



# CROWN OFFICE & PROCURATOR FISCAL SERVICE

## SCOTLAND'S PROSECUTION SERVICE

### **Annual Report and Accounts**

**For the year ended 31 March 2015**

Laid before the Scottish Parliament  
by the Scottish Ministers on 24 July 2015

Reference SG/2015/111

# **Crown Office and Procurator Fiscal Service**

# **Crown Office and Procurator Fiscal Service**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

<b>Contents</b>	<b>Page</b>
Management Commentary, Strategic Report	1
Directors' Report	9
Remuneration Report	11
Statement of Accountable Officer's Responsibilities	19
Governance Statement	20
Independent Auditor's Report	31
Statement of Comprehensive Net Expenditure	33
Statement of Financial Position	34
Statement of Changes in Taxpayer's Equity	35
Statement of Cash Flows	36
Resources by Service's Aims and Objectives	37
Notes to the Accounts	38
Accounts Direction by Scottish Ministers	59

# Crown Office and Procurator Fiscal Service

## MANAGEMENT COMMENTARY

### STRATEGIC REPORT

1. This report and accounts are for the year ended 31 March 2015.

#### Basis of Accounts

2. 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 59 to these accounts.

#### Accounting Boundary

3. 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 which shares the same Audit and Risk Committee as the COPFS.

#### Background

4. The COPFS is responsible for the investigation, prosecution and disruption of crime and the seizing of proceeds of crime in Scotland, the investigation of deaths that require explanation and the investigation of allegations of criminal conduct by police officers. We work closely with our partners in the criminal justice system to help make Scotland a safer place.

#### Aims for 2014-15

5. Our aims are:
- To serve the public interest while maintaining public confidence in the criminal justice system;
  - To prosecute cases independently, fairly and efficiently;
  - To work closely with other agencies in the criminal justice system to make Scotland a safer place;
  - To engage with local communities and respond to their needs and priorities.

#### Objectives for 2014-15

6. Our main objectives, noted within the Strategic Plan for 2012-15, are:
- To investigate, prosecute and disrupt crime;
  - To seize the proceeds of crime;
  - To investigate deaths that require explanation.

#### 2015-16 and beyond

7. Our strategic plan 2015-2018 outlines the following objectives:
- Criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest;
  - deaths which need further explanation are appropriately and promptly investigated;

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

- financial gain achieved by criminal means is removed from criminals using proceeds of crime laws;
- a level of service which takes account of individual needs and characteristics is provided to all;
- victims, nearest relatives and witnesses and those accused of an offence are treated with dignity and respect.

## Principal Activities

8. COPFS is the sole public prosecution authority in Scotland and is located in 49 offices across Scotland. It is responsible for making decisions about what should happen in respect of allegation of criminal conduct and where there is sufficient evidence in law deciding on appropriate prosecution action in the public interest. COPFS has the duty to investigate all deaths which require further explanation, 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 allegations of criminal conduct against the police officers also rests with COPFS. Prosecution of police officers is undertaken on the instruction of Crown Counsel. COPFS's Proceeds of 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 other criminal justice organisations to help make Scotland a safer place, and plays a pivotal role in maintaining the security and confidence of all communities across Scotland in the prosecution system – making the criminal justice system more accessible and more responsive. The core values of COPFS are impartiality, integrity, sensitivity, respect and professionalism.

COPFS's strategic plan for 2015-18 can be found using the following link:

<http://glwweb02.crown.copfs.gsi.gov.uk:8090/attachments/article/15552/COPFS%20Strategic%20Plan%202015-2018%20.pdf>

## Social, Community and Human Rights

9. Scottish Government National Outcomes include that:

- We live our lives safe from crime, disorder and danger.

10. In order to support this, the work of the 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. The COPFS plays a central role in this process. As an employer, COPFS also offers development opportunities for those we employ, benefiting the individuals, the organisation, the justice system and Scotland as a whole.

11. The Scotland Act 1998 - section 57(2) came into force on 20 May 1999 and embedded the European Convention on Human Rights into Scottish Law.

12. Our prosecution code states the following:

"The Human Rights Act 1998 and the Scotland Act 1998 in general require Scottish prosecutors to act in a way which is compatible with the European Convention on Human Rights and European Union Law. Prosecutors will also have regard to relevant international obligations in accordance with the decision in the House of Lords in *Whaley v Lord Advocate* 2008 SC (HL) 107."

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

13. When developing prosecution policy, consideration is always given to human rights of victims, witnesses and accused persons. We consider evolving judgements from the European Court of Human Rights and consult widely on our prosecution policies and processes to ensure a balanced approach which meets our obligations in terms of the Convention.

14. New policies and all project work within COPFS undergo Equality Impact Assessments to ensure that the proposed changes meet the needs of the diverse communities in Scotland.

### Budget Plans to 2014-15

15. The Scottish Government publication '*Spending Review 2011*' (SR11) sets out the COPFS's spending plans for the financial years 2012-13, 2013-14 and 2014-15 together with the COPFS's aim, objectives and targets over this period. Subsequently, the Scottish Government publication '*The 2014-15 Spring Budget Revision to the Budget (Scotland) Act for the year ending 31 March 2015 (SG2015/18)*' set out the COPFS's amended budget for the financial year 2014-15.

16. The COPFS's focus is operational effectiveness in all cases, while continuing to give priority to the most serious crimes. We support the Strategy for Justice in Scotland, and in particular its priorities of:

- Reducing crime, particularly violent and serious organised crime;
- Tackling hate crime and sectarianism;
- Supporting victims and witnesses;
- Increasing public confidence and reducing fear of crime.

17. The COPFS works closely with a range of stakeholders including the Scottish Government, Police Scotland and the Scottish Courts and Tribunals Service. Relationships with stakeholders are covered in the COPFS Business Plan (which is available at: [www.copfs.gov.uk](http://www.copfs.gov.uk)). The COPFS is committed to continuous improvement in service delivery.

### Details of Ministers, Directors and Senior Officers

18. The COPFS Ministers and their responsibilities were:

<b>Lord Advocate</b>	<b>Mr Frank Mulholland QC</b>	Head of the systems of criminal prosecution and investigation of deaths in Scotland.
<b>Solicitor General</b>	<b>Ms Lesley Thomson QC</b>	Deputy to Lord Advocate

The Lord Advocate and Solicitor General are members of the Strategic Board which sets strategic direction for COPFS. The members also include Mr D Hutchens, Scottish Government NXD appointed by the Permanent Secretary, and Ms M Scott, NXD appointed by Lord Advocate.

19. The members of the Executive Board during the year were:

<b>Mrs C Dyer</b>	<b>Crown Agent and Chief Executive – Accountable Officer (Chair)</b>
Mr J Dunn	Procurator Fiscal for the East of Scotland
Mr D Harvie	Procurator Fiscal for the West of Scotland
Mr L Murphy	Procurator Fiscal for the North of Scotland
Mr J Logue	Director of Serious Casework Group
Ms E Robertson	Non Executive Director

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

20. Non Executive Directors (NXDs) 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.

### Corporate Governance

21. Effective corporate governance must be at the heart of any business if it is to succeed. One of the key features within the COPFS is that corporate governance (including internal control and risk management) is regarded as a business, rather than simply a finance issue.

22. 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;
- Sound processes of internal control.

23. The COPFS has a clearly defined governance structure, which is outlined in the Governance Statement (please see page 20).

### Performance Against Targets

24. Our performance against our published targets during 2014/15 was:

Business Area	Target		Performance	
			2014-15	2013-14
Bail Cases: Serve Indictment	Serve within timebar	High Court	100%	100%
	Serve within timebar	Sheriff and Jury	100%	100%
Take/Implement Decision*	Process <b>75%</b> within 4 weeks		81%	84%
Investigation of Deaths**	Investigate <b>80%</b> within 12 weeks		91%	88%
Investigation of Criminal Allegations against the Police	Investigate 90% within 12 weeks		91%	91%

Note: Our key target in respect of the service of indictments reflects the legislative requirement on COPFS to serve an indictment on all accused within very strict time limits. Failure to adhere to the time limits has very serious consequences and can, in certain circumstances, prevent the prosecution going ahead. The time limits vary according to the court in which the accused will be tried and whether the accused is on bail or remanded in custody. This key target is focused on demonstrating that we prepare solemn cases in accordance with these strict time limits. Her Majesty's Chief Inspector of Prosecutions in Scotland has recommended that we ensure that all High Court bail indictments are served no later than 7 days before timebar. This supports the target of having no cases timebar before service of indictment is achieved in any case.

Note \* Performance against the take and implement decision target fell slightly as, despite there being a fall in the numbers of cases reported to COPFS, the proportion of more serious cases reported rose.

Note \*\* We have been working with the NHS to improve the way in which deaths are reported to COPFS, including introducing the electronic reporting of deaths by GPs and this has led to an improvement in performance against the investigation of deaths target.

### Financial Performance

25. In line with the Scottish Government and other central government bodies in the UK, the COPFS has implemented full reporting of the Annual Accounts under International Financial Reporting Standards

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

(IFRS). The results for the year are reported in the accounts. They record total outturn (resource and capital) of £112.4m (2013-14; £109.7m) against the updated budget of £112.5m (2013-14; £109.9m). A summary of the outturn compared to the statutory budget is provided at paragraph 28.

26. The Spending Review allocation for 2014-15 was £105.1m for operating costs and £3.6m for capital compared with £104.5m operating costs and £3.6m capital budget for 2013-14. In addition to the £108.7m allocation, the COPFS received £0.95m in year from the Scottish Government specifically for annually managed expenditure which relates to the impairment of fixed assets, £0.3m for additional depreciation, and £2.53m to meet exceptional additional casework. The total funding for 2014-15 was £112.5m.

27. Total property, plant and equipment and intangible asset additions in the financial year were £3.6m (2013-14; £3.6m) in respect of capital refurbishments and investment in ICT.

28. The running costs cash expenditure includes a cost of £268,926 for four individuals who took early severance during 2014-15. There was no early severance scheme in place for 2013-14.

	Approved Budget £000s	Updated Budget £000s	Outturn £000s	Variance £000s
Running Costs Cash Expenditure	100,591	103,121	103,107	(14)
Running Costs Non Cash Expenditure	4,509	4,809	4,777	(32)
Capital Expenditure	3,600	3,600	3,586	(14)
AME Impairment	-	950	967	17
Total	108,700	112,480	112,437	(43)

29. Allocations for 2015-16 are:

	£m
Running Costs	108.5
Capital	3.6
Total	112.1

## Environmental Sustainability

30. COPFS has implemented various projects that not only provide cash savings and a more efficient service, but supports the sustainability agenda for the organisation. Recent projects implemented during 2014-15 are:

- reducing energy consumption, by promoting leaner use of energy including installing solar panels at the Dumbarton and Elgin sites which both attract feed in tariffs and reduce carbon emissions;
- installation of improved boiler management systems;
- modernisation of case management in court which includes scanning case documents to provide them electronically for access by staff at remote locations and use in court;
- developing the functionality of and providing tablets to facilitate the use of electronic documents in court.

31. Projects which are evaluated as providing a better way of working and supporting core delivery are being rolled out across the organisation.

32. In relation to waste and recycling, COPFS participates in the Scottish Government waste/recycling framework contract and is actively working to increase the percentage of separated waste at its sites.

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

### Principle Risks and Uncertainties facing the business

33. COPFS manages risk in accordance with recognised best practice (based on processes used across Scottish Government). There is a corporate level Risk Register which is reviewed by our Risk Management Group on a monthly basis (drawing information from lower level registers within COPFS). This Group comprises our Risk Management Champion, senior managers representing the key business areas and one of our Non Executive Directors. The Group reports to our Executive Board and the Group Chair also attends the Audit and Risk Committee meetings to provide assurance that risk is appropriately managed and progressed.

34. COPFS has carried out scenario planning through to 2019-20 and identified funding pressures for 2015-16 and beyond. In light of this, the Federations are continuing to assess workloads and staffing requirements and to identify opportunities for savings within the organisation. The Finance Management Group is a control forum set up to assess and manage in-year pressures to ensure that COPFS operates within budget and makes optimum use of its funding.

35. COPFS has taken a number of steps in seeking to ensure continued operational delivery despite reduced funding; these include a fundamental restructuring of the organisation brigading former Business Management Areas into Federations and within these creating specialist functional units e.g. the Scottish Fatalities Investigation Unit and most recently the Initial Case Processing Unit. During 2015-16 work will be undertaken to further develop the organisation's structure

36. The move to a single Scottish Police Service continues to offer opportunities as well as potentially posing risks. A Police Reform Team, led by one of our most senior Business Managers, was set up in 2013 to work with Police Scotland to ensure the most effective single process is in place across the country for every interface between our two organisations. The aim of this was to drive efficiencies and deliver savings for both. The joint work between the Police Reform Team and Police Scotland has seen a range of successful improvements across 14 workstreams particularly in relation to productions, the format and content of police reports, citation of witnesses and electronic delivery of case related material in major cases. Work continues on the process in relation to CCTV, police interview recording and major incident planning.

### Legislative changes

37. The Victims and Witnesses Act will impact upon COPFS and in particular the right for victims to review the decision not to take action in the case where they are involved. Our use of technology is being utilised in improving the level of service that is provided to victims and witnesses.

38. The Criminal Justice Bill is likely to move to stage two in the year 2015. This Bill will no longer seek the abolition of the requirement for corroboration, but includes major reform in the key business area of Sheriff and Jury prosecutions. A full project team and board are in place to ensure COPFS effectively manage the changes required.

39. Over the next three years there are a number of further legislative changes on the horizon which impact COPFS. The Policy Division within the COPFS, which is led by a senior legal member of staff, is responsible for identifying developments which might impact on the COPFS and for ensuring that the COPFS is able to inform, influence and respond to changes.

40. During 2013-14, the Scottish Court Service (SCS) (now Scottish Courts & Tribunals Service (SCTS)) reviewed the number and locations of courts across Scotland, consulted on and recommended the closure of a number of courts, known as "Future Court Structures - FCS". One of our senior business managers has the COPFS corporate lead for FCS and oversees the internal work to implement associated changes. COPFS is also represented on the FCS interagency project board, working

# Crown Office and Procurator Fiscal Service

## STRATEGIC REPORT (continued)

closely with SCS and Police Scotland. Following the first phase of closures in 2013-14, two further phases took place during 2014-15.

41. The COPFS works in close co-operation with Justice System colleagues on a range of issues to minimise the risk and maximise the opportunities to improve the justice system and outcomes.

### Employment of Disabled People

42. The COPFS adheres to the Civil Service Recruitment Principles and good practice in employing disabled people. As such, our practice is regularly audited by the Civil Service Commission. We are part of the Positive about Disabled People scheme.

43. The average number of disabled employees employed by the COPFS in 2014-15 was 78.5 (2013-14; 76).

### Staff Resources

44. The breakdown of staff as at 31 March 2015 is shown as follows:

	All	Male	Female
Senior Civil Servants	27	13	14
Other permanent staff	1,316	388	928
Fixed term appointments	237	88	149
Secondees	8	4	4
Agency staff	6	4	2
<b>Total</b>	<b>1,594</b>	<b>497</b>	<b>1,097</b>

### Health, Safety and the Environment

45. The 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 structure. We work in partnership with Trade Union representatives to address any safety issues and help to encourage a pro-active safety culture.

46. As part of the Facilities Management shared service provided by the Scottish Court and Tribunal Service (SCTS), the SCTS is now providing specialist advice, guidance and training to the COPFS staff and has introduced a Health and Safety incident reporting system, which all COPFS staff have access to.

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

# **Crown Office and Procurator Fiscal Service**

## **STRATEGIC REPORT (continued)**

### **Payment Policy**

48. The COPFS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. The COPFS aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in accordance with those terms. Beyond this, in line with the Scottish Government, the COPFS has, for many years, had a target for payment within 30 days. In 2014-15 performance against the 30 day target was 99.29%, (2013-14; 99.47%). The COPFS aspire to pay all undisputed invoices within 10 days. During 2014-15 the COPFS paid 96.4% within the 10 day aspiration period (2013-14; 97.23%). In 2014-15, 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 Property, Plant and Equipment and Intangible Assets**

49. The movements in property, plant and equipment and intangible assets are respectively set out in notes [5 and 6] to the accounts. There is no significant difference between the value of the assets shown in the accounts and their current market value.

### **Charitable donations**

50. No charitable donations were made.

**Catherine Dyer**  
**Accountable Officer**

**Date:** 2 July 2015

# Crown Office and Procurator Fiscal Service

## DIRECTORS' REPORT

### Employment Policies

#### Staff Relations and Equal Opportunities

1. COPFS is an equal opportunities employer. Policies are in place to promote equality and diversity and to avoid discrimination and unfair treatment. We work hard to remove any barriers to employment or career development in COPFS.
2. Our equal opportunities policy commits us to treat all staff 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 on alternative work patterns are assessed on exactly the same basis as those working full time.
3. We are committed to applying equality and diversity principles for our staff and our service users. We continue to develop and implement our business plans with this focus as an integral element. The Equality and Diversity Strategic Group, which is chaired by the Lord Advocate, oversees these plans and determines the way forward for the COPFS equality agenda.
4. We make a significant investment in the development of all of our staff. Development and learning is quality assured and, wherever possible, externally accredited. Our commitment to learning was first recognised by an Investor in People award in 1996 and we have since gone through four reassessments. We are currently accredited at bronze status.
5. The average number of days lost due to sickness absence in 2014-15 was 10.29 days (2013-14 8.5 days) which has been analysed and discussed by senior management.

#### Employee Consultation and Communication

6. 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 briefings. We have productive relationships with our Trade Unions and operate a Joint Partnership Agreement.

#### Pension Liabilities

7. 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. COPFS does not account for pension liabilities in the financial statements as explained in accounting policy 1.13 in Note 1 to these Accounts. Further explanation is also provided in Note 2 to these Accounts.

#### Personal data related incidents

8. No personal data security incidents were reported during 2014-15 which could have resulted in the loss or potential loss of data.

#### Events after the Reporting Period

9. There were no events arising after the reporting period.

# Crown Office and Procurator Fiscal Service

## DIRECTORS' REPORT (continued)

### Auditors

10. The accounts of COPFS are audited by auditors appointed by the Auditor General for Scotland. Audit Scotland carried out the audit of COPFS accounts for the financial year ended 31 March 2015. The notional fee for this service was £96,860 (2013-14; £95,900), which relates solely to the provision of statutory audit services.

### Disclosure of information to auditors

11. As Accountable Officer, as far as I am aware, there is no relevant information of which COPFS'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 COPFS's auditors were aware of that information.

**Catherine Dyer**  
**Accountable Officer**

**Date:** 2 July 2015

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT

1. This report has been prepared in accordance with the provisions of the Companies Act 2006 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 are reflected in the SPCB's annual accounts. ([www.scottish.parliament.uk](http://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/jam/codes/csmc/index.asp](http://www.civilservice.gov.uk/jam/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](http://www.ome.uk.com).

6. For staff below the Senior Civil Service grades, COPFS has a separate pay bargaining unit within the Scottish Government and negotiates pay levels within guidance and limits determined by Scottish Government pay policy.

7. The level of remuneration received by all members of staff is dependent on satisfactory performance. 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 Directors of the Executive Board

8. 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.

9. Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

10. 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.

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT *(continued)*

11. Other staff members of the Executive 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.

12. The staff members of the Executive Board covered by this report hold appointments which are open-ended. 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 Directors

13. The Executive Board includes, and the Audit and Risk Committee consists solely of four independent Scottish Government Non Executive Directors. Responsibility for the appointment of Non Executive Directors to the Audit and Risk Committee transferred to the Permanent Secretary of the Scottish Government during 2009-10. One Non Executive Director, Ms M Scott, was appointed by the Lord Advocate, and does not sit on the Audit and Risk Committee.

- Douglas Hutchens was appointed as a Non Executive Director of the Audit and Risk Committee from 1 September 2012 by the Permanent Secretary. He was appointed as Chair of the Audit and Risk Committee from 1 September 2013.
- Stuart Smith was appointed as a Non Executive Director of the Audit and Risk Committee from 1 September 2012 by the Permanent Secretary and attends the COPFS Risk Management Group;
- Neelam Bakshi was appointed as a Non Executive Director of the Audit and Risk Committee from 1 September 2013 by the Permanent Secretary and attended COPFS Equality Advisory Group. She ceased to be a COPFS Non Executive Director on 28<sup>th</sup> February 2015. The Permanent Secretary is in the process of appointing a replacement Non Executive Director;
- Esther Robertson was appointed as a Non Executive Director of the Audit and Risk Committee from 1 April 2014 by the Permanent Secretary and attends the COPFS Executive Board;
- Marsha Scott was appointed as a Non Executive Director from 9 May 2014 by the Lord Advocate and attends the COPFS Strategic Board.

### Remuneration

#### Ministers

14. Ministers are paid, and their pensions are administered, by the SPCB, whose accounts can be found at <http://www.scottish.parliament.uk/abouttheparliament/15027.aspx>.

#### Salaries

15. '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. The salary detailed reflects the salary for the period of the year the individual was a member of the Executive Board.

#### Benefits in kind

16. 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.

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT *(continued)*

### Civil Service Pensions

17. Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). 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** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

18. Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Further increases to employee contributions will apply from 1 April 2015. 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. In all cases members may opt to give up (commute) pension in return for a lump sum up to the limits set by the Finance Act 2004.

19. 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 chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

20. The accrued pension quoted is the pension that 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** and 65 for members of **nuvos**.

21. Pension policy is covered under Accounting Policy 1.13.

22. From 1 April 2015, the majority of staff will transfer (on a phased basis) to a new pension scheme (Alpha) which will accrue pension based on career average salaries.

23. Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>.

### Cash Equivalent Transfer Values

24. A Cash Equivalent Transfer Value (CETV) is an 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 pension benefits accrued in their former scheme. The pension figures shown relate to the benefits

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT *(continued)*

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.

25. 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 expense. 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

26. This reflects the increase in CETV effectively 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.

27. The CETV information for inclusion in the accounts was provided by MyCSP. 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 Directors

28. Our Non Executive Directors are non salaried but receive a fee and expenses in line with their duties. The current fee is £237 per day (2013-14; £237).

### Audited Information

#### Ministers

#### Salaries

29. The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of the COPFS and members of the Executive Board for the year ending 31 March 2015 were as follows:

Ministers	2014-15 Ministerial Salary £	2013-14 Ministerial Salary £
Mr Frank Mulholland QC – Lord Advocate from 25 May 2011	116,287	115,135
Ms Lesley Thomson QC – Solicitor General from 25 May 2011	100,337	99,343

30. The Scottish Parliamentary Corporate Body (SPCB) is required under Chapter 46, Section 81 of the Scotland Act 1998 to make provision for the payment of salaries to officeholders of the Scottish Parliament and Ministers. A resolution of the Scottish Parliament to pay salaries in accordance with the Scottish Parliamentary Scheme was passed by the Scottish Parliament on a free vote on 21 March 2002.

31. The Scheme determines that SPCB should decide the salary levels for Members and Office Holders including the Law Officers. The Scheme sets an MSP's salary, sets Ministerial salary levels from 1 April 2002 and also determines that these salary rates should be increased annually from 1 April in line with the percentage increase in Westminster MPs' salaries.

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT (continued)

### Pensions

Ministers	Accrued pension at age 65 as at 31 March 2015 £000s	Real increase in pension at age 65 £000s	CETV at 31 March 2015 £000s	CETV at 31 March 2014 £000s	Real increase in CETV £000s
<b>Mr Frank Mulholland QC</b> - Lord Advocate	15 – 20	0 – 5	265	223	39
<b>Ms Lesley Thomson QC</b> - Solicitor General	5 - 10	0 – 5	144	103	40

The Ministers are members of the Scottish Parliamentary Pension Scheme.

### Executive Directors' Salaries

Single Total Figure of Remuneration										
Officials	Salary £000s		Bonus Payments £000s		Benefits in Kind Nearest £100		Pension Benefits £000s		Total £000s	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Mrs Catherine Dyer</b> – Crown Agent and Chief Executive (Note 1)	125 – 130	125 – 130	-	-	-	-	26	4	150 - 155	125 – 130
<b>Mr John Dunn</b> – Procurator Fiscal, East of Scotland	90 - 95	90 - 95	-	-	-	-	15	6	105 - 110	95 – 100
<b>Mr David Harvie</b> – Procurator Fiscal, West of Scotland	90 - 95	90 - 95	-	-	-	-	20	9	110 - 115	100 - 105
<b>Mr Liam Murphy</b> – Procurator Fiscal, North of Scotland	75 - 80	70 - 75	-	-	-	-	14	53	90 - 95	125 – 130

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT (continued)

Single Total Figure of Remuneration										
Officials	Salary		Bonus Payments		Benefits in Kind		Pension Benefits		Total	
	£000s		£000s		Nearest £100		£000s		£000s	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Mr John Logue</b> – Director of Serious Casework	90 – 95	90 – 95	-	-	-	-	20	8	110 - 115	100 - 105
<b>Band of Highest Paid Director's Total Remuneration</b>	<b>150 - 155</b>	<b>125 - 130</b>								
<b>Median Total COPFS Remuneration</b>	<b>25 – 30</b>	<b>25 - 30</b>								
<b>Ratio</b>	<b>1:4.8</b>	<b>1:4.9</b>								

Note 1 - Remuneration for Senior Civil Servants is determined by the Senior Salaries Review Body.

Note 2 – Mr Mark Howells (Finance Director) and Ms Janice Irvine (HR director) ceased to be members of the Management Board/Executive Board as of 31.3.14.

32. During 2014-15 Nil (2013-14; Nil) employees received remuneration in excess of the highest-paid director. The Chief Executive is the highest paid director.

### Non Executive Directors (NXDs) of the Executive Board

33. Ms Esther Roberton attended the COPFS Executive Board as a NXD 4 times throughout 2014-15. All the NXDs were paid £0 - £5k each (2013-14; £0k – £5k). Payments are non pensionable.

### Non Executive Directors

34. NXDs are paid a daily rate for days that they attend meetings such as the Audit and Risk Committee and the Strategic and Executive Board. The daily rate is £237 (2013-14; £237) although some have elected to claim less. During 2014-15 the following served as NXDs for COPFS: Mr D Hutchens, Mr S Smith, Ms N Bakshi, Ms E Roberton appointed by the Permanent Secretary and Ms M Scott appointed by Lord Advocate.

Name	2014-15			2013-14		
	Salary £000s	Bonus £000s	Benefits in Kind	Salary £000s	Bonus £000s	Benefits in Kind
Mr Douglas Hutchens	0 - 5	-	-	0 - 5	-	-
Mr Stuart Smith	0 - 5	-	-	0 - 5	-	-
Ms Neelam Bakshi	0 - 5	-	-	0 - 5	-	-
Ms Marsha Scott	0 - 5	-	-	-	-	-
Ms Esther Roberton	0 - 5	-	-	-	-	-
Mr Charles Winstanley (to 31 August 2013)	-	-	-	0 - 5	-	-

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT *(continued)*

### Executive Directors' Pensions

Senior Managers	Accrued pension at pension age as at 31 March 15 and related lump sum £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 31 March 2015 £000s	CETV at 31 March 2014 Restated £000s	Real increase in CETV £000s	Employer contribution to partnership pension account  Nearest £100
<b>Mrs Catherine Dyer</b> - Crown Agent and Chief Executive	40 – 45 plus lump sum of 125 - 130	0 – 2.5 plus lump sum of 4 – 4.5	838	777	21	-
<b>Mr John Dunn</b> – Procurator Fiscal, East of Scotland	30 – 35 plus lump sum of 100 – 105	0 – 2.5 plus lump sum of 2.5 - 3	635	593	11	-
<b>Mr David Harvie</b> – Procurator Fiscal, West of Scotland	20 – 25 plus lump sum of 65 - 70	0 – 2.5 plus lump sum of 3 – 3.5	331	303	11	-
<b>Mr Liam Murphy</b> – Procurator Fiscal, North of Scotland	15 – 20 plus lump sum of 45 – 50	0 – 2.5 plus lump sum of 2.5 - 3	223	203	7	-
<b>Mr John Logue</b> – Director of Serious Casework Group	20 – 25 plus lump sum of 70 - 75	0 – 2.5 plus lump sum of 3 – 3.5	343	314	10	-

Note: Mr Mark Howells (Finance Director) and Ms Janice Irvine (HR director) ceased to be members of the Management Board/Executive Board as of 31.3.14.

Note: The CETV for 31 March 2014 is restated due to updated calculations provided by MyCSP.

### Bonuses

35. In line with Scottish Government pay policy no bonus/performance pay was paid during 2014-15.

# Crown Office and Procurator Fiscal Service

## REMUNERATION REPORT *(continued)*

### Compensation for Loss of Office

36. In accordance with the Scottish Government's no compulsory redundancies policy, no employees left under compulsory severance terms during 2014-15 (2013-14; Nil).

37. Four staff left under a voluntary early severance scheme in 2014-15, (2013-14; Nil) at a cost of £268,926, (2013-14; Nil) details of which can be found in Note 2 to these accounts.

**Catherine Dyer**  
**Accountable Officer**

**Date:** 2 July 2015

# Crown Office and Procurator Fiscal Service

## 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 COPFS is required to prepare resource accounts for each financial year in the form and on the basis set out in the Government Financial Reporting Manual (FReM), detailing the resources acquired, held, or disposed of during the year and the use of resources by the COPFS 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 COPFS and of its net resource outturn, resources applied to objectives, recognised gains and losses, changes in taxpayer's equity and cash flows for the financial year.

The Crown Agent and Chief Executive is the Accountable Officer, responsible for preparing the COPFS'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 COPFS by the Principal Accountable Officer for the Scottish Government.

In preparing the accounts the Accountable Officer is required to comply with the Government Financial Reporting Manual (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 an Accountable Officer including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the COPFS's assets, are described in the '*Memorandum to Accountable Officers*' from the Principal Accountable Officer published in the Scottish Public Finance Manual, a copy of which can be found at [www.scotland.gov.uk/Topics/Government/Finance/spfm/Accountability](http://www.scotland.gov.uk/Topics/Government/Finance/spfm/Accountability) .

# Crown Office and Procurator Fiscal Service

## GOVERNANCE STATEMENT

The Executive Board fully supports the principles of corporate governance as outlined in the Scottish Public Finance Manual, the Civil Service Code; relevant elements of the Good Governance Standard for Public Services produced by the Independent Commission on Good Governance in Public Services and Section 2 of “On Board: A Guide for Board Members of Public Bodies in Scotland”.

The COPFS Executive Board confirms that the COPFS complies with these requirements and has done so throughout the financial year

### Scope of Responsibility

As Accountable Officer for COPFS (under the terms of the Public Finance & Accountability (Scotland) Act 2000), I am responsible for ensuring that appropriate arrangements are in place for governance and that these arrangements support the Scottish Government's Purpose and the achievement of Scottish Ministers' policies, aims and objectives. This includes maintaining an adequate and effective system of internal control, which supports the achievement of COPFS's policies, aims and objectives, whilst safeguarding the public funds and 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 and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency, effectiveness and equality, and promotes good practice and high standards of propriety. More detailed information on the role and responsibilities of Accountable Officers is set out in the Accountability chapter of the Scottish Public Finance Manual. The SPFM is supplemented, within COPFS, by the Finance Manual/Money Matters booklets which provide more detailed guidance relevant to COPFS.

### Purpose of the Governance Framework

The COPFS's Governance Framework comprises the systems, processes, culture and values by which it is directed and controlled. It enables the organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of the framework and is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable, and not absolute, assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and has been in place for the financial year to which the annual report and accounts relate and up to the date of their approval.

### COPFS Governance Framework

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 as only a finance issue.

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:

## Crown Office and Procurator Fiscal Service

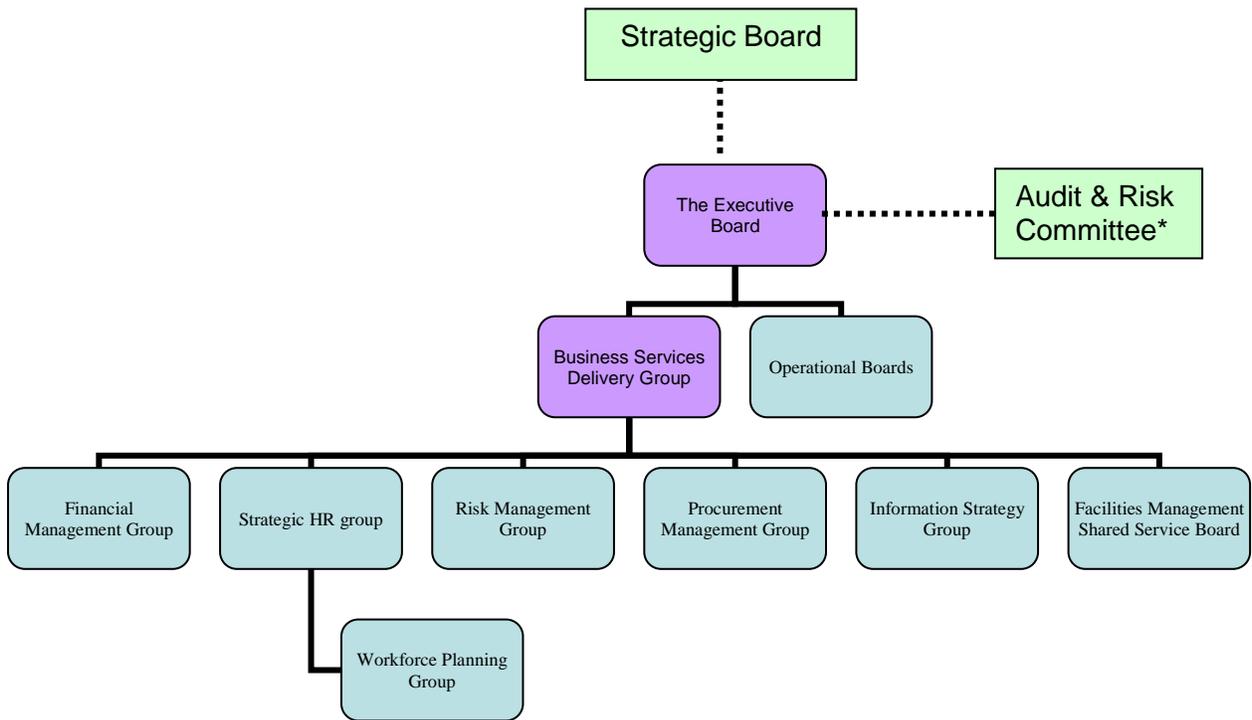
- Integrity and accessibility of financial information;
- Auditor independence;
- Management responsibility;
- Sound processes of internal control.

### Ministers

**Lord Advocate                      Mr Frank Mulholland QC**  
 Head of the systems of criminal prosecution and investigation of deaths in Scotland

**Solicitor General                      Ms Lesley Thomson QC**  
 Deputy to the Lord Advocate

### COPFS Board Structure



\* Supporting the Crown Agent/Chief Executive as Accountable Officer

### COPFS Strategic Board

The Board is chaired by the Lord Advocate and attended by the Solicitor General the Crown Agent, and at least one of the Non Executive Directors. The responsibilities of the Board include setting the organisation’s strategic aims, horizon scanning and ensuring that the organisation is responding to strategic challenges and opportunities.

The Board meets quarterly.

## Crown Office and Procurator Fiscal Service

### COPFS Executive Board

The responsibilities of the Board include delivering the Strategic Board's vision by providing the leadership to put it into effect, supervising the management of the business, the proper stewardship of public money, the continued development of organisational capability, the appropriate management of risk and reporting to stakeholders on their stewardship.

The COPFS's Executive Board comprises six members, five permanent executives and one Non-Executive Director (who is a member of the Audit and Risk Committee). Non-Executive Directors promote the highest standards of corporate governance and provide independent support and challenge to the executive members.

During 2014-15 the Board has considered all aspects of the COPFS's strategic and tactical level planning and operational delivery. In doing so the Executive Board has considered the longer-term priorities and pressures that the COPFS will face and has initiated work to manage these challenges.

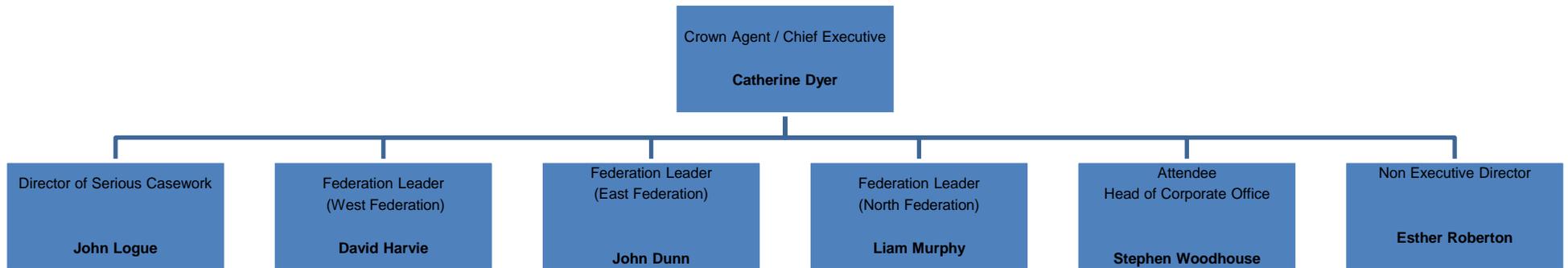
The Board met monthly during 2014-15.

The Board includes the leaders of each of the organisation's Federations, who provide a conduit from the Board to the senior and middle managers, who are responsible for cascading down key information and for providing feedback to the Board. This has ensured that information flows effectively up and down between the very top of the organisation and staff across the organisation. This structure has allowed transparent and effective management of the organisation allowing more proactive decision making and quicker response to change when required.

In the course of the year, the Board considered the strategic development of the organisation and ensured that the reports received were noted and decided upon, successfully, ensured that the published targets outlined in the Strategic Report continued to be met, and managed the budget of the organisation within the levels agreed by the Scottish Government.

# Crown Office and Procurator Fiscal Service

## COPFS Executive Board



# Crown Office and Procurator Fiscal Service

## Operational Boards

As part of the restructure to a function based organisation, Operational Boards were set up to provide a governance structure in respect of:

- Performance and target compliance;
- Performance accountability;
- Driving efficiency improvements across the functional element of the business;
- Ensuring the use of consistent practices and processes;
- Providing a forum to discuss and agree change proposals.

Each Board is chaired by a senior fiscal who has been given lead responsibility by the Crown Agent for the overall performance of that function.

## The Audit and Risk Committee (ARC)

The Audit and Risk Committee supports the Accountable Officers (COPFS and QLTR) in their responsibilities for issues of risk, control and governance over their respective organisations.

Each year the ARC meets quarterly with an additional meeting to consider and approve the annual accounts. The Committee met five times during 2014-15.

A member of the Audit and Risk Committee attends the Executive Board, providing feedback on the last ARC meeting at the next Executive Board meeting.

In formal terms, the Audit and Risk Committee reports annually to the overarching Scottish Government Audit and Risk Committee (SGARC) including assessing its own effectiveness. Review of the effectiveness of the ARC in ensuring that it provides constructive challenge, is through a self-assessment checklist and discussion between the Non Executive Members (NXDs) and the NXDs of other organisations. During 2014-15 the Chair of the ARC reported to the SGARC, utilising the standard report outlined in the SPFM.

Its work has included:

- A detailed review of the Committee's effectiveness;
- The review and update of our fraud prevention and whistle blowing framework;
- Consideration to the business, operational and reputational risks COPFS faces including our disaster recovery plans;
- Liaison with the Scottish Government Non Executive Members and the sharing of best practice.

The chairs of the Scottish Government Audit and Risk Committee and related ARCs meet twice a year to ensure consistency in approach and the sharing of good practice. Links between all audit and risk committees, and between Non-Executive Directors and senior managers are further facilitated through a network for Scottish Government Non-Executive Directors. The pool of Scottish Government Non-Executive Directors has been subject to rotation with some previous members completing their term of office and new members recruited through fair and open competition.

# **Crown Office and Procurator Fiscal Service**

## **Business Services Delivery Group (BSDG)**

The BSDG is responsible for ensuring that the various groups outlined below are co-ordinated. It is chaired by the Procurator Fiscal for the North of Scotland and comprises the Heads of Federation Business Management, the Directors of Finance, HR and IT and Heads of Policy, External Communications and SDD.

The Group met 10 times during 2014-15.

## **Risk Management Group (RMG)**

The RMG is responsible for ensuring that risk is managed at corporate level and below. More detail on risk management can be found below. It is chaired by the COPFS Risk Champion (who is the Procurator Fiscal for the North of Scotland) and comprises the Heads of Federation Business Management, the Director of Finance and a Non Executive Director.

The Group met 11 times during 2014-15.

## **Finance Management Group (FMG)**

The FMG is responsible for ensuring that COPFS makes optimum use of the available funding while remaining within its budget allocation. It is charged with ensuring that COPFS's response to emerging under or over spends is agile and effective, for reviewing business cases, capital investment plans and for ensuring that Finance Division is providing optimum support to the business by protecting the Accountable Officer and enabling the business to deliver optimum front line performance. It is chaired by the Head of Corporate Office and comprises the Federation Heads of Business Management and the Procurator Fiscal for the West of Scotland and is attended by the Finance Director (as service provider).

The Group met 12 times during 2014-15.

## **Strategic Human Resources Group (SHRG) and Workforce Planning Group (WPG)**

SHRG is responsible for developing a people strategy to deliver what is in the Strategic Plan against a background of an increasingly challenging financial environment. The WPG is responsible for the practical delivery of the strategy. SHRG is chaired by the Director of HR and comprises the Heads of Federation Business Management, the Director of Serious Casework Group and the Head of Management Accounting and Planning Branch of Finance.

The Group met monthly as required during 2014-15.

The WPG had its initial meeting in February 2015. It is comprised of The Head of Federation Business Management for the West of Scotland, the head of SDD, the Head of Management Accounting and Planning from Finance Division and HR staff.

## **Procurement Management Group (PMG)**

PMG is responsible for ensuring that COPFS achieves best practice in all procurement and for managing the bought in "Procurement Shared Service" from the Scottish Government. It is chaired by the Heads of Financial Accounting and Management Accounting Branches of Finance Division in rotation and comprises the SG Shared Services Director, the embedded shared service procurement officer and the Head of Federation Business Management for the North of Scotland.

The Group met 8 times during 2014-15.

# **Crown Office and Procurator Fiscal Service**

## **Facilities Management Shared Service Board (FMSSB)**

The FMSSB is responsible for ensuring that the necessary accommodation is available to allow our staff to deliver front line services. It is required to ensure that COPFS achieves best possible value for money whilst doing so. Facilities Management Services are provided by the Scottish Court Service under a shared service arrangement and the Board is responsible for the management and delivery of that service. It is chaired by the COPFS Director of Estates and comprises the SCS Estates Director, embedded FM manager and COPFS FM manager and is attended by the Head of Management Accounting and Planning from Finance Division.

In August 2014 the Strategic Board approved the COPFS Estates Strategy. This strategy addresses efficiencies, savings, sustainability as well as estates management.

The Group met 9 times during 2014-15.

## **Information Systems Group (ISG)**

The ISG directs IT strategy and investment. It is chaired by Director of IT and is attended by the Procurator Fiscal for the East of Scotland, the Head of Strategy and Delivery Division (SDD), the Head of Federation Business Management for the West of Scotland and key ISD staff.

The Group met 7 times during 2014-15.

## **Executive Directors**

COPFS has executive directors for each of its key areas of work and functions e.g. Federations (East, North and West), Serious Casework Group, which incorporate operational functions such as Initial Case Processing, Summary, Sheriff & Jury and High Court work and ,support functions such as HR, IT and Finance. The performance of each Director is subject to the COPFS annual appraisal process.

## **Project Management**

The COPFS has established a Programme Management Office within the SDD. All COPFS projects must be approved following submission of a business case through SDD. Project disciplines are in place and operated in relation to all key projects. This contributes to the effective management of risk.

## **Best Practice**

The COPFS processes are reviewed on an ongoing basis driven by executive management as a matter of routine, and an Internal Audit programme agreed by the Audit and Risk Committee. 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;
- Further enhancement of project management and project sponsorship disciplines;
- Sound asset management processes including management of our properties.

## **Internal Audit**

Each year the COPFS is the subject of Internal Audit. The annual audit plan is agreed by the Audit and Risk Committee ahead of the start of the financial year.

## Crown Office and Procurator Fiscal Service

In financial year 2014-15 SG Internal Audit Services Division undertook 5 main audits including a review of Finance, with four being finalised and the remaining report being finalised in 2015-16. Each audit is given a level of assurance ranging from Insufficient to Substantive. These are reviewed and discussed at the Audit and Risk Committee. Of the four audits completed during 2014-15 one was rated at substantive and three at reasonable.

### Risk Control Framework

#### COPFS Risk Management and Business Continuity Framework

The COPFS operates in a dynamic environment, delivering the priorities of the Scottish Government and specifically the Law Officers whilst managing associated risks and opportunities.

The COPFS operates a formal risk management and business continuity framework. This is consistent with the Scottish Public Finance Manual but is at a more detailed level and is tailored to the COPFS's business needs. The framework includes procedures to ensure that all risks to the business are identified and receive due management attention at the appropriate level with guidance provided in the finance manual Money Matters 8. Our corporate approach to risk management is subject to ongoing review and refinement to further emphasise a proactive and positive attitude towards risk management.

The Risk Management Group meets monthly and reports to the Business Services Delivery Group, which in turn reports to the Executive Board. RMG and the Audit and Risk Committee routinely review the red risks and risk interrogations for all risks on a rotational basis.

The Corporate Risk Register recognises both current and future, and internal and external risk to the achievement of the COPFS's objectives.

Throughout the reporting period, the Executive Board and other key corporate boards and committees have continued to take an active lead in embedding risk management across the organisation. Risk management is a core staff competency, supported by corporate training and development, with appropriate links in place to other activities such as programme and project management.

Risk management controls are established at the corporate level and within Federations as part of corporate governance arrangements. Robust systems are in place to ensure risks are reviewed on a regular basis and managed at the appropriate level. The Non-Executive Director provides independent external scrutiny of risk management.

#### Risk Assessment

During 2014-15 the significant corporate risks of the organisation were re-appraised and re-articulated as:

Risk Ref.	Description	Score as at 31.3.15	Score as at 31.3.14
1	<b>We continue to deliver on the Law Officers' priorities</b>	6	9
2	<b>Public Confidence in the Service is maintained and we secure the correct outcomes</b>	10	12
3	<b>We continue to adapt to and influence changes which impact COPFS and the wider justice system</b>	8	9
4	<b>Maintenance of Corporate Services</b>	12	9

## **Crown Office and Procurator Fiscal Service**

Risk 4 includes breaches / lapses of security including physical security and loss of confidential information which are clearly risks. During 2014-15 significant work has been, and continues to be, done to safeguard data. These range from the investment in IT security to prevent unauthorised electronic access, encrypting of information disclosed to defence counsel electronically and the secure use of papers in court.

There has been significant scenario planning carried out to assess the impact of tighter funding and increasing cost bases. COPFS continues to monitor this position at senior management groups.

Risk 4 also includes procurement related risks which currently have the highest risk score. This is monitored by the Risk Management Group and Audit and Risk Committee. A shared service is received from Scottish Government and this service has been tasked with enhancing COPFS procurement capability.

### **Review of Effectiveness**

This Governance Statement is underpinned by Certificates of Assurance provided by each of the Federation Leaders and Corporate Services Group Directors/Heads. Certificates are supported by an internal control checklist which covers 15 areas of control e.g. Financial Management, Risk Management, Fraud Prevention and Detection. All Certificates of Assurances were received with no significant failings noted but has included a small number of breaches of security or data handling. Of these, one case led to prosecution whilst the remainder where, although breaches occurred, through existing control measures there was no resulting risk to COPFS and were dealt with in accordance with COPFS Disciplinary Policy and Procedure.

### **Best Value**

Best Value provides a framework for the planning, delivery and continuous improvement of services. The overriding purpose is to establish a culture of good management for the delivery of efficient, effective and economic services that meet the users' needs.

The duty of Best Value applies to all Public Sector bodies in Scotland. It is a statutory duty in local government and in the rest of the public sector it is a formal duty on the Accountable Officer. In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the economic, efficient and effective use of resources. In the COPFS this is done formally as part of the Annual Business Planning Round, which is conducted each autumn.

During 2014-15 COPFS undertook a series of reviews covering all of the Best Value toolkits, as a result of which we concluded that there are appropriate arrangements in place to secure best value. A number of areas for improvement were identified and these are being taken forward as part of our wider programme of improvements.

### **Working with partnership organisations**

The COPFS recognises that whilst it must maintain its prosecutorial independence, it is part of a wider justice system and we work in partnership with other parts of the Scottish Government to strive for the more efficient, effective and economic delivery of justice.

### **Counter fraud activity**

The COPFS has a whistle-blowing framework, which explains to staff what they should do in the event that they have concerns. This is outlined in Money Matters Booklet Number 10 and provides the contact details of an independent (Scottish Government) contact as well as those of senior COPFS staff.

## Crown Office and Procurator Fiscal Service

During 2014-15 COPFS has been in contact with the Scottish Government counter-fraud team and the NHS counter fraud unit, and is planning to undertake a "Fraud vulnerability " audit in order to assess the shared service which may be sourced.

The COPFS also participated in the last National Fraud Initiative exercise led by Audit Scotland and will continue to do so.

### Data Security Framework

The COPFS has policies and related guidance on information risk to ensure that it meets prescribed information assurance standards and requirements.

No data security incidents were reported during 2014-15 which could have resulted in the loss or potential loss of data.

### Review of Effectiveness

The effectiveness of our governance arrangements is ultimately linked to our performance against our published targets during 2014-15 (which is shown in the Strategic Report above). The COPFS operational performance is formally reviewed by the Executive Board [each quarter] but is subject to on-going dialogue at all levels of management.

Federation Procurators Fiscal are members of the Executive Board and provide feedback and hold staff within their Federation accountable for their performances based on these results. The COPFS has moved to a Federation and function based structure, accordingly Federation Leaders provide feedback and are held accountable as function leaders. As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- An Executive Board considers the direction of the COPFS, planned changes and operational performance (the Board comprises five senior executive members and a Non Executive Director);
- An Audit and Risk Committee whose membership is comprised entirely of Non Executive Directors, one of whom chairs the meetings and reports to the relevant Scottish Government Audit and Risk Committee on any significant problems with wider implications;
- A comprehensive set of Certificates of Assurance and supporting checklists which did not include any issues of note which were not addressed as noted above (see Risk Assessment);
- The work of the internal auditors, who submit to the Audit and Risk Committee regular reports which include Internal Audit Division's independent opinion on the adequacy and effectiveness of the COPFS's systems of internal control together with recommendations for improvement;
- Comments made by the external auditors in their management letter and other reports.

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

### Significant Governance Issues

It has been our practice for a number of years, to require senior managers/directors across the COPFS to submit a Certificate of Assurance (CoA) to the Accountable Officer, supported by a checklist (this was updated in March 2015 prior to issue to ensure that it was current and fit for purpose).

## **Crown Office and Procurator Fiscal Service**

I have received individual Certificates of Assurance and supporting Internal Control Checklists from the leaders of each Federation and the Corporate Services Group Directors/Heads. I am satisfied that my management team has involved staff within their areas in this exercise and as such have adopted a robust approach to risk management and reporting.

No issues of significant note were reported which required inclusion in this statement.

### **Disclosure**

During the financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

### **Written Authority**

Under the terms of the Public Finance & Accountability (Scotland) Act 2000 there is a statutory duty on the Principal Accountable Officer and designated Accountable Officers to obtain written authority from, as the case may be, Ministers or governing boards before taking any action which we consider to be inconsistent with the proper performance of our functions as Accountable Officers.

No such written authority was required during the 2014-15 financial year, or the period up to signature of the accounts.

**Catherine Dyer**  
**Accountable Officer**

**Date:** 2 July 2015

# **Crown Office and Procurator Fiscal Service**

## **Independent auditor's report to the Crown Office and Procurator Fiscal Service, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2015 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, the Statement of Resources by Service's Aims and Objectives and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2014/15 Government Financial Reporting Manual (the 2014/15 FReM).

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 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

# Crown Office and Procurator Fiscal Service

## Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2015 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2014/15 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.

## Opinion on regularity

In my opinion in all material respects:

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

## Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly 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 Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

Angela Cullen  
Assistant Director  
Audit Scotland  
2 July 2015

## Crown Office and Procurator Fiscal Service

### Statement of Comprehensive Net Expenditure

For the year to 31 March 2015

		2014-15 £000s	2013-14 £000s
<b>Administration Costs</b>	<b>Note</b>		
Staff costs	2	69,255	67,121
Other Administrative Costs	3	40,794	39,970
<b>Gross Administrative Costs</b>		<b>110,049</b>	<b>107,091</b>
Operating Income Applied	4	(1,198)	(996)
<b>Net Administrative Costs</b>		<b>108,851</b>	<b>106,095</b>
<b>Programme Costs</b>			
Expenditure		-	-
Less Income		-	-
<b>Net Programme Costs</b>		<b>-</b>	<b>-</b>
<b>Net Operating Costs for the year ended 31 March 2015</b>		<b>108,851</b>	<b>106,095</b>
<b>Other Comprehensive Expenditure</b>			
Net loss on revaluation of Property, Plant and Equipment		-	-
<b>Total Comprehensive Expenditure for the year ended 31<sup>st</sup> March 2015</b>		<b>108,851</b>	<b>106,095</b>

The notes on pages 38 – 58 form part of these accounts.

# Crown Office and Procurator Fiscal Service

## Statement of Financial Position

As at 31 March 2015

	Note	2015 £000s	2014 £000s
<b>Non Current Assets</b>			
Property, Plant and Equipment	5	21,551	23,621
Intangible Assets	6	4,885	4,814
Trade and Other Receivables due in more than one year	9	-	-
<b>Total Non Current Assets</b>		<b>26,436</b>	<b>28,435</b>
<b>Current Assets</b>			
Assets classified as held for sale	7	70	-
Inventories	8	-	-
Trade and Other Receivables	9	3,023	3,076
Cash and Cash Equivalents	10	1,272	3,525
<b>Total Current Assets</b>		<b>4,365</b>	<b>6,601</b>
<b>Total Assets</b>		<b>30,801</b>	<b>35,036</b>
<b>Current Liabilities</b>			
Trade and Other Payables	11	(10,644)	(15,467)
Provisions	12	(446)	(277)
<b>Total Current Liabilities</b>		<b>(11,090)</b>	<b>(15,744)</b>
<b>Current Assets less Current Liabilities</b>		<b>(6,725)</b>	<b>(9,143)</b>
<b>Non Current Assets plus/less Current Assets and Liabilities</b>		<b>19,711</b>	<b>19,292</b>
<b>Non Current Liabilities (&gt; 1 year)</b>			
Trade and Other Payables	11	(4,744)	(4,862)
Provisions	12	(870)	(999)
Financial Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>(5,614)</b>	<b>(5,861)</b>
<b>Total Assets less Total Liabilities</b>		<b>14,097</b>	<b>13,431</b>
<b>Taxpayers' Equity</b>			
General Fund		(5,795)	(5,295)
Revaluation Reserve		(8,302)	(8,136)
<b>Total Taxpayers' Equity</b>		<b>(14,097)</b>	<b>(13,431)</b>

The notes on pages 38 – 58 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on the 2 July 2015

**Catherine Dyer**  
Accountable Officer

## Crown Office and Procurator Fiscal Service

### Statement of Changes in Taxpayers' Equity

Note	For the year ended 31 March 2015			For the year ended 31 March 2014		
	General Fund	Reval'n Reserve	Total Tax Payers Equity	General Fund	Reval'n Reserve	Total Tax Payers Equity
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1<sup>st</sup> April</b>	<b>5,295</b>	<b>8,136</b>	<b>13,431</b>	<b>7,849</b>	<b>7,696</b>	<b>15,545</b>
Net gain/(loss) on revaluation of Property, Plant and Equipment	-	166	166	-	440	440
Net loss on revaluation of intangibles 6	-	-	-	-	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
Non Cash Charges – Auditor's Remuneration 3	97	-	97	96	-	96
Transfers between reserves	-	-	-	-	-	-
Net Operating Cost for the Year	(108,851)	-	(108,851)	(106,095)	-	(106,095)
<b>Total Recognised Income and Expenditure</b>	<b>(103,459)</b>	<b>8,302</b>	<b>(95,157)</b>	<b>(98,150)</b>	<b>8,136</b>	<b>(90,014)</b>
Parliamentary Funding	<b>107,000</b>	-	<b>107,000</b>	<b>106,500</b>	-	<b>106,500</b>
Movement of Balance with the SCF 21	(2,253)	-	(2,253)	(3,055)	-	(3,055)
<b>Total Movement in Year</b>	<b>500</b>	<b>166</b>	<b>666</b>	<b>(2,554)</b>	<b>-</b>	<b>(2,554)</b>
<b>Balance at 31<sup>st</sup> March</b>	<b>5,795</b>	<b>8,302</b>	<b>14,097</b>	<b>5,295</b>	<b>8,136</b>	<b>13,431</b>

The notes on pages 38 – 58 form part of these accounts.

## Crown Office and Procurator Fiscal Service

### Statement of Cash Flows

For the year ended 31 March 2015

	Note	2014-15 £000s	2013-14 £000s
Net Cash Outflow from Operating Activities	A	(104,971)	(98,728)
Net Cash Outflows from Investment Activities	B	(4,282)	(2,781)
Payments from / (to) the Scottish Consolidated Fund for income not applied		-	(1,936)
Cash flows from Financing Activities	C	107,000	106,500
<b>Increase/(Decrease) in cash in the year</b>		<b>(2,253)</b>	<b>3,055</b>

#### Note A - Reconciliation of operating costs to operating cash flows

Net Operating Cost	108,851	106,095
Adjust for non-cash transactions	(5,841)	(6,683)
Increase in inventories	-	-
Increase in receivables and other current assets	(53)	214
Increase in trade and other payables	2,054	(1,159)
Decrease in provisions	(40)	261
Interest receivable	-	-
<b>Net cash outflow from operating activities</b>	<b>104,971</b>	<b>98,728</b>

#### Note B – Analysis of Cash Flows from Investment Activities

Purchase of property, plant and equipment	2,552	2,042
Purchase of intangible assets	1,733	739
Adjustment for movement in working capital	-	-
Proceeds of disposal of property, plant and equipment	(3)	-
Proceeds of disposal of intangible assets	-	-
<b>Net Cash outflow from Investment Activities</b>	<b>(4,282)</b>	<b>2,781</b>

#### Note C – Analysis of Cash flows from Financing Activities

From Scottish Consolidated Fund	107,000	106,500
Surrender of excess capital receipts	-	-
Cash flows from financing activities	107,000	106,500
(Increase)/Decrease in cash and cash equivalents	2,253	(3,055)
<b>Net Cash and Cash Equivalents requirement</b>	<b>109,253</b>	<b>103,445</b>

The notes on pages 38 – 58 form part of these accounts.

## Crown Office and Procurator Fiscal Service

### Resources by Service's aims and objectives

For the year ended 31 March 2015

	2014-15			2013-14
	Gross £000s	Income £000s	Net £000s	Restated(1) Net £000s
<b>Aim</b>				
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				
<b>Objectives</b>				
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	96,247	(1,198)	95,049	92,617
To provide services which meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies	2,857	-	2,857	2,786
To ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily	10,945	-	10,945	10,692
<b>Net Operating Costs</b>	<b>110,049</b>	<b>(1,198)</b>	<b>108,851</b>	<b>106,095</b>

Note 1: The 2013/14 figure has been restated following a more detailed analysis of the cost of each of the objectives.

The notes on pages 38 – 58 form part of these accounts.

# Crown Office and Procurator Fiscal Service

## NOTES TO THE ACCOUNTS

### 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 59) these accounts have been prepared in compliance with the principles and disclosure requirements of the *Government Financial Reporting Manual (FReM)*, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context.

The particular accounting policies adopted by the COPFS 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 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. The fundamental accounting concepts of going concern and accruals have been applied consistently.

#### 1.1 Basis of Accounting

The accounts of the COPFS form part of the resource accounting departmental boundary of the Scottish Government and will be incorporated in the Scottish Government's Consolidated Accounts.

#### 1.2 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account by the revaluation of property, plant and equipment, intangible assets, and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

#### 1.3 Going Concern

A going concern approach has been adopted in the preparation of these financial statements.

#### 1.4 Change of Accounting Policies

There have been no changes to our accounting policies.

#### 1.5 Non Current Assets

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

##### Recognition

All PPE assets have been accounted for as non-current assets unless they are deemed as held-for-sale (see 1.8 below).

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 COPFS occupies is therefore capitalised and appears on the COPFS's Statement of Financial Position.

# Crown Office and Procurator Fiscal Service

## Valuation

Freehold land and buildings have been stated at fair value using open market value under a rolling 5-year programme of professional valuations, with desk top valuations in intervening years. From 1 April 2007 other non-current assets that have short useful lives or low values or both are no longer revalued using indices but are reported at depreciated historic cost as a proxy for fair value.

Losses in value reflected in valuations are accounted for in accordance with IAS 36, Impairment of Assets. Such losses are taken to the revaluation reserve to the extent of any previous gain and any further loss is charged to the Statement of Comprehensive Net Expenditure.

## Capitalisation

The minimum levels for capitalisation of a property and asset is £10,000 and per individual item of equipment is £5,000. Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £1,000.

## Subsequent Cost

Subsequent costs are included in the asset's carrying amount, only when it is probable that the future economic benefits associated with the item will flow to the COPFS and the value can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period to which they are incurred.

### 1.6 Intangible Assets

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

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.'

### 1.7 Depreciation

Freehold Land is not depreciated.

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

Buildings	Not exceeding 55 years (based on valuation)
Telephone systems	Not exceeding 5 years
ICT Systems (Computers and Software)	Not exceeding 5 years
Vehicles	Not exceeding 4 years

### 1.8 Assets Held for Sale

An asset is derecognised and held for sale under IFRS 5 when the following requirements are met:

- It is available for immediate sale;
- A plan is in place, supported by management, and steps have been taken to sell the asset;
- It is actively marketed and there is an expectation that the sale will be made in less than 12 months.

## Crown Office and Procurator Fiscal Service

Assets held for sale include assets where the COPFS intends and expects to sell within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

### 1.9 Operating Income

Operating income is income which relates directly to the operating activities of the COPFS. 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). The COPFS derives minimal levels of income from LINETS, recharging of services provided to QLTR and some sub-leasing/letting of properties.

### 1.10 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs of which there are no programme costs. Administration costs reflect the costs of running the COPFS 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 COPFS has no programme related expenditure or income.

### 1.11 Parliamentary Funding

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

### 1.12 Foreign Currency

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.

### 1.13 Employee Benefits

#### *Retirement Benefits*

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. It is not possible for COPFS to identify its share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. 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.

#### *Short Term Employee Benefits*

A liability and an expense is recognised for holiday days, bonuses and other short-term benefits when our employees render service that increases their entitlement to these benefits. As a result an accrual has been made for employee benefits earned but not taken.

# Crown Office and Procurator Fiscal Service

## 1.14 Provisions

Provisions are recognised when:

- The COPFS has a present or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation;
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate set by HM Treasury. The increase in the provision due to the passage of time is recognised as an expense.

## 1.15 Leases

Where the COPFS bears substantially all of the risks and rewards of owning the leased item, it is accounted for as a finance lease under International Accounting Standard (IAS) 17: Leases. IAS17 does not set a quantitative test for assessing the transfer of risks and rewards of ownership. Finance leases are capitalised at the start of the lease term at the fair value of the leased asset, or if lower, the present value of future lease payments is used as a proxy for the purposes of the value of the asset and the associated financial liability. Property, plant and equipment and financial liabilities associated with finance leases are recognised and valued on the same basis as other property, plant and equipment and financial liabilities as set out in the relevant accounting policies.

Lease payments are apportioned between the finance charges and the lease liability in order to achieve a constant rate of interest on the remaining balance of the liability. Capitalised leased assets are depreciated over the shorter of the lease term and the estimated useful life of the asset.

Leases where most of the risks and rewards of ownership of the asset remain with the lessor are classified as operating leases. Rentals payable in respect of operating leases will be charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease.

## 1.16 Value Added Tax (VAT)

The majority of services provided by the COPFS fall outside the scope of VAT. The COPFS can recover VAT on certain contracted-out services. Income and expenditure are shown in the accounts net of VAT where this is recoverable.

## 1.17 Financial Instruments

The COPFS has no material deposits and all material assets and liabilities are denominated in sterling. The COPFS is therefore not exposed to significant interest rate or currency exchange risk.

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 Statement of Financial Position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the Statement of Comprehensive Net Expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from the COPFS.

The COPFS has no borrowings and relies primarily on funding from the Scottish Consolidated Fund for its cash requirements. The COPFS is therefore not exposed to liquidity risks.

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

## 1.18 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## 1.19 Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 1.20 Segmental Reporting

The COPFS does not report on a segmental basis, but reports on a Corporate basis with sub-analysis by expenditure type, geographic and functional units as appropriate. This is considered the most suitable method of reporting.

## 1.21 Critical Accounting Estimates and Judgements

The preparation of the accounts in conformity with IFRS requires the Board and Accountable Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the accounts is as follows:

### *Valuation of property, plant and equipment*

Freehold land and buildings have been stated at fair value using open market value under a 5-year programme of professional physical valuations, with desk top valuations in intervening years. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of HM Treasury's Financial Reporting Manual.

### *Early Severance Costs*

There are a number of staff who previously took early retirement where the COPFS is required to meet the additional cost of benefits beyond the normal PCSPS benefits, that is monthly payments until the individual reaches 60 (when they receive normal PCSPS pension payments).

The COPFS provided in full for this cost when the decisions were made. In 2014-15 the HM Treasury discount factor decreased from 2.2% to 1.3% and the new rate has been applied to the early severance provision.

During 2010-11 the entitlement to severance payments was changed to a maximum of 21 month's salary. These payments take the form of a one-off lump sum which if not paid by 31<sup>st</sup> March 2014 was accrued. No staff left under the scheme during 2013-14. Four staff left under the scheme for 2014-15.

### *Provision for Injury Benefit Payments*

The COPFS is required to meet the cost of payments made to ex employees who took early retirement on medical grounds, until their death. For the basis of calculating this liability, it has been assumed that the average life expectancy is 75 years. The provision for injury benefit payments has been calculated on this

## Crown Office and Procurator Fiscal Service

basis with current levels of payment being adjusted for inflation and then reduced to reflect the timing of the payments.

### 1.22 Disclosure of new standards not yet applied

A number of new accounting standards have been issued or amendments made to existing standards, but have not yet been applied in these financial statements. The standards that are considered relevant and the anticipated impact on the consolidated accounts are as follows:

#### *IFRS 9 – Financial Instruments*

A date for introduction has yet to be set. The adoption of this standard could change the classification and measurement of financial assets. The impact on the accounts has not been determined, and the full IFRS has not yet been issued.

#### *IFRS 13 – Fair Value Measurement*

IFRS 13 will not be adopted in the public sector until 2015-16. Until IFRS13 is adopted the relevant disclosures from IFRS 7 have been used. The adoption of this standard could change the measurement techniques used when determining fair value. The impact on the accounts has not been determined.

#### *ESA 10 – International standard for national accounts*

Revised international standard for the UK National Accounts, ESA10, came into effect in September 2014, replacing the previous guidance of ESA95.

## Crown Office and Procurator Fiscal Service

### 2 Staff Costs

2a: Staff costs consist of:

	2014-15			2013-14		
	Officials £000s	Ministers £000s	Total £000s	Officials £000s	Ministers £000s	Total £000s
		Note 1			Note 1	
Wages and Salaries	52,810	217	53,027	51,315	215	51,530
Social Security Costs	4,443	26	4,469	4,421	26	4,447
Other Pension Costs	9,657	44	9,701	9,288	43	9,331
<b>Sub-Total</b>	<b>66,910</b>	<b>287</b>	<b>67,197</b>	<b>65,024</b>	<b>284</b>	<b>65,308</b>
Inward Secondments	614	-	614	351	-	351
Early Departure Costs	279	-	279	97	-	97
Injury Benefit Claims	47	-	47	207	-	207
Agency, Temporary and Contract Staff and Trainees	1,614	-	1,614	1,715	-	1,715
<b>Sub-Total</b>	<b>69,464</b>	<b>287</b>	<b>69,751</b>	<b>67,394</b>	<b>284</b>	<b>67,678</b>
Less Recoveries in Respect of Outward Secondments	(209)	-	(209)	(273)	-	(273)
<b>Total</b>	<b>69,255</b>	<b>287</b>	<b>69,542</b>	<b>67,121</b>	<b>284</b>	<b>67,405</b>

Note 1. Ministers are paid by the Scottish Parliamentary Corporate Body.

2b: The average number of whole-time equivalent persons employed on each objective (including senior Management and Ministers) during the year was as follows:

#### 2014-15

Objective	Ministers	Senior Management	Permanently Employed Staff	Agency /Tempo rary staff/In ward second ments	Other	2014-15 Total
1. Prosecution	2	5	1,194	6	271	1,478
2. Victim Information and Advice	-	-	96	-	-	96
3. Investigation of Deaths	-	-	54	-	-	54
<b>Total</b>	<b>2</b>	<b>5</b>	<b>1,344</b>	<b>6</b>	<b>271</b>	<b>1,628</b>

## Crown Office and Procurator Fiscal Service

2013-14

Objective	Ministers	Senior Management	Permanently Employed Staff	Agency /Temporary staff/In ward secondments	Other	2013-14 Total
1. Prosecution	2	8	1,248	8	231	1,497
2. Victim Support	-	-	86	-	-	86
3. Investigation of Deaths	-	-	45	-	-	45
<b>Total</b>	<b>2</b>	<b>8</b>	<b>1,379</b>	<b>8</b>	<b>231</b>	<b>1,628</b>

No special advisers were employed during either year.

### Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer, defined benefit scheme but the COPFS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

For 2014-15, employers' contributions of £9,618,812 were payable to the PCSPS (2013-14; £9,249,610) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews 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 2014-15 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £35,958 (2013-14; 35,307) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,668 (2013-14; £2,613), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £1,077,295 (31 March 2014; £1,006,476).

Contributions prepaid at that were £0 (31 March 2014; £0).

There were no ill health retirements during 2014-15 (2013-14; Nil).

## Crown Office and Procurator Fiscal Service

**2014-15**

Four individuals took early severance during 2014-15.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band 2014-15
< £10,000	-	-	-
£10,001 - £25,000	-	-	-
£25,001 - £50,000	-	-	-
£50,001 - £100,000	-	4	4
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
Total number of exit packages	-	4	4
Total cost	-	£268,926	£268,926

There was no early severance scheme in place for 2013-14.

Redundancy and other departure costs have been 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 full, in the year of agreement. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme.

Ill-health retirement costs are met by the Civil Service Pension Scheme and are not included in the table.

### 3 Other Administration Costs

	2014-15 Total £000s	2013-14 Total £000s
Travel and Subsistence	666	734
Training	286	210
Accommodation	9,393	9,075
Legal and Witness Costs	17,748	15,805
Supplies and Services	6,150	6,635
Other Staff and Office Costs	724	827
(Profit)/Loss on sale of assets	(14)	-
<b>Sub-Total</b>	<b>34,953</b>	<b>33,286</b>
Non-Cash Costs:		
Audit Fee	97	96
Impairment	967	1,834
Depreciation	4,777	4,754
<b>Sub-Total</b>	<b>5,841</b>	<b>6,684</b>
<b>Total Administration Costs</b>	<b>40,794</b>	<b>39,970</b>

Note: Within Other Administration Costs for 2014-15 there were £Nil for non-audit services provided by the appointed auditor, Audit Scotland (2013-14; £Nil).

## Crown Office and Procurator Fiscal Service

### 4 Operating Income

	Income Applied £000s	Income Not Applied £000s	2014-15 Total £000s	2013-14 Total £000s
<b>Operating Income analysed by classification and activity as follows:</b>				
Administrative income allowable within cost limit*:				
Queen's and Lord Treasurer's Remembrancer (QLTR) costs recharged	367	-	367	385
Legal Information Network for Scotland (LINETS) Subscriptions	624	-	624	611
Other Income applied	207		207	
<b>Sub-Total</b>	<b>1,198</b>	<b>-</b>	<b>1,198</b>	<b>996</b>
<b>Other Income (Treated as not applied)**</b>				
Fines and Fixed Penalties	-	-	-	-
Civil Recovery Income	-	3,045	3,045	2,537
Cash Seizures	-	1,867	1,867	1,886
<b>Sub-Total</b>	<b>-</b>	<b>4,912</b>	<b>4,912</b>	<b>4,423</b>
<b>Total</b>	<b>1,198</b>	<b>4,912</b>	<b>6,110</b>	<b>5,419</b>

\* Retained Income limit per the Budget Act is £2,000,000 (2013-14 £2,000,000)

\*\* Collected on behalf of HM Treasury / Scottish Consolidated Fund

## Crown Office and Procurator Fiscal Service

### 5 Property, Plant and Equipment

2014-15	Land £000s	Buildings £000s	IT equip. £000s	Telecomm unications £000s	Vehicles £000s	Total £000s
	Note 1	Note 1				
<b>Cost or Valuation</b>						
As at 1 April 2014	1,330	27,717	7,956	2,817	310	40,130
Additions	-	644	660	355	99	1,758
Disposals	-	-	-	-	(61)	(61)
Transfer to assets held for sale	(20)	(75)	-	-	-	(95)
Impairments	-	-	-	-	-	-
Revaluations	-	252	-	-	-	252
Reclassifications	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>1,310</b>	<b>28,538</b>	<b>8,616</b>	<b>3,172</b>	<b>348</b>	<b>41,984</b>
<b>Depreciation</b>						
As at 1 April 2014	-	(9,641)	(4,429)	(2,130)	(309)	(16,509)
Charged in-year	-	(2,427)	(1,357)	(238)	(27)	(4,049)
Disposals	-	-	-	-	55	55
Transfer to assets held for sale	-	25	-	-	-	25
Impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	-	-	45	45
<b>As at 31 March 2015</b>	<b>-</b>	<b>(12,043)</b>	<b>(5,786)</b>	<b>(2,368)</b>	<b>(236)</b>	<b>(20,433)</b>
<b>Net Book Value</b>						
<b>As at 31 March 2015</b>	<b>1,310</b>	<b>16,495</b>	<b>2,830</b>	<b>804</b>	<b>112</b>	<b>21,551</b>
As at 1 April 2014	1,330	18,076	3,527	687	1	23,621
<b>Analysis of Asset Financing</b>						
Owned	1,310	5,431	2,830	804	112	10,487
Leasehold Buildings	-	5,469	-	-	-	5,469
Finance Leases	-	5,595	-	-	-	5,595
<b>NBV at 31 March 2015</b>	<b>1,310</b>	<b>16,495</b>	<b>2,830</b>	<b>804</b>	<b>112</b>	<b>21,551</b>

Note 1: Freehold Land, buildings and Plant were professionally valued at 31 March 2014 by Knight Frank at existing use open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors with a desktop valuation being carried out on 31 March 2015 by GVA James Barr. Properties have been valued as fully-equipped operational entities. The valuers were external to the organisation.

## Crown Office and Procurator Fiscal Service

2013-14	Land £000s	Buildings £000s	IT equip. £000s	Telecomm unications £000s	Vehicles £000s	Total £000s
---------	---------------	--------------------	--------------------	---------------------------------	-------------------	----------------

<b>Cost or Valuation</b>						
As at 1 April 2013	1,350	25,846	7,086	2,777	310	37,369
Additions	-	1,528	1,110	40	-	2,678
Disposals	-	-	(261)	-	-	(261)
Transfers In	-	-	-	-	-	-
Impairments	(20)	(287)	-	-	-	(307)
Revaluations	-	440	-	-	-	440
Reclassifications	-	190	21	-	-	211
<b>At 31 March 2014</b>	<b>1,330</b>	<b>27,717</b>	<b>7,956</b>	<b>2,817</b>	<b>310</b>	<b>40,130</b>

<b>Depreciation</b>						
As at 1 April 2013	-	(6,535)	(3,402)	(1,836)	(227)	(12,000)
Charged in-year	-	(2,914)	(1,294)	(293)	(83)	(4,584)
Disposals	-	-	261	-	-	261
Impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	(192)	6	(1)	1	(186)
<b>As at 31 March 2014</b>	<b>-</b>	<b>(9,641)</b>	<b>(4,429)</b>	<b>(2,130)</b>	<b>(309)</b>	<b>(16,509)</b>

<b>Net Book Value</b>						
<b>As at 31 March 2014</b>	<b>1,330</b>	<b>18,076</b>	<b>3,527</b>	<b>687</b>	<b>1</b>	<b>23,621</b>
As at 1 April 2013	1,350	19,311	3,684	941	83	25,369

<b>Analysis of Asset Financing</b>						
Owned	1,330	5,297	3,527	687	1	10,842
Leasehold Buildings	-	5,762	-	-	-	5,762
Finance Leases	-	7,017	-	-	-	7,017
<b>NBV at 31 March 2014</b>	<b>1,330</b>	<b>18,076</b>	<b>3,527</b>	<b>687</b>	<b>1</b>	<b>23,621</b>

## Crown Office and Procurator Fiscal Service

### 6 Intangible Assets

2014-15	Software Developed In-House or by Third Parties £000s	Software Licences £000s	Websites £000s	Development Expenditure £000s	Total £000s
<b>Cost or valuation</b>					
At 1 April 2014	7,772	5,387	139	2,131	15,429
Additions	489	525	-	814	1,828
Disposals	-	(112)	-	-	(112)
Impairments	-	-	-	-	-
Reclassifications	581	-	-	(581)	-
<b>As at 31 March 2015</b>	<b>8,842</b>	<b>5,800</b>	<b>139</b>	<b>2,364</b>	<b>17,145</b>
<b>Amortisation</b>					
At 1 April 2014	(6,796)	(3,758)	(61)	-	(10,615)
Charged in Year	(814)	(907)	(35)	-	(1,756)
Disposals	-	111	-	-	111
Reclassifications	-	-	-	-	-
<b>As at 31 March 2015</b>	<b>(7,610)</b>	<b>(4,554)</b>	<b>(96)</b>	<b>-</b>	<b>(12,260)</b>
<b>Net Book Value</b>					
As at 31 March 2015	<b>1,232</b>	<b>1,246</b>	<b>43</b>	<b>2,364</b>	<b>4,885</b>
As at 31 March 2014	976	1,629	78	2,131	4,814

2013-14	Software Developed In-House or by Third Parties £000s	Software Licences £000s	Websites £000s	Development Expenditure £000s	Total £000s
<b>Cost or valuation</b>					
At 1 April 2013	7,831	5,220	-	1,555	14,606
Additions	129	242	-	547	918
Disposals	-	(77)	-	-	(77)
Impairments	-	-	-	-	-
Reclassifications	(188)	2	139	29	(18)
<b>As at 31 March 2014</b>	<b>7,772</b>	<b>5,387</b>	<b>139</b>	<b>2,131</b>	<b>15,429</b>
<b>Amortisation</b>					
At 1 April 2013	(6,152)	(2,840)	-	-	(8,992)
Charged in Year	(647)	(995)	(35)	-	(1,677)
Disposals	-	77	-	-	77
Reclassifications	3	-	(26)	-	(23)
<b>As at 31 March 2014</b>	<b>(6,796)</b>	<b>(3,758)</b>	<b>(61)</b>	<b>-</b>	<b>(10,615)</b>
<b>Net Book Value</b>					
As at 31 March 2014	<b>976</b>	<b>1,629</b>	<b>78</b>	<b>2,131</b>	<b>4,814</b>
As at 31 March 2013	1,679	2,380	-	1,555	5,614

### 7 Assets Classified as Held for Sale

As at 31 March 2015 there was one asset, the Arbroath building, classified as held for sale with a net book value of £70,000 (2013-14; Nil assets). This asset has been eliminated from the assets detailed in note 5.

## Crown Office and Procurator Fiscal Service

### 8 Inventories

As at 31 March 2015 there were no inventories (2013-14; Nil).

### 9 Trade and other receivables

	2015 £000s	2014 £000s
<b>Amounts falling due within 1 year</b>		
VAT	283	258
Other Receivables	32	72
Prepayments	2,340	2,418
Accrued Income	368	328
<b>Sub-total</b>	<b>3,023</b>	<b>3,076</b>
<b>Intra-Government Balances</b>		
<b>Amounts falling due within 1 year</b>		
Balances with other Central Government Bodies	854	715
Balances with Local Authorities	-	-
<b>Total: Intra-governmental balances</b>	<b>854</b>	<b>715</b>
Balances with bodies external to government	2,169	2,361
<b>Total receivables at 31 March</b>	<b>3,023</b>	<b>3,076</b>
<b>Amounts falling due after more than 1 year</b>		
Other Receivables	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Intra-Government Balances</b>		
<b>Amounts falling due after more than 1 year</b>		
Balances with bodies external to government	-	-
<b>Total receivables at 31 March</b>	<b>-</b>	<b>-</b>

### 10 Cash and cash equivalents

	2015 £000s	2014 £000s
Balances at Government Banking Services	1,236	3,490
Commercial banks and cash in hand	36	35
<b>At 31 March</b>	<b>1,272</b>	<b>3,525</b>
At 1 April	3,525	471
Net change in cash and cash equivalent balances	(2,253)	3,054
<b>At 31 March</b>	<b>1,272</b>	<b>3,525</b>
Amount issued and unspent from Scottish Consolidated Fund	1,272	1,332
Cash receipts due to be paid to Scottish Consolidated Fund	0	2,193
<b>At 31 March</b>	<b>1,272</b>	<b>3,525</b>

## Crown Office and Procurator Fiscal Service

### 11 Trade payables and other current liabilities

	2015 £000s	2014 £000s
<b>Amounts falling due within one year:</b>		
Other taxation and Social Security Payables	(2,426)	(2,348)
Trade Payables	(1)	(11)
Other Payables	-	(138)
Accruals and Deferred Income	(6,827)	(7,145)
Finance Leases	(118)	(107)
Cash Seizures	-	(2,193)
Balances payable to the Scottish Consolidated Fund	(1,272)	(3,525)
<b>Total due within one year</b>	<b>(10,644)</b>	<b>(15,467)</b>
<b>Intra-Government Balances</b>		
<b>Amounts falling due within 1 year</b>		
Balances with other Central Government Bodies	(1,272)	(2,331)
Balances with Local Authorities	-	(1,332)
<b>Total: Intra-governmental balances</b>	<b>(1,272)</b>	<b>(3,663)</b>
Balances with Bodies External to Government	(9,372)	(11,804)
<b>Total payables at 31 March</b>	<b>(10,644)</b>	<b>(15,467)</b>
<b>Amounts falling due after more than one year:</b>		
Other Payables, Accruals and Deferred Income		-
Finance Leases	(4,744)	(4,862)
<b>Total due after more than one year</b>	<b>(4,744)</b>	<b>(4,862)</b>
<b>Amounts falling due after more than 1 year</b>		
<b>Total: Intra-governmental balances</b>		
Balances with Bodies External to Government	(4,744)	(4,862)
<b>Total payables at 31 March</b>	<b>(4,744)</b>	<b>(4,862)</b>

## Crown Office and Procurator Fiscal Service

### 12 Provisions

	Early Departure Costs	Injury Benefit Costs (Note 1)	Other Provisions  (Note 2)	2015 Total	2014 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	272	727	-	999	1,042
Add: element reported as due within one year	220	57	-	277	495
<b>Total as at 1 April</b>	<b>492</b>	<b>784</b>	<b>-</b>	<b>1,276</b>	<b>1,537</b>
Additional provisions made	-	-	269	269	256
Increase due to change in the discount rate	5	42	-	47	-
Amounts incurred and charged against provision	(219)	(57)	-	(276)	(517)
<b>Balance as at 31 March</b>	<b>278</b>	<b>769</b>	<b>269</b>	<b>1,316</b>	<b>1,276</b>
Payable within one year	118	59	269	446	277
Provision of over one year	160	710	-	870	999

Note 1: Injury Benefit provision relates to employees who have sustained injuries at work.

Note 2: Other provisions relates to Early Severances.

#### Analysis of expected timing of any resulting outflows of economic benefits

	Early Departure Costs	Injury Benefit Costs	Other Provisions	2015 Total	2014 Total
	£000s	£000s	£000s	£000s	£000s
Payable in 1 year	118	59	269	446	277
Payable between 2 - 5 yrs	156	241	-	397	490
Payable between 6-10 yrs	4	300	-	304	307
Thereafter	-	169	-	169	202
<b>Total as at 31 March</b>	<b>278</b>	<b>769</b>	<b>269</b>	<b>1,316</b>	<b>1,276</b>

## Crown Office and Procurator Fiscal Service

### 13 Capital commitments

Property, plant and equipment	2015 £000s	2014 £000s
Contracted for at 31 March but not provided for	159	-
Approved at 31 March but not provided for	-	-
<b>Total</b>	<b>159</b>	<b>-</b>
<b>Intangible assets</b>		
Contracted for at 31 March but not provided for	-	-
Approved at 31 March but not provided for	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 14 Commitments under leases

#### 14a Operating Leases

Total future minimum lease payments under operating leases are given in the tables below.

Obligations under Operating leases comprise:

	2015 £000s	Restated 2014 £000s
<b>Buildings</b>		
Within one year	1,009	1,021
Between two and five years (inclusive)	2,755	3,391
After five years	1,218	1,606
<b>Total</b>	<b>4,982</b>	<b>6,018</b>

#### 14b Finance Leases

Obligations under Finance leases are payable as follows:

	Minimum Lease Payments	Interest	Principal	Minimum Lease Payments	Interest	Principal
	2015			2014		
	£000s	£000s	£000s	£000s	£000s	£000s
Within one year	1,802	1,684	118	1,802	1,696	106
Between two and five years (inclusive)	7,207	6,586	621	7,207	6,649	558
After five years	40,397	36,274	4,123	42,199	37,895	4,304
<b>Total</b>	<b>49,406</b>	<b>44,544</b>	<b>4,862</b>	<b>51,208</b>	<b>46,240</b>	<b>4,968</b>

# Crown Office and Procurator Fiscal Service

## 15 Other Financial Commitments

### 15a Other Commitments

As at 31 March 2015 there were no other financial commitments (2013-14; Nil).

### 15b Guarantees, indemnities and letters of comfort

As at 31 March 2015 there were no guarantees, indemnities or letters of comfort (2013-14; Nil).

## 16 Contingent Liabilities disclosed under IAS 37

As at 31 March 2015 there were no contingent liabilities (2013-14; Nil).

## 17 Related Party Transactions

The COPFS is a separate service of the Scottish Government for funding purposes. During the year, the 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 Executive Board members, key managerial staff or other related parties has undertaken any material transactions with the COPFS during the year.

## 18 Financial Instruments

This note outlines the COPFS's potential risk from the use of financial instruments.

The Executive Board has overall responsibility for the establishment and oversight of the COPFS's risk management framework.

The COPFS has no derivative financial assets or liabilities.

### Financial Assets

#### Description

Accrued Income  
Other receivables  
Cash and Cash Equivalents

2015 £'000s	2014 £'000s
368	328
32	72
1,272	3,525
<b>1,672</b>	<b>3,925</b>

### Financial Liabilities

#### Description

Trade Payables  
Accruals  
Other payables  
Scottish Consolidated Fund  
Finance Leases

2015 £'000s	2014 £'000s
(1)	(11)
(6,827)	(7,145)
-	(138)
(1,272)	(3,525)
(4,862)	(4,968)
<b>(12,962)</b>	<b>(15,787)</b>

## Crown Office and Procurator Fiscal Service

### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

### Liquidity risk

Liquidity risk is the risk that the COPFS will not be able to meet its financial obligations as they fall due. The COPFS's approach to managing liquidity is to ensure that it will have sufficient liquid funds to meet our liabilities as they fall due. The COPFS's primary source of liquidity is allocation from the Budget Act for each financial year, approved by the Scottish Parliament. The COPFS monitors its bank balances daily and can draw down additional funding within 24 hours. With the exception of finance leases, the COPFS has no debt or borrowing facility with any external party.

Liquidity is also managed by the monitoring of actual performance against budgets and forecasts.

The table below details the contractual maturities of financial liabilities.

<b>Maturity Profile</b>				
<b>Financial Liabilities</b>	<b>&lt;1yr</b>	<b>2 - 5 yrs</b>	<b>&gt;5yrs</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>2015</b>				
Trade Payables	(1)	-	-	(1)
Accruals	(6,827)	-	-	(6,827)
Other payables	-	-	-	-
Scottish Consolidated Fund	(1,272)	-	-	(1,272)
Finance Leases	(118)	(621)	(4,123)	(4,862)
-				
<b>2014</b>				
Trade Payables	(11)	-	-	(11)
Accruals	(7,145)	-	-	(7,145)
Other payables	(138)	-	-	(138)
Scottish Consolidated Fund	(3,525)	-	-	(3,525)
Finance Leases	(106)	(558)	(4,304)	(4,968)

### Market risk

Market risk is the risk that market prices such as interest rates and foreign exchange rates will affect income or the value of holdings in financial instruments.

### Interest rate risk

The COPFS has no interest bearing assets or liabilities, substantially eliminating the impact of changes in interest rates.

### Currency risk

The COPFS is not exposed to foreign exchange rates.

## Crown Office and Procurator Fiscal Service

### 18 Financial Instruments (continued)

#### Fair values

The fair values, together with the carrying amounts of financial assets and liabilities in the Statement of Financial Position, are as follows:

	2015 Carrying amount £'000s	2014 Carrying amount £'000s
<b>Financial Assets</b>		
Accrued Income	368	328
Other receivables	32	72
Cash and cash equivalents	1,272	3,525
<b>Financial liabilities</b>		
Trade Payables	(1)	(11)
Accruals	(6,827)	(7,145)
Other payables	-	(138)
Scottish Consolidated Fund	(1,272)	(3,525)
Finance Leases	(4,862)	(4,968)
<b>Net total</b>	<b>(11,290)</b>	<b>(11,862)</b>

#### Estimation of Fair Values

All Financial Assets and Liabilities held by the COPFS are measured at fair value, which is deemed to be the same as the book value, with exception of the Finance Leases where the fair value is deemed to be equal to the net present value of future lease payments

### 19 Special payments

	2014-15 £000s	2013-14 £000s
Special payments      33 cases (2013-14; 36 cases)	74	21
<b>Total</b>	<b>74</b>	<b>21</b>

### 20 Third-party Assets

At 31 March 2015 there were no third party assets (2013-14; Nil).

## Crown Office and Procurator Fiscal Service

### 21 Cash Requirement

	£000s	£000s
<b>Approved Cash Requirement</b>		111,590
Undrawn funding		4,590
Funding drawn down		107,000
<b>Cash Expended</b>		
Operating Costs	104,971	
Capital expenditure	4,282	
		109,253
Cash Balance due to the SCF as at 31 March 2015		(2,253)
Cash Balance due to the SCF as at 31 March 2014		3,525
		(1,272)
<b>Consisting of:</b>		
Funding balance due to the SCF		1,272
Excess income due to the SCF		-
		1,272

### 22 Events after the Reporting Period

There have been no material events between 31 March 2015 and the publication of the accounts that require adjustments to the accounts to be disclosed.

# Crown Office and Procurator Fiscal Service



## 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 Staffin', written in a cursive style.

Signed by the authority of the Scottish Ministers

Dated 17 January 2006