

2022-2023



Scientist?

- ✓ Informing Choices
- ✓ Funding Futures
- ✓ Supporting Success

# Student Awards Agency Scotland Annual Report and Accounts 2022-23

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Presented to the Scottish Parliament under Section 22(5) of the Public Finance and  
Accountability (Scotland) Act 2000

Laid before the Scottish Parliament by Scottish Ministers in September 2023

SG/2023/154

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# Chief Executive's Forward

As an Executive Agency of the Scottish Government (SG) and the national student funding body for around 180,000 students in higher education, the Student Awards Agency Scotland (SAAS) plays a pivotal role; processing applications, administering vital student support and providing information resources to students. We aim to provide the right information, funding and support to students engaged in study at Higher Education level at colleges and universities. Our unique reach enables us to engage with and influence the most vulnerable and under-represented groups and to offer the right support to those most in need.

SAAS employs circa 260 staff, based in Edinburgh and is currently operating a hybrid working model. This year we administered over £1bn of student support through a number of key funding schemes. As part of our SAAS Corporate Values, we strive to put our customers and our staff at the centre of everything we do. We aim to deliver excellent, efficient services to our customers, and to be a great place to work.

I was pleased to be appointed as the Chief Executive of SAAS on the 1 January 2023, taking over from Lauren McNamara who had been the Interim Chief Executive.

I am pleased to note that over the course of this year the Agency has continued to improve the efficiency and effectiveness of our services, delivered new Scottish Government student funding priorities and innovated to improve the applicant experience. We have accelerated our development of our systems and processes taking on and delivering more changes than previous years. We have started tackling the larger long-term questions about how we deliver our services going forward taking advantages of developments in technology.

Some of our main achievements include:

- Delivering our core services and meeting or exceeding the majority of our key performance targets
- Having more interactions with students via the most appropriate channels
- Ongoing development of an online portal for Disabled Student Allowance applications
- Delivery of a new debt recovery system
- Undertaken Automation work in specific tasks with SG Automation
- Tendered and awarded an omni channel solution for our Contact Centre

In 2022-23 we have delivered a number of changes and embarked on many more.

This Annual Report & Accounts contains more detailed information on our projects and priorities.

We continue to make good progress through our 2020-25 Corporate Plan to deliver our purpose of **enabling all students to fulfil their potential**. The focus of this is set around 3 strategic aims:

- Informing Choices
- Funding Futures
- Supporting Success

I am confident that SAAS is well placed to continue delivering significant value to the people of Scotland in diverse and exciting ways. I hope I can count on your continued support on this journey.

DocuSigned by:  
  
A68DBF8FBE604A1...

Catherine Topley  
Chief Executive  
21 August 2023

# Performance Report

## Performance Report - Overview

### ***Purpose***

The purpose of the Performance Report - Overview is to provide context to users of the Annual Report and Accounts. It provides sufficient detail to facilitate an understanding of SAAS' purpose, objectives, performance and approach to risk management.

### ***Timing of the Report***

This Annual Report and Accounts covers the period from 1 April 2022 to 31 March 2023 and has been prepared in accordance with the direction given by Scottish Ministers within Article 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

## Summary of the Organisation

### ***History and Statutory Background***

The Student Awards Agency Scotland was established as an Executive Agency of the Scottish Government on 5 April 1994. Our operating framework, including financial delegations, is set down in the Agency's Framework Document. The Chief Executive is accountable directly to Scottish Ministers and as the Agency's Accountable Officer is also answerable to the Scottish Government's Principal Accountable Officer and the Scottish Parliament.

Further detail on organisational structure and governance can be found in the 'Accountability Report – Governance' section (page 18).

### ***National Performance Framework***

SAAS contributes to the delivery of the Scottish Government's National Performance Framework.<sup>1</sup> In particular, SAAS makes a major contribution to the following National Performance Outcomes:

- Education: We are well educated, skilled and able to contribute to society

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<sup>1</sup> Available here: <https://nationalperformance.gov.scot>

- Children and Young People: We grow up loved, safe and respected so that we realise our full potential
- Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy
- Poverty: We tackle poverty by sharing opportunities, wealth and power more equally
- International: We are open, connected and make a positive contribution internationally
- Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

### ***Our Values***

Our corporate values outline the guiding principles that we operate to as an organisation in our internal and external relationships. These are:

- People First – putting our customers and our staff at the centre of everything we do and being open, caring and responsive
- Quality & Excellence – providing service excellence for our customers and being committed to achieving and maintaining the highest possible standards of quality within a culture of continuous improvement
- Inclusive & Enabling – reaching out to help all students on their learner journey and enabling opportunities to open doors and transform lives

SAAS staff are Civil Servants and, as such, are bound by the Civil Service Code which sets out the core values and standards of behaviour expected to be upheld by all Civil Servants:

- Integrity – putting the obligations of public service above personal interest
- Honesty – being truthful and open
- Objectivity – basing advice and decisions on rigorous analysis of the evidence
- Impartiality – acting solely according to the merits of the case and serving equally well governments of different political persuasions

### ***Principal Activities***

We provide advice, guidance and over £1bn worth of financial support to full-time and part-time students in higher education by administering a range of student support schemes. We:

- Provide information to prospective students, on our website, social media channels, marketing campaigns and at outreach funding awareness events, delivered both digitally and at locations across Scotland
- Assess and process student support applications for eligible students, including:
  - undergraduate

- postgraduate
- Disabled Students' Allowance
- Paramedic, Nursing and Midwifery Bursary Scheme
- Part-Time Fee Grant
- Care Experienced Bursary
- Distribute Discretionary Funds and Discretionary Childcare Funds to Scottish universities and Higher Education Discretionary Funds to Scottish colleges
- Assess applications for Student Loans, then share this information with the Student Loans Company (SLC). The SLC issue the payment schedules and make the loan payments

### ***Key Risks to the Agency***

The Agency undertakes risk assessment and management activities to identify and manage the key risks that could potentially impact on our ability to meet our corporate objectives. These are documented within the SAAS Corporate Risk Register, which is owned by the Executive Team; it includes the actions we have taken and will take to reduce risks, and to respond should they arise. Our risk management approach and activities are overseen by an Audit and Risk Assurance Committee chaired by a Non-Executive Board Member, which reports to the SAAS Board.

The Agency Risk Management Group, comprising senior representatives from each business area, manage the directorate level risk registers and escalate to the Corporate Risk Register if required. They are also responsible for co-ordinating risk activities across the Agency, reviewing and updating the risk framework and reporting to Executive Team on risk management.

Through our risk management approach and on-going review, the undernoted key organisational risks were actively considered and managed during 2022-23:

- Budget constraints
- Investment in current and future infrastructure
- Impact of emerging policies
- Internal policy and practice changes not aligning with system changes
- Information management and cyber security
- Environmental requirements
- Vulnerable groups not being aware of policies and processes
- Customer expectations
- Resourcing and skills
- Culture failure to manage change
- Lack of autonomy restricting agility
- Key projects deliverability



- Collaboration with partners
- Lack of agreed operating model
- ERP system replacement

Our principle risks, known as our red risks, relate to budget constraints, investment in current and future infrastructure, impact of emerging policies and key project deliverability. The mitigating actions we take to manage these risks include robust workforce planning, providing evidence based funding requests, engagement with SG policy teams and other stakeholders, robust project and programme transparency and governance.

Throughout 2022-23 the focus of our risk management is very much related to the Transformation Programme of work which we have ramped up in the year.

As we aim to transform our way of working, risks around funding, resourcing and skills and the ability to deliver our projects are now being monitored closely.

Further information on performance and risk is contained within the 'Performance Report – Analysis' section (page 10) and the 'Accountability Report - Governance' (page 18).

## **Performance Summary**

### ***Chief Executive Statement on Performance***

As an Executive Agency of the Scottish Government, SAAS is committed to contributing to the Scottish Government's purpose of creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth. We provide student support and funding solutions for a diverse range of students, enabling access to Higher Education and opening doors to a wide range of opportunities.

Through the provision of an effective, accessible and transparent student-centred support system, we aim to ensure that access to finance does not act as a barrier to individuals engaging with and flourishing within Higher Education.

We provide financial support to full-time and part-time students undertaking courses of higher education. Financial support covers non-repayable bursaries and grants paid to students, the payment of tuition fees or provision of fee loans, and the authorisation for living cost loans (issued and collected by the SLC). Scotland is the only country in the UK with free higher education.

We administer significant expenditure for Higher Education Student Support along with various other schemes, including the Paramedic, Nursing and Midwifery Student Bursary Scheme (PNMSB) on behalf of Scottish Government's Directorate for Chief

Nursing Officer. We refer to our performance and responsibilities for administration of these schemes throughout the SAAS Annual Report. It should be noted that the monies for these schemes are separate from SAAS Accounting, being accounted for within the Scottish Government's Accounts. The SAAS Chief Executive is not the Accountable Officer for these funds.

## Financial Review

The purpose of our Annual Report and Accounts is to provide detail of the Agency's administration expenditure.

Agency Operating Costs	2022 - 23			2021 - 22		
	Approved Budget	Outturn	Variance	Approved Budget	Outturn	Variance
	£000	£000	£000	£000	£000	£000
Revenue	13,730	14,079	(349)	13,158	12,557	601
Capital	2,600	2,533	67	1,600	1,572	28
<b>Total Agency Operating Costs</b>	<b>16,330</b>	<b>16,612</b>	<b>(282)</b>	<b>14,758</b>	<b>14,129</b>	<b>629</b>

Over and above our Agency operating costs we have £0.433m of notional costs (£0.513m in 2021-22). These notional costs are included within our net operating expenditure (page 49) and are for services provided by Scottish Government, based on a historic management estimate with an annual uplift applied.

In 2022-23 we have experienced rising costs like all organisations due to inflation. Staff pay increased in line with the terms of the Scottish Government and our outturn has allowed for a provision in relation to a backdated pay offer. We have seen large increases in our utility costs associated with Saughton House and a number of our IT costs have increased.

It should be noted the investment in capital has increased significantly allowing SAAS to move at pace on the Transformation Programme. The work on the initial research element of these changes has also impacted our revenue position.

## Going Concern

The Agency receives its funding from the Scottish Government and its annual operating budget is approved and published each year, as part of the Scottish Government's budget, by the Scottish Parliament. Funding requirements have been agreed with the Scottish Government that give our Board the reasonable expectation that the Agency will have adequate resources to continue in operational existence for the foreseeable future (at least 12 months from the signing of the annual report). For this reason, we continue to adopt the going concern basis in preparing the Annual Report and Accounts

## Performance Report – Analysis

### Performance Measures

SAAS has historically had a number of Key Performance Indicators (KPIs), which had been used to measure how effectively the Agency is achieving its business objectives. These historic KPIs are defined within the SAAS Framework Document 2012<sup>1</sup>, which is currently under review.

SAAS' performance reporting is supported by a number of more detailed management information reports. In particular, the SAAS State of Play Report is an internal weekly report that provides an overview of SAAS operational performance and delivery.

Following the production of a new Corporate Plan to cover the period from 2020-25<sup>2</sup>, the Executive Team and Management Board reviewed the performance measures we use internally and derived an evolved and amended set of measures and reporting schedule to better reflect our new strategic aims and outcomes. The new framework comprises of and is structured under seven themes:

- Informing Choices
- Funding Futures
- Supporting Success of our students
- Developing and valuing our people
- Improving the way we work
- Realising the potential of technology
- Environment

This new performance measure framework has been used to provide regular performance reports to the SAAS Board, complementing Director updates on issues such as financial performance, HR and organisational development, complaints and appeals handling, fraud and recoveries activity and digital & system performance. These reporting systems will be reviewed in line with the governance of the organisation this year, and any updates reflected in the revised Framework Document, with a view to reporting on the new set of measures in the Annual Report and Accounts from 2023-24.

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<sup>1</sup> Available here: <https://www.saas.gov.uk/files/336/saas-framework-document.pdf>

<sup>2</sup> Available here: <http://www.saas.gov.uk/files/464/corporate-plan-final.pdf> Annual Report and Accounts

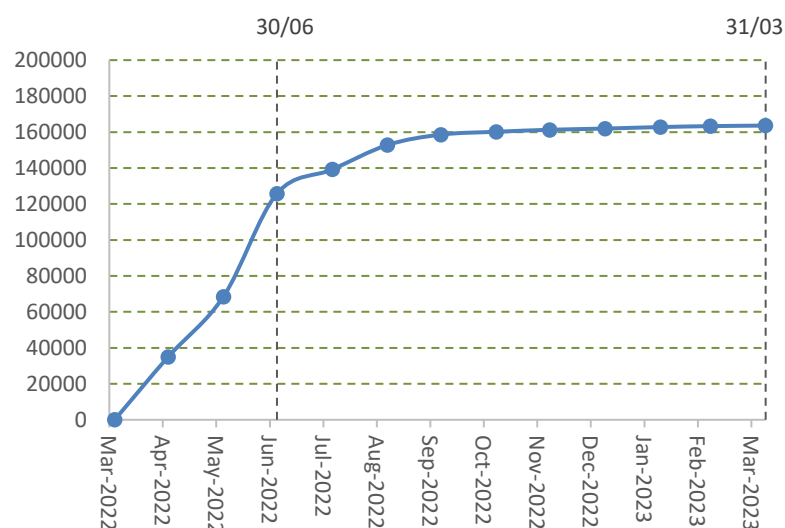
## Detailed analysis and explanation of performance

### *Customer demand: applications received*

Between 1 April 2022 and 31 March 2023 SAAS received over 186,000 applications, for funding of tuition fees, bursaries, maintenance loans and grants in the 2022-23 session across all of our funding schemes. This compares to over 196,000 received between 1 April 2021 and 31 March 2022 for the 2021-22 session and represents a 5% decrease.

The chart below shows the trend of monthly data as at the end of each month on the number of applications received for the 2022-23 academic session between 1 April 2022 and 31 March 2023 across the Undergraduate (UG), Postgraduate (PG) and Paramedic, Nursing and Midwifery Student Bursary (PNMSB) schemes. Key dates highlighted include the 30 June 2022 (the SAAS Guarantee Date) and the 31 March 2023 (the closing date for applications to be received).

### **Number of applications received in UG, PG and PNMSB schemes, 2022-23**



### *Speed of processing of applications*

We aim to ensure our customers are able to access a timely service to support their higher education choices. In 2022-23, we processed 84% of applications within 21 days (85% in 2021-22).

In order to provide a timelier service for our customers, we endeavour to automate processing as much as is feasible. In complex cases it isn't always possible to use automation, due to the requirement of the scheme or supplementary documentation. In 2022-23, 54% of applications to relevant schemes were auto calculated, meaning that processing was automated. This compares to 55% in 2021-22.

## Funding Awareness

In 2022-23, the Funding Awareness Team - who provide our Outreach Programme – delivered events to a total of 508 institutions including individual schools, colleges, universities, and third-party groups and partners who have organised local and national events (2021-22: 268). In support of our widening access work, over a quarter (149) of these events were delivered to schools where 20% of the pupils live within the 20% most deprived areas of Scotland<sup>1</sup>. This is substantially more than the 69 institutions reached in 2021-22 as we have grown our engagement by hosting digital and in-person events.

## Customer Service and SAAS Communications

Our SAAS customer and stakeholder engagement strategy aims to encourage students to apply early and submit their applications by the Guarantee Date. This is our primary mechanism to ensure that individual funding support is in place for students by the start of their course. In 2022-23, the Guarantee Date was 30 June.

During 2022-23, as in 2021-22 and years previous, we had assessed and processed 100% of the applications received by the Guarantee Date in time for the start of 2022-23 academic session. In addition to this, 99.5% of applications received after this date were processed – slightly down from 99.6% in 2021-22.

There has been a decrease in calls compared to 2021-22 as there has been a preference for customers to use the ‘webchat’ service. This is shown in the 30% increase of chats handled compared to 2021-22. There was a decrease in customers visiting the SG Student Information Scotland website (maintained by SAAS) in 2022-23, compared to 2021-22, and increased numbers of user visits observed on the SAAS website. We have handled over 100,000 customer interactions between our phone and webchat services over the same reporting period.

	2021-22	2022-23
SAAS Account Enquiries	80,869	66,189
Webchat Enquiries Handled	42,042	54,855
Phone Calls Handled	58,824	50,977
SIS Website User Visits	246,279	192,881
SAAS Website User Visits	1,397,450	1,693,521

	2021-22	2022-23
SAAS Account Queries Actioned within 21 days	66%	90%

<sup>1</sup> as defined by the Scottish Index of Multiple Deprivation (SIMD).

Despite the extensive demand on our customer services, the flexing of resource in another challenging year has allowed us to sustain the majority of SAAS account enquiries responded to within 21 days.

### ***Complaints and Appeals***

Complaints and appeals are dealt with and recorded in line with the Scottish Public Services Ombudsman (SPSO) guidance.

We recognise that complaints provide a valuable source of feedback to the Agency. In line with the SPSO's best practice, we publish our complaints procedure on our Annual Report and Accounts website, and we use the information gathered through this process to identify any patterns or trends that require a change to our working practices.

During 2022-23, 233 complaints were received, this is a 16% decrease from 277 in 2021-22. SAAS Received 673 appeals and increase of 6% from 633 in 2021-22. Overall this continues to represent a relatively low level of complaints equating to 1.3 in every 1,000 applications for 2022-23, compared to 1.4 in every application for 2021-22.

From 2014-15, SAAS response targets for first and second stage complaints have been 5 days and 20 days respectively. These are set as a formal directive from the Scottish Public Services Ombudsman (SPSO).

During 2022-23, 98% of complaints were answered within the SPSO response target times due to waiting for information from other teams. In the small number of cases where this was not met, holding responses were sent out to each complainant to advise of this and the reasons for the delay.

A target that fewer than 10 formal complaints to be received/upheld by the SPSO has been set. During 2022-23, none were received (compared to none in 2021-22).

### ***Correspondence***

We aim to have 100% of ministerial correspondence answered within target: ministerial replies within 10 working days and official replies within 20 working days. During both 2022-23 and 2021-22 we achieved the target of 100% (with 106 and 124 received respectively).

### ***Freedom of Information (FOI)***

We received 25 FOI requests during 2022-23, of which 100% were completed within 20 working days.( compared to 26 FOI requests in 2021-22, 100% were completed within 20 working days)

### ***Finance and Procurement***

SAAS have a target of processing 100% of invoices within 10 days, during 2022-23 we achieved 97% of this target (2021-22: 99%).

Annual procurement spend, for 2022-23, is estimated at c£2.3m across the 80 contracts currently on the contract register.

The primary focus this year has been to procure a replacement for the current Contact Centre contract, which ends in November 2023. A new contract for a replacement Omni Channel Contact Centre was awarded in March 2023.

The cost of activities within SAAS are continually being reviewed. A current key performance indicator target is that the average unit cost to process an application should be less than £40, the cost for 2022-23 is £55.95 (2021-22: £51.08)

### ***Recovery of Overpayments***

SAAS recover overpayments that have been made for student support, on behalf of the Scottish Government, to recycle into the funding programme for future students.

The Agency have had a busy year, recovering from the challenges due to COVID-19 and the resulting Ministerial decision to pause debt recovery, as well as launching and implementing a new Debt Management System (DMS) in May 2022.

SAAS has migrated all cases onto the new DMS, assisting with user acceptance testing and devising training guides and desk instructions. Work continues on improving our Management Information reporting.






SAAS are aware that people across the UK are struggling to cover essential household bills and want to make sure that we provide support. SAAS are also working to update the Recoveries Policy to ensure a balance of transparency and student support is provided. The SAAS telephone lines re-opened for enquiries to discuss overpayments.

SAAS has 22,193 active debtors with a total balance of £14.3 million pounds. A target of recovering 30% of our opening debt in each year is set. In 2022-23 we achieved 21.1% (2021-22: 23.9%).

### ***Counter Fraud***

The Agency continues to focus on the prevention and detection of fraud to protect public funds. The Counter Fraud Team have been working across government to expand validation opportunities to ensure that student funding is available to those who are eligible. They to work within their five strategic objectives as set out in the Counter Fraud Strategy, Policy & Response Plan: -



-  **Deter and Educate**
-  **Prevent and Detect**
-  **Investigate and Enforce**
-  **Review and Learn**
-  **Monitor and Measure**

The key focus is the detection and prevention of fraudulent activity against all funding schemes across SAAS. To achieve this SAAS have been using the fraud powers within the Digital Government (Scottish Bodies) Regulations 2022 participating in National Fraud Initiative data matching exercise run by Audit Scotland. SAAS provide particular sets of personal data to Audit Scotland for each matching exercise, as set out in Audit Scotland's instructions. SAAS have concluded the exercise for 2022-23.

During 2022-23, a loss to fraud of £262,551 was identified which is 0.028% loss against the budget, which is well below the 0.15% performance target.

### ***Transformation and Change***

During 2022-23, we continued to progress the SAAS Transformation Programme. This is an ambitious programme that will span over many years of work to streamline our services and make SAAS a more efficient and resilient organisation, underpinned by this vision:

- We deliver excellent services using a Digital First approach which combines modern technology, digital thinking and innovation to provide flexible, fair and efficient services for everyone.
- Achieving this vision will ensure SAAS can deliver improved services using leaner, more efficient processes to support our customers. It will also mean that we can quickly adapt our systems to support our customers and that we have flexible, stable and secure systems supporting our operations.
- During winter 2022-23 SAAS successfully completed a procurement process for our new Customer Connections project and are now working with our chosen supplier to introduce this new capability. This will replace our current

standalone customer communication channels (telephony, webchat, email) with a single unified omni platform that is easy to use, fast and efficient. Good progress has been achieved on the development of the new online application process for Disabled Students' Allowance. Improvements have also been identified for the attendance data-sharing process between SAAS and higher education institutions and we will be starting to implement these in 2023-24.

- SAAS also implemented our annual funding policy changes. This ensured compliance with current student funding policies and that SAAS could receive and process applications for the 2023-24 academic session. Changes included increased support for students to help to alleviate the financial pressures facing many students due to the cost-of-living crisis.

### ***Sustainability***

In response to Scotland's national net-zero target to be achieved by 2045 and the Scottish Government's declaration of a climate emergency in 2019, SAAS has taken further steps in 2022-23 to monitor and reduce our carbon footprint through the further implementation of our Climate Action Plan. The actions identified at an Agency level include but are not limited to: building an evidence base around and seeking reductions to our business travel emissions; liaising with building facilities colleagues to understand, measure and reduce our use of energy in Saughton House; and improving the climate-literacy of our staff through communications and engagement on a range of environmental issues.

The actions focused on in our plan are being taken forward by a cross-organisation Environmental Group and key progress will be monitored through the new performance measures framework, with relevant data outputs published annually in our mandatory Sustainable Scotland Network (SSN) climate change report. [Previous SSN reports for SAAS can be found on the SSN website <sup>1</sup>]. As a public body and Executive Agency of the Scottish Government, SAAS is subject to reporting requirements listed in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, Climate Change (Scotland) Act 2009, and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2020. As an Agency that is co-located in Scottish Government building, the reporting of energy use in our buildings is managed centrally by the Scottish Government Estate.

The huge changes in working practices as a result of the pandemic, including the move to hybrid working and the continued evolution of hybrid working, mean that it

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<sup>1</sup><https://sustainablesotlandnetwork.org/reports/the-student-awards-agency-scotland>.

has been challenging to collect consistent and comparable environmental data and metrics in recent years and remains so.

SAAS business travel had shrunk to zero at the height of the pandemic. Our Funding Awareness team have now moved to a hybrid model made up of a combination of on-line events and face-to-face meetings and engagements. Since moving to that hybrid model in June 2022, the team have used public transport wherever possible. Where that has not been possible, the team have travelled a total of 11,243 miles in hire cars in 2022/23. Under the Scottish Government booking system we are unable to request a hybrid vehicle for our use, so the majority of the cars used are petrol or diesel, but SAAS has lobbied for a move to hybrid or electric vehicles in the future.

SAAS has baseline data on staff commuting drawn from a pre-pandemic Scottish Government survey in 2019. We will be using future staff surveys to measure and report on changes in staff commuting over time.

SAAS has been working with the Scottish Government Environmental Management and Sustainable Travel Team to get consistent data on our use of energy in Saughton House.

As part of the Scottish Government Winter Heating Strategy, we took a pragmatic approach to heating buildings that were not fully occupied and closed two of our six spurs during the winter to support a reduction in our carbon emissions.

### ***Trends and factors affecting future performance***

The Agency will continue to plan and respond to external factors which have a bearing on our operational delivery. We continue to work closely with colleagues across Scottish Government to influence and implement changes to student support policies. In particular, work in this area is currently heavily focused on the delivery of Programme for Government (PfG) commitments pertaining to student financial support.

Looking ahead, despite the ongoing challenges of both a demand-led service and with year on year constrained budget allocations, frequently necessitating a reactive environment, the agency will continue to strive to provide high-quality support for its customers as set out in the SAAS Corporate Plan.

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Catherine Topley  
Chief Executive  
21 August 2023

# Accountability Report

## Accountability Report - Governance

### Directors' Report

The Chief Executive is the Accountable Officer for the Agency and is supported by the SAAS Board and Executive Team. Full details of the governance structure and risk management arrangements in operation in the Agency are provided as part of the 'Governance Statement' (page 21).

### SAAS Board 2022-23

Chief Executive & Accountable Officer	<b>Catherine Topley<sup>1</sup></b>
Non-Executive Board Members	<b>Stephen Woodhouse<sup>2</sup></b> <b>Simon Hewitt</b> <b>Yasmeen Hussain</b> <b>Susan Walsh<sup>3</sup></b> <b>Gayle Watson<sup>4</sup></b>
Interim Chief Executive & Accountable Officer Director Strategy and Operations	<b>Lauren McNamara<sup>5</sup></b>
Interim Deputy Chief Executive & Director of Finance Director of Finance	<b>Evelyn Aitken<sup>6</sup></b>
Digital Director	<b>Geraint Williams<sup>7</sup></b>
Interim Digital Director	<b>Mike Chalmers<sup>8</sup></b>
People Director	<b>Laurena Charles</b>

<sup>1</sup> Catherine Topley joined the Agency on 1 January 2023.

<sup>2</sup> Stephen Woodhouse has stepped down – last Board meeting was February 2022 and last Audit and Risk Assurance Committee meeting was May 2022.

<sup>3</sup> Susan Walsh chaired the Audit and Risk Assurance Committee meeting in August 2022.

<sup>4</sup> Gayle Watson joined the Board in September 2022 and started chairing the Audit and Risk Assurance Committee meeting from November 2022.

<sup>5</sup> Lauren McNamara changed roles from Interim Chief Executive & Accountable Officer to Director Strategy and Operations on 1 January 2023.

<sup>6</sup> Evelyn Aitken changed roles from Interim Deputy Chief Executive & Director of Finance to Director of Finance on 1 August 2022.

<sup>7</sup> Geraint Williams joined the Agency 1 June 2022.

<sup>8</sup> Mike Chalmers stepped down as Interim Digital Director on 3 June 2022.

Information on salary and pension entitlement can be found in the 'Accountability Report – Remuneration and Staff' section (page 29).

### ***Company directorships and other significant interests***

No members undertook any material transactions with the Agency. Two of our Non-Executive Board Members have noted conflicts of interests in the SAAS register of interests. See the SAAS website for details (<https://www.saas.gov.uk/>).

### ***Appointed auditors***

Our Annual Report and Accounts are audited by Deloitte UK LLP, appointed by the Auditor General for Scotland. Details on auditor remuneration can be found in the Notes to the Accounts section of this report.

Internal audit services are provided by Scottish Government Internal Audit Directorate. The scope of work is determined following discussion with management and is subject to approval by the Audit and Risk Committee.

### ***Information Security***

#### ***Incidents reported to the Information Commissioner (ICO)***

There were no reported incidents in 2022-23 (none reported in 2021-22)

## Statement of Accountable Officer's Responsibilities

Under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Scottish Ministers have directed the Student Awards Agency Scotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.


The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SAAS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- Prepare the accounts on a going concern basis
- Confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Principal Accountable Officer of the Scottish Government has appointed the Chief Executive of the Student Awards Agency Scotland as the Accountable Officer for the Agency. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping of proper records, and for safeguarding the Student Awards Agency Scotland's assets, are set out in the Accountable Officer Memorandum issued by Scottish Ministers.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that SAAS' auditors are also aware of this information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

DocuSigned by:  
  
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Catherine Topley  
Chief Executive  
21 August 2023

## **Governance Statement**

This Governance Statement outlines and provides a clear explanation of SAAS' organisation internal control arrangements and the management of our resources. This statement outlines and evaluates the arrangements in place during 2022-23 and up to the date of approval of the annual report and accounts, providing assurance that SAAS have operated in accordance with Scottish Government and HM Treasury guidance with regards to internal controls, performance and risk management. It also describes how we are responding to address weaknesses and control emerging risks.

### ***Scope of Responsibility***

As Accountable Officer for SAAS, I am personally answerable to the Scottish Parliament for the propriety and regularity of SAAS' finances and for the economical, efficient, and effective use of the resources placed at its disposal. I am responsible for the delivery of the Agency's functions, its performance and for planning its future development.

Under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Scottish Ministers have directed SAAS to prepare for each financial year a statement of accounts in the form and, on the basis, set out in the Accounts Direction in Appendix One.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SAAS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year. In preparing the accounts, the Accountable Officer is required to comply with the requirements of the government Financial Reporting Manual (FReM) and in particular to:

- Observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards, as set out in the government Financial Reporting Manual (FReM), have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that SAAS will continue in operation

Section 15 of the Public Finance and Accountability (Scotland) Act 2000 sets out particular duties that may be assigned to the Accountable Officer.

My responsibilities include:

- Being Accountable Officer for the management of operating budgets and resources
- Ensuring an accurate record of accounts are prepared and signed within the statutory timeframes
- Being personally accountable to Ministers and Parliament for the Agency's efficient and effective operation and for performance against key targets
- Ensuring that the Agency works across Government in support of the Government's purpose and national outcomes set out in the National Performance Framework
- Providing assurance to the Fraser Figure, who acts as a focal point within the Scottish Government for supporting and facilitating the work of the Agency in meeting its objectives and targets and who approves the level of resources required as a result
- Ensuring Best Value in all aspects of the Agency's operations, both front line delivery and corporate support functions
- Consulting with Higher Education stakeholders and Scottish Government partners on policy, financial and corporate developments that may impact on the services delivered by the Agency

The Accountable Officer is required to:

- Confirm that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable. More detail on the responsibilities of Accountable Officers is set out in the Memorandum to Accountable Officers.
- Ensure organisational compliance with the Scottish Public Finance Manual (SPFM) which 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.

My accountability is subject to the respective overall responsibilities of the Permanent Secretary of the Scottish Government as the Principal Accountable



Officer, the Director General Education and Justice and the Director General Health and Social Care as Accountable Officers.

I, and the Agency Finance Directorate, also work closely with my colleagues, the Deputy Director of Higher Education and Science, who is the Accountable Officer for the Higher Education Student Support (HESS) programme funding, and the Chief Nursing Officer, who is the Accountable Officer for the Chief Nursing Officer Directorate (CNOD) programme funding.

### **Corporate Governance Framework**

The Agency's corporate governance framework comprises the systems, processes and values within which the Agency operates. The Agency's high-level strategic governance framework, including financial delegations, is set out in our Framework Document which is agreed with the Scottish Government and periodically reviewed. The published Framework Document is currently under review. Our system of internal control and assurances seeks to identify the principal risks to the achievement of the Agency's policies, aims and objectives.

I am provided with assurance in my role as Accountable Officer by the SAAS Board, the Executive Team, and the Audit, Risk and Assurance Committee (ARAC) and by independent Non-Executive Directors. A system of internal controls and proactive risk management is in place, along with a programme of internal audit assurance reviews. These are described in more detail below;



## **SAAS Board**

The SAAS Board is responsible for supporting and advising the Chief Executive in respect of the strategy, achievement of the Agency's objectives and operational oversight of the Agency's systems of control and accountability. Membership comprises of the Chief Executive, as chair, and the Agency's Executive Team and Non-Executive Board Members.

The SAAS Board met four times in 2022-23.

In order to increase transparency of Board proceedings, two SAAS staff observer places are available at each meeting and the minutes of the meetings are publicly available on our website.

## **Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee (ARAC) advises the Board and myself on the adequacy of risk management, internal control and governance arrangements and the efficient and effective use of public funds. This includes:

- The strategic processes for risk, control and governance
- The accounting policies, the accounts, and the annual report of the Agency
- Gaining assurance that risk is being monitored and managed appropriately

The ARAC consists of two Non-Executives and is chaired by a Non-Executive Board Member who has relevant financial experience in line with the HM Treasury Code of Good Practice on Corporate Governance. It is also attended by myself, the Director of Finance, an independent board member, representation from Internal and External Audit and other members of management as required.

The committee met four times in 2022-23.

Each year, ARAC reviews its own effectiveness, and the chair of the committee reports the results along with a summary of the committee's activities to the Board.

After appropriate consultation with myself and other Executive Directors, ARAC commissions an annual programme of work from SAAS' internal auditors. The programme is risk-based and, as well as seeking to assess the proper operation of the system of internal control, focusses on what might prevent the successful achievement of the corporate objectives.

ARAC reviews the reports from that programme and monitors actions from audit recommendations to ensure their completion. The ARAC has considered the annual report and accounts and I have taken account of, and confidence from, their

comments and observations prior to signing this governance statement and other parts of the annual report and accounts.

### ***The Executive Team***

The Executive Team (ET) support me in my role and oversees the operational and financial management of SAAS on a day-to-day basis. The ET is chaired by me in my role as Accountable Officer. We meet weekly, with a formal meeting conducted once a month.

To fulfil its responsibilities the ET appointed, is supported by the following sub-committees: Policy and Practice Group, Risk Management Group, Senior Management Team, Workforce Planning Group, and Environmental Management Group, Change Assurance Group, and Transformation Programme Board.

The Agency has four director-led business areas:

- Strategy and Operations
- People and Performance
- Finance
- Digital

In 2022-23, I was also supported by four Non-Executive Board Members (NEBMs). NEBMs provide the Agency with an independent perspective on issues of strategy and scrutiny, including performance and governance, and bring specific expertise and knowledge to discussions. They are independent of management.

Together, our Executive and Non-Executive members provide membership of our corporate governance groups, including the Audit and Risk Assurance Committee, and the SAAS Board. The Audit and Risk Assurance Committee is chaired by a Non-Executive Board Member.

### ***Risk management***

SAAS manages risk as an integral part of our system of internal control using risk management principles set out in the Scottish Public Finance Manual (SPFM), and a risk management policy which is approved annually by the ET. Strategic risks are captured and monitored through the corporate key risk register, and we have operational risk registers in each directorate and for each major change project, including the Transformation Programme. Our robust risk management framework exists to allow the collation of these risks - threats and opportunities - and escalation through our corporate governance structure to ET and the ARAC/Board as required.

The Board, ARAC and ET hold a joint annual workshop where potential risks to our corporate business plan and strategic objectives are considered. This workshop

includes consideration of risk appetite; the results inform our risk profile and overall approach to financial and non-financial risk management. Key risks are reviewed in alignment with the annual review of strategic objectives. New and emerging risks are also agreed and assigned to key risk owners during this review.

During 2022-23 the Agency has continued to develop and strengthen its risk management approach in alignment with the SG Risk Management approach which was launched in 2018.

Throughout the reporting period, the SAAS Executive Team, SAAS Audit and Risk Assurance Committee and SAAS Board have continued to take an active lead in risk management within the Agency. The risk, risk scoring and actions are routinely reviewed by these groups and any significant failings or weaknesses would be reported for management action.

The principal risks for 2022-23 are detailed in the 'Performance Report – Overview' (page 4).

Our Risk Management Group facilitates shared knowledge of risk across the organisation and manages the Directorate-level Risk Registers which feed into the Corporate Risk Register via escalation to Executive Team

### ***Internal Audit***

Internal audit services are provided by the Scottish Government and provide independent and objective assurance and advisory activity that is guided by a philosophy of adding value to improve the operations of the clients it serves. It aims to assist clients in accomplishing their objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the relevant organisation's risk management, control, and governance processes.

The work of Internal Audit is informed by the Agency's Corporate Risk Register, assurance map and by the annual audit needs assessment undertaken by the auditors. A separate report was provided for each internal audit assignment. Each report includes detailed findings, recommendations for improvement, and agreed management responses. Internal Audit activities carried out during 2022-23

Assurance reviews held covering:

- Risk Management
- Transformation Programme - Budgets
- Quality Assurance
- Compliance – Off Payroll

And the following follow ups

Learning and Development  
Risk Management  
Internal Data Protection  
Transformation Programme: Budget Management

An overall opinion of reasonable assurance was provided by Internal Audit for work performed during 2022-23. The report notes the adequacy and effectiveness of governance, risk management and control were generally satisfactory with some improvements required. Internal audit noted we had good communication, a good range of governance groups, robust assurance framework process, and effective reporting and monitoring in place. Whilst there were positives identified, areas for improvement were identified ensuring systems and controls remained strong and were clear. All of the audits received reasonable assurance, with the exception of Risk Management, which received substantial assurance.

### ***External Audit***

The Auditor General for Scotland is responsible for auditing the Agency's accounts. The appointed auditors in 2022-23 were Deloitte LLP.

### ***Whistleblowing***

SAAS is aligned with the Scottish Government Whistleblowing process which is available on our intranet for staff. During 2022-23 we had no instances reported.

### ***Assessment of Corporate Governance Arrangements***

The governance arrangements continue to be strengthened and I will keep them under review to ensure that they remain fit for purpose. Actions that took place in 2022-23 include, but are not limited to:

- Risk Workshops held to review the current Corporate Risk Register and deep dives completed to review other registers for consistency
- Continued review of the effectiveness of our internal controls across the organisation through the completion of our annual assurance mapping exercise
- Strengthening our management of change ensuring that it is actively, consistently and proportionately managed across the Agency. This included ensuring clarity of project and programme management approaches through the alignment between corporate planning and projects, benefits articulation, risk management and Digital First assessments

## **Risk Assessment**

### **Review of Effectiveness**

Review of effectiveness as Accountable Officer, I have responsibility for reviewing the ongoing effectiveness of the system of internal control. My review has been informed by the outputs from:

- the Executive Directors within SAAS (both in an individual capacity and as a collective group operating through the mechanism of the ET)
- the SAAS Board, which considers the plans, overall risk and management of the Agency and advises on the strategic direction and performance
- the ARAC, which meets quarterly to consider the internal controls of the Agency and how effective those controls are
- the work of internal audit in the form of their interim and final reports
- Comments made by our 2021/22 external auditors in the form of their final reports
- comments made by our external auditors (Deloitte) in the form of their interim and final reports
- other reviews and studies that are undertaken by third parties from time to time

The Agency's risk and control framework is based on an on-going process designed to identify the principal risks to the achievement of the Agency's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. More generally, the organisation is committed to a process of continuous development and improvement and as such we will continue to focus on improving our corporate governance arrangements.

Based on the above and my own knowledge of the organisation, I am satisfied that during the year under review, the overall control environment within SAAS operated effectively and supported the organisation in meeting its aims and objectives. There are no significant matters arising from my review.

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Catherine Topley  
Chief Executive  
21 August 2023

## Accountability Report – Remuneration and Staff

### Remuneration

#### *Remuneration Policy*

#### *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.

All permanent appointments within SAAS are on Scottish Government terms and conditions.

The officials covered by this report, with the exception of our Non-Executive Board Members and the Independent Member of the Audit and Risk Assurance Committee, 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 Commissioners is available at <https://civilservicecommission.independent.gov.uk/>

## Board Remuneration

### Senior Management Salaries (subject to audit)

The salary, pension entitlements and benefits in kind of the executive members of the SAAS Board were as follows:

	Salary		Pension Benefits		Total	
	£000		£000		£000	
Officials	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Catherine Topley</b> <sup>1</sup> <i>Chief Executive &amp; Accountable Officer</i>	20 - 25	-	9	-	29 - 34	-
<b>Lauren McNamara</b> <i>Interim Chief Executive and Director of Strategy and Operations</i>	80 - 85	75 - 80	13	27	93 - 98	102 - 107
<b>Evelyn Aitken</b> <i>Interim Deputy Chief Executive and Director of Finance</i>	75 - 80	70 - 75	46	49	121 - 126	119-124
<b>Geraint Williams</b> <sup>2</sup> <i>Digital Director</i>	70 - 75	-	28	-	98 - 103	-
<b>Laurena Charles</b> <i>People Director</i>	70 - 75	65 - 70	20	42	90 - 95	107 - 112
<b>Mike Chalmers</b> <sup>3</sup> <i>Interim Digital Director</i>	10 - 15	25 - 30	(1)	27	9 - 14	52 - 57

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 increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

1 Catherine Topley joined part way through the year the full year equivalent salary is £85,000-£90,000.

2 Geraint Williams joined part way through the year the full year equivalent salary is £85,000-£90,000.

3 Mike Chalmers left the board part way through the year the full year equivalent salary is £65,000-£70,000.



**Non-Executive Board Members (subject to audit)**

Our Non-Executive Board Members were remunerated for the following attendance fee payments for financial year 2022-23. No other fees were provided to Non-Executive Board Members in the year.

Non-Executive Board Member	2022-23 £000	2021-22 £000
Gayle Watson <sup>1</sup>	0 - 5	-
Jane Handley <sup>2</sup>	-	0 - 5
Simon Hewitt	0 - 5	0 - 5
Yasmeen Hussain	0 - 5	0 - 5
Susan Walsh	0 - 5	0 - 5
Stephen Woodhouse <sup>3</sup>	0 - 5	0 - 5
Moira Easson <sup>4</sup>	0 - 5	0 - 5

**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.

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.

**Benefits in kind (subject to audit)**

The monetary value of benefits-in-kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. None of our senior managers received any such benefit in 2022-23 or 2021-22

**Bonuses (subject to audit)**

No bonuses were paid in 2022-23 or 2021-22.

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1 Gayle Watson joined the Board in September 2022 and started chairing the Audit and Risk Assurance Committee meeting from November 2022.

2 Jane Handley stepped down as Non-Executive Board Member – final Board meeting was November 2021.

3 Stephen Woodhouse has stepped down – final Board meeting was February 2022 and last Audit and Risk Assurance Committee meeting was May 2022.

4 Moira Easson is an independent Audit and Risk Assurance Committee Board Member.

### Compensation for loss of office (subject to audit)

No members of the Board were compensated for loss of office during 2022-23 or 2021-22.

### Pensions (subject to audit)

Details of pensions and Cash Equivalent Transfer Values are disclosed based on information supplied by MyCSP.

	Accrued pension at pension age as at 31/3/23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/23 £000	CETV at 31/3/22 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
<b>Catherine Topley</b> <i>Chief Executive &amp; Accountable Officer</i>	25 - 30	0 - 2.5	323	307	4	-
<b>Lauren McNamara</b> <i>Interim Chief Executive and Director of Strategy and Operations</i>	25 - 30 plus a lump sum of 40 - 45	0 - 2.5 plus a lump sum of 0	413	369	1	-
<b>Evelyn Aitken</b> <i>Interim Deputy Chief Executive and Director of Finance</i>	50 - 55	2.5 - 5	739	635	29	-
<b>Laurena Charles</b> <i>People Director</i>	30 - 35 plus a lump sum of 80 - 85	0 - 2.5 plus a lump sum of 0	695	617	11	-
<b>Geraint Williams</b> <i>Digital Director</i>	45,204	0 - 2.5	106	79	18	-
<b>Mike Chalmers</b> <i>Interim Digital Director</i>	35 - 40 plus a lump sum of 75 - 80	0 - 2.5 plus a lump sum of 0	677	651	(2)	-

Kenny Birney, previous Digital Director had CETV as at 31 March 2022 of £41,000 and left before 31 March 2023 there is no CETV disclosure required in the current year.

### **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 switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **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 uprated 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 PCS or alpha – as appropriate. Where the official has benefits in both the PCS 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](http://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.

### **Fair pay disclosures (subject to audit)**

#### ***Pay multiplier***

In accordance with the Government Financial Reporting Manual (FReM), reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director and the 25<sup>th</sup>, 50<sup>th</sup> & 75<sup>th</sup> percentile remuneration of staff.

The banded remuneration of the highest paid Director in the financial year 2022-23 was £85,000 - £90,000 based on annualised, full time equivalent remuneration (2021-22, £75,000 - £80,000). This equates to 2.99 (2021-22, 2.70) times the median remuneration of staff, the movement compared to 2021-22 is attributed to a change of post holder. The ratio has remained relatively static, ranging from 2.7 to 3.2 since 2018-19.

The highest paid Director remuneration increased by 12.9% when compared to 2021-22 and the Agency (as a whole, excluding highest paid Director) remuneration increased by 5.1% using same comparison year. These increases were due to pay awards.

The median remuneration based on annualised, full time equivalent of staff, including temporary and agency staff, is £29,447 (2021-22, £28,268) whilst 25<sup>th</sup> and 75<sup>th</sup> percentile are £24,488 (2021-22, £23,333) and £40,541 (2021-22, £36,126) respectively.

In 2022-23, 19 (2021-22, 17) staff received remuneration in excess of the highest-paid director. Staff remuneration ranged from £25,039 to £141,640 (2020-21, £21,045 to £164,472).

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.

## Staff Report

### *Staff numbers and costs (subject to audit)*

The average number of full-time equivalent (FTE) staff employed during the year was as follows:

	2022-23	2021-22
Senior Civil Service	0.25	-
Permanent Staff	236	205
Agency Staff	28	32
<b>Total</b>	<b>264.25</b>	<b>237</b>

The total payroll costs for our staff were as follows:

	2022-23	2021-22
	£000	£000
Salaries and wages	8,342	7,256
Social security costs	864	707
Other pension costs	2,212	1,916
Agency staff	1,452	833
Other Staff Related Costs	18	-
Payroll costs charged to capital projects	(2,308)	(1,410)
Provision - Pay	53	-
<b>Total</b>	<b>10,633</b>	<b>9,302</b>
<b>Total - Statement of comprehensive net expenditure</b>	<b>10,633</b>	<b>9,302</b>

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “**alpha**” are unfunded multi-employer defined benefit schemes in which SAAS is unable to identify its share of the underlying assets and liabilities. Details can be found in the resource accounts of the Cabinet Office.<sup>1</sup> For 2022-23, employers’ contributions of £2,204,047 were payable to PCSPS (2021-22 £1,916,149) at one of four rates in the range 26.6 to 30.3 per cent of pensionable pay, based on salary bands. The scheme’s actuary reviews

<sup>1</sup> Available here: <https://www.civilservicepensionscheme.org.uk/about-us>

employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

**Staff numbers by gender (subject to audit)**

As at 31 March 2023 SAAS had 286 employees, these are made up of permanent full time (231), permanent part time (35) and temporary full time (20). 13 staff declared a disability.

**Breakdown of permanent and temporary staff by gender as at 31 March 2023 (subject to audit)**

	Female	Male	Total
Senior Civil Service	1	-	1
Employees	162	123	285
<b>Total</b>	<b>163</b>	<b>123</b>	<b>286</b>

**Turnover**

In 2022-23 SAAS turnover was 5.32% this is up slightly from 4.95% in 2021-22.

**Sickness Absence**

Across the Scottish Government, sickness absence is measured in Average Working Days Lost (AWDL) over a 12-month rolling period. This allows comparisons while accounting for seasonal variation and varying organisation sizes. A high AWDL may be due to a lot of short-term absences or a few long-term absences.

As of 31 March 2023:

- Total AWDL was 10.6, which is up slightly from 31 March 2022 (9.9)
- AWDL due to short-term sickness absence was 4.5, which is the same as 31 March 2022
- AWDL due to long-term sickness absence was 6.0, which is up slightly from 31 March 2022 (5.4)



SAAS People Strategy 2021-25 sets out our people-related aims, ambitions and priorities, including in relation to ‘health and wellbeing’ and ‘leadership and management’. SAAS has refreshed its approach to sickness absence management across the Agency. This includes providing professional advice, guidance and support to line managers, facilitating regular review meetings for long-term sickness absence situations and early consideration of supportive interventions such as occupational health referrals and access to counselling/wellbeing services. Effective management of sickness absence remains a priority for the Agency and SAAS will continue to review, refine and continuously improve our approach in the year ahead.

### ***Trade Union Facility Time and Costs***

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year.

As SAAS are not listed as a separate body under the terms of the legislation the Scottish Government’s reporting will include SAAS.

### ***Equal Opportunities / Diversity / Disability***

SAAS Corporate Plan for 2020-25 reflects the Agency’s high-level ambitions and vision up until 2025. The commitments in this plan will continue to use technology and innovation to improve services and to provide more targeted support for vulnerable and disadvantaged individuals. The plan is reinforced by our People and Equality, Diversity and Inclusion and Wellbeing strategies with alignment to the ‘four people pillars’ of the SAAS People strategy: Workforce Planning, High Performance Culture, Health & Wellbeing and Leadership and Management. In addition, Corporate Values of People First, Inclusive and Enabling and Quality in Excellence continue to remain at the heart of everything SAAS does.

SAAS contribute to the SG Equality Outcomes and Mainstreaming Report 2023, which reflects changes across the Agency. SAAS streamlined and modernised their website in-line with accessibility standards in 2021 and continue to evolve and enhance our digital offer, to make it inclusive for all.

SAAS introduced the Student Information Scotland website on behalf of Scottish Government in April 2021. Its purpose is to increase financial literacy and awareness for all students in Scotland and their parents/carers. It offers unique budget and funding calculators and a range of support for students, including those who are disadvantaged or vulnerable.

Our policies are considered and developed in line with the principles of equality and opportunity with a focus on supporting our students with vulnerabilities through continuous improvement.

Learning and development has been reviewed and adapted to ensure SAAS acts as an inclusive employer and that the voice of our people is heard, namely through our Equality, Diversity and Inclusion strategy, plan and SAAS Equality, Diversity and Inclusion Forum. The Forum sets out our key principles to ensure integration with our policies and working practices. Various initiatives have been established to reflect this along with key stakeholders engagement to support our Corporate Social Responsibility agenda.

SAAS is committed to continuing to attract, retain and build, an inclusive and diverse workforce and our adverts reflect this.

As an employer SAAS is aligned with Scottish Government resourcing policies and the Civil Service Recruitment Principles, to ensure that individuals are appointed on merit in a fair and open way. Resourcing practices and policies have evolved and changed to ensure a more inclusive approach to selection by including an assessment alongside the interview to ensure that candidates have the opportunity to demonstrate their skills and experience in more than one way.

As part of the Disability Confident scheme, SAAS offer guaranteed interviews to candidates who meet minimum requirements at sift. The introduction of a reasonable adjustment team has been welcomed. This has supported candidates/managers to ensure that individuals can perform at their best during the selection process. SAAS also ensures that all recruiting managers and panel members have completed their Inclusive Recruitment training modules and our adverts are reviewed by SAAS resourcing colleagues to ensure that language and criteria are inclusive before they are made live.

SAAS 'work for us' page invites members of the public to get in touch with our SAAS Resourcing colleagues to discuss any opportunities or jobs.

SAAS ensure that all recruiting managers and panel members have completed their Inclusive Recruitment training modules and adverts are reviewed by SAAS resourcing colleagues to ensure that language and criteria are inclusive before they are made live.

All new SAAS line managers also have access to the New Line Manager Development Programme which includes sessions covering managing inclusive teams and inclusive leadership. New members of staff also participate in a new SAAS specific Corporate Induction programme event exploring inclusive culture. SAAS have recently developed their own area within the Scottish Government's

learning platform, Pathways, where resources and signposting on EDI topics are shared as part of our commitment to raise awareness and understanding on diversity topics.

SAAS has Mental Health First Aiders in place who are on hand to support staff and managers and can signpost to relevant resources. All SAAS colleagues have the option to join various forums and staff networks which include LGBTI+, race, equality and disability. SAAS are committed to conducting our employee relations business in partnership with the Council of Scottish Government Unions (CSGU) and fully endorse and support the goals and principles contained within the Scottish Government Main bargaining unit Partnership agreement. To support this agreement SAAS have a formal Partnership Board, chaired by the Chief Executive, which enables us to consider common employee relations and strategic issues facing the Agency.

### ***Staff Engagement***

SAAS take in the annual Civil Service People Survey. The employment engagement index was 64% in 2022 (2021, 63%). This is a positive move forward with more staff engaging in the process.

### ***Consultancy (subject to audit)***

During 2022-23 £2,350 (2021-22, Nil) was spent on consultancy relating to learning and development activities.

### ***Health and Safety***

The health and safety of our staff is a corporate priority, we have a range of policies and procedures as well as a full range of advice and support on wellbeing.

### ***Voluntary Exit Scheme (subject to audit)***

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in the year that departure is agreed. Where the department has agreed early retirements, the additional costs are met by the department and not the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme.

There were no departures under such schemes in 2022-23 or 2021-22.

# Accountability Report - Parliamentary Accountability and Audit

## Parliamentary Accountability

### *Expenditure Trends*

As a service delivery Agency, the majority of SAAS expenditure is incurred on staffing costs. Staff costs continue to rise as a result of pay awards, impacted by inflation, the high levels of inflation also impact our non-pay costs with rises in utilities and IT contracts impacting SAAS in 2022-23. These unavoidable costs increase pressure on overall agency baseline budgets.

This year we have had increased capital funding which has allowed SAAS to undertake more project work under transformation.

We are continually reviewing our ways of working and anticipate more efficient ways of working via changing applications processes or automation.

### *Regularity of Expenditure*

Our financial transactions are prepared in accordance with the relevant legislation and regulations governing our activities and are subject to audit. Expenditure has been incurred or applied in accordance with applicable enactments and guidance issued by Scottish Ministers. Sums paid out of the Scottish Consolidated Fund are applied in accordance with the Scotland Act 1998.

### *Accounts Direction*

The accounts have been prepared in accordance with a direction given by Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The direction is provided at page 68.

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Catherine Topley  
Chief Executive  
21 August 2023

## Independent auditor's report to Student Awards Agency for Scotland, the Auditor General for Scotland and the Scottish Parliament

### Reporting on the audit of the financial statements

#### *Opinion on financial statements*

We have audited the financial statements in the annual report and accounts of Student Awards Agency for Scotland for the year ended 31 March 2023 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

#### *Basis for opinion*

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the **Code of Audit Practice** approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Conclusions relating to going concern basis of accounting*

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

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

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

### ***Risks of material misstatement***

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

### ***Responsibilities of the Accountable Officer for the financial statements***

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

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

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

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

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

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;

- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Public Finance and Accountability (Scotland) Act 2000.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the revenue budget set by the Scottish Government as part of the Budget (Scotland) Act. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the revenue budget via the Budget (Scotland) Act and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Reporting on regularity of expenditure and income

### *Opinion on regularity*

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, 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. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.



## Reporting on other requirements

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

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### ***Other information***

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work We have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the 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 we are required to report by exception***

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

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

We have nothing to report in respect of these matters.

### ***Conclusions on wider scope responsibilities***

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

### ***Use of our report***

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

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Pat Kenny, CPFA (for and on behalf of Deloitte LLP)  
110 Queen Street  
Glasgow  
G1 3BX  
United Kingdom  
21 August 2023

# Annual Accounts 2022 - 23

## Statement of comprehensive net expenditure for the year ended 31 March 2023

	Notes	2022-23 £000	2021-22 £000
Staff Costs	Remuneration and Staff Report	10,633	9,302
Other administrative costs	2	2,385	2,394
Depreciation	3	291	188
Amortisation	4	1,203	1,186
<b>Total comprehensive expenditure for the year ended 31 March 2023</b>		<b>14,512</b>	<b>13,070</b>

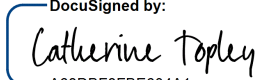
The above results relate to continuing activities.

The notes on pages 53 to 67 form part of these accounts.

## Statement of financial position as at 31 March 2023

	Notes	31 March 2023 £000	31 March 2022 £000
<b>Non-current Assets</b>			
Property, plant and equipment	3	566	414
Intangible assets	4	5,666	4,454
<b>Total Non-current Assets</b>		<b>6,232</b>	<b>4,868</b>
<b>Current Assets</b>			
Trade and other receivables	5	194	287
<b>Total Current Assets</b>		<b>194</b>	<b>287</b>
<b>Total Assets</b>		<b>6,426</b>	<b>5,155</b>
<b>Current Liabilities</b>			
Trade and other payables	6	645	644
Finance Leases	7	105	-
Provisions for Liabilities and Charges	8	53	-
<b>Total Current Liabilities</b>		<b>803</b>	<b>644</b>
<b>Total Assets less Current Liabilities</b>		<b>5,623</b>	<b>4,511</b>
Finance Leases	7	113	-
<b>Total Non-current Liabilities</b>		<b>113</b>	<b>-</b>
<b>Assets less Liabilities</b>		<b>5,510</b>	<b>4,511</b>
<b>Taxpayers' Equity</b>			
General reserve	SoCTE	5,510	4,511
<b>Total Taxpayers' Equity</b>		<b>5,510</b>	<b>4,511</b>

The notes on pages 53 to 67 form part of these accounts.

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 Catherine Topley  
 Chief Executive  
 21 August 2023

The Accountable Officer authorised these financial statements for issue on 21 August 2023.

**Statement of cash flows for the year ended 31 March 2023**

	Notes	31 March 2023 £000	31 March 2022 £000
<b>Cash Flows from operating activities</b>			
Net operating cost		(14,512)	(13,070)
Adjust for non-cash transactions	15	1,940	1,887
(Increase) / decrease in receivables and other current assets	5	93	(110)
Increase / (decrease) in trade and other payables	6	1	(71)
Increase/(Decrease) in Provisions	8	53	-
<b>Net Cash Outflows from operating activities</b>		<b>(12,425)</b>	<b>(11,364)</b>
<b>Cash Flows from investing activities</b>			
Purchase of property, plant and equipment	3	(102)	(80)
Purchase of intangible assets	4	(2,430)	(1,490)
<b>Net Cash Flows from investing activities</b>		<b>(2,532)</b>	<b>(1,570)</b>
<b>Cash Flows from financing activities</b>			
From Scottish Consolidated Fund	14	15,079	12,934
Capital Element of Payments in Respect of Leases		(122)	-
<b>Net Cash Flows from financing activities</b>		<b>14,957</b>	<b>12,934</b>
<b>Decrease / (increase) in cash and cash equivalents</b>	9	<b>-</b>	<b>-</b>

The notes on pages 53 to 67 form part of these accounts.

**Statement of changes in taxpayers' equity for the year ended 31 March 2023**

	Notes	Total £000
<b>Balance at 01 April 2022</b>		<b>4,511</b>
<b>Changes in taxpayers' equity for 2022-23:</b>		
Non-cash charges - auditors remuneration	2	24
Non-cash charges - notional costs	2	409
Non-cash charges - prior year adjustment		(1)
Net operating cost for the year		(14,512)
<b>Total recognised expenditure for 2022-23</b>		<b>(14,080)</b>
Parliamentary funding	14	15,079
<b>Net Parliamentary funding drawn down</b>		<b>15,079</b>
<b>Balance at 31 March 2023</b>		<b>5,510</b>

**Statement of changes in taxpayers' equity for the year ended 31 March 2022**

		Total £000
<b>Balance at 01 April 2021</b>		<b>4,134</b>
<b>Changes in taxpayers' equity for 2021-22:</b>		
Non-cash charges - auditors remuneration	2	24
Non-cash charges - notional costs	2	489
Net operating cost for the year		(13,070)
<b>Total recognised expenditure for 2021-22</b>		<b>(12,557)</b>
Parliamentary funding	14	12,934
<b>Net Parliamentary funding drawn down</b>		<b>12,934</b>
<b>Balance at 31 March 2022</b>		<b>4,511</b>

The notes on pages 53 to 67 form part of these accounts.

## Notes to the accounts for year ended 31 March 2023

### 1. Statement of accounting policies

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 68) these financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted 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 the Student Awards Agency Scotland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Student Awards Agency Scotland are described below. They have been applied consistently in dealing with items that are considered to be material to the accounts.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors. Changes in accounting policies which do not give rise to a prior year adjustment are reported in the relevant note.

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention. If a revaluation is required the historical cost will be modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and liabilities to fair value as determined by the relevant accounting standard.

#### 1.2 Property, Plant and Equipment (PPE)

##### *Recognition*

All PPE assets with a useful life of more than one year will be accounted for as non-current assets unless they are deemed to be held for sale.

##### *Capitalisation*

PPE assets comprise of property leases, information technology (excluding software), office equipment and fixtures and fittings. They are capitalised at their cost of acquisition and installation with the exception of the finance leases covered below.

The lower threshold for capitalising PPE assets is £1,000. Information technology includes individual assets whose costs fall below the threshold, but if they are of a similar nature they are grouped together and capitalised.

The Agency does not own any land or buildings. The rent in relation to the building element is accounted for as an operating lease under IFRS16.

### ***Subsequent Measurement***

PPE assets are recognised at current value in accordance with IAS 16, depreciated historic cost has been used as an appropriate index. This is in line with FReM for non-property assets.

### ***Subsequent Cost***

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. Any replaced parts will be de-recognised as assets. All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial period in which they are incurred.

### ***Depreciation***

Depreciation is provided on all PPE assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Information technology	-	five years
Office equipment	-	five years
Fixtures and fittings	-	ten years

Individual useful lives could deviate in line with anticipated obsolescence if required.

### ***Impairment reviews***

Impairment reviews are carried out each year. In 2022-23 no impairment of our non-current assets was required.

## **1.3 Intangible assets**

### ***Recognition***

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets



do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.'

Non-income generating assets are carried at depreciated replacement cost.

Expenditure on software development is capitalised if it meets the criteria specified in the FReM which is adapted from IAS 38 to take account of the not-for-profit context. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

The development costs for designing, building and enhancing the in-house student awards processing system, StEPS, the SAAS Website and associated bespoke developed software are included in the valuation of intangible assets. Staff costs for those working directly on projects are capitalised; salaries for senior management would only be capitalised if actively involved in the technical development of the system.

Assets under development relates to the 2022-23 costs for development of key corporate projects, including the development of a new online DSA application process. They will be re-categorised as in-house developed software in 2023-24 when the assets are anticipated to be in use.

### ***Subsequent Measurement***

Following the initial recognition of an intangible asset, for subsequent measurement IAS 38 permits the use of either the cost or revaluation model for each class of intangible asset. There is no market for these assets and determination of the value in use is not possible, so the assets are valued using depreciated replacement cost.

In accordance with the FReM, Intangible assets are accounted for in line with the requirements of IAS 38 Intangible Assets and are valued at depreciated replacement cost. Revaluations are carried out according to IAS 38 for assets over a valuation threshold.

### ***Amortisation***

Intangible assets other than those under development are amortised at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

In-house and bespoke developed software	- five years
Purchased software licences	- three years

Individual useful lives could deviate in line with anticipated obsolescence if required.

### ***Impairment reviews***

Impairment reviews are carried out each year. In 2022-23 no impairment of our intangible assets was required.

#### **1.4 Leases (From 1 April 2022)**

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The standard also applies to arrangements with other public sector organisations which share accommodation, often through MOTO (Memorandum of Terms of Occupation) agreements.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease.

### ***Transition requirements***

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. IFRS 16 has been applied using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases.

### ***Initial recognition***

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year.

Due to the immaterial nature of the finance cost the Agency has not discounted the lease payments and separately accounted for the finance costs.

### ***Subsequent measurement***

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews.

### ***Lease expenditure***

Expenditure includes straight-line depreciation. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

#### ***1.5 Trade payables***

Trade payables are recognised at fair value and are for goods or services received by the Agency and are subsequently measured at amortised cost. Trade payables are classified as current liabilities where payment is due within one year or less. SAAS apply the Scottish Government's policy of paying invoices within 10 days of receipt of the invoice or delivery of the goods or services, whichever is later. Accruals are recognised at best estimate, or at actual value where available.

#### ***1.6 Provisions***

IAS 37 Provisions, Contingent Liabilities and Contingent Assets applies in full, and in these accounts, provisions are made for legal or constructive obligations which are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where material, they have been discounted using the appropriate discount rate as prescribed by HM Treasury.

#### ***1.7 Significant Accounting Estimates and Judgements***

The preparation of the accounts in conformity with IFRS require the Accountable Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenditure. For 2022-23, there is an estimate in relation to notional costs. These notional costs are for services provided by Scottish Government, based on a historic management estimate with an annual uplift applied as a basis for changes in market prices. These estimates are reviewed on an annual basis.

#### ***1.7 Pensions***

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in the 'Civil Service Pensions' section (page 32). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis.

#### ***1.8 Short term employee benefits***

A liability and an expense are recognised for holiday days, holiday pay, bonuses and other short-term benefits when an employee renders a service that entitles them to these benefits. As a result, an accrual has been made for holidays and flexible working time credits earned but not taken.

### **1.9 New accounting standards**

All new standards issued and amendments made to existing standards are reviewed by Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable. The standards that are considered relevant to Scottish Government and the anticipated impact on the consolidated accounts are as follows:

IFRS 17 - Insurance Contracts due for implementation in 2024-25, is not expected to impact the Agency accounts.

The adoption of IRFS 16 from 1 April 2023 has now been included in these accounts as covered in note 1.4.

### **1.10 Going concern**

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

**2. Other administration costs**

	2022-23	2021-22
	£000	£000
Accommodation	375	371
IT Running Costs	1,292	1,094
General office expenditure	285	416
Other costs - notional charges	409	489
Audit Fee - notional charge	24	24
<b>Total</b>	<b>2,385</b>	<b>2,394</b>

The accommodation costs included rent and rates in 2021-22. In 2022-23 the value excludes the rental element which falls under the right of use asset.

The notional charges are for services provided by the Scottish Government and represent the Agency's share of these Scottish Government incurred costs.

Deloitte UK LLP, who audit our accounts, did not receive any remuneration for non-audit work.

### 3. Property Plant and Equipment

2022 - 23	Right of Use Assets £000	Information Technology £000	Office Equipment £000	Fixtures and Fittings £000	Total £000
<b>Cost or Valuation</b>					
As at 01 April 2022	341	2,014	24	52	2,431
Additions	-	102	-	-	102
Disposals	-	(559)	-	-	(559)
<b>At 31 March 2023</b>	<b>341</b>	<b>1,557</b>	<b>24</b>	<b>52</b>	<b>1,974</b>
<b>Depreciation</b>					
As at 01 April 2022	-	1,614	24	38	1,676
Charged in year	122	164	-	5	291
Disposals	-	(559)	-	-	(559)
<b>At 31 March 2023</b>	<b>122</b>	<b>1,219</b>	<b>24</b>	<b>43</b>	<b>1,408</b>
<b>NBV at 31 March 2023</b>	<b>219</b>	<b>338</b>	<b>-</b>	<b>9</b>	<b>566</b>
NBV at 31 March 2022 (restated)	-	400	-	14	414

2021 – 22	Information Technology £000	Office Equipment £000	Fixtures and Fittings £000	Total £000
<b>Cost or Valuation</b>				
As at 01 April 2021 (previously stated)	2,262	24	52	2,338
Restatement <sup>1</sup>	(330)	-	-	(330)
As at 01 April 2021 (as restated)	1,932	24	52	2,008
Additions	82	-	-	82
Disposals	-	-	-	-
<b>At 31 March 2022 (as restated)</b>	<b>2,014</b>	<b>24</b>	<b>52</b>	<b>2,090</b>
<b>Depreciation</b>				
As at 01 April 2021 (previously stated)	1,763	24	33	1,820
Restatement	(332)	-	-	(332)
As at 01 April 2021 (as restated)	1,431	24	33	1,488
Charged in year	183	-	5	188
Disposals	-	-	-	-
<b>At 31 March 2022 (as restated)</b>	<b>1,614</b>	<b>24</b>	<b>38</b>	<b>1,676</b>
<b>NBV at 31 March 2022 (as restated)</b>	<b>400</b>	<b>-</b>	<b>14</b>	<b>414</b>
NBV at 31 March 2021	499	-	20	519

<sup>1</sup> Following a comprehensive review of the asset register, correction has been made in the comparative figures to derecognise the fully depreciated assets that were no longer in use and should have been derecognised at the time of their disposal or abandonment.

## 4. Intangible assets

2022 - 23	Purchased software licences £000	In-house developed software £000	Assets under development £000	Total £000
<b>Cost or Valuation</b>				
As at 01 April 2022	185	19,665	1,701	21,551
Additions	58	1,003	1,369	2,430
Disposals	(62)	(5)		(67)
Transfers	-	1,565	(1,580)	(15)
<b>At 31 March 2023</b>	<b>181</b>	<b>22,228</b>	<b>1,490</b>	<b>23,899</b>
<b>Amortisation</b>				
As at 01 April 2022	141	16,956		17,097
Charged in year	31	1,172		1,203
Disposals	(62)	(5)		(67)
<b>At 31 March 2023</b>	<b>110</b>	<b>18,123</b>	<b>-</b>	<b>18,233</b>
<b>NBV at 31 March 2023</b>	<b>71</b>	<b>4,105</b>	<b>1,490</b>	<b>5,666</b>
NBV at 31 March 2022	44	2,709	1,701	4,454



2021 – 22	Purchased software licences £000	In-house developed software £000	Assets under development £000	Total £000
<b>Cost or Valuation</b>				
As at 01 April 2021 (previously stated)	540	19,724	920	21,184
Restatement <sup>1</sup>	(409)	(715)		(1,124)
As at 01 April 2021 (as restated)	131	19,009	920	20,060
Additions	53	461	976	1,490
Disposals	-	195	(195)	-
<b>At 31 March 2022 (as restated)</b>	<b>184</b>	<b>19,665</b>	<b>1,701</b>	<b>21,550</b>
<b>Amortisation</b>				
As at 01 April 2021 (previously stated)	523	16,511	-	17,034
Restatement	(409)	(715)	-	(1,124)
As at 01 April 2021 (as restated)	114	15,796	-	15,910
Charged in year	26	1,160	-	1,186
Disposals	-	-	-	-
<b>At 31 March 2022 (as restated)</b>	<b>140</b>	<b>16,956</b>	<b>-</b>	<b>17,096</b>
<b>NBV at 31 March 2022</b>	<b>44</b>	<b>2,709</b>	<b>1,701</b>	<b>4,454</b>
NBV at 31 March 2021	16	3,213	920	4,149

<sup>1</sup> Following a comprehensive review of the asset register, correction has been made in the comparative figures to derecognise the fully amortised intangible assets that were no longer in use and should have been derecognised at the time of their disposal or abandonment.

**5. Trade and other receivables**

	2022 - 23 £000	2021 - 22 £000
Prepayments	194	287
<b>Total</b>	<b>194</b>	<b>287</b>

All our receivables are prepayments. As they are all prepayments, there is no provision for bad debts.

**6. Trade and other payables**

Trade payables are for goods or services received. All invoices are due to be paid within 10 days of receipt of the invoice or delivery of the goods or services, whichever is later.

Also included is an accrual for employee benefits being annual leave earned but not taken and flexible working time credits.

	2022 - 23 £000	2021 - 22 £000
Accruals for goods or services	141	79
Trade Payables	30	42
Employee Benefits	474	523
<b>Total</b>	<b>645</b>	<b>644</b>

***Analysis of accruals and trade payables***

	2022 - 23 £000	2021 - 22 £000
Balances with bodies external to government	171	121
<b>Total</b>	<b>171</b>	<b>121</b>

**7. Lease Liabilities**

	2023 - 24 £000	2024 - 25 £000	Total £000
Rent Payments	105	113	<b>218</b>
Depreciation Charge	105	113	<b>218</b>
Finance Charge	-	-	-

The lease relates to the rent element of the MOTO for Saughton House. It hasn't been discounted due to the immaterial nature of the finance charges.

The MOTO is a rolling agreement which SAAS are now committed to 31<sup>st</sup> March 2025 due to the nature of the agreement. The lease liability is £218k. There is a potential variability around the 2024-25 value due to the nature of the lease payments.

As at 31 March 2022, our operating lease commitment was £361k with no commitments for low value assets and short term leases. This lease was capitalised on transition under IFRS 16. The entity has recognised £341k of right-of-use assets and £341k of lease liabilities upon transition to IFRS 16. There is no effect on our retained earnings relating to the transition. The £20k difference is due to the variable nature of the lease agreement.

## 8. Provisions

Pay Provision	2022 - 23 £000	2021 - 22 £000
Payable within 1 year	53	-

The Agency has a provision for a backdated pay award offer that was made after 31st March 23.

The pay provision hasn't been discounted due to its anticipated timing.

## 9. Cash and cash equivalents

There were no cash or cash equivalent balances in 2022-23 or 2021-22.

## 10. Commitments under Memorandum of Terms of Occupation (MOTO)

Total payments due under the existing MOTO agreement excluding the right of use asset element are given below:

MOTO expiring within:	2022 - 23 £000	2021 - 22 £000
Payable within 1 year	373	370
Payable 2 - 5 years	373	-
Payable 6-10 years	-	-

SAAS occupy offices at Saughton House, a Scottish Government owned building, under a Memorandum of Terms of Occupation (MOTO). SAAS share the facilities with the other occupiers of the building and are charged for our utilities and service costs under a MOTO agreement, recognised within administration costs.

## 11. Contingent liabilities

There were no contingent liabilities at 31 March 2023 that require to be disclosed under IAS 37.

## 12. Financial instruments

SAAS is exposed to minimal amounts of financial risk, largely because of the non-trading nature of its activities and the way Government is financed.

<b>Financial Liabilities - Trade Payables</b>	<b>2022 - 23 £000</b>	<b>2021 - 22 £000</b>
Fair Value through the Statement of Comprehensive Net Expenditure	-	-
Amortised cost (Loans & Payables)	141	79
<b>Total</b>	<b>141</b>	<b>79</b>

## 13. Related party transactions

SAAS is an Executive Agency of the Scottish Government (SG) and is part of the SG's Advanced Learning and Science Directorate. The SG is regarded as a related party and during the year SAAS had various material transactions with them. In addition, the Agency had a small number of non-material transactions with other government departments and other central government bodies.

A large proportion of SAAS purchasing is governed by SG Procurement frameworks. Transactions exceeding £50,000 are notified to Public Contracts Scotland (PCS) which is available in the public domain; anything below this threshold is recorded on SAAS' internal Contract Register. During the year a small number of expenditure transactions were made to companies within these frameworks. This expenditure has been reviewed and does not fall within the category of related parties.

During the year, no members of the Management Board, key members of staff or related parties have undertaken any material transactions with the Agency.

**14. Reconciliation to draft portfolio account**

The Agency's expenditure is included within the consolidated accounts of Scottish Government. The financing of £15.079m (£12.934m for 2021-22) as recorded in the Agency's Statement of Cash Flows, has been agreed with the SG

**15. Adjust for non-cash transactions**

	2022 - 23	2021 - 22
	£000	£000
Depreciation	291	188
Amortisation	1,203	1,186
Other costs - notional charges	409	489
Audit Fee - notional charge	24	24
Asset Under Development adjustment	13	-
<b>Total</b>	<b>1,940</b>	<b>1,887</b>

**16. Events after the reporting period**

There were no material events that required to be adjusted in the accounts or to be disclosed after the reporting period.

# Appendix

## Accounts Direction



### STUDENT AWARDS AGENCY SCOTLAND

**DIRECTION BY THE SCOTTISH MINISTERS**  
in accordance with section 19(4) of the Public Finance and Accountability  
(Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2017 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 17 January 2006 is hereby revoked



Signed by the authority of the Scottish Ministers

Dated 31 May 2017





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