



CROWN OFFICE  
& PROCURATOR  
FISCAL SERVICE

SCOTLAND'S PROSECUTION SERVICE

# ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2019

Laid before the Scottish Parliament by Scottish Ministers on 31  
July 2019

Reference: SG/2019/92

# Crown Office and Procurator Fiscal Service

## ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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# Crown Office and Procurator Fiscal Service

## THE PERFORMANCE REPORT

### Ministerial Requirement to produce a set of annual accounts

1. These annual accounts have been produced to meet the requirement placed on the Lord Advocate to do so by the Accounts Direction by Scottish Ministers (reproduced on page 62 below).

### Period of accounts

2. This report and accounts are for the year ended 31 March 2019.

### The scope of these accounts

3. These accounts reflect the assets and liabilities of COPFS. A separate set of accounts is produced for the Queen's and 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 COPFS.

## OVERVIEW

4. This overview provides a short summary outlining the purpose of the Crown Office and Procurator Fiscal Service (COPFS), key risks to the achievements of its objectives and how it has performed during the year.

5. COPFS is the sole public prosecution authority in Scotland prosecuting cases independently, robustly, fairly and effectively in the public interest.

6. The Lord Advocate is the senior Scottish Law Officer. His position as head of the systems of criminal prosecution and investigation of deaths is enshrined in the Scotland Act 1998 and he exercises that responsibility independently of any other person. All prosecutions on indictment run in the Lord Advocate's name. The Lord Advocate also has a number of statutory functions, including in relation to extradition and mutual legal assistance with other jurisdictions.

7. 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.

8. Responsibility for investigating allegations of criminal conduct against police officers also rests with COPFS with prosecution being undertaken on the instruction of Crown Counsel.

9. COPFS's Proceeds of Crime and Civil Recovery Units investigate and recover proceeds of drugs trafficking and other serious crime.

10. COPFS also provides a Victim Information and Advice Service across Scotland.

11. 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.

12. 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. Our prosecution code states the following:

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"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."

13. When developing prosecution policy, consideration is always given to the human rights of victims, witnesses and accused persons. We consider 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. 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. COPFS' focus is operational effectiveness in all cases, while continuing to give priority to the most serious crimes. We support the Justice vision of a Just, Safe and Resilient Scotland.

14. COPFS works closely with a range of stakeholders including the Scottish Government, Police Scotland and the Scottish Courts and Tribunals Service.

15. The Victims and Witnesses (Scotland) Act 2014 has impacted upon COPFS in terms of the number of witnesses now deemed vulnerable and also the right of victims to review decisions not to take action in the case where they are involved. We are optimising the use of technology to improve the level of service that is provided to victims and witnesses e.g. through evidence on commission. This work will continue with implementation of the Victims and Witnesses (Criminal Evidence) (Scotland) Bill provisions once enacted.

### Our Priorities

16. COPFS' priorities contribute directly to the outcomes of the Scottish Government's Justice Vision and Priorities in which the vision is of a safe, just and resilient Scotland. This aims to deliver a justice system that contributes positively to a flourishing Scotland, helping to create safe, cohesive and resilient communities, in which prevention and early intervention improve wellbeing and life chances and systems and interventions are proportionate, fair and effective. We do this by working collaboratively with other parts of the justice system to deliver this overarching justice vision.

17. In 2018-19 our priorities were to:

- prosecute complex, serious and organised crime and significant financial crime before the High Court and Sheriff and Jury courts;
- take action to recover associated proceeds of crime;
- prosecute hate crime, domestic abuse, stalking and sexual offending, all of which involve significant equalities issues for those who have protected characteristics across all sections of society; and
- meet the challenges arising from changes in the legal environment, including changes in the causes of crime and workload, judicial decisions and planned legislation.

### Our Objectives

18. COPFS core areas of responsibility relate to the **investigation and prosecution of crime** and the **investigation of sudden deaths**. Our Objectives are designed to reflect the business outcomes we must deliver in contributing to the Justice outcomes described above:

- Criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest

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- Deaths which need further explanation are appropriately and promptly investigated;
- 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.

19. The following published targets have been agreed by the Law Officers:

### Core Business

### Target for 2018-2019

#### Indictments

Serve 100% of solemn indictments within statutory time limits.

#### Take and Implement Decisions

Take and implement a decision in 75% of crime reports within 4 weeks of receipt.

#### Complaints Against the Police

Complete investigation of 90% of criminal allegations against the police within 12 weeks.

#### Deaths Requiring Investigation

In reports of a death where further investigations are required, conduct the investigation and advise the next of kin of the outcome within 12 weeks of receipt of the report in at least 80% of cases.

20. Our published targets are set by the Law Officers and are monitored regularly by the Operational Performance Committee of the Executive Board, with corrective action put in place should it appear that delivery of the targets might be at risk.

### Delivering Our Objectives

21. COPFS has an operational structure designed to improve the focus on delivery of our objectives and a high quality service for the people of Scotland. COPFS is divided into three Functions, each led by a Deputy Crown Agent:

**Local Court:** comprising Initial Case Processing and all prosecutions in the Sheriff and JP Courts;

**Serious Casework:** comprising the High Court Unit, Appeals Unit, the Scottish Fatalities Investigation Unit, Proceeds of Crime Unit and other specialist Units; and

**Operational Support:** comprising Business Services, covering Information Systems, Human Resources, Estates and Finance, and Policy and Engagement.

22. The governance structure, with the Executive Board, chaired by the Crown Agent and Chief Executive, focuses on strategic decision-making with more routine decision-making delegated to three Committees of the Board – Operational Performance, Business Process Improvement and Resources. These Committees are responsible for delivering the Objectives and those strategies supporting delivery.

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23. This structure allows us to focus on ensuring that we can continue to deliver improving levels of service, process cases reported to us, present cases in court effectively and provide a better environment for staff. We have done this in a number of ways:

- We have been seeking to reduce non-staff running costs as far as possible and improve efficiency in order to minimise any impact on our staff numbers. Our largest non-staff cost is our estate, where we will continue to make better use of our space building on the changes made in 2017-18. This could include, for example, not renewing leases on offices we rent when the leases expire and making better use of storage facilities for papers retained under our document retention policy. This will involve embracing more flexible ways of working, in conjunction with digitisation and our estates strategy will identify future options available to improve our space utilisation;
- Our strategic approach is that the future of case processing is digital, with electronic exchange of data between the Police Service of Scotland and COPFS and with the defence, the courts, the NHS (for medical records and reporting deaths) and, where possible, witnesses, together with the enhanced use of technology in presenting cases in court. Some of this is already in place, and our Digital Strategy will underpin further work to provide us with the technical infrastructure which will enable us to develop the necessary digital solutions and capabilities. Our professional in-house Information Systems Division is focussing its efforts on ensuring delivery of the strategy;
- A significant part of our budget is currently spent on mortuary and pathology costs. Work is in train to review the range of contracts and arrangements that we currently have with the NHS and universities to determine what scope there is to ensure the continuation of the service in a more cost-effective way;
- We are also reviewing contracts more generally to identify the scope for savings there might be, whether through improved contract management or re-letting contracts;
- Staff time will be freed up as a result of sheriff and jury reform, further digitisation of processes and simplifying internal procedures and processes, together with the work which we are undertaking with other parts of the criminal justice system to develop more effective working arrangements. Whilst there will be no compulsory redundancies, in line with the Scottish Government's policy, in line with our medium term financial planning, we anticipate that we will replace all staff that leave the Service voluntarily through natural turnover during 2018-19;
- A workforce strategy is in place to underpin our decisions about how we can most effectively deploy staff, both in terms of ensuring the delivery of business and their own personal circumstances. A key component of that strategy is to minimise our reliance on short-term contracts by continuing to appoint staff on permanent contracts. There will, however, likely always be a proportion of our staff on short term contracts as that allows us to deal with variations in levels of business cost-effectively or to buy in specialist skills which we do not otherwise have.

### Constraints

24. There are a number of constraints that have been taken into account:

- COPFS must comply with the SG public sector pay policy, including the commitment to no compulsory redundancies, and with changes in employer's pension and National Insurance contributions, together with the new Apprenticeship Levy: these additional costs have to be absorbed within a flat cash budget;

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- The inflation rate is forecast to increase and costs in some sectors, notably IT, are currently forecast to increase at a substantially higher rate;
- The COPFS caseload is demand-led with time limits for action set by statute or policy;
- Given the medium-term outlook for public expenditure it is expected that further year on year real terms reductions in resources will be required following the 2019-20 budget.

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### Statement by the Crown Agent and Chief Executive on performance for the period

#### Performance and Outcomes

25. COPFS' Business Plan 2018-19 identified the following objectives in respect of operational performance:

- 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;
- 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; and
- Victims, nearest relatives and witnesses and those accused of an offence are treated with dignity and respect.

26. COPFS has a national database which stores operational information about our cases. We use it to help us manage our casework effectively and, although it is not a statistical database, we are able to use some of the information it provides to help us monitor aspects of our performance.

The table below shows the number of reports that we receive on an annual basis as well as the outcomes.

	2018-19	2017-18
Criminal Reports Received	170,575	177,801
Death Reports Received	10,397	10,865
<b>Total Reports Received (1)</b>	<b>180,972</b>	<b>188,666</b>
<b>Non-Court Disposals</b>		
No Action	17,705	20,526
Warning Letters	5,816	8,764
Conditional Offers of Fixed Penalties Paid	6,896	6,408
Fiscal Fines Paid / Accepted	17,830	21,642
Compensation Orders Accepted	756	1,181
Combined Fiscal Fines / Compensation Orders Accepted	3,178	1,956
Other Non-court disposals	11,144	10,458
<b>Total Non-Court Disposals</b>	<b>63,325</b>	<b>70,935</b>
<b>Total No Further Action (2)</b>	<b>18,861</b>	<b>22,209</b>
<b>Grand Total</b>	<b>82,186</b>	<b>93,144</b>
<b>Cases prosecuted in Court</b>	<b>98,786</b>	<b>95,522</b>

Notes

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- (1) COPFS receives reports about crimes from the police and other reporting agencies and then decides what action to take, including whether to prosecute someone. We also look into deaths that need further explanation and investigate allegations of criminal conduct against police officers.
- (2) No Further Action = cases which were closed after proceedings have been commenced or attempted (e.g. cases which were closed because the accused died, the accused could not be traced, a key witness was not available, etc.)

27. Performance against our published targets during 2018-19 was:

Business Area	Target	Performance	
		2018-19	2017-18
Service of Indictments*	All indictments are served within timebar***	100%	100%
Take & Implement Decisions**	Take a decision on the appropriate course of action and implement that decision in at least 75% of cases within 4 weeks of the report being received.	77%	77%
Investigation of Deaths	In deaths which require further investigation, conduct the investigation and advise the next of kin of the outcome within 12 weeks in at least 80% of cases.	89%	89%
Investigation of Criminal Allegations against the Police	Complete the investigation of criminal allegations against police officers and advise the complainer of the outcome within 12 weeks of the date on which the report is received in at least 90% of cases.	91%	92%

### Notes

\* An indictment is a document setting out the charge(s) of crimes or offences against an accused in more serious cases. A case on indictment is tried by judge sitting with a jury in the High Court (in the most serious cases), or the sheriff court. This is termed solemn procedure.

\*\* This target applies to all cases except cases which are likely to be dealt with under solemn procedure i.e. more serious cases which are likely to be dealt with in the High Court or in the Sheriff Court before a jury.

\*\*\*There are strict time limits which regulate the maximum time allowed between an accused's appearance on petition (the normal first step in solemn procedure) and the service of an indictment on him/her. The time allowed depends on whether (s)he is granted bail by the court or remanded in custody.

28. The number of High Court level sexual offence cases increased significantly in 2017-18. In 2018-19, numbers of High Court level sexual offence cases were broadly stable at this higher level, but the number of High Court level cases relating to Major Crime increased markedly, resulting in a further increase in High Court work this year. In our Specialist Casework Unit the volume, extent, and complexity of many prosecutions, death investigations and serious and organised crime cases continue to be a challenge, for example, the Service's analysis of the need for extra resource took into account a 50% increase in the number of High Court level sexual offences related to the Crown in 2017-18.

29. The Service is committed to significant improvement in performance particularly in the prosecution of serious cases bearing in mind the challenging profile of casework. The priority for the last few months has been to induct and train both new recruits and staff transferring to new roles. Nevertheless there have already been improvements in performance. The Service is very confident that performance will continue to improve throughout 2019-20 as staffing levels increase and new staff settle into their roles.

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30. Decisions on whether to prosecute or issue a Non-Court disposal are made by the Procurator Fiscal in accordance with the Lord Advocate’s Guidelines and in accordance with [Prosecution Policy and Guidance](#).

31. Information on Court Disposals is no longer collated centrally by COPFS. Information on court disposals is available from the Management Information Analysis Team at the Scottish Courts and Tribunal Service (SCTS).

32. The main risk to the delivery of these targets is that operational resources are not effectively balanced against workloads. A range of controls are in place to mitigate this risk.

### Finance and Risks

33. COPFS’ Business Plan 2018-19 identified the following objectives in respect of finance and procurement:

- Finance and Procurement: We will support the delivery of business priorities by ensuring that the level of funding secured is distributed appropriately and that we can continually demonstrate best value.

### Available Resources

34. In line with the Scottish Government and other central government bodies in the UK, COPFS has implemented full reporting of the Annual Accounts under International Financial Reporting Standards (IFRS). The results for the year are reported in the accounts; they record total outturn (resource and capital) of £121.1m (2017-18: £112.75m) against the updated budget of £121.6m (2017-18: £113.07m).

35. The budget and outturn for 2018-19 was as follows:

2018-19	Original Approved Budget £m	Updated Budget £m	Outturn £m	Variance £m
Cash Resource Expenditure	108.4	111.7	109.8	1.9
Non-Cash Resource Expenditure	4.0	4.0	3.8	0.2
Total Resource Expenditure	112.4	115.7	113.6	2.1
Capital Expenditure	3.6	4.7	6.4	(1.7)
AME Impairment	-	1.2	1.1	0.1
<b>Total</b>	<b>116.0</b>	<b>121.6</b>	<b>121.1</b>	<b>0.5</b>

Note:

The variance in capital is funded by the variance in Cash Resource Expenditure. The Resource and AME expenditure are reflected in the Statement of Comprehensive Net Expenditure. AME impairment is accelerated depreciation on assets where the additions do not add to the market value of the asset. It is shown in Note 2 to the Accounts.

36. In 2018-19 COPFS was allocated additional funding in-year in order to enable the recruitment of the additional staff needed to manage the changing profile of casework. The COPFS baseline was increased for 2019-20 for the same purpose. Any in year reduction in funding available in 2019-20 would have an impact on COPFS’ ability to recruit additional staff.

37. Our aim has been to reduce non staff costs whilst maintaining service delivery and to continue to provide value for money. The total non staff cash resource expenditure in 2018-19 was £30.5m (2017-18: 30.1m). Whilst this shows a slight increase of £0.4m, this was supporting increased staffing of £5.4m and has in effect been a more efficient use of COPFS non staff budget. Our financial target is to not overspend, but to utilise funding to maximum effect.

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38. Over the last few years, COPFS has taken a number of steps to ensure continued operational delivery despite reduced real terms funding. These include developing and publishing strategies covering Finance, Digital, Estates, Procurement and Workforce which support the delivery of the COPFS Strategic Plan. These can be found on our website at [COPFS Business and Strategy Plans](#) where the updated plans will be published at the end of the summer 2019. Our focus remains on reducing non-staff running costs as far as possible, to improve efficiency and thereby minimise any impact on our greatest resource, our staff.

39. There are a series of relevant strategies and plans feeding in to the Financial Strategy (e.g. Estates strategy, Digital strategy, Prosecution Policy Review, Workforce Planning strategy, Fair Futures, Case Management in Court and Corporate Apps, Procurement). Owners, project executives and managers from across COPFS are responsible for taking each strand forward and delivering agreed benefits; each owner is accountable ultimately to one of the three Committees of the Executive Board. The interdependencies between the various strategies and work streams are being mapped to ensure that they are fully understood and are managed accordingly to ensure and underpin the delivery of our strategic financial targets.

40. The table below further breaks down our total spend to show what areas we spent our funding on:

Business Area	Annual Spend	
	2018-19 £'000	2017-18 £'000
High Court and Major Cases	18,875	18,994
Local Court	39,247	39,092
Operational Support	13,085	10,451
Post Mortems	8,822	8,423
Specialist Casework	11,692	10,016
Centrally Managed Spend	18,167	17,059
Capital Spend	6,406	4,043
Non Cash and AME spend	4,810	4,672
<b>Total</b>	<b>121,104</b>	<b>112,750</b>

41. Total property, plant and equipment and intangible asset additions in the financial year were £6.4m (2017-18: £4m) in respect of capital refurbishments and investment in IT, to support the internal delivery of all our objectives (notes 4 and 5 on pages 52 to 55).

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42. The table below shows our consumption of resources, excluding Capital Costs, by each of the objectives from the strategic plan in line with our Statement of Comprehensive Net Expenditure, page 40:

Objectives	2018-19			Restated 2017-18
	Gross £000s	Income £000s	Net £000s	Net £000s
To ensure criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest. To ensure financial gain achieved by criminal means is removed from criminals using proceeds of crime laws. To ensure that a level of services which takes account of individual needs and characteristics is provided to all.	101,150	(1,401)	99,749	94,709
To ensure that victims, nearest relatives and witnesses and those accused of an offense are treated with dignity and respect.	3,051	-	3,051	2,966
To ensure deaths which need further explanation are appropriately and promptly investigated.	11,898	-	11,898	11,033
<b>Net Operating Costs</b>	<b>116,099</b>	<b>(1,401)</b>	<b>114,698</b>	<b>108,708</b>

Note: The restatement for 2017-18 is due to victims' costs being reclassified to case costs.

43. As these tables demonstrate, we ensure that the resources available to COPFS are maximised and spent in accordance with our Strategic Plan.

44. During 2018-19 a new scheme of financial delegation was put in place which balances the requirement to manage our resources corporately with a sufficient degree of local accountability and incentives.

### Payment policy and performance

45. COPFS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. 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, COPFS has, for many years, had a target for payment within 30 days. In 2018-19 performance against the 30 day target was 98.23% (2017-18: 98.04%).

46. COPFS also aspires to pay all undisputed invoices within 10 working days. During 2018-19 COPFS paid 96.91% within the 10 day period (2017-18: 95.83%).

47. In 2018-19, in line with the government policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act (2017-18: Nil).

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### Audit Fees

48. Audit Scotland's fees for conducting the audit of these accounts were £102,020 (2017-18: £99,130).

### Principal Risks and Uncertainties facing the business

49. COPFS manages risk in accordance with recognised best practice (based on processes used across the Scottish Government). There is a corporate level Risk Register which is reviewed by our Risk Management Group on a 6 weekly basis (drawing information from lower level registers within COPFS). The Group reports to our Executive Board and the Audit and Risk Committee to provide assurance that risks are being managed appropriately.

50. During 2018-19 we have re-evaluated the risks that we, as an organisation, face. The key risks identified were:

- Insufficient skilled and engaged staff are available to be deployed effectively;
- COPFS do not remain within budget allocations;
- COPFS do not manage and embed change effectively and ensure that the benefits are secured;
- Information is not protected and managed effectively and staff are unaware of the risks;
- COPFS doesn't process casework appropriately;
- COPFS do not engage effectively and ensure appropriate alignment of our objectives with our partners and stakeholders, and do not respond effectively to policy and legal changes;
- Frontline delivery is not protected from the consequences of business continuity failure.

51. We will continue to ensure that these risks are managed through the Risk Management Group. This will include continued monitoring of developments in relation to the United Kingdom's withdrawal from the European Union. We have a team in place to assess the impacts of Brexit on COPFS activities and services. The continual monitoring of Brexit developments ensures that COPFS is proactively managing the impact on the organisation.

### People and Capability

52. COPFS' Business Plan 2018-19 identified the following objectives in respect of our people and capability:

- Workforce Plan: We will achieve a staffing plan that: Takes account of work priorities, resources and business objectives; Develops skills and talents of our people; and Builds engagement and promotes wellbeing.

### Recruitment

53. The Service has now recruited staff to fill all of the 140 new posts funded by the additional resources we received, albeit some of the successful candidates will not be taking up posts until later in the summer. COPFS has in parallel been recruiting externally and promoting internally to fill vacancies as they arise in pre-existing posts. In total, since July 2018, 182 new staff have joined COPFS and there have been 190 promotions. In order to ensure that experienced staff are deployed to the areas where COPFS has seen the biggest increases in caseload, 47 staff have transferred from the Local Court Function to Serious Casework.

54. As at the end of May 2019, COPFS now employs 1716 FTE staff, of whom 517 are qualified lawyers, which is a record level. The Service also employs 59 trainee solicitors. The legal compliment will be bolstered by a further 32 new staff who will take up posts from August 2019 onwards. 75% of the

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Service's 2019-20 budget is expected to be spent on payroll costs, up from under 59% just a few years ago. This increase is testament to a rigorous focus on reducing non-staff expenditure through efficiency gains.

### **Staff engagement**

55. The results of the COPFS people survey in 2018 were the best for some years with increased satisfaction on all areas but one where there was no change. The response rate was the highest since 2012 and the overall engagement index increased by 6 percentage points to 61%, the highest since 2010. In Local Court the engagement index increased from 54% in 2017 to 60% in 2018, in Serious Casework Group from 51% in 2017 to 59% in 2018 and in Operational Support from 65% in 2017 to 68% in 2018.

### **Organisational Efficiency**

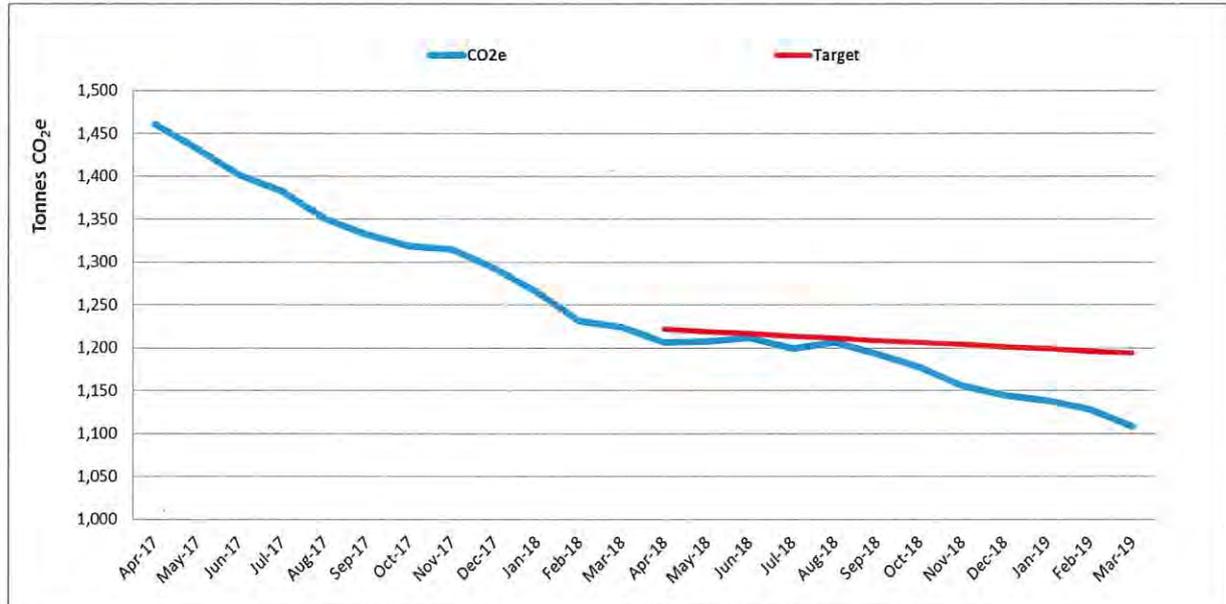
56. COPFS' Business Plan 2018-19 committed to continuing the organisational efficiency programme. The following are some of the examples of achievement:

- The completion of the work to close the Stirling office on the expiry of the private lease and relocation of staff to an expanded Falkirk office;
- The completion of the roll out of a corporate wi-fi system and tablets for prosecutors in all COPFS offices so that tablets can be used for summary and Justice of the peace courts;
- The continued roll out of dual screen monitors to staff across COPFS to enable more efficient working;
- Continued development of a suite of corporate applications to digitise standard corporate processes and provide corporate management information more efficiently;
- Ongoing significant investment in staff wellbeing has led to a reduction in sick absence (see paragraph 114);
- Establishment of a Future Ways of Working project designed to ensure that the deployment of digital tools to staff provides extra flexibility, reduces travel time and costs, and thus enables a higher proportion of staff time and energy to be devoted to service delivery;
- We have invested in many sites to ensure that they are DDA compliant and continue to do so across the entire estate;
- The closure of the Stirling office and redeployment of staff to the refurbished Falkirk office has resulted in financial and service efficiencies;
- We closed the office in Greenock and now share accommodation with Scottish Courts and Tribunal service in Greenock;
- The reconfiguration and refurbishment of offices in Edinburgh and Glasgow has provided more efficient and more fit for purpose work areas for staff.

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### Environmental and Sustainability

57. COPFS continues to exceed its target to reduce CO<sub>2</sub>e emissions by 2.5% per year from the baseline year of April 2016 to March 2017. A large part of this reduction is due to an increase in national renewable energy generation. However, a reduction in electricity consumption of 4% has also contributed towards this reduction.



Note: CO<sub>2</sub>e – Carbon dioxide equivalent emissions.

Electricity generation in the UK from renewable sources has increased and now accounts for approximately 30% of generation.

58. Gas consumption to heat buildings did increase slightly compared to the baseline. This increase is in large part due to an issue at 10 Ballater Street which required the heating to be left on for 24 hours per day during January and part of February 2019. However, in general, reducing gas use remains a challenge within the COPFS buildings.

59. COPFS has implemented various projects that, not only provide cash savings and a more efficient service, but also support the sustainability agenda of the organisation. These include a programme to install highly efficient LED lighting. Lighting upgrades have now taken place at buildings including Elgin, Dumfries and Dumbarton achieving typical reductions in electricity consumption of 70% for lighting.

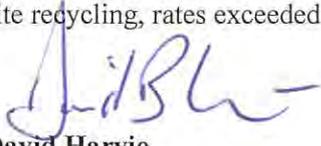
60. In addition, projects have been approved, or are ongoing, at Glasgow, Hamilton and Edinburgh which will improve the gas efficiency of the sites and comfort levels. These include modifications to heating controls and zoning.

61. The six solar panel systems continue to contribute towards reducing the consumption of grid electricity and emissions. COPFS' Hamilton office has generated over 32,000 kWh of electricity since installation in 2018, reducing emissions by over 9 tonnes of CO<sub>2</sub>e. This is equivalent to over £3,000 in electricity costs. Due to this solar panel system, Hamilton achieved zero grid electric consumption for several hours in 2018 during peak sunlight hours.

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62. COPFS continues to maintain its certification to the Carbon Trust Standard which was achieved in January 2019 in recognition of its efforts to reduce carbon emissions resulting from electricity, gas, pool car fuel and fugitive emissions from across the estate. Certification will be renewed later in 2019.

63. In relation to waste and recycling, services are managed by our Facilities Management provider. On site recycling, rates exceeded 60%, with additional material diverted for recycling off site.



**David Harvie**  
**Accountable Officer**  
**Date: 3-07-19**

## Crown Office and Procurator Fiscal Service

### THE ACCOUNTABILITY REPORT

#### DIRECTORS' REPORT

##### Details of Ministers, Directors and Senior Officers

64. COPFS Ministers and their responsibilities were:

<b>Lord Advocate</b>	<b>Mr James Wolffe QC</b>	Head of the systems of criminal prosecution and investigation of deaths in Scotland
<b>Solicitor General</b>	<b>Ms Alison Di Rollo QC</b>	Deputy to Lord Advocate

##### The Executive Board

65. The Executive board met 11 times during the year. The number of meetings attended by each member of the Board is shown below.

66. Members of the Executive Board during the year were:

Name	Role	Number of meetings attended during the year
<b>David Harvie</b>	<b>Crown Agent and Chief Executive – Accountable Officer (Chair)</b>	11
John Dunn	Deputy Crown Agent Local Court	2
Stephen McGowan		5
Lindsey Miller	Deputy Crown Agent Serious Casework	9
John Logue	Deputy Crown Agent Operational Support	10
Ian Walford	Deputy Chief Executive	10
Lesslie Young	Non-Executive Director	9
Robert Tinlin	Non-Executive Director	8
John Cooper	Non-Executive Director	11
Fiona McLean	Non-Executive Director	10
Annie Gunner Logan	Non-Executive Director	2

##### Non-Executive Directors

67. 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. COPFS carried out an external recruitment exercise during the year to replace those NXDs whose terms of office expired.

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

68. As at the 31 March 2019, The Audit and Risk Committee had three Non-Executive Members. During 2018-19 there was a change in NXD appointments and those who served during 2018-19 are detailed below:

- Lesslie Young was appointed as a NXD from 9 November 2015 by the Crown Agent and attended the COPFS Executive Board and Fair Futures Project Board. She ceased to be a COPFS NXD on the Executive Board on 31 December 2018 but continued to be a COPFS NXD on Fair Futures Project Board;
- Annie Gunner Logan was appointed a NXD by the Permanent Secretary on 1 April 2017 and attended the Audit and Risk Committee. She ceased to be a COPFS NXD on the Audit and Risk Committee on 12 November 2018, but has attended the Executive Board as a COPFS NXD from 13 February 2019;
- Robert Tinlin MBE was appointed a NXD on 1 January 2018 by the Crown Agent and attends the Executive Board. He took over as Chair of the Audit and Risk Committee in May 2018 and attends the Business Process Improvement Committee;
- John Cooper CB, DSO, MBE was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Executive Board and the Resources Committee;
- David Watt was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Audit and Risk Committee and chairs the Risk Management Group;
- Fiona McLean was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Executive Board and Operational Performance Committee;
- Vanessa Davies was appointed a NXD by the Crown Agent on 1 January 2019 and attends the Audit and Risk Committee.

# Crown Office and Procurator Fiscal Service

## GOVERNANCE STATEMENT

### Purpose of the Governance Statement

69. The Governance Statement is intended to not only outline the COPFS governance framework but to comment on its effectiveness.

### Scope of responsibility

70. 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.

### COPFS's Governance framework

71. 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 framework structure is, as described below.



72. COPFS complies with 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](#).

73. 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 (link: [SPFM](#)). The SPFM is supplemented, within COPFS, by the Finance Manual - Money Matters booklets which provide more detailed guidance relevant to COPFS.

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

### **Law Officers**

74. The Law Officers set the strategic priorities for COPFS, set prosecutorial priorities and approve the Strategic Plan and Objectives for COPFS. The Lord Advocate is the senior Scottish Law Officer. He is head of the systems for the prosecution of crime and investigation of deaths in Scotland; and exercises those functions independently of any other person. All prosecutions on indictment run in the Lord Advocate's name. The Lord Advocate also has a number of statutory functions, including in relation to extradition and mutual legal assistance with other jurisdictions.

### **Crown Agent**

75. The Crown Agent is Head of Service and accountable to the Law Officers for the delivery of efficient and effective prosecution of crime and investigation of deaths, in accordance with their priorities and prosecutorial policies. The Crown Agent is the Accountable Officer for COPFS and, as such, is answerable to the Scottish Parliament for the regularity and propriety of COPFS' finance and the stewardship of public monies.

### **Executive Board**

76. The Executive Board provides strategic leadership to COPFS and is collectively responsible for delivering COPFS's vision, aim and objectives. Its role is the provision of advice, challenge, support and assurance to the Crown Agent, with a focus on:

- performance and outcomes;
- people and capability;
- finance and risk;
- organisational efficiency;
- corporate wellbeing.

77. The Board has the following 3 Sub-Committees, each chaired by a Deputy Crown Agent:

#### **The Resources Committee**

78. Responsible for ensuring resources are managed properly across the Service. The Committee includes Finance, Human Resources, Information Systems and Estates and has sub-committees looking at workforce planning and non-staff costs. The Shared Services Group with the Scottish Courts and Tribunals Service (SCTS) reports to this Committee as does the Joint Health & Safety Committee with SCTS.

#### **The Business Process Improvement Committee**

79. Responsible for monitoring project and programme delivery, in particular the Improvement Programme, major investment projects and policy changes.

#### **The Operational Performance Committee**

80. Responsible for the oversight of performance and delivery of targets, including implementation and reaping the full benefits of the Improvement Programme and wider justice system initiatives, delivery and efficiency of front line operations and coordination of engagement with key stakeholders.

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

### **Additional Committees**

#### **The Audit and Risk Committee (ARC)**

81. The ARC, which comprises three Non-Executive Directors, supports the Accountable Officers (COPFS and QLTR) in their responsibilities for issues of risk, control and governance over their respective organisations. The ARC is chaired by a Non-Executive Director.

82. Each year the ARC meets quarterly with an additional meeting to consider and approve the annual accounts. The Committee met five times during 2018-19. A member of the ARC attends the Executive Board, providing feedback on the last ARC meeting.

83. The ARC carried out a self-assessment exercise and agreed action points in November 2017.

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

84. The RMG is responsible for ensuring that risk is managed at corporate level and below. It was chaired by the Deputy Chief Executive but is now chaired by a Non-Executive Director and includes COPFS's Risk Champion (who attends ARC), a representative of the Heads of Business Management, and the Director of Finance and Procurement. It meets every six weeks and reviews each risk on a rolling programme in conjunction with the relevant risk owner, who attends RMG for that purpose. Page 11 provides more details on the risks faced by the organisation.

#### **Internal Audit**

85. A programme of internal audit work is conducted by the Scottish Government Internal Audit Directorate. The annual audit plan is agreed by the Audit and Risk Committee ahead of the start of the financial year.

86. In financial year 2018-19 SG Internal Audit completed four main audits which were:

- a. Risk Management Arrangements;
- b. Productions Review;
- c. Strategic Benefits Analysis;
- d. Information Management Assurance.

87. Each audit provides a level of assurance ranging from Insufficient to Substantial. These are reviewed and discussed at the Audit and Risk Committee. The levels of assurance show the following:

- Insufficient Assurance – controls are not acceptable and have notable weaknesses;
- Limited Assurance – controls are developing but weak;
- Reasonable Assurance – controls are adequate but require improvement;
- Substantial Assurance – controls are robust and well managed.

88. Of the four audits completed during 2018-19, all were assessed as Reasonable assurance. The final Annual Assurance Report was presented at the May 2019 Audit and Risk Committee meeting and the overall opinion on COPFS risk management, control and governance arrangements during the year was Reasonable Assurance.

#### **Counter fraud activity**

89. 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 – Fraud and Whistle

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

Blowing, and provides the contact details of an independent (Scottish Government) contact as well as those of senior COPFS staff.

90. COPFS also participated in the last [National Fraud Initiative](#) exercise led by Audit Scotland and will continue to do so going forward.

### **Data security framework**

91. COPFS has policies and related guidance on information risks to ensure that it meets prescribed information assurance standards and requirements. All security incidents are reported to the Departmental Security Committee. Any which could result in the loss or potential loss of data are dealt with in accordance with COPFS Policies and Procedures. Staff training and relevant disciplinary procedures are in place to underpin COPFS's data security framework.

### **Review of effectiveness**

92. 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 COPFS's planned changes and operational performance;
- 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 Assurance 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. These were provided by each of the Function Leaders and Corporate Services Group Directors/Heads. Certificates are supported by an Internal Control Checklist which covers 14 areas of control e.g. Financial Management, Risk Management, Fraud Prevention and Detection. All Certificates of Assurances were received with no significant failings noted that had not been addressed;
- The work of our internal auditors, who submit to the Audit and Risk Committee regular reports which include Internal Audit's independent opinion on the adequacy and effectiveness of COPFS's systems of internal control together with recommendations for improvement; and
- Comments made by the external auditors in their management letter and other reports.

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

### **Significant Governance Issues**

94. During 2018-19 there were 3 breaches of security and data handling and 3 breaches of personal data. All breaches were dealt with in accordance with COPFS Disciplinary Policies and Procedures.

### **Conclusion**

95. Overall in 2018-19 no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards of good governance, risk management and control. As Accountable Officer, I am satisfied with the adequacy of the internal control and governance arrangements of COPFS.

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

96. 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.

97. No such written authority was required during the 2018-19 financial year, or the period up to signature of the accounts.

## Crown Office and Procurator Fiscal Service

### STATEMENT OF THE ACCOUNTABLE OFFICER'S RESPONSIBILITIES

98. Under the Accounts Direction issued in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, COPFS is required to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by COPFS during the year.

99. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of COPFS and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

100. In preparing the accounts, the Crown Agent and Chief Executive, as the Accountable Officer, is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

101. The Permanent Secretary has appointed the Crown Agent as Accountable Officer of COPFS. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding COPFS's assets, are set out in Managing Public Money published by the HM Treasury.

102. I confirm that as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors were aware of that information.

103. I confirm that the annual report and accounts as a whole are fair, balanced and understandable and I take responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



**David Harvie**  
Accountable Officer

**Date:** 3-07-19

## Crown Office and Procurator Fiscal Service

### REMUNERATION AND STAFF REPORT

#### Remuneration Policy

104. 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)).

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

106. 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, and where relevant, promotion 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.

107. Further information about the work of the SSRB can be found at [www.ome.uk.com](http://www.ome.uk.com).

108. 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.

109. 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.

#### Employment Policies

##### Staff Relations and Equal Opportunities

110. 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.

111. 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.

112. We are committed to applying equality and diversity ([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 Board, which is chaired by a Deputy Crown Agent, meets quarterly. This

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

board shares good practice around equality and inclusion at both a local and national level ensuring that this is embedded into our day to day processes and practices. COPFS was once again scored in the Stonewall top 100 employers on the basis of its index in 2018.

113. We make a significant investment in the development of all of our staff. Development and learning is quality assured and, wherever possible, externally accredited.

114. The average number of days lost due to sickness absence in 2018-19 was 8.9 days per employee (2017-18: 9 days) which has been analysed and discussed by senior management. COPFS has an absence management policy and training is provided to line managers on the operation of the policy.

### **Employment of Disabled People**

115. 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. The average number of disabled employees employed by COPFS in 2018-19 was 70 (2017-18: 69).

### **Employee Consultation and Communication**

116. 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.

### **Service Contracts / Appointments**

#### **Executive Directors of the Executive Board**

117. 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.

118. Further information about the work of the Civil Service Commissioners can be found at [Civil Service Commission](#).

119. 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.

120. 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.

### **Pensions**

121. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer, defined benefit scheme as permitted under IAS 19, but 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 (<http://www.civilservicepensionscheme.org.uk>).

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

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

124. 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).

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

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

127. 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**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha**, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.

## Crown Office and Procurator Fiscal Service

128. Further details about the Civil Service pension arrangements can be found at the website: <http://www.civilservicepensionscheme.org.uk>.

129. For 2018-19, employers' contributions of £11,627,326.16 were payable to the PCSPS (2017-18: £10,915,053) at one of four rates in the range 20% to 24.5% 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 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

130. Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £23,761.82 (2017-18: £57,408) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,941.16 (2017-18: £2,092), 0.5% 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.

131. A new defined contribution scheme with Legal and General was introduced in March 2019 but backdated to September 2013 to cover a specific group of staff (Advocate Deputes) who are not civil servants but holders of a commission from the Lord Advocate and therefore are not entitled to join the usual schemes. We are responsible for arranging a pension scheme and contributions for them, therefore the introduction of the new scheme. Employers' contributions of £54,913 were paid in 2018-19.

132. Contributions due to the **partnership** pension providers at the balance sheet date were £1,271,279.81 (31 March 2017: £1,181,285.07). Contributions prepaid at that date were £0 (31 March 2018: £0).

### Remuneration

#### Salaries

133. '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

134. 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.

#### Bonuses

135. In line with Scottish Government pay policy no bonus/performance pay was paid during 2018-19 or 2017-18.

#### Cash Equivalent Transfer Values

136. 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 that the individual has accrued as a

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consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

137. 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

138. 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.

139. 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

140. 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 (2017-18: £237) although the NXDs only claim £232 per day (in line with rates paid by the core Scottish Government).

### Audited Information

#### Ministers

#### Salaries

141. The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of COPFS for the year ending 31 March 2019 were as follows:

Officials	Salary		Benefits in Kind Nearest £100		Pension Benefits (to nearest £000)		Total (to nearest £,000)	
	£				£**		£	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>James Wolffe</b> QC – Lord Advocate	123,166	122,431	-	-	46,000	47,000	169,000	169,000
<b>Alison Di Rollo</b> QC – Solicitor General	106,272	105,638	-	-	40,000	41,000	146,000	147,000

Note: \*\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

142. 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

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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.

143. The Scheme determines that SPCB should decide the salary levels for Members and Office Holders including the Law Officers. The Scheme sets MSPs' salary levels and 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.

### Pensions

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

Ministers	Accrued pension at age 65 as at 31 March 2019 £000s	Real increase in pension at age 65 £000s	CETV at 31 March 2019 £000s	CETV at 31 March 2018 £000s	Real increase in CETV £000s
<b>James Wolffe</b> QC – Lord Advocate	5 – 10	2.5 – 5	143	90	38
<b>Alison Di Rollo</b> QC – Solicitor General	5 – 10	2.5 – 5	126	79	33

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### Executive Directors

145. The Executive Directors' salaries are detailed below:

Officials	Salary £000s		Benefits in Kind Nearest £100		Pension Benefits £000s		Total £000s	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>David Harvie</b> – Crown Agent and Chief Executive	120 – 125	115 – 120	-	-	40	61	160 - 165	180 - 185
<b>John Dunn</b> – Deputy Crown Agent, Local Court to 28 February 2019	90 – 95	95 – 100	-	-	9	12	100 - 105	110 - 115
<b>Stephen McGowan</b> – Deputy Crown Agent Local Court from 13 August 2018	85 – 90	-	-	-	49	-	135 - 140	-
<b>John Logue</b> – Deputy Crown Agent, Operational Support	100 – 105	95 – 100	-	-	30	32	130 - 135	130 - 135
<b>Lindsey Miller</b> – Deputy Crown Agent, Serious Casework	95 – 100	90 – 95	-	-	29	39	120 - 125	130 - 135
<b>Ian Walford</b> – Deputy Chief Executive	80 – 85	75 – 80	-	-	7	10	90 - 95	85 - 90
Band of Highest Paid Director's Total Remuneration							<b>120 - 125</b>	<b>115 – 120</b>
Range of remuneration for all staff excluding on costs							<b>19 - 125</b>	<b>18 - 120</b>
Median Total COPFS Remuneration excluding on costs							<b>27,505</b>	<b>26,575</b>
Ratio							<b>1:4.6</b>	<b>1:4.4</b>

**Notes:**

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

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

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

In 2018-19, no (2017-18: 0) employees received remuneration in excess of the highest-paid director.

## Crown Office and Procurator Fiscal Service

### Executive Directors' Pensions

146. The Executive Directors' pensions are detailed below:

Senior Managers	Accrued pension at pension age as at 31 March 19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2019	CETV at 31 March 2018	Real increase in CETV	Employer contribution to partnership pension account
	£000s	£000s	£000s	£000s	£000s	Nearest £100
<b>David Harvie</b> – Crown Agent and Chief Executive	35 - 40 plus lump sum of 80 - 85	0 - 2.5 plus lump sum of 0	658	559	18	-
<b>John Dunn</b> – Deputy Crown Agent, Local Court to 28 February 2019	40 - 45 plus lump sum of 120 - 125	0 - 2.5 plus lump sum of 0 - 2.5	918	827	8	-
<b>Stephen McGowan</b> – Deputy Crown Agent Local Court from 13 August 2018	20 - 25 plus lump sum of 50 - 55	0 - 2.5 plus lump sum of 2.5 - 5	377	302	30	-
<b>John Logue</b> – Deputy Crown Agent, Operational Support	30 - 35 plus lump sum of 75 - 80	0 - 2.5 plus lump sum of 0	565	480	12	-
<b>Lindsey Miller</b> – Deputy Crown Agent, Serious Casework	30 - 35 plus lump sum of 70 - 75	0 - 2.5 plus lump sum of 0	539	456	12	-
<b>Ian Walford</b> – Deputy Chief Executive	30 - 35 plus lump sum of 90 - 95	0 - 2.5 plus lump sum of 0 - 2.5	704	632	7	-

## Crown Office and Procurator Fiscal Service

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

147. NXD remuneration is listed below:

Name	2018-19		2017-18	
	Remuneration £000s	Benefits in Kind	Remuneration £000s	Benefits in Kind
Douglas Hutchens to from 1 September 2012 to 31 March 2018	0 - 5	-	5 - 10	-
Stuart Smith from 1 September 2012 to 31 January 2018	-	-	0 - 5	-
Lesslie Young from 9 November 2015	0 - 5	-	0 - 5	-
Vanessa Davies from 1 January 2019	0 - 5	-	-	-
Morag McNeill from 1 April 2017 to 7 February 2018	-	-	0 - 5	-
Annie Gunner Logan from 1 April 2017	0 - 5	-	0 - 5	-
Robert Tinlin from 1 January 2018	5 - 10	-	0 - 5	-
John Cooper from 1 January 2018	5 - 10	-	0 - 5	-
David Watt from 1 January 2018	0 - 5	-	0 - 5	-
Fiona McLean from 1 January 2018	5 - 10	-	0 - 5	-

## Crown Office and Procurator Fiscal Service

148. Staff costs account for 72% of our cash running costs budget. But our staff are not just our biggest single cost, they are, by far, our single biggest asset. We simply could not have achieved what we have done without the commitment and professionalism shown by our staff. Staff costs comprise of:

	Officials £000s	Ministers £000s	2018-19 Total £000s	Restated 2017-18 Total £000s
Wages and Salaries	60,548	229	60,777	56,600
Social Security Costs	6,078	29	6,107	5,814
Apprenticeship Levy	287	-	287	268
Other Pension Costs	11,548	46	11,594	11,021
<b>Sub-Total</b>	<b>78,461</b>	<b>304</b>	<b>78,765</b>	<b>73,703</b>
Inward Secondments	472	-	472	319
Early Departure Costs	39	-	39	2
Injury Benefit Claims	4	-	4	(2)
Agency, Temporary and Contract Staff	566	-	566	462
<b>Sub-Total</b>	<b>79,542</b>	<b>304</b>	<b>79,846</b>	<b>74,484</b>
Less Recoveries in Respect of Outward Secondments	(230)	-	(230)	(240)
<b>Total</b>	<b>79,312</b>	<b>304</b>	<b>79,616</b>	<b>74,244</b>

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

Note 2. 2017-18 totals include Ministers salaries of £303,000.

Note 3. 2017-18 totals have been restated to include Apprenticeship Levy previously included in Other Staff Costs, and overtime has been reallocated from temporary contracts to wages and salaries costs.

## Crown Office and Procurator Fiscal Service

149. The following table summarises some key information about our workforce:

Full Time Equivalent for Staff	All		Male		Female	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Senior Civil Servants	22	17	10	9	12	8
Executive Board Directors	5	5	4	4	1	1
Other permanent staff	1,598	1,442	470	434	1,128	1,008
Fixed term appointments	60	104	21	34	39	70
Secondees	7	8	2	3	5	5
Agency staff	7	22	3	16	4	6
<b>Sub-Total</b>	<b>1,699</b>	<b>1,598</b>	<b>510</b>	<b>500</b>	<b>1,189</b>	<b>1,098</b>
Non-Executive Directors	7	7	3	4	4	3
<b>Total</b>	<b>1,706</b>	<b>1,605</b>	<b>513</b>	<b>504</b>	<b>1,193</b>	<b>1,101</b>

### Severance payments

#### Compensation for Loss of Office

150. In accordance with the Scottish Government's no compulsory redundancies policy, no employees left under compulsory severance terms during 2018-19 (2017-18: Nil).

151. Number of individuals who took early severance or other agreed packages:

Cost band	Number of other departures agreed 2018-19	Total number of exit packages by cost band 2018-19	Number of other departures agreed 2017-18	Total number of exit packages by cost band 2017-18
< £10,000	-	-	1	1
£10,001 - £25,000	-	-	-	-
£25,001 - £50,000	1	1	-	-
£50,001 - £100,000	-	-	1	1
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
Total number of exit packages	1	1	2	2
Total cost	£39,441	£39,441	£82,026	£82,026

152. 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.

153. Ill-health retirement costs are met by the Civil Service Pension Scheme and are not included in the table. There were no ill health retirements during 2018-19 (2017-18: 3).

## Crown Office and Procurator Fiscal Service

### Trade Union Facility Time

154. Trade Union Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative. The following tables shows the resource commitment of COPFS staff for 2018-19:

155. Relevant Union Officials

Number of employees who were relevant Union Officials	Full-time equivalent employee number
22	2.43

156. Percentage of time spent on facility time

Percentage of time	Number of employees
0 – 0.99%	2
1 – 51%	18
51 – 99%	-
100%	2

157. Percentage of pay bill spent on Facility Time

	Value in £ and %
Total Cost of Facility Time	£117,581
Total Pay Bill	£79,312,000
% of total pay bill spent on facility time	0.15%

158. Paid Trade Union Activities

	%
Time spent on Trade Union activities as a percentage of total paid Facility Time hours	100%

## Crown Office and Procurator Fiscal Service

### PARLIAMENTARY ACCOUNTABILITY REPORT

#### Regularity of Expenditure

159. 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.

160. 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.

#### Fees and Charges

161. COPFS' main source of income comes directly as funding from the Scottish Government. A small element of income £1.35m is received through recharges for services to QLTR amounting to £0.44m and LINETS (Legal Information Network for Scotland) amounting to £0.93m. A further £0.03m was received during 2018-19. LINETS is a subscription service held by COPFS to provide access to legal information by Scottish legal practitioners across the public sector.

#### Long Term Trends

162. COPFS has carried out scenario analysis through to 2022-23 and a finance strategy in draft to consider the impact of potential funding pressures. We are continuing to assess workloads and staffing requirements, and to identify opportunities for savings within the organisation.

#### Losses and Special Payments

163. There were no substantial losses or special payments incurred during 2018-19 (2017-18: Nil).



**David Harvie**  
Accountable Officer

Date: 3 - 07 - 19

## 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

#### Report on the audit of the financial statements

##### Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2019 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and Notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)) as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 26 January 2018. The period of total uninterrupted appointment is two years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### **Risks of material misstatement**

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

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

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

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

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

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

### **Other information in the annual report and accounts**

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

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

### **Report on regularity of expenditure and income**

#### **Opinion on regularity**

In my opinion in all material respects:

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

#### **Responsibilities for regularity**

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

### **Report on other requirements**

#### **Opinions on matters prescribed by the Auditor General for Scotland**

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

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

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

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

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

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

I have nothing to report in respect of these matters.

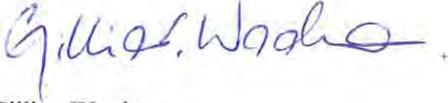
#### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the [Code of Audit Practice](#) are set out in my Annual Audit Report.

## Crown Office and Procurator Fiscal Service

### Use of my report

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



Gillian Woolman  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

3 July 2019

## Crown Office and Procurator Fiscal Service

### FINANCIAL STATEMENTS

#### Statement of Comprehensive Net Expenditure (SoCNE)

For the year to 31 March 2019

	Notes	2018-19 £000s	Restated 2017-18 £000s
<b>Administration Costs</b>			
Staff costs*		79,312	73,941
Other Administrative Costs	2	36,764	36,079
<b>Gross Administrative Costs</b>		<b>116,076</b>	<b>110,020</b>
Operating Income Applied	3	(1,402)	(1,312)
<b>Net Administrative Costs</b>		<b>114,674</b>	<b>108,708</b>
<b>Net Operating Costs for the year ended 31 March</b>		<b>114,674</b>	<b>108,708</b>
<b>Other Comprehensive Net Expenditure</b>			
<b>Items that will not be classified to net expenditure</b>			
Net (gain)/loss on revaluation of property, plant & equipment		(74)	-
<b>Total Comprehensive Expenditure for the year ended 31 March</b>		<b>114,600</b>	<b>108,708</b>

\*See Staff costs breakdown on page 32

The notes on pages 44 - 61 form part of these accounts.

## Crown Office and Procurator Fiscal Service

### Statement of Financial Position as at 31 March 2019

	Notes	31 March 2019 £000s	31 March 2018 £000s
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	18,779	18,767
Intangible Assets	5	6,951	5,243
<b>Total Non-Current Assets</b>		<b>25,730</b>	<b>24,010</b>
<b>Current Assets</b>			
Trade and Other Receivables	6	5,176	3,694
Cash and Cash Equivalents	7	-	2,438
<b>Total Current Assets</b>		<b>5,176</b>	<b>6,132</b>
<b>Total Assets</b>		<b>30,906</b>	<b>30,142</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8	(14,532)	(15,848)
Provisions	9	(1,197)	(967)
<b>Total Current Liabilities</b>		<b>(15,729)</b>	<b>(16,815)</b>
<b>Total Assets less Current Liabilities</b>		<b>15,177</b>	<b>13,327</b>
<b>Non-Current Liabilities (&gt; 1 year)</b>			
Other Payables	8	(4,123)	(4,304)
Provisions	9	(515)	(574)
<b>Total Non-Current Liabilities</b>		<b>(4,638)</b>	<b>(4,878)</b>
<b>Total Assets less Total Liabilities</b>		<b>10,539</b>	<b>8,449</b>
<b>Taxpayers' Equity and Other Reserves</b>			
General Fund		(3,704)	(1,319)
Revaluation Reserve	SoCTE*	(6,835)	(7,130)
<b>Total Equity</b>		<b>(10,539)</b>	<b>(8,449)</b>

\*Note: SoCTE is the Statement of Changes in Taxpayers' Equity (please see page 43)

The notes on pages 44 - 61 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on the 3 July 2019.

**David Harvie**  
Accountable Officer

**Date:** 3-07-19

## Crown Office and Procurator Fiscal Service

### Statement of Cash Flows for the year ended 31 March 2019

Notes	2018-19 £000s	2017-18 £000s
Net Cash Outflow from Operating Activities	(111,799)	(102,403)
Net Cash Outflows from Investment Activities	(5,431)	(4,061)
Payments from / (to) the Scottish Consolidated Fund for income not applied	642	161
Cash flows from Financing Activities	114,150	106,000
<b>Increase/(Decrease) in cash in the year</b>	<b>(2,438)</b>	<b>(303)</b>
<b>Note A – Cash Flows from Operating Activities</b>		
Net Operating Cost	114,674	108,708
Adjust for non-cash transactions	(4,866)	(4,672)
Increase/(Decrease) in receivables and other current assets	1,483	(89)
(Increase)/Decrease in trade and other payables	856	(1,428)
(Increase)/Decrease in provisions	(348)	(116)
<b>Net cash outflow from operating activities</b>	<b>111,799</b>	<b>102,403</b>
<b>Note B – Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	2,067	2,525
Purchase of intangible assets	3,366	1,536
Proceeds of disposal of property, plant and equipment	(2)	-
<b>Net Cash outflow from Investment Activities</b>	<b>5,431</b>	<b>4,061</b>
<b>Note C – Cash flows from Financing Activities</b>		
From Scottish Consolidated Fund	114,150	106,000
Surrender of excess capital receipts	-	-
Cash flows from financing activities	114,150	106,000
(Increase)/Decrease in cash and cash equivalents	2,438	303
<b>Net Cash and Cash Equivalents requirement</b>	<b>116,588</b>	<b>106,303</b>

The notes on pages 44 – 61 form part of these accounts.

## Crown Office and Procurator Fiscal Service

### Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2019

	Notes	General Fund	Revaluation Reserve	Tax Payers Equity
		£000s	£000s	£000s
<b>Balance at 31 March 2017</b>		<b>3,256</b>	<b>7,499</b>	<b>10,755</b>
Net Parliamentary Funding		106,000	-	106,000
Auditor's Remuneration	2	99	-	99
Comprehensive Net Expenditure for the year		(108,708)	-	(108,708)
Revaluation Gains and Losses		-	-	-
Movement of Balance with the SCF		303		303
Transfers between reserves		369	(369)	-
<b>Balance at 31 March 2018</b>		<b>1,319</b>	<b>7,130</b>	<b>8,449</b>
Net Parliamentary Funding		114,150	-	114,150
Auditor's Remuneration	2	102	-	102
Comprehensive Net Expenditure for the year		(114,674)	-	(114,674)
Revaluation Gains and Losses		-	74	74
Movement of Balance with the SCF		2,438	-	2,438
Transfers between reserves		369	(369)	-
<b>Balance at 31 March 2019</b>		<b>3,704</b>	<b>6,835</b>	<b>10,539</b>

The notes on pages 44 - 61 form part of these accounts.

# Crown Office and Procurator Fiscal Service

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

#### Period of accounts

1.1 This report and accounts are for the year ended 31 March 2019.

#### Basis of Accounts

1.2 These accounts have been prepared 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 62) and in compliance with the principles and disclosure requirements of the *Government Financial Reporting Manual (FReM)*. The accounting policies contained in the FReM, apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector context.

1.3 The particular accounting policies adopted by COPFS have been applied consistently in dealing with items considered material in relation to the accounts.

1.4 The accounts have been 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 (IAS) 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.

#### Basis of Accounting

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

#### Accounting Convention

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

#### Going Concern

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

#### Change of Accounting Policies

1.8 There have been no changes to our accounting policies and there are no new reporting requirements for 2018-19.

#### Non-current assets

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

##### Recognition

1.9 All PPE assets have been accounted for as non-current assets unless they are deemed to be held for sale.

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

1.10 Title to the freehold land and buildings shown in the accounts is held by the Lord Advocate as a Scottish Minister. 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 COPFS occupies is therefore capitalised and appears on COPFS's Statement of Financial Position.

### **Valuation**

1.11 Freehold land and buildings have been stated at fair value using open market value under a rolling 3-year programme of professional physical valuations, with desk top valuations/confirmation of carrying values in intervening years and a physical valuation exercise undertaken at the end of year 3. 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.

1.12 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.

1.13 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**

1.14 The minimum levels for capitalisation of a property 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**

1.15 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 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 during which they are incurred.

### **Intangible Assets**

1.16 Software (including licences), 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.

1.17 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.'

### **Depreciation**

1.18 Freehold Land is not depreciated.

1.19 Depreciation has been 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:

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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 5 years

### Assets Held for Sale

1.20 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.

1.21 Assets held for sale include assets where 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.

### Operating Income

1.22 Operating income is income which relates directly to the operating activities of 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). COPFS derives minimal levels of income from LINETS, recharging of services provided to QLTR and some recharging of property costs.

### Administration and Programme Expenditure

1.23 The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs. COPFS does not have any programme income or expenditure. Administration costs reflect the costs of running 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.

### Parliamentary Funding

1.24 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.

### Foreign Currency Exchange

1.25 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.

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### Employee Benefits

#### *Retirement Benefits*

1.26 Present and past employees are covered by the Civil Service Pension arrangements comprising the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme. Both are unfunded, defined benefit, contributory, public service occupational pension schemes. 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 these 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 the Remuneration and Staff Report). 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*

1.27 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.

### Provisions

1.28 Under IAS 37, provisions are recognised when:

- 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.

1.29 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.

### Leases

1.30 Where 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.

1.31 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.

1.32 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.

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### **Value Added Tax (VAT)**

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

### **Financial Instruments**

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

1.35 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 COPFS.

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

1.37 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.

### **Cash and Cash Equivalents**

1.38 Cash and cash equivalents include cash in hand, deposits held on call with banks, and bank overdrafts.

### **Trade Payables**

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

### **Segmental Reporting**

1.40 COPFS does not report on a segmental basis, but reports on a corporate basis with sub-analysis by objectives and business area as appropriate (see Pages 9 and 10 Performance Report). This is considered the most suitable method of reporting.

### **Critical Accounting Estimates and Judgements**

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

1.42 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.

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

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

### ***Early Retirement and Severance Costs***

1.44 There are a number of staff who previously took early retirement where 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). COPFS provided in full for these costs when the decisions were made. In 2018-19 the HM Treasury discount factor was 0.29% and the rate has been applied to the early severance provision (none in 2018-19). During 2018-19 the entitlement to severance payments was changed to a maximum of 21 months' salary. These payments take the form of a one-off lump sum which if not paid by 31<sup>st</sup> March 2019 was accrued. No members of staff left under the scheme during 2018-19. No member of staff left under the scheme during 2017-18.

### ***Provision for Injury Benefit Payments***

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

### **Impending application of newly issued accounting standards not yet effective**

#### **IFRS 16 Leases**

1.46 IFRS 16; Leases will replace IAS17 Leases and related interpretations. The effective date is 1 January 2020 and will be applied in UK Public Sector from 1 April 2020, therefore financial year 2020-21.

1.47 IFRS 16 brings a significant change in lessee accounting by removing the distinction between operating and finance leases and introducing a single lessee accounting model. The model requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

1.48 The impact for COPFS is that all operating leases will be capitalised and treated similarly to the current finance leases. Discount rates will be supplied by HM Treasury in the annual PES papers which will be used by COPFS as COPFS does not have an incremental borrowing rate.

1.49 All entities applying the FReM shall recognise the cumulative effects of initially applying IFRS 16, recognised at the date of initial application, as an adjustment to the opening balances of taxpayers' equity.

1.50 The impact on the accounts has not yet been determined but progress has been made with Application Guidance received from the Treasury and the Scottish Government to provide clarity on interpretation.

## Crown Office and Procurator Fiscal Service

### 2. Other administrative costs

Other Expenditure comprised of:	2018-19	Restated 2017-18
	£000s	£000s
Travel and Subsistence	690	541
Training	244	270
Accommodation	8,450	8,619
Legal and Witness Costs	15,312	15,346
Supplies and Services	5,361	5,353
Other Staff and Office Costs	1,848	1,278
(Profit)/Loss on disposal of assets	8	-
Revaluation Adjustment	(1)	-
<b>Sub-Total</b>	<b>31,912</b>	<b>31,407</b>
Non-Cash Costs:		
Audit Fee	102	99
Impairment	1,093	940
Depreciation	3,657	3,633
<b>Sub-Total</b>	<b>4,852</b>	<b>4,672</b>
<b>Total Administrative Costs</b>	<b>36,764</b>	<b>36,079</b>

Note: Within Other Administrative Costs for 2018-19 there were £Nil for non-audit services provided by the appointed auditor, Audit Scotland (2017-18: £Nil).

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### 3. Operating income

	Income Applied	Income Not Applied	2018-19 Total	2017-18 Total
	£000s	£000s	£000s	£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	440	-	440	336
Legal Information Network for Scotland (LINETS) Subscriptions	933	-	933	910
Other Income applied	29	-	29	66
<b>Sub-Total</b>	<b>1,402</b>	<b>-</b>	<b>1,402</b>	<b>1,312</b>
<b>Other Income (Treated as not applied)**</b>				
Civil Recovery Income	-	1,773	1,773	1,452
Cash Seizures	-	1,912	1,912	2,233
<b>Sub-Total</b>	<b>-</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>
<b>Total</b>	<b>1,402</b>	<b>3,685</b>	<b>5,087</b>	<b>4,997</b>

\* Retained Income limit per the Budget Act is £2,000,000 (2017-18 £2,000,000)

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

## Crown Office and Procurator Fiscal Service

### 4. Property, plant and equipment

2018-19	Land £000s Note 1	Buildings £000s Note 1	IT equip. £000s	Telecomm unications £000s	Vehicles £000s	Total £000s
<b>Cost or Valuation</b>						
As at 1 April 2018	1,325	27,386	9,503	4,726	444	43,384
Additions	-	1,906	378	114	97	2,495
Disposals	-	(261)	(267)	-	(17)	(545)
Transfer to assets held for sale	-	-	-	-	-	-
Revaluations	-	50	-	-	-	50
Reclassifications	-	-	751	(230)	-	521
<b>At 31 March 2019</b>	<b>1,325</b>	<b>29,081</b>	<b>10,365</b>	<b>4,610</b>	<b>524</b>	<b>45,905</b>
<b>Depreciation</b>						
As at 1 April 2018	-	(12,623)	(8,413)	(3,270)	(311)	(24,617)
Charged in-year	-	(988)	(565)	(357)	(67)	(1,977)
Accelerated Depreciation <sup>2</sup>	-	(1,093)	-	-	-	(1,093)
Disposals	-	261	261	-	16	538
Transfer to assets held for sale	-	-	-	-	-	-
Revaluations	-	23	-	-	-	23
<b>As at 31 March 2019</b>	<b>-</b>	<b>(14,420)</b>	<b>(8,717)</b>	<b>(3,627)</b>	<b>(362)</b>	<b>(27,126)</b>
<b>Net Book Value</b>						
<b>As at 31 March 2019</b>	<b>1,325</b>	<b>14,661</b>	<b>1,648</b>	<b>983</b>	<b>162</b>	<b>18,779</b>
As at 1 April 2018	1,325	14,763	1,090	1,456	133	18,767
<b>Analysis of Asset Financing</b>						
Owned	1,325	5,035	1,648	983	162	9,153
Leasehold Buildings	-	5,315	-	-	-	5,315
Finance Leases	-	4,311	-	-	-	4,311
<b>NBV at 31 March 2019</b>	<b>1,325</b>	<b>14,661</b>	<b>1,648</b>	<b>983</b>	<b>162</b>	<b>18,779</b>

Note 1: Freehold Land, buildings and Plant were professionally valued at 31 March 2017 by GVA Grimley Limited at existing use open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. There was 1 revaluation carried out in 2018-19 for Falkirk due to major works, but the rest of the properties were not revalued. Properties have been valued as fully-equipped operational entities. The valuers were external to the organisation.

Note 2: Funded by AME as reported in Note 2 under Impairment classification.

## Crown Office and Procurator Fiscal Service

2017-18	Land £000s	Buildings Restated £000s	IT equip. £000s	Telecommu nications £000s	Vehicles £000s	Total £000s
<b>Cost or Valuation</b>						
As at 1 April 2017	1,325	25,679	9,855	4,382	441	41,682
Additions	-	1,707	120	344	15	2,186
Disposals	-	-	(472)	-	(12)	(484)
Transfer to assets held for sale	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>1,325</b>	<b>27,386</b>	<b>9,503</b>	<b>4,726</b>	<b>444</b>	<b>43,384</b>
<b>Depreciation</b>						
As at 1 April 2017	-	(10,699)	(8,021)	(2,869)	(254)	(21,843)
Charged in-year	-	(984)	(864)	(401)	(69)	(2,318)
Accelerated Depreciation	-	(940)	-	-	-	(940)
Disposals	-	-	472	-	12	484
Transfer to assets held for sale	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>(12,623)</b>	<b>(8,413)</b>	<b>(3,270)</b>	<b>(311)</b>	<b>(24,617)</b>
<b>Net Book Value</b>						
<b>As at 31 March 2018</b>	<b>1,325</b>	<b>14,763</b>	<b>1,090</b>	<b>1,456</b>	<b>133</b>	<b>18,767</b>
As at 1 April 2017	1,325	14,980	1,834	1,513	187	19,839
<b>Analysis of Asset Financing (Restated)</b>						
Owned	1,325	5,360	1,090	1,456	133	9,364
Leasehold Buildings	-	4,800	-	-	-	4,800
Finance Leases	-	4,603	-	-	-	4,603
<b>NBV at 31 March 2018</b>	<b>1,325</b>	<b>14,763</b>	<b>1,090</b>	<b>1,456</b>	<b>133</b>	<b>18,767</b>

## Crown Office and Procurator Fiscal Service

### 5. Intangible assets

2018-19	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 2018	11,997	5,660	139	3,147	20,943
Additions	1,596	29	-	2,286	3,911
Disposals	(547)	(45)	-	-	(592)
Reclassifications	2,045	(42)	-	(2,524)	(521)
<b>As at 31 March 2019</b>	<b>15,091</b>	<b>5,602</b>	<b>139</b>	<b>2,909</b>	<b>23,741</b>
<b>Amortisation</b>					
At 1 April 2018	(10,114)	(5,447)	(139)	-	(15,700)
Charged in Year	(1,563)	(119)	-	-	(1,682)
Disposals	547	45	-	-	592
Reclassifications	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>(11,130)</b>	<b>(5,521)</b>	<b>(139)</b>	<b>-</b>	<b>(16,790)</b>
<b>Net Book Value</b>					
<b>As at 31 March 2019</b>	<b>3,961</b>	<b>81</b>	<b>-</b>	<b>2,909</b>	<b>6,951</b>
As at 31 March 2018	1,883	213	-	3,147	5,243
<b>Analysis of Asset Financing</b>					
Owned	3,961	81	-	2,909	6,951
Finance Leased	-	-	-	-	-
Contracts	-	-	-	-	-
<b>NBV at 31 March 2019</b>	<b>3,961</b>	<b>81</b>	<b>-</b>	<b>2,909</b>	<b>6,951</b>

## Crown Office and Procurator Fiscal Service

2017-18	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 2017	11,710	5,645	139	1,593	19,087
Additions	287	15	-	1,554	1,856
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>11,997</b>	<b>5,660</b>	<b>139</b>	<b>3,147</b>	<b>20,943</b>
<b>Amortisation</b>					
At 1 April 2017	(9,071)	(5,177)	(139)	-	(14,387)
Charged in Year	(1,043)	(270)	-	-	(1,313)
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>(10,114)</b>	<b>(5,447)</b>	<b>(139)</b>	<b>-</b>	<b>(15,700)</b>
<b>Net Book Value</b>					
<b>As at 31 March 2018</b>	<b>1,883</b>	<b>213</b>	<b>-</b>	<b>3,147</b>	<b>5,243</b>
As at 31 March 2017	2,639	468	-	1,593	4,700
<b>Analysis of Asset Financing</b>					
Owned	1,883	213	-	3,147	5,243
Finance Leased Contracts	-	-	-	-	-
<b>NBV at 31 March 2018</b>	<b>1,883</b>	<b>213</b>	<b>-</b>	<b>3,147</b>	<b>5,243</b>

## Crown Office and Procurator Fiscal Service

### 6. Trade receivables, financial and other assets

	2019 £000s	2018 £000s
<b>Amounts falling due within 1 year</b>		
VAT	2,476	582
Other Receivables	356	662
Prepayments	2,184	2,114
Accrued Income	160	336
<b>Sub-total</b>	<b>5,176</b>	<b>3,694</b>
<b>Intra-Government Balances</b>		
<b>Amounts falling due within 1 year</b>		
Balances with other Central Government Bodies	2,515	1,757
<b>Total: Intra-governmental balances</b>	<b>2,515</b>	<b>1,757</b>
Balances with bodies external to government	2,661	1,937
<b>Total receivables at 31 March</b>	<b>5,176</b>	<b>3,694</b>

### 7. Cash and cash equivalents

	2019 £000s	2018 £000s
At 1 April	2,438	2,741
Net change in cash and cash equivalent balances	(2,438)	(303)
<b>At 31 March</b>	<b>-</b>	<b>2,438</b>
The following balances at 31 March were held at:		
Balances at Government Banking Services	(485)	2,207
Commercial banks and cash in hand	485	231
<b>At 31 March</b>	<b>-</b>	<b>2,438</b>

## Crown Office and Procurator Fiscal Service

### 8. Trade Payables and other current liabilities

	2019 £000s	2018 £000s
<b>Amounts falling due within one year:</b>		
Other taxation and Social Security Payables	(3,086)	(2,792)
Trade Payables	(140)	(189)
Other Payables	(379)	-
Accruals and Deferred Income	(6,736)	(10,267)
Current part of Finance Leases	(181)	(162)
Cash Seizures	(263)	-
Balances payable to the Scottish Consolidated Fund	(3,747)	(2,438)
<b>Total due within one year as at 31 March</b>	<b>(14,532)</b>	<b>(15,848)</b>
<b>Amounts falling due after more than one year:</b>		
Finance Leases	(4,123)	(4,304)
<b>Total due after more than one year as at 31 March</b>	<b>(4,123)</b>	<b>(4,304)</b>

### 9. Provisions for Liabilities and Charges

	Injury Benefit Costs	Other Provisions	2019 Total	2018 Total
	£000s	£000s	£000s	£000s
<b>Balance as at 1 April</b>	<b>635</b>	<b>906</b>	<b>1,541</b>	<b>1,425</b>
Additional provisions made	-	595	595	388
(Decrease)/Increase due to change in the discount rate	3	-	3	(3)
Amounts incurred and charged against provision	(61)	(209)	(270)	(249)
Provision not required written back	-	(157)	(157)	(20)
<b>Balance as at 31 March</b>	<b>577</b>	<b>1,135</b>	<b>1,712</b>	<b>1,541</b>
Payable within one year	62	1,135	1,197	967
Provision of over one year	515	-	515	574

Note: Injury benefit provision relates to employees who have sustained injuries at work.  
Other provisions relates to other early departure costs, dilapidations and specific cases.

## Crown Office and Procurator Fiscal Service

### Analysis of expected timing of discounted cashflows

	Injury Benefit Costs	Other Provisions	2019 Total	2018 Total
	£000s	£000s	£000s	£000s
Not later than 1 year	62	1,135	1,197	967
Later than 1 year and not later than 5 years	265	-	265	257
Later than 5 years	250	-	250	317
<b>Total</b>	<b>577</b>	<b>1,135</b>	<b>1,712</b>	<b>1,541</b>

### 10. Capital commitments

Property, plant and equipment	2019 £000s	2018 £000s
Contracted capital commitments at 31 March not otherwise included in these accounts but not provided for	885	405
<b>Total</b>	<b>885</b>	<b>405</b>

### 11. Commitments under leases

#### 11a. Operating Leases

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

Obligations under operating leases for the following periods comprise:

	2019 £000s	2018 £000s
<b>Buildings</b>		
No later than 1 year	957	848
Later than 1 year and no later than 5 years	2,583	2,839
Later than 5 years	1,280	1,643
<b>Total as at 31 March</b>	<b>4,820</b>	<b>5,330</b>

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### 11b. Finance Leases

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

	2019 £000s	2018 £000s
<b>Buildings</b>		
No later than 1 year	1,802	1,802
Later than 1 year and no later than 5 years	7,207	7,207
Later than 5 years	33,190	34,992
<b>Total lease payments as at 31 March</b>	<b>42,199</b>	<b>44,001</b>
<b>Less Interest element as at 31 March</b>	<b>(37,895)</b>	<b>(39,535)</b>
<b>Present value of obligations as at 31 March</b>	<b>4,304</b>	<b>4,466</b>

### 12. Related Party Transactions

COPFS is a separate service of the Scottish Government for funding purposes. During the year, COPFS had a number of material transactions with the Scottish Government, QLTR and The Scottish Courts and Tribunal Service. None of the Executive Board members, key managerial staff or other related parties has undertaken any material transactions with COPFS during the year.

Payments made to the Scottish Courts and Tribunal Service relating to estates services and rental for occupancy of buildings are as follows:

	2018-19 £000s	2017-18 £000s
Scottish Courts and Tribunal Service	3,082	3,149

Income recharged to QLTR for salaries and administration costs, see page 51, are as follows:

	2018-19 £000s	2017-18 £000s
QLTR	(440)	(336)

### 13. Financial Instruments

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

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

COPFS has no derivative financial assets or liabilities.

## Crown Office and Procurator Fiscal Service

<b>Financial Assets Description</b>	<b>2019 £'000s</b>	<b>2018 £'000s</b>
Accrued Income	160	336
Other receivables	356	662
Cash and Cash Equivalents	-	2,438
<b>Totals</b>	<b>516</b>	<b>3,436</b>

<b>Financial Liabilities Description</b>	<b>2019 £'000s</b>	<b>2018 £'000s</b>
Trade Payables	(140)	(189)
Accruals	(6,736)	(10,267)
Other payables	(379)	-
Scottish Consolidated Fund	(3,747)	(2,438)
Finance Leases	(4,304)	(4,466)
<b>Totals</b>	<b>(15,306)</b>	<b>(17,360)</b>

### **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 COPFS will not be able to meet its financial obligations as they fall due. COPFS's approach to managing liquidity is to ensure that it will have sufficient liquid funds to meet our liabilities as they fall due. COPFS's primary source of liquidity is allocation from the Budget Act for each financial year, approved by the Scottish Parliament. COPFS monitors its bank balances daily and can draw down additional funding within 24 hours. With the exception of finance leases, 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.

## Crown Office and Procurator Fiscal Service

### 14. Cash Requirement

	2018-19 £000s
<b>Approved Cash Requirement</b>	116,373
Funding not required to be drawn down	(2,223)
<b>Funding drawn down</b>	<b>114,150</b>
<b>Cash Expended</b>	
Operating Costs	111,157
Capital expenditure	5,431
<b>Total Cash Expended</b>	<b>116,588</b>
Net change in cash balance year to 31 March 2019	(2,438)
Cash Balance due to the SCF as at 31 March 2018	2,438
<b>Total Cash Balance as at 31 March 2019</b>	<b>-</b>
<b>Consisting of:</b>	
Funding balance due to (from) the SCF	-
Excess income due to the SCF	-

### 15. Contingent Liabilities

COPFS has been subjected to several civil and damages claims. COPFS is opposing these claims but continues to review each case individually for liabilities that may arise as the legal process progresses. The value of these claims has yet to be finalised.

### 16. Events after the Reporting Period

There have been no material events between 31 March 2019 and the publication of the accounts that require adjustments to the accounts to be disclosed.

# Crown Office and Procurator Fiscal Service

## Accounts Direction by Scottish Ministers



### 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 (FRM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 15 July 2002 is hereby revoked.

A handwritten signature in blue ink, appearing to read 'Alison Stelfox', is written over the text.

Signed by the authority of the Scottish Ministers

Dated 17 January 2006