



CROWN OFFICE AND PROCURATOR FISCAL SERVICE

Annual Report and Accounts

For the year ended 31 March 2009

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CROWN OFFICE AND PROCURATOR FISCAL SERVICE

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH
2009**

LIST OF CONTENTS	Page
Annual Report	2
Management Commentary	3
Remuneration Report	11
Statement of Accountable Officer's Responsibilities	18
Statement on Internal Control	19
Independent Auditor's report	21
Outturn Statement	23
Statement of Recognised Gains and Losses	24
Balance Sheet	25
Cash Flow Statement	26
Resources by Service's Aim and Objectives	27
Notes to the Accounts	28
Direction by the Scottish Ministers	41

CROWN OFFICE AND PROCURATOR FISCAL SERVICE

ANNUAL REPORT

This report is for the year ended 31st March 2009.

Introduction

Basis of Accounts

1. These accounts have been prepared in accordance with the Government Financial Reporting Manual and the accounts direction issued under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The accounts direction is reproduced at page 41 to these accounts.

Service Accounting Boundary

2. These accounts reflect the assets and liabilities of the Crown Office and Procurator Fiscal Service (COPFS). A separate set of accounts is produced for the Queen's Lord Treasurer's Remembrancer (QLTR), which is a separate organisation with a separate Accountable Officer, but shares the same Audit Committee as COPFS. QLTR exists for the specific purpose of dealing, on behalf of the Crown, with matters of *bona vacantia*, *ultimus haeres* and Treasure Trove, all three of which are based on the common law principle relating to ownerless goods – *Quod nullius est fit domini regis* – which means "That which belongs to not one becomes the King's". Following devolution the Crown's property rights in ownerless goods and the revenues raised from them were transferred to Scottish Ministers. Consequently all net receipts of the QLTR Unit have, since devolution, been paid into the Scottish Consolidated Fund, rather than being transferred to the Treasury in London as used to be the case.

Background

3. The Crown Office and Procurator Fiscal Service is the successor Service under the devolved administration in Scotland to the former Crown Office, Scotland, and Lord Advocate's Department. Responsibility for the work carried out by the former Lord Advocate's Department has now passed to the Scottish Government. The Crown Agent and Chief Executive heads the Service.

MINISTERS AND SENIOR OFFICERS

4. The Crown Office and Procurator Fiscal Service's Ministers and their responsibilities were:

Lord Advocate **Mrs Elish Angiolini QC**

Head of the systems of criminal prosecution and investigation of deaths in

Crown Office and Procurator Fiscal Service

Scotland.

Solicitor General Mr Frank Mulholland QC

Assistance to the Lord Advocate.

5. The members of the Management Board during the year were:

Mr N McFadyen CBE	Crown Agent and Chief Executive
Mr J Dunn	Deputy Crown Agent
Mr P Collings	Deputy Chief Executive
Mrs C Dyer	Chief of Strategic Delivery
Ms L Thomson	Area Procurator Fiscal – Glasgow
Ms M McLaughlin	Area Procurator Fiscal – Lothian & Borders
Ms J Irvine	Director of Human Resources
Mr R Gordon CB	Head of Scottish Government Justice Portfolio – Non-Executive member
Mr W Matthews	Non-Executive member

6. The Non-Executive members bring an external perspective to the consideration of corporate management issues such as staffing, planning, budget monitoring, training and development, accommodation strategy and relations with stakeholders.

Audit Committee

7. The COPFS also has an Audit Committee, which is chaired by and whose members are all, Non-Executive Members. More detail of the work of the Audit Committee is provided in the Governance section at page 6 of this report.

MANAGEMENT COMMENTARY

Aim

8. To provide an independent, modern prosecution service which is committed to professional excellence, pursues cases fairly and consistently in

Crown Office and Procurator Fiscal Service

the public interest and is responsive to the public's needs.

Objectives

9. To secure the confidence of all sections of the community in the prosecution system by improving the delivery of justice through the timely, efficient and effective prosecution of crime.
10. To give priority to the prosecution of serious crime, including drugs trafficking and crimes committed by persistent offenders.
11. To provide services which meet the information needs of victims, witnesses and next-of-kin, in co-operation with other agencies.
12. To ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily.

Principal Activities

13. COPFS is the sole public prosecution authority in Scotland. It is responsible for making decisions about, and bringing prosecutions for, all criminal offences. COPFS also has the duty to investigate all sudden, suspicious or unexplained deaths and is responsible for deciding whether criminal proceedings or a Fatal Accident Inquiry should be held and for conducting such proceedings and inquiries. Responsibility for investigating complaints against the police, involving allegations of criminal conduct, rests with the Area Procurators Fiscal. Prosecution of police officers is undertaken on the instruction of Crown Counsel. COPFS's Financial Crime Unit and Civil Recovery Unit investigate and recover proceeds of drugs trafficking and other serious crime. COPFS also provides a Victim Information and Advice Service across Scotland. COPFS works closely with its criminal justice partners to help make Scotland a safer place and plays a pivotal role within the criminal justice system in maintaining the security and confidence of all communities of Scotland in the prosecution system – making the justice system more accessible and more responsive. The core values of COPFS are impartiality, integrity, sensitivity, respect and professionalism.

14. The Scottish Government publication '*Spending Review 2007*' sets out the Service's spending plans for the financial years 2008-09, 2009-10 and 2010-11, together with the Service's aim, objectives and targets over this period. COPFS is committed to continuous improvement in service delivery. The Scottish Government publication '*Efficiency Delivery Plans*' sets out how COPFS's plan to generate efficiency savings agreed as part of the Spending Review for the years 2008-09 to 2010-11.

15. COPFS's main strategic priorities for 2008-09, as set out in the above Spending Review document, were focused on:

Crown Office and Procurator Fiscal Service

- prosecuting serious crime – making sure that serious crime is prosecuted in a timely and efficient manner;
- delivering reform and improving efficiency;
- securing public confidence in the criminal justice system and serving communities – improving people’s quality of life (e.g. better prosecution on environmental crime); and
- providing support and being responsive – to meet the needs of victims of crime, next-of-kin and vulnerable witnesses.

16. The Crown Office works closely with a range of stakeholders including, the Scottish Government, Police Services and the Scottish Courts Service. Relationships with stakeholders are covered in the Crown Office and Procurator Fiscal Service Business Plan (which is available at: www.copfs.gov.uk).

Corporate Governance

Structure

17. Effective Corporate Governance must be at the heart of any business if it is to succeed. One of the key features within COPFS is that Corporate Governance (including Internal Control and Risk Management) is regarded as a business, rather than a finance, issue.

18. A good standard of Corporate Governance, and therefore, the effective efficient and economic running of the organisation is ensured through the adherence to a number of underlying principles, these include:

- Integrity and accessibility of financial information;
- Auditor Independence;
- Management Responsibility; and
- Sound processes of internal control

19. COPFS has a clearly defined governance structure:

The Management Board (which comprises Executive and Non-Executive Members):

The Management Board’s remit is to ensure that COPFS is organised and managed in the most effective way and to provide visible and accountable leadership to staff – setting the strategic direction for the

Crown Office and Procurator Fiscal Service

organisation, monitoring and stimulating its performance, ensuring that decisions on priorities and ways of working are informed by contacts with the wider world and managing its people and resources to best effect. It meets monthly and the minutes of the meetings are published on the Intranet.

Corporate Issues Sub Group

A Corporate Issues Sub Group (CISG), chaired by COPFS Deputy Chief Executive and including selected Area Fiscals, Area Business Managers, Crown Office Directors and the Head of Strategy and Planning, was established in April 2008. CISG is responsible for ensuring: that COPFS is organised and managed in the most effective way; that its corporate service way of working and policies meet the business needs of the Service; that its training and development plans meet the business needs of the Service; that its IT programme reflects COPFS priorities and is managed effectively; the consideration of proposals on projects and initiatives that affect the organisation and management of business across the Service; and to take decisions on corporate business issues when appropriate or to make recommendations to the Management Board when its decision-making is required.

The Area Fiscals Group

The Area Fiscal Group's remit is to take the lead in the development of prosecution policy and consider legal and operational issues within COPFS. The Group also acts as a sounding board for wider Management issues and is a means for all Area Fiscals to have an input into the overall management of the COPFS. It also meets monthly and the minutes of the meetings are also published on the Intranet.

The Audit Committee

The Audit Committee supports the Accountable Officers (COPFS and QLTR) in their responsibilities for issues of risk, control and governance over their respective budgets. This includes reviewing the comprehensiveness of assurances in meeting the Accountable Officer's assurance needs and reviewing the reliability and integrity of these assurances. In formal terms, the Audit Committee reports annually to the overarching Scottish Government Audit Committee (SGAC). The Audit Committee has three Non-Executive Members, one of whom is elected as Chair.

Executive Members

COPFS has executive directors for each of its key areas, e.g.

Crown Office and Procurator Fiscal Service

Operations, HR, Finance, Estates and IT.

Project Management

Projects are managed using the appropriate project management methodology, e.g. PRINCE 2 for IT projects.

Best Practice

COPFS processes are reviewed on an ongoing basis driven by, e.g. Executive management as a matter of routine, an Internal Audit programme agreed by the Audit Committee, formal initiatives such as the Scottish Government's Efficient Government and Best Value initiatives.

20. The operation of sound mechanisms for internal control is ensured through:

- Planning procedures to ensure that future work is aligned to Government policy and the COPFS's strategic direction;
- Clear capital investment control mechanisms;
- Sound project management and project sponsorship disciplines; and
- Sound asset management processes including management of our property.

21. COPFS operates a formal risk management procedure to ensure that all risks to our business are identified and receive focused management attention at the appropriate level. The Area Fiscals Group reviews the key strategic risks and reports to the Management Board and Audit Committee. In 2008-09 COPFS undertook a series of Risk Management workshops across the Service.

22. Individual Managers identify and evaluate risk when they prepare and monitor their annual business plans. Project Managers ensure that risks are identified when preparing project plans. Risk is, therefore, a standard agenda item in many areas. The Statement on Internal Control (pages 19-20) contains further details of the framework of responsibility for risk management.

Performance Against Targets

23. In 2008/09 COPFS met all its key performance targets. Performance against the 'take and implement' target, which deals with how quickly the Service deals with cases once reported, was 82% on time against a target of

Crown Office and Procurator Fiscal Service

75%. The 80% targets for serving Sheriff and Jury and High Court indictments within 9 months were also met, with performance of 83% and 89% respectively. The target for completing 80% of death investigations within 12 weeks was exceeded, by managing to conduct the investigation and advise the next of kin of the outcome in 86% of the deaths reported that required further investigation. Further details are available on the Service's website - www.copfs.gov.uk

24. The net expenditure incurred in this financial year is reported for the objectives detailed above in the statement of the Resources by COPFS's Aim and Objectives.

Financial Performance

25. The results for the year are reported in the accounts. They record total outturn (resource and capital) of £108.0m (2007-08 £99.7m) against the statutory budget of £110.1m (2007-08 £101.1m). A summary of outturn against the statutory budget is provided at Note 21 to the accounts.

26. Total fixed asset additions in the financial year were £5.1m (2007-08 £5.5m) in respect of capital refurbishments, investment in ICT and the purchase of vehicles.

Indication of likely future developments

27. 2009 will see the establishment of a specialist Sexual Crime Unit of Advocate Deputes and indicters in the Crown Office and of units of trained specialists in Areas. It will also see the publication of the report by Lord Cullen on the Fatal Accident Inquiry system. Significant legislative changes will include the Sexual Offences (Scotland) Bill and the Criminal Justice and Licensing (Scotland) Bill.

28. In line with the Scottish Government and other Central Government bodies in the UK, from financial year 2009/10 onwards, the Crown Office and Procurator Fiscal Service will implement full reporting of the Annual Accounts under International Financial Reporting Standards (IFRS). There is a process in place to produce comparative IFRS Accounts for 2008/09 in line with agreed timescales.

29. To facilitate the process, Crown Office and Procurator Fiscal Service Finance staff, have been working closely with Scottish Government colleagues, as well as taking independent action, to ensure we are appropriately equipped to meet these potentially significant changes to the financial reporting arrangements.

Policy and achievement of policy on social and community issues

30. The work of COPFS is at the heart of every community. The Criminal Justice System maintains the security and confidence of the people of Scotland by providing just and effective means to investigate crimes and bring offenders to justice. COPFS plays a central role in this process. As an employer, COPFS also offers significant opportunities for work and for the development of those we employ, benefiting the individuals, the organisation, the justice system and Scotland as a whole.

Principal Risks and Uncertainties facing the business

31. COPFS is funded from the Scottish Block. The Strategic Spending Review 07 settlement, which was announced in 2007-08, resulted in increased funding over the Spending Review Period of 20%. The settlement recognised the particular pressures facing the Crown Office and Procurator Fiscal Service and the Service will need to demonstrate an efficient and effective utilisation of resources, in order to respond to pressures such as: increases in serious and complex cases, increases in post mortem and toxicology costs and the need to redeploy existing resources at short notice to high profile cases. COPFS has published Efficient Government targets primarily relating to Summary Justice Reform.

Employment Policies

Employment of people with disabilities

32. COPFS follows Cabinet Office good practice guidance on the employment of people with disabilities and as such ensures that there is no discrimination on the grounds of disability and that access to employment and career advancement is based solely on ability, competence and suitability for work.

Staff Relations and Equal Opportunities

33. COPFS is an equal opportunities employer. Policies are in place to guard against discrimination and to ensure that there is no unfair or illegal discriminatory treatment or any barriers to employment or advancement in the Service.

34. COPFS equal opportunities policy states that all staff should be treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, or religion/belief or because they work part-time. Employment and promotion are based solely on merit. Staff who work

Crown Office and Procurator Fiscal Service

an alternative pattern are assessed on exactly the same basis as those working full time.

35. COPFS is committed to developing its plans on race equality and diversity. The Diversity Strategy Group, chaired by the Solicitor General, oversees the plans, which commit COPFS to increasing the diversity of staff within the organisation, to develop them regardless of differences and to valuing the contribution of each individual. The Equality Advisory Group (EAG) consisting of representatives from external groups meets two or three times per year to review the Crown Office and Procurator Fiscal Service policies.

36. COPFS gives a high priority to the development of all its staff. Training, development and learning in the Service is quality assured through our commitment to the Investor in People (IiP) Scheme. COPFS was first recognised as an Investor in People in 1996 and has since gone through three re-recognition assessments. We are committed to a programme of continuous improvement in relation to our implementation of the IiP standard.

37. The average number of days lost due to sick absence in 2008/09 was 10.6 days.

38. There were no significant personal data related incidents reported in 2008/09.

Employee Consultation

39. COPFS is committed to effective communication with its employees and does this by means of office circulars, in-house newsletters, the intranet, and regular team briefing. In addition, there is ongoing dialogue with Trade Union representatives under recognised procedures.

Health, Safety and the Environment

40. COPFS aims to provide a safe and healthy working environment for all staff and, so far as is reasonably practicable, have systems and procedures in place which will ensure that all equipment, plant and premises are safe and free from adverse effects to health. We apply the Scottish Government's Health and Safety Management Systems and procedures and we have a Health and Safety Committee, as well as trained Health and Safety Liaison Officers to provide support services and advice to staff. We work in partnership with Trade Union representatives to address any safety issues and help to encourage a pro-active safety culture.

41. The Agency is committed to improving environmental performance as part of our wider commitment to sustainable development. We recognise our

Crown Office and Procurator Fiscal Service

legal and ethical responsibilities to protect and enhance the environment and are working towards sustainable practices in the use and disposal of materials, energy, and transport and landscape management.

Other Disclosures

Payment Policy

42. COPFS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. The Crown Office and Procurator Fiscal Service aims to pay 100% of invoices, including disputed invoices once the dispute has been settled on time in these terms. Beyond this, in line with the Scottish Government, COPFS has, for many years, had a target for payment within 30 days. In 2008/09, performance against the 30 day target was 97.9%, (2007/08 98.4%). During the year ended 31 March 2009, following a Ministerial statement, COPFS aspired to pay all undisputed invoices within 10 days. During the period December 2008 – March 2009 we paid 95.0% within the 10 day aspiration period. In 2008/09, in line with the Government Policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act.

Significant changes in fixed assets

43. The movements in fixed assets are set out in notes 6 and 7 to the financial statements. There is no significant difference between the value of the fixed assets shown in the financial statements and their current market value.

Post-Balance Sheet events

44. There were no post-balance sheet events to report.

Charitable donations

45. No charitable donations were made.

Auditors

46. The accounts of the Crown Office and Procurator Fiscal Service are audited by auditors appointed by the Auditor General for Scotland. KPMG LLP carried out the audit of the Service's accounts for the financial year ended 31 March 2009. The notional fee for this service was £107,300 (2007-08 £98,200), which relates solely to the provision of statutory audit services.

Remuneration paid to auditors for non-audit work is disclosed separately at note 3 in the Accounts.

Crown Office and Procurator Fiscal Service

Disclosure of information to auditors

47. As Accountable Officer, as far as I am aware, there is no relevant information of which the Crown Office and Procurator Fiscal Service's auditors are unaware. I have taken all reasonable steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Service's auditors were aware of that information.

Accountable Officer:

Date:

REMUNERATION REPORT

1. This report has been prepared in accordance with Schedule 7A of the Companies Act 1985 in as far as it is judged relevant to the public sector. As in previous years, External Auditors are required to read all of the report and ensure that it is consistent with the financial statements but are required to audit only certain sections. The information that is presented in tabular format has been audited.

Remuneration Policy

2. The salaries of Scottish Government Ministers (including junior ministers) were established under section 81(1) and (2) of the Scotland Act 1998. They are paid through the Scottish Parliamentary Corporate Body (SPCB) and reflected in the SPCB's annual accounts (www.scottish.parliament.uk).

3. The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at www.civilservice.gov.uk/iam/codes/csmc/index.asp) and with independent advice from the Review Body on Senior Salaries (SSRB).

4. In reaching its recommendations, the SSRB is to have regard to the following considerations:

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

5. Further information about the work of the SSRB can be found at www.ome.uk.com.

6. The level of remuneration received by all members of staff is dependent on satisfactory performance with additional payments available for exceptional performers. The standards required are outlined in our performance management system and staff are appraised on an ongoing basis with formal in-year and year-end reviews. All staff are subject to performance appraisal.

Service Contracts / Appointments

Executive Members of the Management Board

7. Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. These principles, as set out by the Committee on the Standards in Public Life (at the time known as The Nolan Committee), are also applied when appointments are made to Non-Executive Member posts.

8. Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

9. The appointment of the Crown Agent and Chief Executive was approved by the Permanent Secretary of the Scottish Government. The appointment is for an indefinite period under the terms of the Senior Civil Service contract and may be terminated under the terms of the Civil Service Management Code.

10. Other members of the Management Board are appointed for an indefinite period under the terms of the Senior Civil Service contract and may be terminated under the terms of the Civil Service Management Code.

11. The members of the Management Board covered by this report hold appointments which are open-ended until they reach the normal retiring age of 65. The rules for termination are set out at Chapter 11 of the Civil Service Management Code. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-Executive members of the Management Board and Audit Committee

12. Independent Non-Executive members of the Management Board are appointed by the Crown Agent and Chief Executive for an initial period of two years. These appointments can be terminated with one month's notice. There is no provision for compensation for early retirement. The Crown Office and Procurator Fiscal Service retains a Register of Members' Interests, which can be accessed under Freedom of Information

Crown Office and Procurator Fiscal Service

legislation.

13. Bill Matthews was reappointed as a Non-Executive Member of the Management Board on a three year contract commencing on 1 August 2006.

14. He is also a member of the Audit Committee (which he currently chairs). He was originally appointed for three years from 1st February 2005, and was subsequently reappointed for a further three years.

15. Bill Hughes and Mary Wilson were both appointed as Non-Executive Members of the COPFS Audit Committee on a 3 year contract from 1st September 2006.

Remuneration

Ministers

16. Ministers are paid, and their pensions are administered, by the Scottish Parliamentary body, whose accounts can be found at <http://www.scottish.parliament.uk/corporate/anrep-accts/accounts/index.htm>

Executive Members of the Management Board

Salaries

17. 'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. The salary detailed reflects the salary for the period of the year the individual was a member of the Management Board.

Benefits in kind

18. The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument. In 2008-2009 this value was £nil (2007-2008: £nil).

Civil Service Pensions

19. Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). The Schemes are unfunded with the cost of benefits met by

Crown Office and Procurator Fiscal Service

monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 had the opportunity to choose between membership of premium or joining a good quality “money purchase” stakeholder arrangement with a significant employer contribution (partnership pension account). However, from 30 July 2007, the premium scheme was closed to new members and the ‘nuvos’ defined benefit scheme opened to new entrants from that date.

20. Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

21. The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these are matched by the employer up to a limit of 3% (in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement).

22. Pension policy is covered under Accounting Policy 1.12 and the Remuneration Report above, cover pension liabilities for Ministers and Crown Office and Procurator Fiscal Service Senior Management. Further details about the Civil Service pension arrangements can be found at the website: www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

23. 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. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total actual service as a civil servant, not just their service in a senior capacity to which disclosure applies.

Crown Office and Procurator Fiscal Service

24. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme. It also includes any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction benefits resulting from lifetime allowance tax which may be due when pension benefits are drawn.

Real Increase in CETV

25. This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

26. The CETV information for inclusion in the accounts was provided by the Department for Work and Pensions. The CETV opening/closing positions are as per the dates shown in the salary table below for those joining/leaving the scheme.

Remuneration of Non-Executive Members

27. Our Non-Executive members are non salaried but receive a fee and expenses in line with their duties.

Audited Information

Remuneration

Ministers

28. The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of the Crown Office and Procurator Fiscal Service and members of the Management Board for the year ending 31st March 2009 were as follows:

Crown Office and Procurator Fiscal Service

	2008-09 Ministerial Salary Received	2007-08 Ministerial Salary Received			
	£	£			
Mrs E Angiolini QC Lord Advocate	111,092	105,214			
Mr Frank Mulholland QC Solicitor General	95,733	76,383			
	Accrued pension at age 65 as at 31 March 2009	Real increase in pension at age 65	CETV at 31 March 2009	CETV at 31 March 2008	Real increase of CETV
	£000s	£000s	£000s	£000s	£000s
Ministers					
Mrs E Angiolini QC Lord Advocate	15-20	0-2.5	184	156	22
Mr Frank Mulholland QC Solicitor General	0-5	0-2.5	42	19	22

29. The Ministers are members of the Scottish Parliamentary Pension Scheme.

Crown Office and Procurator Fiscal Service

	Accrued pension at age 60 at 31/03/09 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/2009	CETV at 31/03/2008	Real increase of CETV
Senior Managers	£000	£000	£000	£000	£000
Mr N McFadyen CBE	50-55 plus lump sum of 155- 160	0-2.5 plus lump sum of 0-2.5	1010	948	1
Mr J Dunn	25-30 plus lump sum of 75-80	2.5-5 plus lump sum of 10-12.5	415	329	61
Mr P Collings	45-50 plus lump sum of 135- 140	0-2.5 plus lump sum of 0-2.5	1032	966	1
Mrs C Dyer	20-25 plus lump sum of 70-75	0-2.5 plus lump sum of 0-2.5	398	359	12
Ms L Thomson	25-30 plus lump sum of 75-80	2.5-5 plus lump sum of 7.5-10	459	387	43
Ms M McLaughlin	20-25 plus lump sum of 60-65	2.5-5 plus lump sum of 7.5-10	290	228	45
Ms J Irvine	5-10 no lump sum	0-2.5 no increase	121	100	0

Crown Office and Procurator Fiscal Service

Senior Managers Salaries

	2008-09 Salary including performance pay	2007-08 Salary including performance pay
Senior Managers	£000's	£000's
Mr N McFadyen CBE	135-140	130-135
Mr J Dunn	95-100	20-25
Mr P Collings	115-120	35-40
Mrs C Dyer	95-100	90-95
Ms L Thomson	95-100	80-85
Ms M McLaughlin	90-95	0
Ms J Irvine	65-70	0-5

The fees for Non-Executive members of the management Board were as follows:

Mr W Matthews	7-10	10-15
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Mr R Gordon CB

Mr Gordon, Director General of Justice and Communities, was appointed as a Non-Executive member on 6 December 2004. Mr Gordon receives no direct remuneration from COPFS for this role. His salary as an employee of the Scottish Government is disclosed in the Scottish Government's Consolidated Accounts.

Accountable Officer

Date

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

In accordance with an accounts direction issued under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 the Service is required to prepare resource accounts for each financial year in the form and on the basis set out in the Financial Reporting Manual (FReM), detailing the resources acquired, held, or disposed of during the year and the use of resources by the Service during the year.

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

The Crown Agent and Chief Executive is the Accountable Officer responsible for preparing the Service's accounts and transmitting them to the Auditor General for Scotland. The Crown Agent and Chief Executive was appointed as the Accountable Officer of the Crown Office and Procurator Fiscal Service by the Principal Accountable Officer for the then Scottish Executive.

In preparing the accounts the Accountable Officer was required to comply with the FReM and in particular to:

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

The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which an Accountable Officer is answerable, for keeping proper records and for safeguarding the Service's assets, are set out in the *'Memorandum to Accountable Officers'* from the Principal Accountable Officer.

The Accountable Officer is responsible for the maintenance and integrity of the corporate and financial information included on the Service's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accountable Officer for the Service, I have responsibility for maintaining a sound system of internal control which supports the achievement of the Service's policies, aims and objectives, as set by the Scottish Ministers, whilst safeguarding the public funds and the Service's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

The Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Service's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The general principles for a successful risk management strategy are set out in the Scottish Public Finance Manual.

The process within the Crown Office and Procurator Fiscal Service accords with the guidance from the Scottish Ministers and has been in place for the year ended 31 March 2009 and up to the date of approval of the annual accounts.

The Risk and Control Framework

The Crown Office and Procurator Fiscal Service operates risk management strategies in accordance with the Scottish Public Finance Manual. Risk management guidance is subject to annual review and update.

In the Crown Office and Procurator Fiscal Service, the Management Board oversees the effective management of risk. The Area Fiscals Group has a responsibility to ensure that risk is managed effectively across each Directorate and Fiscal Area and the Audit Committee has a responsibility to ensure that there is a review of the establishment and maintenance of an

Crown Office and Procurator Fiscal Service

effective system of risk management and report to the Management Board. Area Procurators Fiscal and Group Heads as budget holders are responsible for the preparation and maintenance of risk registers for their span of control. This role includes assessing and monitoring risks and actions taken to manage risk and for ensuring that risk assessment is embedded into corporate and performance management, business planning and financial reporting processes. In addition the Service may have in existence at any time in the year risk registers based on specific programmes, policies and projects.

The Crown Office and Procurator Fiscal Service is committed to a process of continuous development and improvement as we continue to develop our systems and respond to developments in best practice. Examples include:

- Through the establishment of the Strategy and Delivery Division, development in business planning, identifying key business risks and objectives;
- Improved Management Information reports to Management Board, Corporate Issues Sub-Group, Area Fiscal Group and Area Business Managers;
- The introduction of simplified Sheriff and Jury reports covering most cases;
- Centralised printing of civilian citations and electronic citation of Police Officers;
- Significant improvements to data integrity (including dedicated data integrity officers);
- Improved financial control assisted by a more efficient payment tracker system and budget workshops;
- Major developments in the area of criminal confiscation and civil recovery;
- Appointment of specialist resources, e.g. forensic accountants and a financial analyst;
- Improved regional management of Solemn business, e.g. (establishment of Solemn Disclosure team and Police Tape Transcription Unit in Grampian); and
- Development of a Project Tracker system in Estates.

These initiatives will be further developed in the coming year.

The Crown Office and Procurator Fiscal Service Audit Committee membership is comprised entirely of Non-Executive members and is chaired by a Non-Executive member of the Management Board.

Review of Effectiveness

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

Crown Office and Procurator Fiscal Service

- a Management Board which meets monthly to consider the plans and strategic direction of the Service (the board comprises senior members of the Service and Non-Executive members);
- the work of the internal auditors, who submit to the Audit Committee regular reports which include Internal Audit's independent opinion on the adequacy and effectiveness of the Service's systems of internal control together with recommendations for improvement;
- comments made by the external auditors in their management letter and other reports;
- reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key objectives; and
- stewardship reports and certificates of assurance received from Corporate Group Heads and Area Procurators Fiscal.

Appropriate action is in place to address any weaknesses identified and to ensure the continuous improvement of the system.

Accountable Officer:

Date:

INDEPENDENT AUDITORS' REPORT TO THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND

We have audited the accounts of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2009 under the Public Finance and Accountability (Scotland) Act 2000. These comprise the Outturn Statement, Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, Resources by Service Aims and Objectives and the related notes. These accounts have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in that report as having been audited.

This report is made to the Auditor General for Scotland in accordance with sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000. Our audit work has been undertaken so that we might state to the Auditor General for Scotland those matters we are required to state to him in an auditor's report and for no other purpose. In accordance with the Code of Audit Practice approved by the Auditor General for Scotland, this report is also made to the Scottish Parliament, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auditor General for Scotland, for this report, or the opinions we have formed.

Respective responsibilities of the Crown Office and Procurator Fiscal

Crown Office and Procurator Fiscal Service

Service, the Accountable Officer and auditors

The Crown Office and Procurator Fiscal Service and the Accountable Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the accounts in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. The Accountable Officer is also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

Our responsibility is to audit the accounts and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report to you our opinion as to whether the accounts give a true and fair view and whether the accounts and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the management commentary, included in the Annual Report, is consistent with the financial statements. We also report whether in all material respects:

- the expenditure and receipts shown in the accounts 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 accounts were applied in accordance with section 65 of the Scotland Act 1998.

In addition, we report to you if, in our opinion, the Crown Office and Procurator Fiscal Service has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the Crown Office and Procurator Fiscal Service's compliance with Scottish Government guidance and we report if, in our opinion, it does not. We are not required to consider whether this statement covers all risks and controls or to form an opinion on the effectiveness of the Crown Office and Procurator Fiscal Service's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information

Crown Office and Procurator Fiscal Service

comprises only the part of the Remuneration Report that is not audited. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

INDEPENDENT AUDITORS' REPORT TO THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND (*continued*)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the accounts and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Crown Office and Procurator Fiscal Service and Accountable Officer in the preparation of the accounts, and of whether the accounting policies are most appropriate to the Crown Office and Procurator Fiscal Service's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the accounts were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts and the part of the Remuneration Report to be audited.

Opinions

Accounts

In our opinion:

- the accounts give a true and fair view, in accordance with the Public Finance and Accountability (Scotland) Act 2000 and the directions made thereunder by the Scottish Ministers, of the state of affairs of the Crown Office and Procurator Fiscal Service as at 31 March 2009 and the net resource outturn, resources applied to service aims and objectives, recognised gains and losses and cash flows for the year then ended;

Crown Office and Procurator Fiscal Service

- the accounts and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- information which comprises the management commentary, included with the Annual Report, is consistent with the accounts.

Regularity

In our opinion in all material respects

- the expenditure and receipts shown 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 accounts were applied in accordance with section 65 of the Scotland Act 1998.

KPMG LLP
Chartered Accountants
Registered Auditor

Saltire Court
20 Castle
Terrace
Edinburgh
EH1 2EG

Crown Office and Procurator Fiscal Service

**CROWN OFFICE AND PROCURATOR FISCAL SERVICE
OUTTURN STATEMENT**

for the year ended 31 March 2009

		2008-09	2007-08
	Note	£ ' 000	£ ' 000
Administration Costs			
Staff costs	2	60,341	55,087
Other administration costs	3	42,856	39,276
		<hr/>	<hr/>
Gross Administration Costs		103,197	94,363
Operating income applied	4	<hr/> (330) <hr/>	<hr/> (212) <hr/>
Net Administration Costs		102,867	94,151
Programme Costs			
Expenditure		0	0
Less: income		0	0
Net Programme Costs		0	0
Total Outturn		102,867	94,151

The above results relate to continuing activities.

The notes on pages 28 to 40 form part of these accounts.

Crown Office and Procurator Fiscal Service

**CROWN OFFICE AND PROCURATOR FISCAL SERVICE
STATEMENT OF RECOGNISED GAINS AND LOSSES**

for the year ended 31 March 2009

		2008-09	2007-08
	Note	£ ' 000	£ ' 000
Net loss on revaluation of tangible fixed assets	14	(299)	(555)
Recognised gains and losses for the financial year		(299)	(555)

The notes on pages 28 to 40 form part of these accounts.

**CROWN OFFICE AND PROCURATOR FISCAL SERVICE
BALANCE SHEET**

as at 31 March 2009

	Note	31 March 2009		31 March 2008	
		£ '000	£ '000	£ '000	£ '000
Fixed Assets					
Tangible assets	6	19,318		18,148	
Intangible assets	7	<u>5,213</u>		<u>5,370</u>	
			24,531		23,518
Current Assets					
Debtors	9	2,172		1,963	
Cash at bank and in hand	10	<u>2,559</u>		<u>2,253</u>	
		4,731		4,216	
Creditors (due within one year)	11	<u>10,550</u>		<u>9,578</u>	
Net Liabilities			<u>(5,819)</u>		<u>(5,362)</u>
Total Assets less Current Liabilities			18,712		18,156
Less: Provision for Liabilities and Charges	12		1,239		562
			<u>17,473</u>		<u>17,594</u>
Taxpayers' Equity					
General Fund	13		14,203		14,019
Revaluation Reserve	14		3,270		3,575
			<u>17,473</u>		<u>17,594</u>

Accountable Officer:

Date:

The notes on pages 28 to 40 form part of these accounts.

Crown Office and Procurator Fiscal Service

**CROWN OFFICE AND PROCURATOR FISCAL SERVICE
CASH FLOW STATEMENT
for the year ended 31 March 2009**

	2008-09	2007-08
	£ ' 000	£ ' 000
Net cash outflow from operating activities (Note A)	(98,047)	(93,470)
Payments made to Scottish Consolidated Fund	(12,575)	(17,547)
Receipts - Income Not Applied	11,743	18,440
Capital expenditure and financial investment (Note B)	(4,315)	(4,506)
Financing (Note C)	103,500	96,000
Increase/(decrease) in cash in the period	306	(1,083)

Notes to the cash flow statement

	£ ' 000	£ ' 000
Note A: Reconciliation of operating cost to operating cash flows		
Net resource outturn	102,867	94,151
Adjustments for non-cash transactions	(4,484)	(3,910)
Adjustments for movements in working capital other than cash (Note 8)	341	3,301
Net movement on provision (Note 12)	(677)	(72)
Net cash outflow from operating activities	98,047	93,470

Note B: Analysis of capital expenditure and financial investment		
Intangible fixed asset additions (Note 7)	1,629	2,900
Tangible fixed asset additions (Note 6)	3,492	2,609
Other assets adjustments	0	(7)
Adjustments for movements in working capital	(799)	(1,003)
Proceeds of disposal of fixed assets	(7)	7
Net cash outflow for capital expenditure and financial investment	4,315	4,506

Note C: Analysis of financing		
From the Scottish Consolidated Fund	103,500	96,000
(Increase)/decrease in cash in the period	(306)	1,083
Net cash requirement	103,194	97,083

The notes on pages 28 to 40 form part of these accounts.

Crown Office and Procurator Fiscal Service

**CROWN OFFICE AND PROCURATOR FISCAL SERVICE
RESOURCES BY SERVICES AIMS AND OBJECTIVES**

for the year ended 31 March 2009

	Gross	2008-09 Income	Net	2007-08 Net
Aim	£ '000	£ '000	£ '000	£ '000
<p>To provide an independent, modern prosecuting service which is committed to professional excellence, pursues cases fairly and consistently in the public interest and is responsive to the public's needs</p>				
Objectives				
1 To improve the delivery of justice by timely, efficient and effective investigation and prosecution of crime. To support stronger, safer communities by securing public confidence, including that of ethnic minorities, in the prosecution system. To give priority to the prosecution of serious crime, including drugs trafficking and persistent offenders.	96,606	(330)	96,276	88,644
2 To provide services which meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies.	2,566		2,566	1,805
3 To ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily.	4,025		4,025	3,702
Net Operating Costs	103,197	(330)	102,867	94,151

The notes on pages 28 to 40 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

In accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Financial Reporting Manual (FReM), which follows UK Generally Accepted Accounting Practice (UK GAAP) to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Crown Office and Procurator Fiscal Service are described below. They have been applied consistently in dealing with items considered material in relation 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 FRS 18 *Accounting Policies*. The fundamental accounting concepts of going concern and accruals have been applied consistently.

FRS 25 'financial instruments: presentation' and FRS 26 'financial instruments: recognition and measurement' have been implemented for the first time for the year ended 31 March 2009. The FReM does not require a prior year adjustment to reflect this change in accounting policy and the comparatives have not been restated in this respect.

1.1 Accounting Convention

These accounts have been prepared under the historic cost convention modified to account for the revaluation of fixed assets where material, at their value to the business by reference to their current costs.

1.2 Basis of Accounting

These accounts reflect the assets and liabilities and the results for the year of the Crown Office and Procurator Fiscal Service. The accounts of the Crown Office and Procurator Fiscal Service form part of the resource accounting departmental boundary of the Scottish Government and will be incorporated in the Scottish Government's Consolidated Accounts.

1.3 Tangible Fixed Assets

Title to the freehold land and buildings shown in the accounts is held by the Lord Advocate. From 1 April 1996 the Crown Office assumed responsibility as principal for this accommodation in its capacity as 'major occupier', pursuant to the reorganisation of the management of the Civil Estate. The property which the Service so occupies is therefore capitalised and appears

Crown Office and Procurator Fiscal Service

on the Service's balance sheet.

Freehold land and buildings have been restated at open market value for existing use following a desktop valuation as at 31st March 2009. Freehold land and buildings were subject to an external professional valuation as at 31st March 2005. For the financial year ending 31st March 2009, the Financial Reporting Manual allows for certain short life assets to be held at historic cost. COPFS, in line with guidance from the Scottish Government, has adopted a policy of recording fixed assets at historic cost, depreciated over the useful life of the asset.

The minimum level for capitalisation of a tangible fixed asset is £5,000 per individual item with the exception of ICT, which is capitalised on a grouped basis.

1.4 Intangible Assets

Software, valued at cost, has been treated in the accounts as intangible and amortised on a straight line basis over the expected life of the asset (3 years). Software under development is capitalised at cost and is not subject to depreciation until the asset is brought into use.

1.5 Depreciation

Freehold land is not depreciated.

Depreciation is provided at a rate calculated to write off the valuation of freehold buildings and other tangible fixed assets by equal instalments over their estimated useful lives. Lives are normally in the following ranges:

Freehold buildings	5 to 55 years
Equipment and computers	3 to 10 years
Vehicles	4 to 5 years
Telephone systems	12.5 years
Software bought	3 years
Software developed	3-5 years

1.6 Operating Income

Operating income is income which relates directly to the operating activities of the Crown Office and Procurator Fiscal Service. It includes income applied without limit and income applied within limit. For income categorised as being applied within limit any excess over that approved, is surrendered to the Scottish Consolidated Fund (SCF).

1.7 Non Operating Income

Income from Fines and Fixed Penalties is recorded on a cash basis.

1.8 Administration and Programme Expenditure

The outturn statement is analysed between administration and programme costs. Administration costs reflect the costs of running the Crown Office and Procurator Fiscal Service as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. The Service has no programme related expenditure.

1.9 Cost of Capital Charge

A charge, reflecting the cost of capital utilised by the Crown Office and Procurator Fiscal Service, is included in the outturn statement. The charge is calculated on the average value of all assets less liabilities at the Government's standard rate of 3.5% in real terms, except for cash balances with the Office of the Paymaster General and amounts to be paid to and from the Scottish Consolidated Fund where the charge will be at a nil rate.

1.10 Parliamentary Funding

COPFS is largely funded by monies awarded via Budget Bill by the Scottish Parliament. This is treated as grant rather than income. This method of presentation is intended to ensure transparency and clarity.

1.11 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Foreign currency imprests are translated into sterling at the exchange rate ruling at the time of funding.

1.12 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded. Departments, agencies and other bodies covered by the PCSPS recognise the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which it benefits from their services by payment to the PCSPS of amounts calculated on an accruing basis. (Relevant disclosures are reported in Note 2.) Liability for the payment of future benefits is a charge to the PCSPS. There is a separate scheme statement for the PCSPS as a whole. Ministers are covered by the provisions of the Scottish Parliamentary Pension Scheme which is contributory and funded.

1.13 Provisions - Early Departure Costs

Crown Office and Procurator Fiscal Service

The Crown Office and Procurator Fiscal Service is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The Service provides in full for this cost when a decision has been made. The HM Treasury discount factor of 2.2% has been applied to provisions.

1.14 Euro Preparations

The Crown Office and Procurator Fiscal Service is represented on a Working Group led by the Scottish Government dealing with issues around the introduction of the Euro. The purpose and objective of the Working Group is to ensure a smooth transition to the Euro in the event of its introduction.

1.15 Leases

The Crown Office and Procurator Fiscal Service has a number of operating leases and rentals are charged as administration expenditure in the Outturn Statement.

1.16 Value Added Tax (VAT)

The majority of services provided by the Crown Office and Procurator Fiscal Service fall outwith the scope of VAT. The Service can recover VAT on certain contracted-out services. Income and expenditure is shown in the accounts net of VAT.

1.17 Financial Instruments

The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include other receivables and cash at bank in the balance sheet. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the operating cost statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from COPFS.

Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished i.e. discharged, cancelled or expired.

Crown Office and Procurator Fiscal Service

2 Staff Numbers and Costs

A. Staff costs consist of:

	2008-09			2007-08		
	£ '000	Officials	Ministers	£ '000	Officials	Ministers
	Total			Total		
Wages and Salaries	48,272	48,065	207	43,357	43,140	217
Social security costs	3,761	3,737	24	3,408	3,386	22
Other pension costs	8,573	8,531	42	7,862	7,834	28
Sub-total	60,606	60,333	273	54,627	54,360	267
Inward secondments	447	447	0	126	126	0
Agency, temporary and contract staff	220	220	0	755	755	0
Total	61,273	61,000	273	55,508	55,241	267
Less recoveries in respect of outward secondments	659	659	0	154	154	0
Total	60,614	60,341	273	55,354	55,087	267

Ministers are paid directly by the Scottish Parliamentary Corporate Body.

B. The average number of whole-time equivalent persons employed on each objective (including Senior Management and Ministers) during the year was as follows:

OBJECTIVE	2008-09		2007-08			
	Total	Ministers	Senior Management	Permanently Employed Staff	Other	Total
1 Prosecution	1,487	2	7	1,377	101	1,442
2 Victim Support	91	0	0	91	0	62
3 Deaths	62	0	0	60	2	60
TOTAL	1,640	2	7	1,528	103	1,564

Pension Contributions

The PCSPS is an unfunded multi-employer defined benefit scheme. The Crown Office and Procurator Fiscal Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31st March 2007. Details can be found in the accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk

For 2008-09, normal employer contributions of £8,506,268 were payable to the PCSPS (2007-08: £8,019,578) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary normally reviews employer contributions every four years following a

Crown Office and Procurator Fiscal Service

full scheme valuation. The contribution rates reflect the benefits as they are accrued, not when the costs are actually incurred; and they reflect past experience of the scheme.

Employees joining after 1st October 2002, could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £16,961 (2007-08: £15,449) were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £1,260, 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees (2007-08: £1,171).

Crown Office and Procurator Fiscal Service

3. Administration Costs

	2008-09	2007-08
	£ ' 000	£ ' 000
Accommodation	10,346	10,435
Travel & Subsistence	1,063	884
Transport	255	155
Legal & Witness Costs	16,586	15,389
Supplies and Services	7,336	7,103
Training	544	368
Hospitality	156	64
Early Departure Costs	1,752	718
Other Staff & Office Costs	330	242
Non-cash costs:		
Depreciation:		
Tangible	2,020	1,692
Intangible	1,785	1,548
Cost of capital charge	575	580
Audit Fee	108	98
Total	42,856	39,276

Within Legal and Witness Costs for 2008-09 are £11,000 for non-audit services provided by the appointed auditor, KPMG LLP.

4. Operating Income (See also Note 1.6)

	2008-09	2007-08
	Income Not Applied £ ' 000	Total Income £ ' 000
Operating income analysed by classification and activity, is as follows:		
*Administration income:		
allowable within admin cost limit	330	212
included in the above:		
Profit on sale of assets	7	6
QLTR costs recharged	323	204
Other income:		
Fines and Fixed Penalties **	10,867	17,042
Civil Recovery income**	875	1,397
Other income not applied	0	0

* Retained income limit per the Budget Act is £600,000. (2007-08 £600,000).

**Collected on behalf of HM Treasury/Scottish Consolidated Fund. Treated as not applied.

Crown Office and Procurator Fiscal Service

5. Analysis of Capital Expenditure, Financial Investment and associated income

2008-09				2007-08
Capital Expenditure	Loans etc	Income	Net Total	Net Total
£ ' 000	£ ' 000	£ ' 000	£ ' 000	£ ' 000
5,120	0	0	5,120	5,509

6. Tangible Fixed Assets

	Freehold Land, Buildings and Plant	Leasehold Buildings	Vehicles, Equipment and Computers	Total
	£ ' 000	£ ' 000	£ ' 000	£ ' 000
Cost or valuation				
At 1 April 2008	7,675	8,752	5,373	21,800
Additions	265	1,189	2,037	3,491
Disposals	0	0	(45)	(45)
Revaluation	(555)	0	5	(550)
At 31 March 2009	7,385	9,941	7,370	24,696
Depreciation				
At 1 April 2008	0	770	2,882	3,652
Charged in year	252	539	1,229	2,020
Disposals	0	0	(43)	(43)
Revaluations	(252)	0	1	(251)
At 31 March 2009	0	1,309	4,069	5,378
Net book value				
At 31 March 2009	7,385	8,632	3,301	19,318
At 31 March 2008	7,675	7,982	2,491	18,148

7. Intangible Assets

	Software	Software under Development	Total
	£ ' 000	£ ' 000	£ ' 000
Cost			
At 1 April 2008	10,227	191	10,418
Reclassification	191	(191)	0
Additions	527	1,102	1,629
At 31 March 2009	10,945	1,102	12,047
Depreciation			
At 1 April 2008	5,049	0	5,049
Charged in year	1,785	0	1,785
At 31 March 2009	6,834	0	6,834
Net book value			
At 31 March 2009	4,111	1,102	5,213
At 31 March 2008	5,179	191	5,370

Notes:

Freehold Land, Buildings and Plant were professionally valued at 31 March 2005 by GVA Grimleys and the District Valuer at existing use open market value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The valuers were external to the organisation. Atisreal surveyors provided a desk-top valuation of the Department's freehold Land Buildings and Plant as at 31 March 2009. Properties have been valued as fully-equipped operational entities.

Crown Office and Procurator Fiscal Service

8. Movements in Working Capital other than Cash

	2008-09	2007-08
	£ ' 000	£ ' 000
Increase in debtors	209	111
Decrease in creditors (excluding funding balance with SCF)	337	3,341
	<u>546</u>	<u>3,452</u>
Less decrease in capital creditors	(205)	(151)
	<u>341</u>	<u>3,301</u>

9. Debtors

	2008-09	2007-08
	£ ' 000	£ ' 000
Amounts falling due within one year:		
VAT	185	170
House Loans	1	1
Other Debtors	157	245
Prepayments and accrued income	1,828	1,545
	<u>2,171</u>	<u>1,961</u>
Amounts falling due after more than one year:		
House Loans	1	2
	<u>2,172</u>	<u>1,963</u>
Intra-Government Balances		
Amounts falling due within 1 year		
Balances with other central government bodies	627	755
Balances with local authorities	0	1
Total: Intra-governmental balances	<u>627</u>	<u>756</u>
Balances with bodies external to government	1,544	1,205
Total debtors at 31 March	<u>2,171</u>	<u>1,961</u>
Amounts falling due after more than 1 year		
Balances with bodies external to government	1	2
	<u>1</u>	<u>2</u>

No debtors have been impaired.

All debtor balances are due within three months and only one balance of £1,500 is overdue, but not considered to be impaired.

Crown Office and Procurator Fiscal Service

10. Cash at Bank and in Hand

	2008-09	2007-08
	£ ' 000	£ ' 000
Balance at 1 April	2,253	3,336
Movement	306	(1,083)
Balance at 31 March	<u>2,559</u>	<u>2,253</u>

The following balances at 31 March are held at:

Office of HM Paymaster General	2,450	2,257
Commercial banks and cash in hand	109	(4)
	<u>2,559</u>	<u>2,253</u>

The balance at 31 March comprises:

Amounts issued from SCF but not spent at year-end	2,169	1,029
Excess income due to be paid to the SCF	0	0
Cash due to be paid to the SCF	390	1,224
	<u>2,559</u>	<u>2,253</u>

11. Creditors: amounts falling due within one year

	2008-09	2007-08
	£ ' 000	£ ' 000
Accruals	2,904	3,219
Trade creditors	2,127	1,794
Taxation and Social Security creditors	2,163	1,919
Other creditors	21	10
Early Departure Costs	776	383
Cash balance payable to the SCF - Fines	390	1,224
Excess Income due to the SCF	0	0
Amounts issued from SCF but not spent at year-end	2,169	1,029
	<u>10,550</u>	<u>9,578</u>

Intra-Government Balances

Amounts falling due within 1 year

Balances with other central government bodies	4,769	4,749
Balances with local authorities	230	268
Balances with NHS Boards	327	137
Balances with public corporations and trading funds	0	0
Total: Intra-governmental balances	<u>5,326</u>	<u>5,154</u>
Balances with bodies external to government	5,224	4,424
Total creditors at 31 March	<u>10,550</u>	<u>9,578</u>

Crown Office and Procurator Fiscal Service

12. Provisions for Liabilities and Charges	2008-09	2007-08
	£ ' 000	£ ' 000
Early retirement		
Balance at 1 April	945	880
Increase in provision	1,392	480
Utilised in year	(387)	(415)
Payable in 1 year	(776)	(383)
Balance at 31 March	<u>1,174</u>	<u>562</u>
Other		
Balance at 1 April	0	0
Award of expenses	65	0
Balance at 31 March	<u>65</u>	<u>0</u>
Total Provisions for Liabilities and Charges	<u>1,239</u>	<u>562</u>

Note: Balance at 1st April 2008 includes creditor element due within 1 year (£383k) as at 31st March 2008.

Early departure costs

The Service is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early (See Note 1.12). The HM Treasury discount factor of 2.2% has been applied for 2008-09, (2.2% also used 2007-08).

An 'other' provision of £65k is included for likely award of costs against the Service for a legal case.

13. Reconciliation of Net Operating Cost to changes in General Fund

	2008-09	2007-08
	£ ' 000	£ ' 000
Net Resource Outturn	(102,867)	(94,151)
Parliamentary funding	103,500	96,000
Movement Consolidated Fund Creditor	(1,138)	1,975
Transferred to general fund in respect of realised element of revaluation reserve (note 14)	6	(7)
Non-cash charges:		
cost of capital	575	580
auditor's remuneration	108	98
Net increase/(decrease) in general fund	<u>184</u>	<u>4,495</u>
General Fund at 1 April 2008	<u>14,019</u>	<u>9,524</u>
General fund at 31 March 2009	<u>14,203</u>	<u>14,019</u>

Crown Office and Procurator Fiscal Service

14. Revaluation Reserve

	2008-09	2007-08
	£ '000	£ '000
Balance as at 1 April	3,575	4,123
Arising on revaluation during the year (net)	(299)	(555)
Transferred to general fund in respect of realised element of revaluation reserve	(6)	7
Balance at 31 March	<u>3,270</u>	<u>3,575</u>

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

15. Notes to Resource by Departmental Aims and Objectives

Capital is employed exclusively for administration purposes. Capital charges are allocated to the business area utilising the assets.

Costs have been attributed to objectives and reported on the Primary Statement, Resource by Departmental Aims and Objectives, as follows: Objectives 1 and 3: Based on statistical split using weighted units of output. Objective 2: Directly from the general ledger.

16. Capital Commitments

	2008-09	2007-08
	£ '000	£ '000
Contracted capital commitments at 31 March 2009 for which no provision has been made	369	883
Authorised but not contracted capital commitments for which no provision has been made	1,515	1,528
	<u>1,884</u>	<u>2,411</u>

17. Commitments under operating leases

	2008-09	2008-09	2007-08	2007-08
	Land and	Other	Land and	Other
	buildings	£ '000	buildings	£ '000
	£ '000	£ '000	£ '000	£ '000
At 31 March 2009 the Service was committed to making the following payments during the next year in respect of operating leases expiring:				
within one year	0	0	103	0
between two and five years	218	0	0	0
after five years	2,748	0	2,950	0
	<u>2,966</u>	<u>0</u>	<u>3,053</u>	<u>0</u>

Lease rentals for £3,290k were incurred in 2008-09 and are included under Note 3 expenditure

Crown Office and Procurator Fiscal Service

18. Contingent Liabilities

At 31 March 2009 there were no contingent liabilities.

19. Related Party Transactions

The Crown Office and Procurator Fiscal Service is a separate Service of the Scottish Government for funding purposes. During the year, COPFS had a number of transactions with the Scottish Government and with other Government Departments and public bodies, viz. local authorities, the Scottish Court Service, the National Health Service and Universities. None of the Management Board members, key managerial staff or other related parties has undertaken any material transactions with the Crown Office and Procurator Fiscal Service during the year.

20. Losses Statement

The requirement is to provide information on losses with individual losses of more than £250,000 noted separately.

		2008-09	2007-08
		£'000	£'000
Losses	0 cases (2007-08: no cases)	0	0
Special Payments	16 cases (2007-08: 12 cases)	26	5

No individual cases of losses of more than £250,000 were recorded.

21. Resource Budget against Outturn

	£'000	£'000	£'000
	Approved	Outturn	Variance
	Budget		
Operating expenditure	104,230	102,867	1,363
Capital expenditure	5,900	5,121	779
Total	<u>110,130</u>	<u>107,988</u>	<u>2,142</u>

22. Cash Requirement

	£'000	£'000
Approved Cash Requirement		106,630
Undrawn funding		3,130
Funding drawn down		<u>103,500</u>
Cash Expended:		
Operating costs	98,047	
Capital expenditure	<u>4,315</u>	
		<u>102,362</u>
		1,138
Cash Balance due to the SCF as at 31 March 2008		<u>1,030</u>
Cash Balance due to the SCF as at 31 March 2009		<u>2,168</u>
Consists of:		
Funding balance due to SCF		2,168
Excess income due to SCF		<u>0</u>
		<u>2,168</u>

The Approved Cash Requirement for the Crown Office and Procurator Fiscal Service is part of the overall cash authorisation for the Scottish Administration in the Budget Act 2008.

23. Financial Instruments

	Note	£'000	
Financial assets: receivables – VAT		9	185
cash	10	2,559	
Financial liabilities: other – trade and other payables		11	4,311

COPFS is exposed to credit, liquidity and market risk, but management believe that these risks are low. VAT is repayable by HM Revenue & Customs and the majority of cash is held in a government bank account. Trade and other payables are those arising during COPFS's routine business. COPFS has no interest bearing assets or liabilities, substantially eliminating the impact of changes in interest rates, and is not exposed to foreign exchange rates.

24. Authorisation

These statements were authorised for issue by the Auditor General for Scotland on 14 July 2009



LORD ADVOCATE

**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 Crown Office and Procurator Fiscal Service for the financial year ended 31 March 2006 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 net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 15 July 2002 is hereby revoked.

A handwritten signature in blue ink, appearing to read 'Alison Stelfox', is written over a faint circular stamp.

Signed by the authority of the Scottish Ministers

Dated 17 January 2006