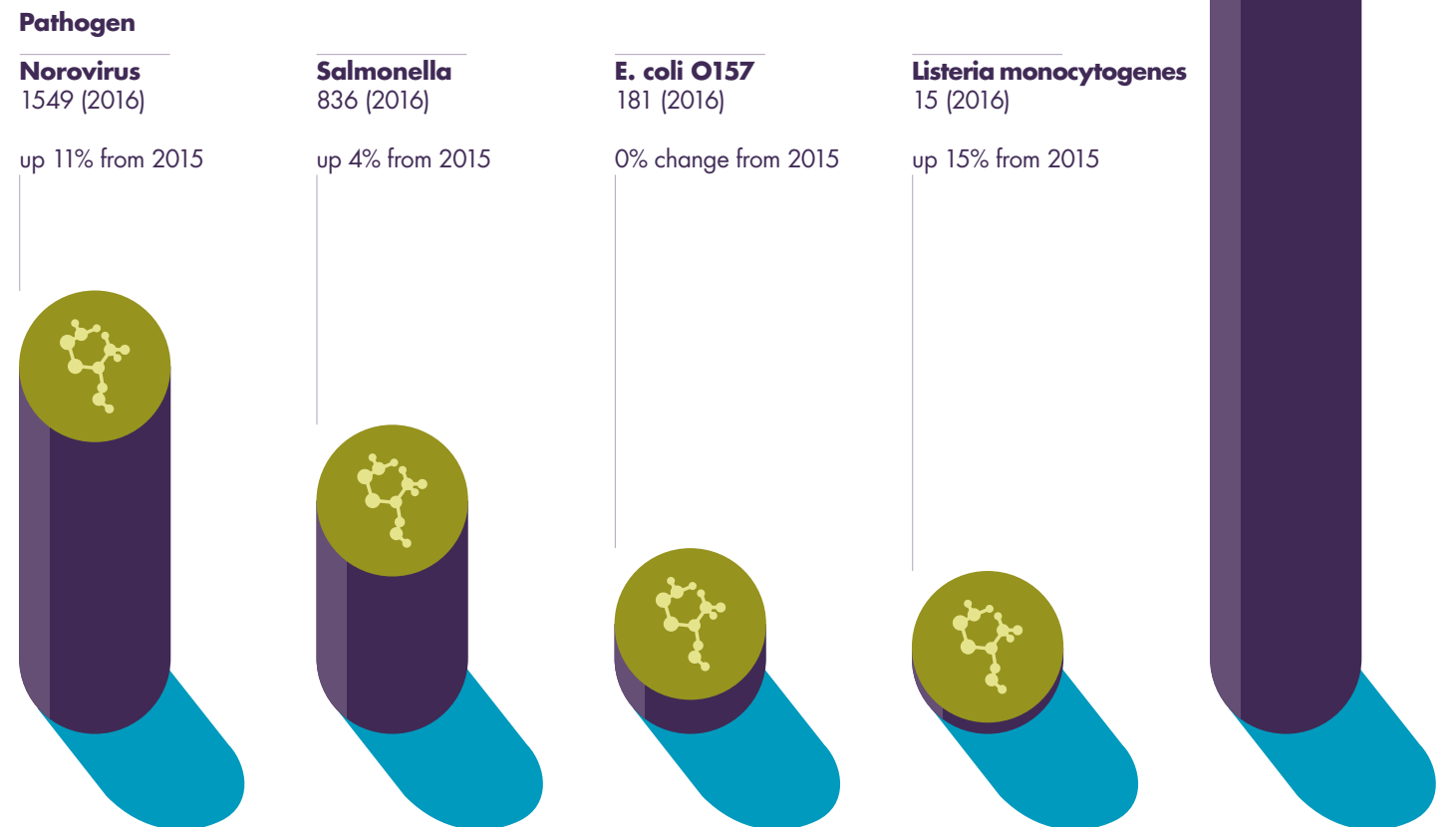
Reducing Foodborne Illness Strategy

Our Strategy for Reducing Foodborne Illness in Scotland was agreed by the FSS Board on 19 October 2016 and is published on the FSS website [here](#). Other significant actions that we have taken this year include the promotion of the UK strategy for reducing campylobacter contamination in poultry production, publication of [listeria guidance](#) to support organisations in the health and social care sectors to reduce the risk of vulnerable groups contracting Listeriosis, publication of on-line tools aimed at supporting the [smoked fish](#) and [fresh produce](#) sectors in effective food safety management, and running training events for Local Authorities and food businesses on how these tools can be used to control the risks of microbiological contamination. We have also worked in partnership through the Scottish Health Protection Network to identify evidence based interventions for protecting the Scottish population from campylobacter risks and to progress the VTEC (Vero cytotoxin-producing Escherichia coli) Action Plan.

The only data which is currently available on foodborne illness in Scotland is published by Health Protection Scotland (HPS) and relates to the number

of cases of infectious intestinal disease (IID) reported in national statistics, which are attributed to the pathogens most frequently associated with food. Due to under-ascertainment, the figures represent only a fraction of the total number of cases in the community, and relate to all reported IID including those caused by foodborne and non-foodborne transmission. This means that these figures cannot be used to directly measure our impact on foodborne illness in Scotland; however, they provide annual trends which indicate where interventions and research should be targeted.

Reported cases of infectious intestinal disease in Scotland attributed with the top 5 pathogens associated with foodborne transmission. Data reported by Health Protection Scotland (HPS)



* To note that figures remain provisional at the time of this report.



Local Authority Sampling

The [UK Food Surveillance System](#), a national database for the central storage of analytical results from food and feed samples, has been rolled out to 31 out of the 32 local authorities in Scotland. Between 1 April 2016 and 31 March 2017, the results of 8,713 food samples were recorded on the database. This compares to 9,507 samples during the same period in 2015/16, which represents a decrease of 8.4%.

The results of food sampling undertaken to assess compliance with EU regulations or non-statutory guidelines are shown in the table below. Samples are defined as unsatisfactory if they breach legislative standards or guideline values. Unsatisfactory results relate to samples which have failed for a wide range of criteria including those which could present a *potential* food safety risk as well as those which are indicative of a failure in the food production process. Unsatisfactory results cover all of the following:

- **Food Safety risks** – the detection of pathogenic bacteria or contaminants in end products which breach chemical safety requirements;
- **Hygiene failures** – the detection of elevated levels of hygiene indicator bacteria in samples taken during the production process or in end products
- **Labelling/compositional failures** – ingredients which do not conform with the information on the product label. This would also include detection of allergens which were not highlighted on the packaging in a way which conforms with labelling requirements.
- **Substitution** – The chemical category also includes products tested for substitution e.g. a lamb curry found to contain beef etc.

It is important to note that for many unsatisfactory samples, the results relate to issues identified before products are placed on the market, therefore action is taken before there is any risk to the consumer.

FSS reviews UKFSS data on an annual basis and reports the trends to all 32 LAs in Scotland to assist them in targeting enforcement interventions and surveillance activities. The UKFSS datasets will also be used to inform FSS's new tactical assessment and priority setting procedures as part of the new food surveillance strategy.

UK survey of campylobacter in retail chicken

Throughout the year, FSS continued to promote action on campylobacter in poultry production through publication of FSA's UK wide survey of campylobacter in retail chicken. The survey results for January-March 2017 indicate that the industry continues to make progress in tackling campylobacter with 51.2% of chickens testing negative for campylobacter which is a slight increase from the 50% reported for the same period last year. More importantly, the figures show that, on average, across the market, 6.5% of chickens tested positive for the highest level of contamination, which is down from 9.3% for the same period last year.

Public awareness

Besides our work to ensure that food placed on the market is safe, we also work to raise the public's awareness of how their actions can impact on food safety in the home. We know from our six-monthly consumer attitudes tracking survey that in December 2016 only 11.4% of people follow the 20 recommended food safety behaviours within the '4Cs' (cleaning, chilling, cross-contamination, cooking), so we will continue to place an emphasis on improving on these figures given the impact it can have on reducing incidences of food poisoning.

We ran two seasonal food safety campaigns this year: a re-run of our Festive Food Safety campaign, and a new campaign - Pink Chicken (aimed at summer barbecue cooking). Independent evaluation shows that **81%** of those among the target audience who saw the Festive Food Safety campaign took action as a result, and that **80%** of the target audience for Pink Chicken took action as a result of that campaign.

Our Pink Chicken campaign received two gold Star Awards from the Marketing Society Scotland in the Food & Drink and Media categories.

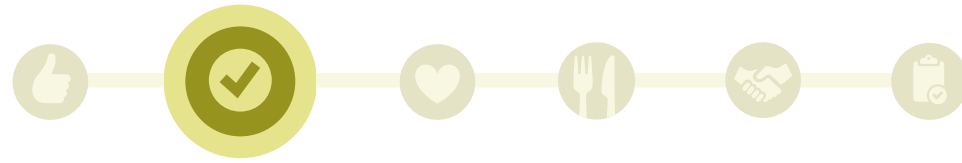
Over the year there have been **27,164** visits to relevant food safety and campaign pages on our website, including **8,558** to 'Pink Chicken'.



Data-sharing with SEPA

During 2016/17, FSS developed new data sharing arrangements with SEPA which support risk-based approaches for targeting monitoring programmes for chemical contaminants in shellfish harvesting waters in Scotland. Further work has been initiated to develop new sanitary survey approaches for aligning methods used by FSS and SEPA to assess the quality of shellfish harvesting waters which will be further developed during 2017/18.

* The 'Other' category covers a range of determinations including labelling inaccuracies and consumer food complaints.



2. Food is authentic

What does this mean?

- **Food is of the nature, substance and quality as described by the supplier.**
- **Consumers have confidence that food information is accurate and clear.**

What have we achieved?

Our biannual consumer tracking survey shows that understanding of, and trust in, food labelling has continued to improve over the past year, but that **49%** of consumers are worried that what's in their food might not be what's on the label.

Scottish Food Crime & Incidents Unit

In operation OPSON SFCIU worked with local authority environment health, Police Scotland, Trading Standards Scotland, HM Revenue and Customs, Public Analysts, Gangmasters and Labour Abuse Authority, Marine Scotland, UK Border Agency and Immigration Enforcement

Scottish Food Crime and Incidents Unit

Food fraud is defined as any deliberate manipulation, substitution, mislabelling or fraud in relation to food and drink.

During 2016/17 our Scottish Food Crime and Incidents Unit (SFCIU) has developed to comprise a Food Crime Intelligence Bureau, a Food Crime Investigations Team and an Incidents Team. Two additional members of staff have been recruited through funding made available by Scottish Government as part of a pilot project involving joint working with the Animal and Plant Health Agency (APHA) on animal health and welfare work.

We established a number of other partnerships during 2016/17. SFCIU is represented on the National Food Crime Advisory Unit (NFCAU), a working group of the Scottish Food Enforcement Liaison Committee. We share intelligence on a secure platform with all 32 local authority environmental health departments. We have Information Sharing Agreements with Police Scotland, with the Food Industry Intelligence Network (FIIN) and with the Food Standards Agency (FSA). We also work in partnership with Scottish Environmental Protection Agency (SEPA).

We work with FSA on an annual UK Food Crime Strategic Assessment, and in parallel identify Scottish Food Crime Priorities, which we will share with all key partner agencies and in particular with environmental health departments through the NFCAU.

We are also actively involved in Operation OPSON, an international initiative which encourages participating countries to hold a focused period of activity against counterfeit and substandard food. In Scotland, the SFCIU provided a co-ordinating role to bring relevant partners together to plan and implement operational activity during December 2016 and February 2017.

This year it focused on illegal shellfish harvesting, door to door fish sales targeting vulnerable residents, traceability checks for chicken and lamb, substitution checks for almond/peanut powders, and counterfeit alcohol.

The launch, in August 2016 in partnership with independent charity Crimestoppers, of a [free hotline and online form](#) to report suspected food crime was a key milestone in the development of the SFCIU. **259,442 people saw our posts on social media, and 2,726 actively engaged with them** – roughly 1% of those viewing, which is the industry average for engagement with a social media post. Since its launch we have undertaken continual awareness raising activities, including three roadshows to raise awareness of food fraud and to encourage public and industry to report. **158,259 people viewed our social media posts on the Scottish Food Crime Roadshow, with 16,217 actively engaging with them.**

We have begun work on appropriate mechanisms to evaluate the outcomes of our work, and this will continue into next year.

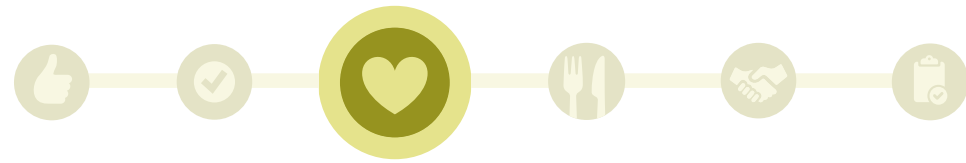
Evidence base on the authenticity of the Scottish food chain.

Our key milestone for 2016/17 was the development of a draft Food Surveillance Strategy for Scotland which was discussed by the Board in March 2017 and will be finalised following consultation in 2017/18. The strategy describes the approaches designed to generate the information and intelligence required to identify risks to the safety and authenticity of food and feed produced or sold in Scotland. It includes a surveillance model which is intended as an initial framework to guide the development of intelligence relating to food/feed safety and authenticity through structured approaches for the collation, analysis and interpretation of information sources.

In October, we also published our report of preliminary research aimed at developing a tool based on the use of Stable Isotope Ratio Analysis (SIRA) for verifying the geographical origin of Scotch beef. The findings of this work are now being used to develop a strategy for intelligence gathering and investigations on the provenance of the Scottish beef production chain.

Food information (labelling)

Our key aim for 2016/17 was to provide enforcement authorities with guidance and training to support new powers to deliver food information controls. We launched an updated and rebranded [Food Standards Training Manual](#) in January 2017, providing a comprehensive source of information on food labelling and standards matters for enforcers, and delivered 2 training workshops to ensure consistency in delivery.



3. Consumers have healthier diets

What does this mean?

- **Dietary choices of the Scottish population change towards meeting the recommended dietary balance and the Scottish Dietary Goals (SDGs).**

What have we achieved?

We have a leadership role in diet and nutrition, encompassing: the creation of an authoritative primary source of evidence-based advice; strategic coordination of research and surveillance; and recommending actions that could improve dietary health.

Research

We commissioned and published a range of [nutrition research](#) to support our nutrition work in 2016/17, including studies aimed at understanding the factors that influence dietary choices. In October, we published an [overview of the out of home food and drink environment in Scotland](#). This year we have also commissioned research into 'Identifying and understanding the factors that can transform the retail environment to enable healthier purchasing by consumers' ([now published on our website here](#)); 'Identifying gaps in out of home information on portion size, price, nutrient and calorie content of meals' (due for publication Summer 2017); and 'Marketing strategies used within premises by out of home businesses' (due for publication Summer 2017). We have also purchased data on retail purchase and promotions in Scotland, with a report due for publication in Summer 2017.

We continue to monitor diet, and in October 2016 published our latest estimation of Food and Nutrient intakes (interim report) - part of a rolling programme to update annual trends in food consumption and nutrient intakes. We have also spent time this year preparing the groundwork for piloting the use of [Intake 24](#), an online dietary monitoring tool, in the Scottish Health Survey.

In addition, we undertook extensive engagement and work with the secretariat of the Scientific Advisory Committee on Nutrition on a risk assessment related to folic acid fortification. We also commissioned, and contributed extensively to, a project to model the potential impact of different options for mandatory folic acid fortification in the UK population.

More generally, we instigated a new cross government policy and research group to coordinate government-funded research in Scotland, including diet and nutrition research, and have maintained a knowledge exchange with the Rowett Institute for Nutrition and Health.

Advice and influence

This year we have continued to contribute to a significant body of evidence supporting the movement for dietary change and growing acceptance of the case for action in Scotland. The proposals contained within our package of measures to tackle poor diet, agreed by our Board in January 2016, have been frequently quoted by health professionals and charity organisations advocating the need for action to stem obesity and reduce diet related health conditions. We followed up our January recommendations with a [review of progress and further recommendations](#) agreed by the Board in March 2017.

During the year we have had extensive engagement with Public Health England on the introduction of voluntary targets for sugar reduction, [responded in detail](#) to the UK consultation on a Soft Drinks Industry Levy, and engaged with the Committee on Advertising Practice regarding extension of restrictions on advertising high fat, salt and sugar food and drink to non-broadcast media. FSS is represented on the technical working group to review school food regulations, and has engaged with key partners on the affordability and acceptability of a healthy diet.

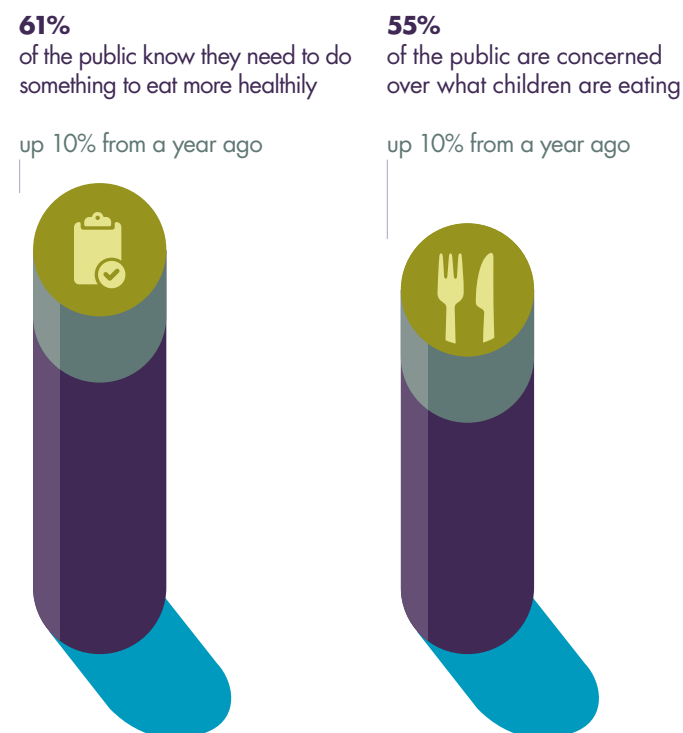
We recognise that reformulation and the provision of calorie and nutrient information is harder for small businesses and therefore we are currently piloting the use of MenuCal in collaboration with local authority enforcement officers. MenuCal is an online application. This tool, which is free at the point of use, provides small businesses with a means to provide calorie information on their menus. Newly developed business guidance for voluntary calorie labelling is also being piloted alongside MenuCal.

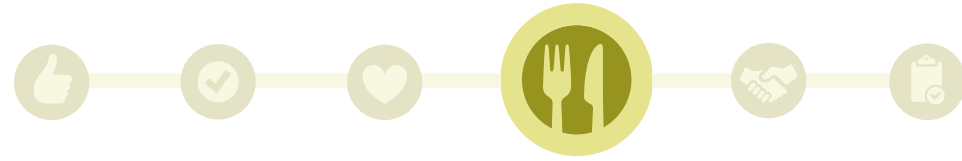
Consumer advice and engagement

This year FSS published and disseminated the [Eatwell Guide](#) in Scotland, and launched the [Interactive Eatwell Guide](#), a teaching resource which makes learning about a healthy diet simple, fun and accessible.

FSS ran a social marketing [Healthy Eating campaign](#) in September 2016 and again in [March 2017](#), supported by roadshows, social media and [online materials](#). The campaign received a silver award from the Marketing Society Scotland for marketing planning and insight. **72%** of parents were motivated to take action and claimed to have done so to address unhealthy snacking as a result of the campaign, and over the course of the year there were **41,600** visits to the healthy eating pages of our website, including **24,875** to the campaign pages.

Evidence from the most recent wave of the biannual Food in Scotland Consumer Attitudes Survey shows an encouraging increase in consumer awareness, trust and understanding of our role within diet and nutrition, including increased recognition of our expertise and public awareness of our responsibility to promote and enable healthier eating in Scotland.





4. Responsible businesses flourish

What does this mean?

- **Food businesses that operate responsibly and do things that benefit consumers' interests benefit from risk-based and proportionate regulation that enables them to flourish, whilst effective and dissuasive action is taken with those businesses who do not step up to their responsibilities to consumers.**

What have we achieved?

A Regulatory Strategy

We have developed a regulatory strategy, setting out our vision and future direction for how we will fulfil our role as a national regulator in Scotland, and being clear about how food businesses are acting to protect consumers and what those businesses should expect from us. This followed an extensive programme of engagement with industry stakeholders, the Scottish enforcement community, other regulators, and consumers to seek their views on FSS's proposed regulatory approach, culminating in a 12 week [public consultation](#) which closed in April 2017. The strategy is published on our [website](#).

FSS has established a Programme Board to provide overall strategic direction and governance of the supporting regulatory strategy programme, including coordination with other FSS strategies and programmes. The programme has absorbed a number of existing projects that are already well developed. These include, for example, significant projects to develop a new food business risk rating scheme for local authority use, development of a Scottish National Database (SND) for enforcement monitoring purposes, a review of the Food Hygiene Information Scheme, and work to implement a regional model for the delivery of animal feed official controls. Performance metrics are being developed within each of the projects included in the programme, with an emphasis on assessing how they contribute to delivery of the FSS regulatory strategy.

Achievements by the programme in 2016/17 are:

Risk rating for food law enforcement

FSS produces a Food Law Code of Practice, which provides Ministerial direction on the approach that local authorities should take in delivering food law interventions and enforcement. We developed a revised Food Law Code of Practice risk scoring matrix during the first half of 2016/17, and began a pilot, involving 10 local authorities, on 1st October 2016. This incorporates the 'compliance spectrum' approach, outlined as an example of best practice in the Scottish Regulators' Strategic Code of Practice, to support targeted, risk based interventions. This will ensure that food businesses who demonstrate sustained levels of compliance are subject to proportionate levels of regulatory oversight, and effective and timely action is taken against businesses who do not step up to their legal responsibilities. Feedback has indicated that the combined intervention scheme for food hygiene and food standards has been positively received amongst front line officers.

Scottish National Database

This year has seen the development of a Scottish National Database (SND), which will collect and analyse all enforcement activity undertaken by local authorities (LAs) in Scotland directly from source, thus providing FSS with a weekly update of food enforcement activity conducted by LAs across Scotland without increasing their administrative workload. This data will allow LAs and FSS to examine real-time datasets on food enforcement activities alongside other datasets such as the Scottish Index of Multiple Deprivation, allowing FSS to implement more effective policy changes going forward. A launch, pilot and roll-out is planned for 2017/18.

Food Hygiene Information Scheme

At the end of March 2017, there were 47,470 food businesses listed on the Food Hygiene Information Scheme (FHIS), with an average pass rate across all Local Authority areas of 92%. Our consumer tracking survey shows that consumer awareness of FHIS has increased to 55% from 50% over the past year, and that 30% of people have used a food hygiene information scheme when eating out. We also know that there have been **16,154** visits to FHIS webpages and **11,553** database searches.

We have completed a review of FHIS, with the aim of incentivising business compliance through influencing consumer choices, and this is due to be discussed by the Board in 2017/18.

Animal feed controls

FSS has developed and agreed proposals for a new centralised official control delivery model, which will make use of the existing experience and competence of local authority officers but operate on a regional basis to improve effectiveness, and has planned implementation, to be taken forward during 2017/18.

Supporting exports to third countries

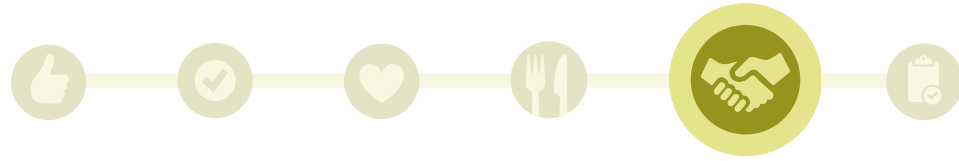
In June 2016, FSS provided expert assistance for a Chinese delegation visiting to inspect official controls within the UK salmon and trout industries, with the aim of allowing UK salmon (and perhaps trout) accelerated access to the Chinese markets. The visit took place mostly in Scotland, entailed extensive preparation by FSS working with colleagues from DEFRA, the local authorities, FSA and the industry.

FSS has also provided support to local authorities and industry with respect to a number of United States Food and Drug Administration (USFDA) audits of food businesses that are exporting, or wish to export, to the USA.

FSS has kept local authorities updated on proposed changes to Chinese and Russian food laws, and continues to work with Scottish Government and DEFRA, the lead Government departments for exports, on their proposal for a UK working group to standardise export certification procedures.



47,470 food businesses listed on the Food Hygiene Information Scheme.



5. FSS is a trusted organisation

What does this mean?

- Consumers in Scotland are aware of FSS and trust it to put them first in relation to food safety, food standards and healthy eating.
- FSS understands the other interests of consumers in relation to food, and leverages influence where appropriate to benefit consumers.

What have we achieved?

Awareness and trust

FSS worked hard in its first year to raise awareness and understanding of what it is and what it does; it has striven equally hard in 2016/17 to consolidate that work and increase visibility.

Over the year there have been over **570,000** visits to our website, and we have been mentioned in the press over 900 times.

We were also provided with many opportunities to raise awareness of FSS, and engage with stakeholders and consumers by attending a number of events across Scotland, including the Royal Highland Show, Taste of Grampian, and the FSS Student Roadshow. Our stands were all well-attended with consumers very engaged with the interactive areas, activities and information on offer to them. These included four new digital games focused around food safety and diet & nutritional key messages.

We undertook user testing of our website amongst its key audiences: staff, the public and other stakeholders, and have done the groundwork to deliver a remodelled website in 2017/18, in order to make information more easily accessible.

Over the year we have spoken directly to over **3,000** people to increase our understanding of consumer knowledge, attitudes and behaviour.



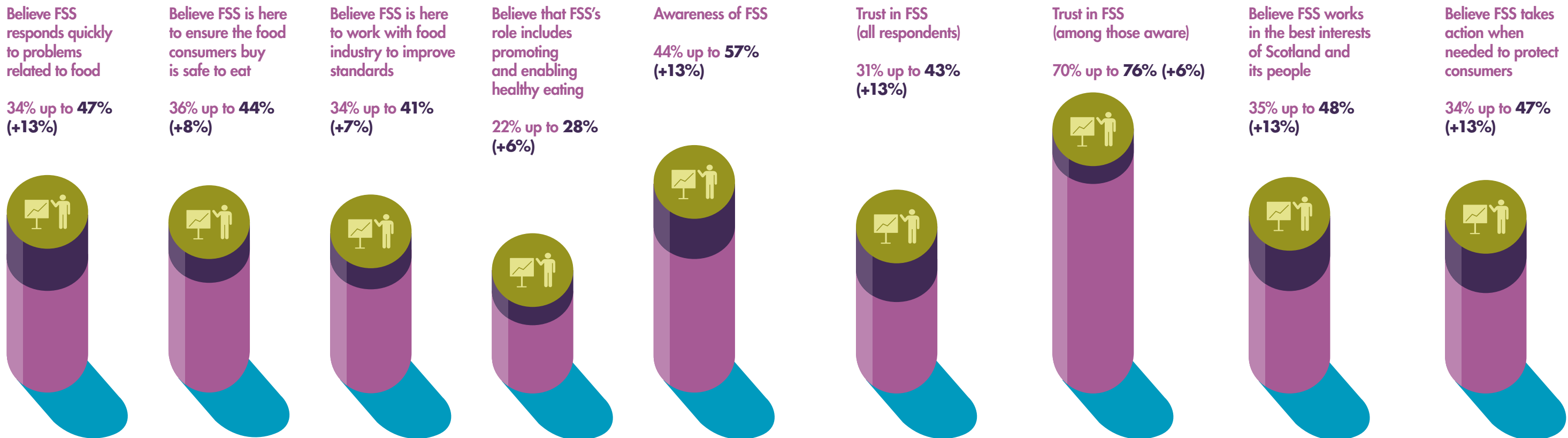
Understanding and influencing

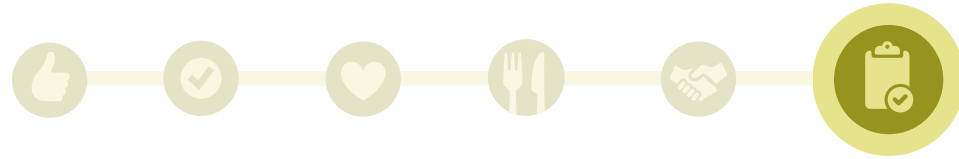
Trust is built on openness and transparency: our Board met in public 5 times this year. Future Board meetings are publicised on our [website](#), and the meeting papers are published on our website [here](#).

Comparison between waves 1 (December 2015) and 3 (December 2016) of our Food in Scotland biannual consumer tracking survey shows a significant increase in awareness of FSS and understanding of our role. Trust has also increased over the year.

The table below shows a more detailed comparison.

It is important to us to understand consumers and stakeholders. Over the year we have spoken directly to over 3,000 people to increase our understanding of consumer knowledge, attitudes and behaviour. We launched 12 formal public [consultations](#), including 3 jointly with the Food Standards Agency. Just as importantly, we have engaged with our stakeholders informally throughout the year, using a variety of consumer and stakeholder forums, to gather input on the development of our strategy, to gather early input from key stakeholders on policy or operational proposals, or simply to support mutual understanding of respective priorities and concerns. Examples are our continuing engagement with the Scottish Food Enforcement Liaison Committee ([SFELC](#)), our strategy stakeholder forum, the implementation this year of quarterly Scottish Meat Industry Forum meetings, and extensive engagement with respect to our regulatory strategy.





6. FSS is efficient and effective

What does this mean?

- **We are an organisation of well-motivated and appropriately skilled people committed to carrying out all our duties in a responsible way. Our resources are focused on doing the right things, and doing them in ways that are most effective for achieving our objectives.**

What did we achieve?

Our people

The 2016 FSS staff survey showed a positive picture of staff engagement across the organisation, with FSS ranked as **25th** out of 98 highest performing Civil Service organisations. The lowest score was for Learning and Development. Although there has been some activity in this area over the past year, our main focus has been on recruitment, and so we have undertaken a training needs analysis which will inform development of organisational learning and development priorities and associated planning

We kept our staff in touch and engaged in a number of ways in 2016/17, including a weekly email update to all staff from the CE, regular staff meetings led by the CE, and a staff newsletter, with hard copies sent to our field operations staff. We are alive to the fact that our field operations staff work across Scotland, and undertook a survey in January to better understand their communication needs, and are reviewing arrangements accordingly. Our staff forum, chaired by the Deputy CE, is an opportunity for staff representatives to raise any issues. It met 10 times this year.

In January 2017, we also achieved the Bronze Award of the Healthy Working Lives programme, which demonstrates our on-going commitment to ensuring the health and wellbeing of our staff. During 2017, we shall also seek to achieve the Silver Award.



Our sickness absence continues to improve with the average working days lost down to 3.9 days (4.2 in 2015/16).

Doing the right things

Our Board reviewed their Scheme of Delegation during 2016/17 in order to clarify the respective responsibilities and accountabilities of the Board and the Executive. A revised version was adopted at the Board's March 2017 meeting, and is published on our website [here](#).

Over the year we have developed and refined financial and operational performance reports for the Board, and a working group with membership from Board and Executive has worked on the development of strategic performance indicators to apply across our business. We have also developed an assurance mapping process, with regular highlight reports submitted to the Audit and Risk Committee, which has been shared with other public bodies as an example of good practice.

We published our first [Mainstreaming Equality Report](#) under the specific duties of the Equality Act in April 2016, setting out our commitment to fully embed equality as a key component of our business, both as a consumer protection body and as an employer, and staff have undertaken training on compliance with the Equalities Duty. All staff undertook Data Protection training. A familiarisation session was delivered on the Civil Service Code at an all staff meeting.

In March 2017, FSS was also accredited as a Living Wage employer.



Focusing our resources

We have published our [Science, Evidence and Information Strategy](#), accompanied by a [Governance Statement](#) and [checklist](#). The Strategy underpins how we identify and prioritise our evidence needs to support our strategic priorities, and our governance system helps to ensure that we are transparent in how we deal with uncertainty in our science, evidence and information, and will support risk management.

To develop our digital capability, this year FSS has worked in collaboration with the Scottish Government's Digital Transformation Service to deliver 4 foundation workstrands: Process Mapping, a Digital Maturity Model, User Research, and a Technical Architecture Review.

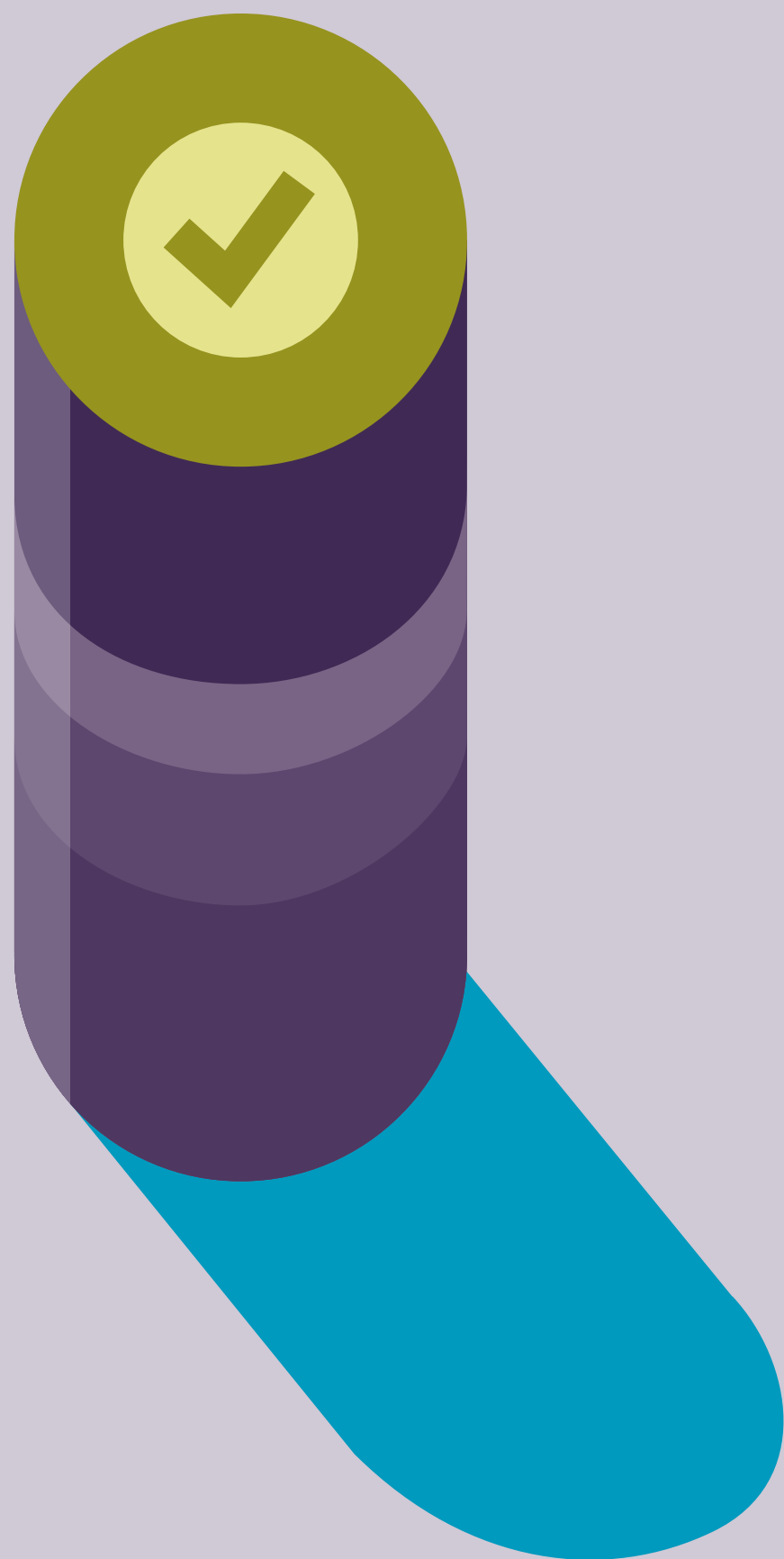
An independent review of our approach to calculating the charge for meat official controls found our approach to be robust. We completed an operational review project to evaluate the potential for the meat industry to reduce their charges for Official Controls. The project identified a number of opportunities and we will be entering discussions with the industry in 2017 to identify if they wish to change operating patterns in order to realise some of the benefits. More generally, in August 2016 the FSS Board agreed that FSS should engage with consumers and other stakeholders on a future effective and sustainable official controls system, and this project has been absorbed into the Regulatory Strategy Programme (Page 38).

During the year, we also worked to identify financial savings from across our business in order to reinvest this money in other key parts of our work. In 2016/17 we estimate those savings to be approximately £276,000 and have come from reducing our hotel and travel costs, securing savings through the use of the Scottish Government's procurement shared services and associated frameworks and through a reduction in overtime costs following across the business. These savings have been used to extend the delivery of our healthy eating campaign and provide additional food hygiene training to school pupils and environmental health enforcement officers.

Geoff Ogle

Chief Executive and Accountable
Officer 16 August 2017

Accountability Report



Accountability Report

This Annual Report and Accounts is prepared to meet the requirements of Section 15 of the Food (Scotland) Act 2015. The Accounts for the financial year ended 31 March 2017 have been prepared in accordance with the Accounts Direction (page 111) given by Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The Board has a role in approving the Annual Accounts and ensuring that the Annual Report and Accounts are laid before Parliament. The Annual Report and Accounts were approved by the Board and authorised for issue on 16 August 2017.

Financial Regularity

The budget for FSS is met from existing resources within the Scottish Consolidated Fund and through income received from industry and other government departments in relation to the delivery of Official Controls in approved meat establishments.

FSS is classed as a directly funded external body which requires separate parliamentary approval from the Scottish Government portfolio and consequently the FSS budget is detailed separately in the relevant Budget (Scotland) Bill.

The Budget (Scotland) Act 2016 confirmed the FSS resource budget for the financial year 2016/17 as £15.3 million.

During the Scottish Government's Spring Budget Revision, FSS was also allocated an Annually Managed Expenditure (AME) budget of £0.4 million in order to cover the estimated provisions linked to pension liabilities that were transferred to FSS from the Food Standards Agency as part of the establishment of the organisation.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 imposes a duty on FSS to publish information on certain expenditure it has incurred during the year. The relevant areas are: public relations; overseas travel; hospitality and entertainment; and external consultancy. In addition, FSS are also required to publish any relevant information on what it has done to promote sustainable growth, improve efficiency, effectiveness and economic stability in the exercise of its functions.

The information is required to be published as soon as is reasonably practicable after the end of each financial year. The information required to comply with these disclosure requirements is not an integral part of the annual accounts and is published quarterly on the [FSS website](#).

Going Concern

From 1st April 2017, FSS has significant net liabilities relating to the pension liabilities of former FSA staff who are members of the Local Government Pension Scheme (LGPS). The accounts, however, are prepared on a going concern basis since, as a government department, all liabilities are underwritten by HM Treasury.

Post balance sheet events

There are no post balance sheet events to report that occurred between the end of the reporting period and the date when the financial statements were authorised for issue.



Charitable Donations and Paid Sponsorships

FSS made a charitable donation of £5000 to the Scottish Cancer Prevention Network (SCPN) during 2016/17. This contribution allowed to the SCPN to target funding to study the link between obesity and cancer prevention. Four sponsorships were made in relation to our presence at the Taste of Grampian event in June 2016 (£4250), sponsorship (£8100) of the Convention of Scottish Local Authorities (COSLA) Excellence Awards, specifically the award for tackling inequalities and improving health; sponsorship of the Association of Public Analysts Conference (£300); and sponsorship of the Government Chemist Conference (£2500).

Losses and Special Payments

A loss on disposal of Property, Plant and Equipment totalling £49k has been reported for the year. This loss is largely due to the write off of furniture and fittings that were not transferred from St Magnus House to Pilgrim House as they were no longer suitable for purpose. No other losses or special payments, as defined within the relevant sections of the Scottish Public Finance Manual, were incurred during 2016/17.

Fees and Charges

To comply with EC Regulation 882/2004, FSS provides a range of services, regulated and non-regulated in approved meat establishments in Scotland. Some of these services are paid for by other Government Departments and others are charged to Food Business Operators (FBOs). The charges for these services are covered in more detail in our 'Charges for Official Controls in Approved Meat Establishments in Scotland' which is published on the FSS [website](#).

As the result of transition from FSA to FSS agreement was reached with industry stakeholders to continue with a discount on the full costs of providing this service to industry. To comply with the requirements of the Scottish Public Finance Manual regarding full-cost recovery, approval by the Cabinet Secretary for Finance and Sustainable Growth to continue with partial cost recovery was agreed in February 2014.

With the discount system in place, there currently remains a shortfall between the costs for FSS of delivering meat official controls and the income received from FBOs for these services. This was effectively a subsidy of approximately £1.3m to the meat industry for the 2016/17 financial year. In addition to this, in March 2017, FSS decided not to enforce continued collection of the EU minima compliance charge for both 2016/17 and backdated to April 2015. This was following legal challenge in England and a similar decision being made by the FSA, and resulted in an additional level of financial support being provided to industry of approximately £140k over the two-year period due to credits and rebates of EU minima already paid by FBOs.

The income received from industry and Government for services provided by FSS during the year is outlined below:

Guarantees, indemnities and letters of comfort

No guarantees or letters of comfort were provided during the 2016/17 reporting year.

	2016/17			2015/16		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£000	£000	£000	£000	£000	£000
Industry	3,202	4,448	1,246	3,154	4,447	(1,293)
Government	286	286	–	276	276	–
Other (Assessment Centre charges)	20	20	–	28	28	–
Total	3,508	4,754	1,246	3,458	4,751	(1,293)



Corporate Governance Report

Directors' Report

The Board

As a non-Ministerial Office of the Scottish Administration, FSS is led by a Board of non-executive members, appointed by Scottish Ministers through an open, public appointments process. Members are directly accountable to the Scottish Parliament. The members who served during the year were:

Mr Ross Finnie (Chair)
Mr George Brechin
Ms Marieke Dwarshuis
Mrs Heather Kelman
Dr Carrie Ruxton
Dr Susan Walker
Dr Anne Maree Wallace
Ms Louise Welsh (appointed Deputy Chair on 9 June 2016).

The Board provides FSS with strategic leadership, direction, oversight and governance. The Board normally meets in public and did so 5 times during 2016/17. Minutes of the Board meetings are publicly available on the [FSS website](#), together with the Board Members' Code of Conduct and Register of Interests. In addition to its formal meetings, the Board attended workshops, visits and briefing sessions to increase its understanding of a wide range of relevant topics.

Board Appointments are made by Scottish Ministers and future appointments will be overseen by the Commissioner for Ethical Standards in Public Life in Scotland. The first round of appointments to the Board were made before FSS was established and therefore were not overseen by the Commissioner, however the process undertaken adhered to the regulated procedure as closely as possible. The normal term of office for a non-executive Board member is 4 years and the details of Members terms of appointment are set out in the Remuneration and Staff Report on pages 61-69. Three Board members who were appointed for two year terms in 2015 have been reappointed for further four year terms from 01 April 2017 to 31 March 2021.

Audit and Risk Committee

The Board has established an Audit and Risk Committee (ARC) as a Committee of the Board to support them, and the Accountable Officer, in their assurance responsibilities through a process of constructive challenge. The ARC is responsible for reviewing in a non-executive capacity, the effectiveness of the organisation's governance, risk management and the control environment. It is also responsible for reviewing the integrity of financial statements and the annual report. Details of the Committee's membership and its operation are outlined in the Governance Statement on page 53.

Chief Executive and Senior Management Team

Geoff Ogle was appointed by Scottish Ministers on 01 April 2015 as the Chief Executive and is accountable to the Board for the day-to-day running of the organisation and is a member of the Senior Civil Service. It is the responsibility of the Board to ensure that the performance of Senior Civil Servants working for FSS is managed and their objectives cover business, corporate and capability matters. In the case of the Chief Executive, annual appraisals are conducted by the Chair of the Board and countersigned by the Director General for Health and Social Care in the Scottish Government. Subsequent appointments of Chief Executive may, with the approval of Scottish Ministers, be made by the Board.

Membership of the Senior Management Team in the year was:

Geoff Ogle, Chief Executive
Elspeth Macdonald, Head of Strategy and Policy and Deputy Chief Executive
Peter Midgley, Director of Policy and Evidence (retired 31 March 2017)
Ian McWatt, Director of Operations
Professor Norval Strachan, Chief Scientific Advisor

Professor Norval Strachan joined the FSS Senior Management Team on 16 April 2016 following his appointment, on secondment from Aberdeen University, as FSS's Chief Scientific Advisor. Professor Strachan works on FSS business for approximately 2.5 days per week.

Remuneration and pension entitlements

Details of the Board's remuneration and the Senior Management Team's remuneration and Pension entitlements can be found in the Remuneration and Staff Report on pages 61-69.

Information Security and Personal Data Related Incidents

A report on information security and personal data related incidents is provided within the Governance Statement on page 58.

Auditor

Under the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland has appointed Elaine Barrowman of Audit Scotland as the auditor for the financial year 2016/17. The duties of the auditor are set out in the Code of Audit Practice approved by the Auditor General, Details of Audit Scotland's notional fee of £40,000 is shown at note 1.13 to the accounts on page 87.



Statement of Accountable Officer's Responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, FSS is required to prepare annual accounts for each financial year in the form and on the basis set out in the Accounts Direction at the end of these financial statements.

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

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

- Observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and applying suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the annual accounts.
- Prepare the accounts on a going concern basis.

The Principal Accountable Officer of the Scottish Administration has appointed the Chief Executive as the Accountable Officer for FSS. The detailed responsibilities of the Accountable Officer are set out in a Memorandum from the Principal Accountable Officer to the Chief Executive upon appointment.

The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records and for safeguarding FSS's assets, are also set out in the Accountable Officer's Memorandum issued by Scottish Ministers and these are published within the Scottish Public Finance Manual.

So far as I am aware, all relevant audit information has been made available to the auditors and I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

As Accountable Officer, I confirm that the annual report and accounts as a whole is balanced, understandable and presents a fair view of FSS's state of affairs as at the end of the financial year. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound governance framework and systems of internal control that supports the achievement of FSS's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me, in the Scottish Public Finance Manual.

FSS is a non-Ministerial Office and part of the Scottish Administration, with direct accountability to the Scottish Parliament. Whilst our accounts are not consolidated with those of Scottish Government, we liaise with Scottish Government colleagues on a regular basis to provide them with information relating to our expenditure and anticipated outturn; and to inform preparation of the annual Scottish Budget Act.

Our [Framework Document](#), which is our agreement with the Scottish Government and sets out our relationship, was revised in April 2016 and is published on our website

The implementation our [Corporate Plan 2016-19](#) in August 2016, drives the delivery of our Strategy, and provides an overarching framework in the development of our wider governance structure as it will allow us to enhance our business planning, financial and performance reporting, staff performance management and approach to managing risk by directly linking these elements to the delivery of our agreed strategic objectives. Whilst this work hasn't progressed completely as planned during the year, it will continue to be developed during 2017/18.

Purpose of the governance framework and systems of internal control

Our Governance Framework accords with the Scottish Public Finance Manual (SPFM) and these processes have been in place for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

The system of internal control implemented by FSS is designed to manage risk to a reasonable level, rather than eliminate all risk. It can therefore only provide reasonable and not absolute assurance of effectiveness. Within FSS, our systems of internal control are a key element of our assurance and governance framework, based on an on-going process designed to:

- identify and prioritise risks to the achievement of FSS's statutory purpose, aims and strategic objectives;
- evaluate the likelihood of those risks being realised, and the impact, should they be realised; and
- manage them efficiently, effectively and economically.



FSS has also established, and will maintain, appropriate financial and procurement procedures in accordance with the SPFM in order to provide reasonable assurance that Scottish Administration resources are being used properly. This includes:

- Budgeting and procurement systems provided by Scottish Government.
- Regular reviews of financial management information reports comparing actual performance against forecast.
- Appropriate administrative procedures, including segregation of duties.
- Annual Business Planning and Budget allocation process which is undertaken across FSS.
- Management supervision, through organisational structures, and formal schemes of delegation for both budget and procurement responsibilities.

FSS also relies on core Scottish Government Divisions for the provision of certain business critical functions, such as core services relating to IT network provisions, procurement support and for transactional finance and human resources shared services. Assurance within these areas is primarily provided through the work of the Scottish Government’s Internal Auditors.

The Board

As stated in the Directors’ Report, the Board sets the strategic direction and holds the Chief Executive to account for the leadership and performance of FSS. The Board met 5 times during 2016/17 to fulfil this role and all of the meetings were quorate. The Chief Executive attends all Board meetings.

Record of Attendance at Board meetings 2016/17

FSS Board Member	Number of Meetings	Attendance
Mr Ross Finnie		5
Mr George Brechin		5
Ms Marieke Dwarshuis		5
Mrs Heather Kelman		5
Dr Carrie Ruxton	5	4
Dr Susan Walker		4
Dr Anne Maree Wallace		4
Ms Louise Welsh		5

In line with the FSS culture on openness the Board holds its decision-making meetings in public. Where the Board decides that an agenda item is to be taken in private, for example for reasons of commercial confidentiality, in order not to prejudice legal proceedings, or to protect personal data, the reasons for that decision will be stated in the published minutes of the meeting. Board agendas, papers and minutes of their meetings published on the FSS website. The Board’s Code of Conduct, Terms of Reference, Standing Orders and Register of Interests are also publicly available on the [FSS website](#).

All FSS Board members received induction training and are subject to an annual appraisal by the Chair. The Chair is subject to annual appraisal by the Director General for Health and Social Care. Members also participate in regular training events and carry out a review of the Board’s effectiveness on an annual basis.

Audit and Risk Committee

The Audit and Risk Committee (ARC) has been appointed by the Board and has been established to provide assurance to the Board and Chief Executive, as Accountable Officer, that the appropriate risk management, governance structures and internal controls are in place.

The ARC currently comprises of four non-executive members and the Chair is appointed from the membership of the ARC by the FSS Chair under delegated powers. The Chief Executive, as Accountable Officer, attends all meetings of the ARC and is supported by the Head of Corporate Services at each meeting. The Committee meets at least four times per a year and the external and internal auditors attend all meetings, and have free and confidential access to the Chair of the ARC. The Committee operates independently of, but reports to, the Board. One meeting of the Committee (September 2016) was cancelled due to the senior management involvement in a food safety incident.

Relevant training and development has been, and will continue to be, provided to members of the Committee. The ARC also review its own effectiveness annually and report the results of that review to the Board and Accountable Officer, recommending any changes it considers necessary.

Record of attendance at Audit and Risk committee meetings 2016/17

Committee Member	Number of Meetings	Attendance
Dr Susan Walker (Chair)		4
Mr George Brechin	4	3
Marieke Dwarshuis		3
Dr Anne Maree Wallace		4

The Senior Management Team

The Senior Management Team (SMT) provides corporate leadership to FSS and supports the Chief Executive in delivering the statutory objectives of FSS as well as directing the day-to-day business of the organisation, consistent with the Board’s strategic direction. This is undertaken through a formal scheme of delegation and each member of SMT has responsibility for the development and maintenance of the governance environment within their own area of control.

SMT holds a formal business meeting once a month (once a fortnight following a review in November 2016) and additionally has catch-up meetings weekly, primarily to review actions and deal with any urgent business. The Chief Executive also has regular one-to-one meetings with his direct reports (Head of Strategy and Policy and Deputy Chief Executive, Director of Operations and Head of Private Office) and with the wider Corporate Leadership team of the organisation.



Risk and Control Framework

All bodies subject to the requirements of the Scottish Public Finance Manual (SPFM) must operate in accordance with the relevant guidance issued by Scottish Ministers and the general principles for risk management are set out in the SPFM.

During 2016 our approach to managing risk, and a new Strategic Risk Register, was agreed by the Board at its [August](#) meeting. Following its agreement and implementation, the ARC continues to provide strategic of risks on behalf of the Board on a quarterly basis and can raise any concerns with the Board.

We have continued to adopt the principles of the Scottish Government approach to managing risk and developed our own Risk Management Policy and Guidance document, published on our intranet site, that outlines our risk appetite and how we seek to consistently identify and manage risks effectively, through a tiered approach.

Identified risks are recorded and maintained on the appropriate level of risk register and the tiered approach to recording and managing risks also allows escalation to take place when the mitigation or management of a risk cannot be done effectively at the expected management level. Risks can also be delegated to a lower level when managers are satisfied a risk is under control but decide that some oversight is required. This approach provides assurance to the Board, Audit and Risk Committee and me, as Accountable Officer that risks to achieving business objectives are identified, assessed, addressed and reviewed.

With the establishment of various Programme Boards within FSS, separate risk registers are developed to ensure good governance at a programme level, with the appropriate escalation mechanisms still in place should the management of the risk require escalation.

In 2016/17 the following risks were identified as among those potentially having the greatest impact on our activities:

- Loss of consumer confidence or trust in FSS.
- Inadequate delivery of food and feed official controls due to resources available not meeting statutory requirements.
- The impact of the EU referendum has on FSS's key regulatory and legislative functions, organisational resilience and resource diversion.
- An increase in serious outbreaks of foodborne illness or other incident due to a failure of controls by food business operators.

From a strategic perspective, exiting the EU also poses significant risk. Whilst it has been considered towards the latter end of the financial year, its full impact will only be known and assessed during 17/18. We are currently considering the impact on the capacity, capability and resources of the organisation to manage its impact accordingly, ensuring we prioritise delivery of our strategy and corporate plan whilst making sure legislation needed to protect consumers is in place. There continues to be a risk associated with the uncertainty of long term funding through the Scottish budget. Our budget for 17/18 is confirmed however delivery of our new Strategy and Corporate Plan is currently based on a flat-line budget settlement. Work will progress during 2017/18 to develop our approach to workforce and succession planning along with a defined long term financial strategy that will articulate how FSS plans to efficiently deliver its programme of work over the life of our Corporate Plan.

Internal Audit and Official Controls Audit

The internal audit function is provided by Scottish Government's Internal Audit Division (SG Internal Audit) and Food Standards Agency Internal Audit. The relationship with SG Internal Audit is formalised through a Memorandum of Understanding between the two parties. Internal Audit is a key element of the internal controls and governance arrangements. Internal Audits are conducted in accordance with the UK Public Sector Internal Audit Standards (PSIAS) and are based on an annual audit plan which is approved by the Accountable Officer and the ARC.

During 2016/17 Internal Audit undertook a programme of risk-based internal audits with specific work on Fee Charging, Food Science, Safety and Surveillance and a Post-Transition Review. The latter two audits replaced scheduled audits on Incidents Management and Food Fraud and Crime, which were deferred in November 2017 due to the teams involved in the audits being involved in managing an on-going food safety incident. These audits shall therefore form part of the 2017/18 audit plan. Three follow-up reviews were also completed during the year with no outstanding issues being reported.

The FSA Internal Audit team provide an audit function that mainly covers Official Controls delivered through field operations in Scotland, and is formalised through the Memorandum of Understanding with the FSA. The Official Controls audit plan is developed using a risk-based approach using a variety of assurance sources to ensure that an effective and efficient audit service is provided by focussing on key activities which link to FSS's purpose and delivery of business objectives.

FSA Internal Audit conducted two audits of official controls on behalf of FSS during the year covering controls for Animal by-Products and Animal Welfare. A review of routine incidents management was also carried out by the audit team in an advisory capacity, to help management identify where management effort should be focussed as arrangements for incident management continue to be strengthened. These audits all resulted in agreed management actions which are currently being taken forward to address the risk control issues identified in the reports.

To manage and monitor the progress made to implement any Internal or Official Controls Audit recommendations, FSS has established an Audit Implementation Group which meets quarterly to review and update progress on actions taken and discuss relevant issues. The group reports to the SMT through the Head of Corporate Services with quarterly progress reports also being provided to the ARC.



Internal Audit Opinion

The Internal Auditors have issued their report on Internal Audit Activities in 2016/17 which includes the annual assurance level provided to FSS. A Reasonable assurance has been provided by Internal Audit in respect of our risk management, control and governance arrangements. Internal Audit has highlighted in their report that this assurance marking is a positive rating that means our controls are adequate but require improvement in some areas. In addition, we receive assurance relating to the arrangements for risk management, control and governance over the SG key corporate systems used by FSS. A Reasonable assurance was provided by Internal Audit for 2016/17.

The FSA's Head of Internal Audit has concluded that the level of maturity of risk control and governance arrangements within FSS as they relate to Official Controls have continued to improve and reflect the good progress achieved in developing and implementing appropriate control arrangements since FSS was established two years ago.

Whilst some areas for improvement were highlighted, there were no significant issues identified from the audits completed and management continued to demonstrate willingness and ability to address issues identified in the audit reports promptly, in line with agreed risk priorities. Based on this, the FSA Head of Internal Audit has given an overall "Moderate" assurance opinion in relation to risk management control and governance arrangements for official controls. A Moderate assurance rating is the equivalent of SG Internal Audit's Reasonable rating.

Specific External Assurance Reviews

FSS is approved as an accredited training and assessment centre by both the Scottish Qualifications Authority (SQA) and Food and Drink Qualifications (FDQ) to deliver the qualification "Welfare of Animals at the Time of Killing".

During 2016/17 we were subject to an SQA qualification verification visit. This is the process SQA use to confirm assessment centres comply with the quality assurance criteria and are assessing candidates in line with national standards. We were assessed to demonstrate significant strengths identified with the maintenance of SQA standards across the three criteria of resources, candidate support and internal assessment and verification.

FSS also deliver a range of official controls on behalf of the Veterinary Medicines Directorate (VMD) which is governed by a Service Level Agreement. In July 2016, FSS staff participated in a VMD audit relating to the delivery of the SLA activities. The audit report concluded that overall, FSS demonstrated an excellent knowledge of the procedures in place for sampling and its management of the SLA. One recommendation was made related to ensuring the Scottish Manual of Official Controls (MOC) reflects the activities of the SLA and that VMD is kept apprised of any updates.

In January 2017, we appointed Register Larkin by Deloitte (RDL) to undertake a review of a non-routine food safety incident and the current incident management processes that were used during the incident response. This review is on-going at the time of writing and its findings will be used by FSS to improve and optimise our incident management policies and procedures during 2017/18.

We also commissioned an independent technical assurance review of our Operational Workflow System (OWS), which supports our delivery of official controls in approved meat establishments. The review was requested to ensure planned technical developments were achievable, met the business need and fits with the wider ambitions of the Scottish Government's digital strategies. The delivery confidence assessment concluded an AMBER rating which meant that whilst successful delivery appeared feasible, there were issues which needed to be addressed prior to further development of OWS. The recommendations related to implementing project governance, development of a business case and an overarching IT strategy for the whole of FSS. The latter will be developed during 2017/18, however the OWS project now has an approved business case as well as an established set of project governance arrangements that are overseen by a Senior Responsible Officer and Project Board.

Scottish Government's Procurement and Commercial Directorate completed a Health Check review in November 2016, which assessed our procurement activity as being compliant with current legislation. The health-check recommended some minor improvements were required to documentation and that FSS should consider further delegating procurement responsibilities for low value/risk procurement activities. These actions are being progressed and will be implemented during 2017/18.

As part of our work on charging for the delivery of official controls in approved meat establishments, our cost model and methodology on how the hourly rates are calculated using direct and indirect costs, was independently reviewed by RSM UK Ltd. This review verified the cost model and methodology and also provided some recommendations for FSS to consider to enhance this area of work. These recommendations will be put in place during 16/17.

Controls Assurance Statements

At the start of the financial year, the Deputy Chief Executive and Directors agree to operate a proportionate system of internal control over a budget delegation received from me as Accountable Officer. As part of the year-end process, the Deputy Chief Executive and Directors also complete an assurance statement, based on the requirements of the SPFM Internal Controls checklist and supported by our internal assurance mapping process that was implemented in 2016/17, which is undertaken by Branch Heads bi-annually. These statements set out how an effective system of internal controls has been maintained within the respective business areas. I have reviewed all of the statements produced and can confirm that no serious issues have been reported in relation to the effectiveness of internal controls.



Best Value

FSS aims to deliver best value in accordance with the principles outlined within the Scottish Public Finance manual guidance. Managers are encouraged to identify where we can improve ways of working through our scheme of financial delegation, business planning processes, performance management and objective setting for staff and partnership working. We have also focussed our attention on partnership working with stakeholders and other Government departments to deliver shared objectives. We have also made use of Scottish Government's corporate shared services where possible and taken advantage of Government procurement frameworks in order to achieve best value.

Information Security and Personal Data Related Incidents

During 2016/17, FSS has developed its own Information Security framework and policies which work alongside relevant Scottish Government guidance. Our policies and procedures have been developed following an Internal Audit during 2015/16 where all recommendations have either been implemented or partially implemented. These policies have been adopted and are published on the FSS intranet and include a policy on undertaking Privacy Impact Assessments to ensure compliance with the Data Protection Act 1998.

I am supported in this area of the business by Elspeth Macdonald, Head of Strategy and Policy and Deputy Chief Executive who I appointed as Senior Information Risk Officer and the FSS Records Manager. Information Asset Owners have also been identified, trained, and are required to update Information Asset Registers on a regular basis.

There were no significant data incidents or losses reported during the year.

Whistleblowing

Our internal whistleblowing policy and procedure is available to all staff on the FSS intranet.

We have also published details on our [website](#) of how anyone might report suspected food fraud, and of the protection afforded to employees by the Public Interest Disclosures Act 1998.

Fraud

No cases of fraud were reported during 2016/17.

Internal Controls and Corporate Governance - Looking Ahead

During 2017/18 FSS will continue to seek to improve the effectiveness of its governance framework and systems of internal controls. In particular FSS will look to:

- Further develop key performance indicators and our approach to operational and strategic performance reporting for the Senior Management Team and Board so that we can demonstrate how effectively we are delivering the Corporate Plan and Strategy.
- Develop our Risk Management process further through the introduction of a Senior Management Team risk register that will underpin our Strategic Risk Register.
- Outline our approach to managing projects in FSS through a developed Project Management Handbook and associated toolkit.
- Submission of the FSS Records Management Plan in order to comply with the Public Records (Scotland) Act 2011 and Data Protection Act 1998.

- Implement Internal Audit recommendations made as a result of audits undertaken during the year – including implementation of our debt recovery and bad-debt write off policy.
- Develop and implement a comprehensive set of revised Standing Financial Instructions as part of wider work to develop a full FSS Governance Manual.
- Develop a framework and a set of indicators to allow us to review progress in the area of Best Value and to benchmark against other public sector organisations.
- Publish our Digital Strategy, which will outline how we plan to use new technologies to delivery our business in a more efficient and effective manner, where possible.
- Finalise work on a long-term Financial Strategy and Workforce Planning that will demonstrate how we plan to operate in a financially sustainable manner against a backdrop of increased resource constraints across the public sector.
- Consider the results of our recent Staff Survey and take action to address any areas for improvement during the reporting year.



Review of adequacy and effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance arrangements and systems of internal control. The review of effectiveness is informed by the work and structures highlighted in the Governance Statement and supported by the work of internal and external audit and through the oversight and views provided by the ARC on the assurance arrangements within FSS.

The assurances provided by the Deputy Chief Executive, Directors, Internal and External Audit have highlighted that FSS continues to demonstrate a reasonable assurance that we have sufficient levels of internal controls in place to mitigate risks to the organisation. This has been supported in our second year by the development and implementation of an Assurance Mapping framework which is based on the SPFM's internal control checklist. Whilst there have been no significant governance issues raised, it is recognised that we still need to fully develop some areas of our systems of internal control and we are committed to continually improving in this area.

Taking this into account, as Accountable Officer, I can confirm I am content with the effectiveness of our current arrangements to ensure good standards of governance and systems of internal control. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the Governance Statement.

Remuneration and Staff Report





Remuneration and Staff Report

The sections marked * in this Remuneration and Staff Report are subject to a separate opinion by Audit Scotland. The other sections of the Remuneration and Staff report were reviewed by Audit Scotland to ensure they were consistent with the financial statements.

Board Members are entitled to receive a fee at a daily rate, determined in accordance with the 'Public Sector Pay Policy for Senior Appointments 2016-17'. Further information about the policy may be found on the [Scottish Governments website](#).

The Chair's post is part-time for eight days per month, and was paid at £274 (2015/16, £271) per day. The members' posts are also part-time, for four days per month, and were paid at £209 (2015/16, £207) per day. The Deputy Chair is paid for an additional six days over the year, in recognition of the increased responsibilities. Board Members appointments are non-pensionable.

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at [www.civilservice.gov.uk](#)) and with independent advice from the Senior Salaries Review Body (SSRB).

Further information on the work of the SSRB can be found at [www.gov.uk](#)

The majority of staff employed below senior civil service level are part of the Scottish Government main collective bargaining unit for the determination of salary. Remuneration is determined by the Scottish Government and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls.

Some staff retained FSS terms and conditions, however agreement was reached with the trade unions that the SG Main pay award would be applied to staff regardless of which terms and conditions they had opted for and that negotiations on any changes to terms and conditions would also take place as part of the SG Main bargaining unit.

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](#)

This report has been prepared in accordance with guidance EPN 492. The tables in the remuneration report are subject to audit.

The term of the service contracts for Board Members is shown below:

Name	1st Term of Appointment	Duration of 1st Term Contract	2nd Term of Appointment	Duration of 2nd Term of Appointment
Ross Finnie	1 April 2015	4 years	–	–
George Brechin	1 April 2015	2 years	1 April 2017	4 years
Marieke Dwarshuis	1 April 2015	2 years	1 April 2017	4 years
Heather Kelman	1 April 2015	4 years	–	–
Carrie Ruxton	1 April 2015	4 years	–	–
Susan Walker	1 April 2015	4 years	–	–
Anne Maree Wallace	1 April 2015	2 years	1 April 2017	4 years
Louise Welsh	1 April 2015	4 years	–	–



Salary, benefits in kind and pension entitlements

Full details of the remuneration of Board Members and the remuneration and pension interests and the Senior Management Team are detailed below.

* Single total figure of remuneration

	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £000) ¹		Total (£000)	
	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16
Board Member Fees										
Ross Finnie	25-30	25-30	-	-	-	-	-	-	25-30	25-30
George Brechin	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Marieke Dwarshuis	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Heather Kelman	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Carrie Ruxton	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Susan Walker	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Anne Maree Wallace	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Louise Welsh ²	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Chief Executive										
Geoff Ogle ³	105-110	100-105	-	-	-	-	40-45	165-170	145-155	265-275
Senior Management Team										
Elspeth Macdonald ^{4,5}	70-75	65-70	-	0-5	-	-	35-40	115-120	105-115	185-195
Peter Midgley	60-65	55-60	-	-	-	-	30-35	20-25	90-100	75-85
Ian McWatt ^{3,6}	60-65	55-60	-	0-5	-	-	20-25	25-30	80-90	85-95
Norval Strachan ⁷	40-45	N/A	-	N/A	-	N/A	-	N/A	40-45	N/A

¹ 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.

² Louise Welsh was appointed deputy chair on 9 June 2016 and the increase in salary band also reflects payment of 6 additional days per annum.

³ 15/16 figures have been restated for Geoff Ogle following incorrect information being presented last year following a transition to the Alpha pension scheme.

⁴ Bonuses were paid in 15/16 due to protected terms and conditions at the time of transfer to FSS. Bonuses paid and reported in 2015/16 related to performance in 2014/15 when staff were still part of the Food Standards Agency.

⁵ The pension benefit and total remuneration figures for 15/16 have been revised due to FSS receiving incorrect information from My CSP. The correct information has now been provided and is included for accuracy, however will be different to that disclosed in the 15/16 annual report and accounts.

⁶ Last year's results recalculated due to incorrect pension increase factor used and GMP was not included. This has been corrected and carried forward.

⁷ Norval Strachan joined the Senior Management Team as the organisations Chief Scientific Advisor, on secondment from Aberdeen University, 18 April 2016 working 2.5 days per week on FSS business (0.5 FTE). Pay and Pension benefits are the responsibility of Aberdeen University, however Norval's secondment costs in relation to salary have been shown in the table above to ensure the full costs of the SMT are reported.

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by FSS and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid by FSS in 2016/17.

Bonus Payments

In line with Scottish Ministers' public sector pay policy, no staff have received bonus payments in 2016/17.

* Fair Pay Disclosure

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.

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

	2016/17	2015/16
Band of Highest Paid Directors Total Remuneration	£105 – £110,000	£100 – £105,000
Median Total Remuneration	£27,000	£27,000
Ratio	4.0	3.9
Remuneration Range Band	£19,000 – £110,000	£18,000 – £105,000



* Pension Benefits

	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Chief Executive						
Geoff Ogle ²	4 – 45 plus lump sum of 120 – 125	0 – 2.5 plus lump sum of 0 – 2.5	784	731	19	–
Senior Management Team						
Elspeth Macdonald ³	25 – 30 plus lump sum of 65 – 70	0 – 2.5 plus lump sum of 0 – 2.5	435	397	20	–
Peter Midgley	35 – 40	0 – 2.5	750	718	33	–
Ian McWatt	25 – 30	0 – 2.5	397	369	10	–
Norval Strachan ⁴	N/A	N/A	N/A	N/A	N/A	N/A

¹ The factors used to calculate the CETV were reviewed by the scheme actuary in 2015, so the tables of factors used to calculate the CETV in 2015 are not the same as those used to calculate the CETV in 2016

² 15/16 figures have been restated for Geoff Ogle following incorrect information being presented last year following a transition to the Alpha pension scheme.

³ 4 The CETV figures for 15/16 have been revised due to FSS receiving incorrect information from My CSP. The correct information has now been provided and is included for accuracy, however will be different to that disclosed in the 15/16 annual report and accounts.

⁴ Norval Strachan's pension and associated benefits are paid and reported by the University of Aberdeen.

Civil Service Pensions

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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



The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

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

Cash Equivalent Transfer Values

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

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

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

Real increase in CETV

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

Compensation for loss of office

There have been no leavers within the individuals reported on who received compensation for loss of office during the 2016/17 financial year.

Staff Report

The staff report contains information relating to staff costs and staff numbers.

* Staff Costs

Our overall employed staff costs (excludes Board and Contractor costs) for the year were £7.2m. Staff costs comprise of:

A Administration costs	2016/17		2015/16	
	£000	£000	£000	£000
	STAFF	BOARD	TOTAL	TOTAL
Wages and salaries	3,484	99	3,584	2,991
Social security costs	360	6	365	218
Other pension costs	703	–	703	530
Sub total	4,547	105	4,652	3,739
Agency Staff	212	–	212	232
Total	4,760	105	4,864	3,971
Less recoveries in respect of outward secondments	(40)	–	(40)	(40)
Total net costs	4,720	105	4,824	3,931

B Programme costs	2016/17		2015/16	
	£000	£000	£000	£000
Wages and salaries	1,974		1,974	2,101
Social security costs	204		204	150
Other pension costs	337		337	355
Agency Staff	–		–	–
Contract inspectors and veterinary costs	2,458		2,458	2,404
Total	4,973		4,973	5,010
Less recoveries in respect of outward secondments	–		–	–
Total net costs	4,973		4,973	5,010

Programme wages and salaries includes the cost of employed meat hygiene inspectors, veterinary managers and Operations support staff.



Principal Civil Service Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which Food Standards Scotland is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at <http://www.civilservice.gov.uk/pensions>.

For 2016/17, employers' contributions of £784,332 (2015/16, £801,687) were payable to the PCSPS at one of four rates in the range of 20% to 24.5% of pensionable pay, based on salary bands. The scheme's 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 period to existing members.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £8,166.42 were paid to 1 appointed stakeholder pension provider. Employer contributions are age-related and range from 8-14.75% of pensionable pay.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a defined benefit scheme which is administered by London Pensions Fund Authority and governed by the Local Government Pension Scheme Regulations 2013. There are currently 42 (2015/16, 44) FSS employees who are active members of LGPS. For the year ended 31 March 2017, contributions of £330,416 (2015/16, £347,287) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the year ended 31 March 2017, this rate was 16.7% (16.7% in 2015/16) of pensionable remuneration.

On the basis of the updated actuarial valuation, under IAS19, the FSS fund deficit at 31 March 2017 was £10.752 million (2015/16, £10,186 million). FSS have taken over responsibility to fund to the scheme and in 2016/17, £241,000 (2015/16, £200,000) was paid based on the actuary's estimate of employer's contributions as a lump sum payment to reduce the deficit.

The LPFA 2016 Triennial Fund Valuation was undertaken during 2016 and has set the FSS contribution rate (20.02%) for the period from 1 April 2017 to 31 March 2020. This review also included the required minimum deficit payment reduction amounts for the next three years.

The projected unit method of valuation has been used to calculate the service cost under IAS19. The actuary has estimated the employer's contributions for 2017/18 to be £479,000 which includes the lump sum payment of £185,336 to reduce the deficit.

Number of Senior civil service staff employed at 31 March 2017

Band	2016/17 Total	2015/16 Total
SCS 2	1	1
SCS 1	1	1

* Average Number of Persons Employed

	2016/17	2015/16
Board	8	8
Directly Employed Staff	167	148
Temporary Staff	8.5	12
Inwards Secondments	1	–
Total	184.5	168

* Gender Balance

At the end of the 2016/17 financial year, the number of persons of each sex who were Board Members, Senior Managers and employees* was as follows:

	Female		Male	
	16/17	15/16	16/17	15/16
Board Members	6 (75%)	6 (75%)	2 (25%)	2 (25%)
Senior Management Team (Inc. Chief Executive and Deputy Chief Executive)	1 (20%)	1 (25%)	4 (80%)	3 (75%)
Employees	73 (44%)	61 (39%)	93 (56%)	96 (61%)
Total	80 (45%)	68 (40%)	99 (55%)	101 (60%)

*includes permanent and fixed term appointments and inward secondments but excludes other temporary staff

* Full Time Equivalent persons employed at 31 March 2017

	2016/17	2015/16
Board*	8	8
Directly Employed Staff	167.3	156.9
Temporary Staff	8	7
Inwards Secondments	0.5	–
Total	183.8	171.9

*our Board are not employed full time but have been included for completeness and to provide a full picture of the persons employed within FSS.



Sickness Absence Data

	Average total sick days per employee 2016/17	Average total sick days per employee 2015/16
Short Term Absence	2.1	1.9
Long Term Absence	1.8	2.3
Total	3.9	4.2

* Reporting of Civil Service and other compensation schemes

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	2016/17	2015/16
			Total number of exit packages by cost band	Total number of exit packages by cost band
< £10,000	–	–	–	–
£10,000 – £25,000	–	–	–	–
£25,000 – £50,000	–	–	–	–
£50,000 – £100,000	–	–	–	–
£100,000 – £150,000	–	–	–	–
£150,000 – £200,000	–	–	–	–
£200,000 and above	–	–	–	–
Total number of exit packages	–	–	–	–
Total resource cost £	–	–	–	–

FSS had no redundancy and other departure costs in 2016/17 related to active staff members. Exit costs are accounted for in full in the year of departure. Where FSS has agreed early retirements, the additional costs are met by the FSS and not by the Civil Service pension scheme.

A final lump sum capital payment of £101k was made in respect of a former FSA in Scotland member of staff's exit from the early departure scheme in 2016/17. When the provision for early departure was re-valued at the end of 2015/16 this lump sum was not included; as a result the additional cost was fully accounted for in 2016/17.

Ill-health retirement costs are met by the pension scheme and are not included in the table. There was one retirement made on ill-health grounds in 2016/17.

Employment Policies

During 2015/16 negotiations took place with the recognised trade unions and agreement was reached to offer all staff the opportunity to transfer to Scottish Government Main bargaining unit (SG Main) terms and conditions of employment from 1 April 2016. The majority of staff accepted this offer, with 21 retaining their FSS terms and conditions. As a result, most of our staff are covered by Scottish Government HR policies and procedures. Agreement was also reached with the trade unions that the SG Main pay award would be applied to staff regardless of which terms and conditions they had opted for and that negotiations on any changes to terms and conditions would also take place as part of the SG Main bargaining unit.

Recruitment

FSS recruitment is undertaken by Scottish Government and their policies align with the Civil Service recruitment principles. All recruitment during the year was carried out in accordance with these principles as well as internal FSS policies and procedures relating to the approval of recruitment of staff. This ensures that appointment of the best candidate is made on merit, identified through a process of open and fair competition.

Employment of disabled people

FSS and Scottish Government recruitment policies ensure that all disabled applicants who meet the minimum advertised criteria for a job vacancy will be invited for interview. Disabled candidates are guaranteed the chance to be judged along with everyone else on their abilities.

Our HR policies also take into account the wider employment of disabled staff where relevant and allow for reasonable adjustments to be made to either the work environment or terms and conditions of employment as and when required.



Equality and Diversity

The Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 set out a single equality duty and statutory specific duties for listed public bodies in Scotland. Listed organisations, including FSS, must meet these duties in order to ensure positive and real change for people with protected characteristics. FSS is required to set and publish equality outcomes and report on progress to achieving them every two years, through development of an Equality Mainstreaming Report.

As a new public body, we operate in a way which promotes equal opportunity and test our policies against the requirements of equality legislation. FSS published its first [mainstreaming report](#) in April 2016.

The report sets out our plans for how we will embed equality across the organisation in order to meet the general and specific requirements of the legislation as well as looking at how delivery of our functions impacts on those with protected characteristics.

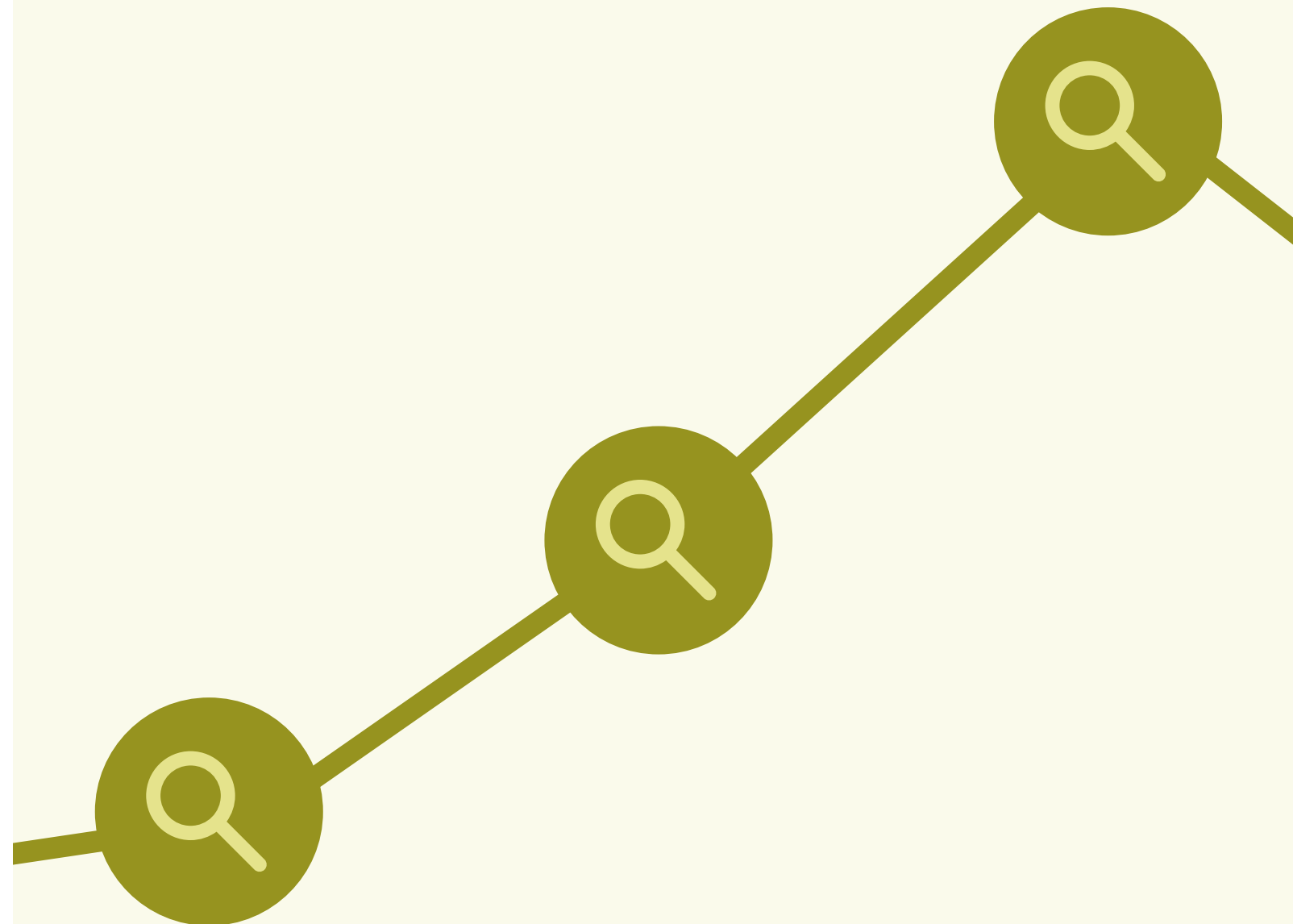
Geoff Ogle

Chief Executive and Accountable
Officer 16 August 2017

Consultancy Spend

No external consultants were used during the year. FSS commissioned the Digital Transformation Service (DTS), which is part of Scottish Government, to provide a range of internal consultancy services to support our work on developing a future FSS digital strategy. As a result of this work, we incurred expenditure of £41,000 during 2016/17.

Independent Auditor's Report





Independent Auditor's Report

To Food Standards 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 Food Standards 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, Statement of financial position, Statement of cash flows, 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 the Accountable Officer's responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Elaine Barrowman CPFA
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

16 August 2017

Financial Statements for the year ended 31 March 2017

- Statement of Comprehensive Net Expenditure
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Taxpayers' Equity
- Notes to the accounts



Statement of Comprehensive Net Expenditure for the year ended 31 March 2017

	Note	2016/17 £000	2015/16 Restated £000
Other operating income	5	(3,508)	(3,462)
Total operating income		(3,508)	(3,462)
Staff costs	Staff Report	9,797	8,941
Purchase of goods and services	4	4,355	5,891
Depreciation and impairment charges	4	578	474
Provision expense	4	20	5
Pension expense	4	514	570
Other operating expenditure	4	3,520	2,930
Total operating expenditure		18,784	18,811
Net operating expenditure		15,276	15,349
Other comprehensive net expenditure			
- Actuarial (gain)/loss on pension scheme liabilities	13	513	(1,285)
Total comprehensive net expenditure		15,789	14,064

Statement of Financial Position as at 31 March 2017

	Note	2016/17 £000	2015/16 Restated £000
Non-current assets:			
Property, plant and equipment	6	1,004	1,270
Intangible assets	7	1,044	1,186
Total non-current assets		2,048	2,456
Current assets:			
Trade and other receivables	11	931	919
Other current assets	11	296	412
Cash and cash equivalents	10	2,151	2,141
Total current assets		3,378	3,472
Total assets		5,426	5,928
Current Liabilities:			
Trade and other payables	12	(254)	(554)
Other liabilities	12	(1,589)	(2,094)
Provisions	13	(22)	(25)
Total current liabilities		(1,866)	(2,673)
Total assets less current liabilities		3,561	3,255
Non-current liabilities:			
Provisions	13	(240)	(223)
Net pension liability	13	(10,872)	(10,291)
Total non-current liabilities		(11,112)	(10,514)
Total Assets less total liabilities		(7,551)	(7,259)
Taxpayers' equity and other reserves:			
General fund		(7,551)	(7,259)
Total taxpayer's equity		(7,551)	(7,259)

Geoff Ogle
Chief Executive and Accountable Officer
16 August 2017

Statement of Cashflows for the year ended 31 March 2017

		2016/17	2015/16
	Note	£000	Restated £000
Cash flows from operating activities			
Net operating Expenditure	SOCNE	(15,276)	(15,349)
Adjustment for non-cash transactions	4	618	615
Adjustment for non-cash transactions	4	–	(2,595)
Increase/(Decrease) in trade and other receivables	11	103	(1,331)
Increase/(Decrease) in trade and other payables	12	(828)	4,991
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure			
Use of provisions	13	534	515
Cash contribution to pension deficit	13	(471)	–
Net cash outflow from operating activities		(15,321)	(13,154)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(6)	(157)
Purchase of intangible assets	7	(164)	(48)
Net cash outflow from investing activities		(170)	(205)
Cash flows from financing activities			
From the Consolidated Fund (Supply)	SoCIE	15,500	15,500
Net Financing		15,500	15,500
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund			
		10	2,141
Cash and cash equivalents at the beginning of the period	10	2,141	–
Cash and cash equivalents at the end of the period	10	2,151	2,141

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

		2016/17	2015/16
	Note	General Fund £000	Restated General Fund £000
Balance at 01 April 2016		(7,259)	–
Transfers on absorption		(42)	(8,742)
Net Parliamentary Funding		15,500	15,500
Net operating expenditure for the year	SOCNE	(15,276)	(15,349)
Actuarial gain/(loss)	13	(513)	1,285
Auditors' remuneration and expenses	4	40	47
Balance at 31 March 2017		(7,551)	(7,259)

Notes to the Annual Report and Accounts

1. Statement of Accounting Policies

1.1 Basis of Preparation

In accordance with the accounts direction issued by Scottish ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 (reproduced at page 111), these financial statements have been prepared in accordance with the 2016/17 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of Food Standards Scotland (FSS) for the purposes of giving a true and fair view has been selected.

The particular policies adopted by FSS are described below. The policies have been applied consistently in dealing with items which are considered material to the accounts.

The accounts are prepared on a going-concern basis.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities where material, at the value to the organisation by reference to their current costs.

1.3 Significant Accounting Policies and Material Judgements

Estimates and the underlying assumptions are reviewed on a regular basis by senior management.

Areas of significant judgement made by management are:

- IAS 37 Provisions - judgement is made on the best estimate of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.
- IAS 36 Impairments - Management make judgement on whether there are any indications of impairments to the carrying amounts of the Department's non-current assets.
- IAS 19 Employee Benefits – Significant judgement has been made around pension liabilities. All figures reported are prepared by an independent actuary using financial assumptions that comply with the reporting standard.

1.4 Non-Current Assets

Non-current assets are items of FSS's property that have a value greater than or equal to £5,000 (inclusive of irrecoverable VAT) and have a useful life of greater than one year. The capitalisation policy applies to all construction, capital improvements which enhance the functionality of a building, major equipment purchases and other capital projects totalling £5,000 or more. This also applies to multiple low cost items of a similar nature which are functionally interdependent or collectively improve efficiency within FSS. When consolidated, these create an asset to FSS. If these collectively have a cost in excess of £5,000 and an intended useful period in excess of a year then the items are usually consolidated as one asset.

1.5 Property, Plant and Equipment

FSS does not currently own any land or buildings. All property, plant and equipment assets are carried at depreciated historic cost as a proxy for fair value. This is in accordance with FReM requirements as these assets have short useful lives or low values or both. Assets under construction are not depreciated until the month after they are brought into use.

1.6 Intangible Assets

Computer software and software licences with a purchase cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost and amortised over the life of the licence, or over 7 years if the licence is bought in perpetuity.

Intangible assets under construction are not amortised until the month after they are brought into use. FSS continued to develop an external facing website (www.foodstandards.gov.scot) primarily for the promoting and advertising of its own services. This website will not generate future economic benefits and consequently all expenditure incurred on developing it is recognised as an expense as it occurs and is not capitalised.

1.7 Depreciation and Amortisation

Assets are depreciated from the month following the date of being available for use. Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. This is in accordance with FReM requirements as a proxy for fair value as these assets have short useful lives or low values or both. Estimated useful lives are reviewed during the year and assets re-lived where applicable:

	2016/17
Property, plant and equipment	
Computer equipment	2 – 5 years
Office machinery	7 years
Furniture, fixtures and fittings	7 years
Furniture, fixtures and fittings – fit out Pilgrim House	14.5 years – over life of lease
Vehicles	7 years
Intangible assets	
Computer software and software licences	2 – 7 years

1.8 Inventories

FSS does not hold any inventories

1.9 Operating Income

Operating income is income which relates directly to the operating activities of FSS. Income for the year is recognised on an accruals basis reflecting the value of the work undertaken and is shown net of VAT. FSS has income from meat official controls and related work.

Income from meat official controls and related work is recognised as time recorded by staff multiplied by charging rates and invoiced to both industry and government customers. For the majority of meat industry customers discounts are applied to charges.

1.10 Administration and Programme Expenditure

The statement of net comprehensive expenditure is analysed between administration and programme costs. The classification of expenditure as administration or programme follows the definition of administration costs set out in Consolidated Budgeting Guidance 2016/17 by HM Treasury.

1.11 Pensions

Pension assets and liabilities attributable to FSS in the LGPS are recorded in line with IAS19 with a valuation undertaken annually to measure the value of pension assets and liabilities at the Statement of Financial Position date, determining the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Comprehensive Net Expenditure and the interest on scheme assets and liabilities is included within interest receivable/payable. The change in value of assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability or asset is shown on the Statement of Financial Position. The IAS19 valuation includes sensitivity analysis and the potential impact and this information can be found in Note 13.

Pension liabilities in the legacy FSA Board Pension Scheme are calculated by the Government Actuary's Department and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position.

Further details about LGPS pensions can be found at the website www.lpfa.org.uk

The costs in relation to the LGPS scheme are in Note 13.

1.12 Operating Leases

All operating leases are accounted for under IAS17 Leases. Classification is made at the inception of the relevant lease.

Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are recognised as a reduction in the rental expenses and are allocated over the shorter of the lease or the period in which the rental has been reduced by the lessor. The allocation is on a straight line basis. Food Standards Scotland currently does not have any finance lease liabilities.

1.13 Audit Costs

A charge reflecting the cost of the audit is included in the operating costs. FSS is audited by Audit Scotland. No charge by Audit Scotland is made for this service but a non-cash charge representing the cost of the audit is included in the accounts. There were no non-audit services provided by Audit Scotland that FSS was charged for in the year.

1.14 Value Added Tax

Operating costs are stated net of VAT where VAT is recoverable by FSS. FSS is registered for VAT as part of the Scottish Government, which is responsible for recovering VAT from HM Revenue and Customs. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or if it is incurred on the purchase of a non-current asset, it is capitalised in the cost of the asset.

1.15 Provisions

Provisions are recognised in accordance with IAS37. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation, arising from a past event, at the Statement of Financial Position date.

The Early Retirement provision has been discounted at the rates set by HM Treasury. Other provisions have not been discounted as the resulting adjustments are not considered material to these accounts.

1.16 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS37, FSS discloses, for parliamentary reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- i) Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental minute prior to the Department entering into the arrangement.
- ii) All items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS37 are stated at discounted amounts and the amounts reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS37 are stated at the amounts reported to Parliament.

1.17 Financial Assets and Liabilities

FSS holds the following financial assets and liabilities:

1. Assets

- Trade and other receivables
- Other current assets
- Cash and cash equivalents

2. Liabilities

- Trade and other payables
- Other liabilities
- Provisions

Financial Assets and Liabilities are accounted for under IAS32, Financial Instruments: Presentation, IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosure.

Cash balances are measured as the amounts received in FSS's bank account. FSS does not currently have cash equivalents. Trade receivables are measured at fair value with an impairment review carried out on a monthly basis. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

2. Restatement of 2015/16 Comparatives

The 2015/16 comparatives have been revised due to a misallocation of provisions and pension expense movements. Some items were shown in the SoCTE, instead of the SOCNE, in 2015/16 so the balances have been restated with the net effect on the General Fund being £202,000.

Following are extracts of the financial statements showing the reallocations.

	2015/16 Restated £000	2015/16 £000
Extract from SoCNE		
Other operating income	(3,462)	(3,462)
Total operating income	(3,462)	(3,462)
Staff costs	8,941	8,941
Purchase of goods and services	5,891	5,891
Depreciation and impairment charges	474	474
Provision expense	5	262
Pension expense	570	–
Other operating expenditure	2,930	2,930
Total operating expenditure	18,811	18,498
Net operating expenditure	15,349	15,036
Extract from SoFP		
Current Liabilities		
Trade and other payables	(554)	(554)
Other liabilities	(2,094)	(2,296)
Provisions	(25)	(25)
Total current liabilities	(2,673)	(2,875)
Total assets less current liabilities	3,255	3,053

3. Net Costs by Group

	2015/16	2015/16
	Restated	
	£000	£000

Extract from SoCF

Cash flows from operating activities

Net operating Expenditure	(15,349)	(15,036)
Adjustment for non-cash transactions	615	302
Adjustment for non-cash transactions	(2,595)	(2,595)
(Increase)/Decrease in trade and other receivables	(1,331)	(1,331)
Increase/(Decrease) in trade and other payables	4,991	4,991
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure		
Use of provisions	515	515
Net cash outflow from operating activities	(13,154)	(13,154)

	2015/16	2015/16
	Restated	
	£000	£000
	General Fund	General Fund

SoCTE

Balance at 01 April 2015	–	(9,257)
Transfers on absorption	(8,742)	–
Net Parliamentary Funding	15,500	15,500
Net operating expenditure for the year	(15,349)	(15,036)
Actuarial gain/(loss)	1,285	1,285
Auditors' remuneration and expenses	47	47
Balance at 31 March 2016	(7,259)	(7,461)

	Administration		Programme		2016/17	Restated
	Costs	Income	Costs	Income	Net operating cost	2015/16
	£000	£000	£000	£000	£000	Net operating cost
	£000	£000	£000	£000	£000	£000

Branch

Board, Senior Management Team and Private Office	973	–	10	–	983	825
Communications and Marketing	523	–	1,312	–	1,835	2,046
Corporate Services	3,765	–	–	–	3,765	3,761
Regulatory Policy	643	–	29	–	673	446
Food Protection Science and Surveillance	443	–	899	–	1,342	1,723
Nutrition Science and Policy	278	–	307	–	585	777
Operational Delivery	3,091	–	4,815	3,467	4,438	4,442
Veterinary Management	–	–	–	–	–	158
Enforcement Delivery	562	–	277	–	839	841
South Food Crime Unit	434	–	118	–	552	207
Audit	304	–	–	41	264	123
Totals	11,017	–	7,767	3,508	15,276	15,349

FSS identifies reportable segments in the form of Branches and Cost Centres, that reflect the organisational structure. The financial system also reflects the organisational structure and enables income and expenditure to be analysed and reported by segment. Segmental operating results are reviewed by the FSS Senior Management Team to make decisions on segmental resources and assess performance.

The Corporate Services administration costs also include organisational wide expenditure such as facilities (rent, rates, utilities), shared service costs (IT, Procurement, HR) and the pension liability payments we need to make in relation to legacy pension agreements that pre-date FSS and were transferred upon vesting in 2015.

The Audit figures presented above relate to the running costs associated with our Audit Branch. The work of this team involves conducting audits of local authorities and veterinary audits of Food Business Operators to ensure compliance with the relevant regulations.

During 2016/17 the Veterinary Management Branch became part of Operational Delivery and its costs are reported within the latter's net operating costs.

Staff costs by branch are contained within the Administration costs presented above. A summary of staff costs is shown in the table below. Additional detail regarding staff costs are provided in the Staff Costs and Remuneration section of the annual report at pages 61–74.

4. Non-pay expenditure

	2016/17	2015/16
	£000	£000
Staff Costs	7,167	6,345
Agency Staff	212	232
Contract inspectors and veterinary costs	2,458	2,404
Less recoveries in respect of outward secondments	(40)	(40)
Total net costs	9,797	8,941

	2016/17	2015/16
	£000	Restated £000
Goods and services	<u>4,355</u>	<u>5,891</u>
	4,355	5,891
Depreciation and impairment charges: Non-cash		
Depreciation	223	208
Amortisation	306	266
Loss on disposal of property, plant and equipment	<u>49</u>	<u>-</u>
	578	474
Provision expense	<u>20</u>	<u>5</u>
	20	5
Pension expense	<u>514</u>	<u>570</u>
	514	570
Other operating expenditure		
Accommodation costs including rates, estate management	243	274
System Support Costs – Other	266	247
Legal costs	316	288
Other Admin costs	514	440
Internal auditors' remuneration and expenses	50	43
Travel and Subsistence and Hospitality	462	481
Training and Development	79	98
Other	130	11
IT Costs	58	108
Rentals under operating leases	407	420
Research and Development expenditure	955	473
Nominal charge: External auditors' remuneration and expenses	<u>40</u>	<u>47</u>
	3,520	2,930

5. Income

Operating income, analysed by classification and activity, is as follows:

	2016/17 £000	2015/16 £000
Income for official controls charged to industry	3,202	3,156
Income for meat hygiene work charges to other government departments	286	278
Other income e.g. assessment centre charges	20	28
Total income	3,508	3,462

FSS's financial objective is to recover costs fully. There currently remains a shortfall between costs for FSS of delivering meat official controls and the income received from Food Business Operators (FBOs) for these activities. This is effectively a subsidy of £1.356m to the meat industry. EU regulations make provision for member states to take small/rural establishments into consideration when collecting fees and charges. However, the current system provides a level of subsidy to FBOs over and above that required by EU regulations. FSS can charge no more than the full cost. Invoices for any supplementary charges are issued quarterly in arrears.

6. Plant and Equipment

	Fixtures and fittings £000	Office Equipment £000	Computer Equipment £000	Motor Vehicles £000	AUC £000	Total £000
Cost or valuation						
At 1 April 2016	986	350	395	48	–	1,779
Additions	–	–	10	–	–	10
Adjustments to prior year additions	(4)	–	–	–	–	(4)
Disposals	(199)	(9)	(29)	–	–	(238)
At 31 March 2017	782	341	376	48	–	1,547
Depreciation						
At 1 April 2016	224	189	82	14	–	509
Charged in year	71	66	79	7	–	223
Disposals	(159)	(9)	(21)	–	–	(189)
At 31 March 2017	137	246	139	21	–	543
Carrying amount at 31 March 2017	646	95	236	27	–	1,004
Carrying amount at 1 April 2016	762	161	313	34	–	1,270
Asset financing						
Owned	646	95	236	27	–	1,004
Carrying amount at 31 March 2017	646	95	236	27	–	1,004

	Fixtures and fittings	Office Equipment	Computer Equipment	Motor Vehicles	AUC	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
Transfer from FSAS	922	214	30	48	–	1,214
Transfer from SG	–	54	322	–	–	376
Additions	65	82	43	–	–	190
Disposals	–	–	–	–	–	–
At 31 March 2016	987	350	395	48	–	1,780
Depreciation						
Transfer from FSAS	156	129	10	7	–	302
Charged in year	69	60	72	7	–	208
Disposals	–	–	–	–	–	–
At 31 March 2016	225	189	82	14	–	510
Carrying amount at 31 March 2016	761	162	313	34	–	1,270
Asset financing						
Owned	761	162	313	34	–	1,270
Carrying amount at 31 March 2016	761	162	313	34	–	1,270

7. Intangible Assets

Intangible assets comprise computer software, software licenses and Assets Under Construction (AUC).

	Computer software and software licences	AUC	Total
	£000	£000	£000
Cost or valuation			
At 31 March 2016	1,507	–	1,507
Additions	70	94	164
Disposals	–	–	–
At 31 March 2017	1,577	94	1,671
Amortisation			
At 31 March 2016	321	–	321
Charged in year	306	–	306
Disposals	–	–	–
At 31 March 2017	627	–	627
Carrying amount at 31 March 2017	950	94	1,044
Carrying amount at 1 April 2016	1,186	–	1,186
2015/16			
Cost or valuation			
Transfer from FSAS	241	977	1,218
AUC FSAS Brought into use in year	977	(977)	–
Transfer from SG	111	–	111
Additions	178	–	178
Disposals	–	–	–
At 31 March 2017	1,507	–	1,507
Amortisation			
Transfer from FSAS	55	–	55
Charged in year	266	–	266
Disposals	–	–	–
At 31 March 2017	321	–	321
Carrying amount at 31 March 2016	1,186	–	1,186

8. Capital and other commitments

8.1 Capital Commitments

At 31 March 2017 there were no commitments for the purchase of capital items.

8.2 Commitments under leases

8.2.1 Operating Leases

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

	2016/17 £000	2015/16 £000
Obligations under operating leases comprise:		
Land and buildings:		
Not later than one year	404	403
Later than one year and not later than five years	1,616	1,612
Later than five years	3,272	3,681
	5,292	5,696

FSS lease arrangements do not contain any contingent rents payable, terms of renewal or purchase options, escalation clauses or any imposed restrictions (such as those concerning dividends, additional debt or further leasing)

8.3 Other financial commitments

FSS did not have any other financial commitments as at 31 March 2017.

9. Financial Instruments

As the cash requirements of the department are met through the estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with FSS expected purchase and usage requirements and FSS is therefore exposed to little credit, liquidity or market risk.

10. Cash and cash equivalents

	2016/17 £000	2015/16 £000
Balance at 1 April	2,141	–
Net charges in cash and cash equivalents	10	2,141
Balance at 31 March	2,151	2,141
The following balances at 31 March were held at:		
Government Banking Service	2,151	2,141
Balance at 31 March	2,151	2,141

11. Trade receivables, financial and other current assets

	2016/17 £000	2015/16 £000
Amounts falling due within one year:		
Trade receivables	558	537
VAT recoverable	373	382
	931	919
Other current assets:		
Prepayments and accrued income	296	412
	296	412

12. Trade payables and other current liabilities

	2016/17 £000	2015/16 £000
Amounts falling due within one year:		
Other taxation and social security	15	–
Trade payables	238	554
Other payables	1	–
	254	554
Other current liabilities:		
Accruals and deferred income	1,589	2,094
Amounts issued from the Consolidated Fund for supply but not spent at year end	2,151	2,141
	3,740	4,235
	3,994	4,789

13. Provisions for liabilities and charges

Early departure and other provisions

	Early departure	Dilapidations	2016/17 £000 Total	2015/16 £000 Total
Balance at 31 March 2016	248	–	248	297
Transfer from FSA	20	–	20	–
Provided in the year	16	–	16	2
Provisions utilised in the year	(25)	–	(25)	(55)
Borrowing costs (unwinding of discount)	4	–	4	4
Balance at 31 March 2017	262	–	262	248

Analysis of expected timing of discounted flows (excluding LGPs and Board pension provisions)

	Early departure	Legal claims	2016/17 £000 Total	2015/16 £000 Total
within one year	22	–	22	25
Total current provisions liability	22	–	22	25
between one and five years	90	–	90	76
thereafter	150	–	150	147
Total non-current provisions liability	240	–	240	223
Provisions balance at 31 March 2017	262	–	262	248

Provisions for early departure, pension, onerous leases, personal injury and legal claims have all been reviewed for the overall purpose of meeting reporting requirements outlined within IAS37 Provisions, Contingent Liabilities and Contingent Assets.

As a result it was confirmed that, under the existing accounting policy for Provisions, the appropriate recognition criteria and measurement bases are already being applied and that sufficient information has been disclosed.

13.1 Early departure costs

Early departure cost refers to liabilities to staff for early retirement. FSS is meeting the additional costs of benefits beyond the normal PCSPS and LGPS benefits in respect of employees who retire early by paying the required amounts annually to the pension fund over the period between early departure and normal retirement date. FSS provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate of 0.24% (2015/16 1.37%) in real terms. During 17/18, no early departure costs were made in relation to current staff members.

13.2 Other

Legal Claims

There was a legal claim made against FSS during 2015/16 in relation to the inclusion of non-contractual overtime and allowances in holiday pay calculations for statutory annual leave. This remained unsettled as at the end of 2016/17. Further information is provided at Note 14.

13.3 Pension Provision for former FSA Board Members

Pension liabilities in the Board Pension Scheme are calculated by the Government Actuary's Department and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position. Board pension provision relates to the by-analogy pension scheme with the Principal Civil Service Pension Scheme (PCSPS) that applies to former Scottish FSA Board Members' pension arrangements. The pension arrangements are unfunded with benefits being paid as they fall due and are guaranteed by FSS. There is no fund and therefore no surplus or deficit. The payments are inflation-linked and are expected to be made over the remaining lifetimes of the current scheme members. The methodology and results of the assessment were undertaken by the Government Actuary's Department (GAD) and is in accordance with IAS19 and the FReM governing UK Accounting for Departments/NDPBs.

The capitalised value of the pension benefits payable by the FSS's Pension Schemes as at 31 March 2017 is £120,000.

The disclosures confirm that over the period the defined benefit liability has increased by £15,000. This is attributable to changes to the actuarial financial and demographic assumptions.

It is likely that the current scheme liabilities will gradually decrease over time, as the expected pension payments are made to the scheme members.

In the short-term changes in the scheme liability may be primarily driven by the assumptions used for future assessments (particularly the financial assumptions prescribed by HM Treasury).

Financial Assumptions

Liabilities are valued on an actuarial basis using the Projected Unit Method. The main actuarial assumptions are as follows:

	Year Ending 31/3/17	Year Ending 31/3/16
Discount rate	2.80%	3.60%
Rate of increase in pensions in payment	2.55%	2.20%
CPI inflation assumption	2.55%	2.20%

Mortality

Life expectancy is based on the actuarial assumptions. Based on these assumptions, the average life expectancies at retirement age are summarised below.

	As at 31 March 2017		As at 31 March 2016	
	Men (years)	Women (years)	Men (years)	Women (years)
Current Pensioners				
Exact Age				
60	29.0	30.8	28.9	30.7
65	24.0	25.8	23.9	25.7
75	14.8	16.4	14.7	16.3

Present value of scheme liabilities

	Value at 31/03/17 £000s	Year Ending 31/3/16 £000s
Liability in respect of		
Current Pensioners	120	105
Total present value of scheme liabilities	120	105

Analysis of movement in scheme liability

	2016/17 £000s	2015/16 £000s
Scheme liability at the beginning of year	105	168
Movement in the year:		
Interest cost	4	6
Actuarial loss/(gain)	16	(63)
Benefits paid	(5)	(6)
Scheme Liability at the end of the year	120	105

Analysis of amount charged to operating profit

	2016/17 £000s	2015/16 £000s
Interest cost	4	6
Total expense/(income)	4	6

Analysis of amounts to be recognised in Statement of Changes in Taxpayers' Equity

	2016/17 £000s	2015/16 £000s
Experience loss/(gain) arising on the scheme liabilities	(1)	(60)
Change in assumptions underlying the present value of the scheme liabilities	17	(3)
Net total actuarial loss/(gain) in statement of changes in taxpayers' equity	16	(63)

13.4 Provision for pension liability

13.4.1 There are currently 42 FSS employees who are active members of the LGPS. LGPS is a defined benefit scheme governed by the Local Government Pension Scheme Regulations 2013, and administered by London Pension Fund Authority (LPFA). For the year ended 31 March 2017, contributions of £330,416 (2015/16, £347,287) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the year ended 31 March 2017, this rate was 16.7% of pensionable remuneration.

On the basis of the updated actuarial valuation (issued 28 April 2017), under IAS19, the FSS fund deficit at 31 March 2017 was £10.752 million. FSS have taken over responsibility to fund to the scheme. In 2016/17 £241,000 was paid based on the actuary's estimate of employers contributions as a lump sum payment to reduce the deficit. A further £185,336 deficit reduction payment will be made in 2017/18.

The 2016 LPFA triennial fund valuation (as at 31 March 2016) has set the FSS contribution rate for the period from 1 April 2017 to 31 March 2020, including the deficit payment. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The projected unit method of valuation has been used to calculate the service cost under IAS19.

The actuary has estimated the employer's contributions for 2016/17 to be £479,000, which includes the lump sum payment of £185,336 to reduce the deficit.

Financial Assumptions

The major financial assumptions used by the actuary when providing the assessment of the accrued liabilities as at the following dates for the Resource Accounting assessments were:

	Year Ending 31/3/17 % p.a.	Year Ending 31/3/16 % p.a.
Discount Rate	2.7%	3.6%
Pension Increases	2.6%	2.3%
Salary Increases	4.1%	4.1%

Mortality

The post retirement mortality is based on the Club Vita mortality analysis. Based on these assumptions, the average life expectancies at age 65 are summarised below.

	As at 31 March 2017		As at 31 March 2016	
	Men (years)	Women (years)	Men (years)	Women (years)
Retiring today	21.1	24.7	22.1	24.9
Retiring in 20 years	23.5	26.9	24.5	27.2

Movement in liabilities

	2016/17 £000s	2015/16 £000s
Opening Defined Benefit Obligation	26,496	27,825
Current service cost	394	459
Interest cost	944	905
Change in financial assumptions	5,000	(1,905)
Change in demographic assumptions	(185)	–
Experience loss/(gain) on defined benefit obligation	(624)	–
Estimated benefits paid net of transfers in	(602)	(864)
Contributions by Scheme participants	96	101
Unfunded pension payments	(25)	(25)
Closing Defined Benefit Obligation	31,494	26,496

Movement in assets

The assets in the scheme and the expected rate of return were:

	2016/17 £000s	2015/16 £000s
Opening Fair Value of Employer's Assets	16,310	16,981
Interest on assets	590	552
Return on assets less interest	2,777	(683)
Other actuarial gains/(losses)	917	–
Administration expenses	(21)	(25)
Contributions by Employer including unfunded	700	273
Contributions by Scheme participants	96	101
Estimated benefits paid plus unfunded net of transfers in	(627)	(889)
Closing Fair Value of Employer Assets	20,742	16,310

The assets in the scheme and the expected rate of return were:

	Value at 31/03/17 £000s	% at 31/03/17 £000s	Value at 31/03/16 £000s	% at 31/03/16 £000s
Equities	12,291	59%	7,577	46%
LDI/Cashflow matching	–	n/a	1,653	10%
Target return portfolio	4,383	21%	3,469	21%
Infrastructure	1,092	5%	894	5%
Commodities	–	n/a	73	0%
Property	1,057	5%	582	4%
Cash	1,919	9%	2,062	13%
Market value of assets	20,742	100%	16,310	100%
Present value of scheme liabilities	(31,494)		(26,496)	
Net pension liability	(10,752)		(10,183)	

13.4.2 Movement in deficit during the year

	2016/17 £000s	2015/16 £000s
Scheme liability at 1 April	(10,186)	(10,844)
Service cost	(394)	(459)
Administration expenses	(21)	(25)
Employer contributions	259	273
Payment of deficit	441	–
Other finance net interest charged (note 13.4.3)	(354)	(353)
Actuarial (loss)/gain (note 13.4.4)	(497)	1,222
Net pension liability	(10,752)	(10,186)

13.4.3 Analysis of the amount charged to net operating expenditure

	2016/17 £000s	2015/16 £000s
Service cost	394	459
Administration expenses	21	25
	415	484
Employer contributions to be set off	(259)	(273)
Amount (credited)/charged to operating cost	156	211
Analysis of the net amount charged to operating cost		
Net interest on the defined liability/(asset)	354	353

13.4.4 Analysis of amount recognised in Statement of Changes in Taxpayers' Equity

	2016/17 £000s	2015/16 £000s
Return on fund assets in excess of interest	2,777	(683)
Other actuarial gains/(losses) on assets	917	–
Change in financial assumptions	(5,000)	1,905
Experience gain/(loss) on defined benefit obligation	185	–
Changes in effect of asset ceiling	624	–
Remeasurement of the net assets/(defined liability)	(497)	1,222

13.4.5 Sensitivity Analysis

	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	–0.1%
Present value of Total Obligation	30,989	31,494	32,009
Projected Service Cost	564	576	588
Adjustment to long term salary increase	+0.1%	0.0%	–0.1%
Present value of Total Obligation	31,574	31,494	31,415
Projected Service Cost	576	576	576
Adjustment to pension increases and deferred valuation	+0.1%	0.0%	–0.1%
Present value of Total Obligation	31,929	31,494	31,076
Projected Service Cost	588	576	564
Adjustment to mortality age rating assumption	+1 Year	None	–1 Year
Present value of Total Obligation	32,700	31,494	30,335
Projected Service Cost	954	576	558

13.5 Summary of pension charges and liability charged to net operating expenditure

	Board pension	LGPS	Total	2015/16
Net pension liability at 1 April	(105)	(10,186)	(10,291)	(11,012)
Current service cost	–	(394)	(394)	(459)
Administrative expenses	–	(21)	(21)	(25)
Employer contributions set off	–	259	259	273
Interest cost	(4)	(354)	(358)	(359)
Charged to net operating expenditure	(4)	(510)	(514)	(570)
Deficit payments	5	441	446	6
Actuarial gain/(loss) recognised in SOCTE	(16)	(497)	(513)	1,285
Net pension liability	(120)	(10,752)	(10,872)	(10,291)

14. Contingent Liabilities

FSS is disclosing a contingent liability in relation to an on-going claim regarding the inclusion of non-contractual overtime and allowances in holiday pay calculations for statutory annual leave. It was anticipated that the claim would be resolved during 16/17, however the settlement is still on-going and at this time a monetary value on the liability is unknown but it is anticipated not to be material.

15. Related-Party Transactions

None of the Board Members, Senior Management Team or related parties have undertaken any material transactions with FSS during the year.

FSS is a non-Ministerial Office of the Scottish Administration. The Scottish Government is regarded as a related party. During the year, FSS had various material transactions, mainly in relation to the provision of shared services, with the Scottish Government.

FSS had a number of material transactions with local authorities, other Government Departments and other central Government bodies including, Food Standards Agency, Defra, CEFAS, LPFA and the Cabinet Office.

Details of remuneration provided to Senior Civil Servants and Board Members can be seen in the Remuneration Report on pages 61-74.

16. Events after the reporting period

In accordance with the requirements of IAS10 'Events after the Reporting Period', post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Independent Auditors Report to Food Standards Scotland, the Auditor General and Scottish Parliament.

17 Early adoption of IFRSs, amendments and interpretations

FSS has not adopted any IFRSs, amendments or interpretations early.

Accounts Direction



FOOD STANDARDS SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with section 19(4) of the Public Finance and Accountability Scotland Act 2000, The Scottish Ministers hereby give the following direction:

1. Food Standards Scotland will prepare accounts for the financial year ended 31 March 2016, and subsequent years. The accounts 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 accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year of Food Standards Scotland in the exercise of its functions
3. This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Scottish Ministers

Dated 20 April 2016



foodstandards.gov.scot

**Food Standards Scotland
Pilgrim House
Old Ford Road
Aberdeen
AB11 5RL
enquiries@fss.scot**

Laid before the Scottish Parliament pursuant to section 15(5) of the Food (Scotland) Act 2015.

SG/2017/17

© Crown Copyright 2017