

Crown Office and Procurator Fiscal Service



CROWN OFFICE AND PROCURATOR FISCAL SERVICE

Annual Report and Accounts

For the year ended 31 March 2014

Laid before the Scottish Parliament
by the Scottish Ministers on 30.7.14

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Crown Office and Procurator Fiscal Service

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

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MANAGEMENT COMMENTARY

STRATEGIC REPORT

1. This report and accounts are for the year ended 31 March 2014.

Basis of Accounts

2. These accounts have been prepared in accordance with the Government Financial Reporting Manual and the accounts direction issued under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The accounts direction is reproduced at page 57 to these accounts.

Accounting Boundary

3. These accounts reflect the assets and liabilities of the Crown Office and Procurator Fiscal Service (COPFS). A separate set of accounts is produced for the Queen's Lord Treasurer's Remembrancer (QLTR), which is a separate organisation with a separate Accountable Officer, but which shares the same Audit and Risk Committee as the COPFS.

Background

4. The COPFS is responsible for the prosecution of crime in Scotland, the investigation of sudden or suspicious deaths and the investigation of complaints against the police. We work closely with our partners in the criminal justice system to help make Scotland a safer place.

Aims

5. Our aims are:

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

Objectives

6. Our main objectives, noted within the Strategic Plan for 2012-15, are:

- To investigate, prosecute and disrupt crime;
- To seize the proceeds of crime;
- To investigate deaths that require explanation.

Principal Activities

7. The COPFS is the sole public prosecution authority in Scotland. It is located in 44 offices across Scotland. It is responsible for making decisions about, and bringing prosecutions for, all criminal offences. The COPFS also has the duty to investigate all sudden, suspicious or unexplained deaths and is responsible for deciding whether criminal proceedings or a Fatal Accident Inquiry should be held and for conducting such proceedings and inquiries. Responsibility for investigating complaints against the police, involving allegations of criminal conduct, rests with the COPFS. Prosecution of police officers is undertaken on the instruction of Crown Counsel. The COPFS's Proceeds of Crime Unit and Civil Recovery Unit investigate and recover proceeds of drugs trafficking and other serious crime. The COPFS also provides a Victim Information and Advice Service across Scotland. The COPFS works closely with its criminal justice partners to help make Scotland a safer place and plays a pivotal role within the

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STRATEGIC REPORT (continued)

criminal justice system in maintaining the security and confidence of all communities of Scotland in the prosecution system – making the justice system more accessible and more responsive. The core values of the COPFS are impartiality, integrity, sensitivity, respect and professionalism.

Social, Community and Human Rights

8. Scottish Government National Outcomes include that:

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

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

10. 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.

11. Our prosecution code states the following:

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

12. When developing prosecution policy, consideration is always given to human rights of both the victim, witnesses and accused. It is a balancing act and we consider evolving judgements from the European Court of Human Rights. To ensure a balanced approach we will often consult with various different stakeholders in the development of policy and we will ensure that specialised Human Rights groups feature as part of this consultation.

13. Scottish Prosecutors also meet with prominent individuals in key areas of policy development. In 2013 the Lord Advocate met with the EU Anti- Trafficking Coordinator who is based within the European Commission. In 2014, the UN special Rapporteur on Violence against Women met the COPFS Procurator Fiscal for Domestic Abuse.

14. New Policies and all project work within COPFS undergo Equality Impact Assessment to ensure that the proposed change meets the needs of the diverse communities in Scotland.

2012-13 to 2014-15

15. The Scottish Government publication '*Spending Review 2011*' (SR11) sets out the COPFS's spending plans for the financial years 2012-13, 2013-14 and 2014-15 together with the COPFS's aim, objectives and targets over this period. Subsequently, the Scottish Government publication '*The 2013-14 Spring Budget Revision to the Budget (Scotland) Act for the year ending 31 March 2014 (SG2014/11)*' sets out the COPFS's amended budget for the financial year 2013-14. The COPFS is committed to continuous improvement in service delivery.

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

- Reducing crime, particularly violent and serious organised crime;

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STRATEGIC REPORT (continued)

- Tackling hate crime and sectarianism;
- Supporting victims and witnesses;
- Increasing public confidence and reducing fear of crime.

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

Details of Ministers, Directors and Senior Officers

18. The COPFS Ministers and their responsibilities were:

Lord Advocate	Mr Frank Mulholland QC	Head of the systems of criminal prosecution and investigation of deaths in Scotland.
Solicitor General	Ms Lesley Thomson QC	

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

Mrs C Dyer	Crown Agent and Chief Executive – Accountable Officer (Chair)	
Dr P Collings	Deputy Chief Executive	To 31 March 2014
Mr J Dunn	Procurator Fiscal for the West of Scotland	
Mr D Harvie	Director of Serious Casework Group	From 1 April 2013
Mr L Murphy	Procurator Fiscal for the North of Scotland	From 1 April 2013
Mr J Logue	Procurator Fiscal for the East of Scotland	
Mr M Howells	Director of Finance	
Ms J Irvine	Director of Human Resources	
Mr D Hutchens	Non Executive Director	From 1 September 2013
Mr C Winstanley	Non Executive Director	To 31 August 2013

Attendees

Ms C Dalrymple	Head of Policy Division	
Mr G Kerr	Head of Strategy and Delivery Division	
Ms J Veitch	Head of Corporate Communications Division	
Ms R McQuaid	Equality and Diversity Champion	1 April 2013

Note 1 - The Management Board, shown above, includes attendees.

Note 2 - Mr L Murphy (Procurator Fiscal for the North of Scotland from 1 April 2013, previously held by Mr D Harvie in conjunction with Serious Casework Group. Due to the complexities of the workloads, it was decided to split the functions) .

Note 3 - Ms R McQuaid (Equality and Diversity Champion) attended Management Board meetings during 2013-14.

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STRATEGIC REPORT (continued)

20. Non Executive Directors (NXDs) bring an external perspective to the consideration of corporate management issues such as staffing, planning, budget monitoring, training and development, accommodation strategy and relations with stakeholders.

Corporate Governance

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

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

- integrity and accessibility of financial information;
- auditor independence;
- management responsibility; and
- sound processes of internal control.

23. The COPFS has a clearly defined governance structure, which is outlined in the Governance Statement (please see page 22).

Performance Against Targets

24. Our performance against our published targets during 2013/14 was:

Business Area	Target		Performance	
			2013-14	2012-13
Bail Cases: Serve Indictment	Serve 80% in 9 months	High Court	81%	85%
	Serve 80% in 8 months	Sheriff and Jury	85%	85%
Take/Implement Decision	Process 75% within 4 weeks		84%	82%
Investigation of Deaths	Investigate 80% within 12 weeks		88%	83%
Complaints Against the Police (CAPs):	Close in 12 weeks - 90% of cases		91%	94%

Note (a): COPFS continued to exceed targets in all categories of core work with minimal reductions in achievement notwithstanding further reductions in resource and increased levels of case load.

Note (b): The appropriateness of each published performance target is regularly reviewed by the Law Officers and senior officials to take account of impact caused by changes in crime demographic and external factors such as case law, statutory changes and changes across the wider criminal justice system, all of which may affect time taken by COPFS to investigate crimes, reach decisions as to action required in the public interest, issue direct measures and prepare cases for court proceedings as necessary.

25. The reduction in performance achievement for High Court cases is due to changes in the demographic of caseload with an increase in the number of more complex and time consuming cases being processed over the year.

26. The improvement in performance in respect of Death Investigations is partly attributable to a fall in the number of reports received for consideration by COPFS as a result of Scottish Fatalities Investigation Unit raising awareness within the medical profession of the type of cases which require to be considered by the Procurator Fiscal, leading to a reduction in unnecessary reporting.

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STRATEGIC REPORT (continued)

Financial Performance

27. In line with the Scottish Government and other central government bodies in the UK, the COPFS has implemented full reporting of the Annual Accounts under International Financial Reporting Standards (IFRS). The results for the year are reported in the accounts. They record total outturn (resource and capital) of £109.7m (2012-13; £109.0m) against the statutory budget of £109.9m (2012-13; £108.5m) showing an under spend of £0.2m. A summary of the outturn compared to the statutory budget is provided at Note 21 to these accounts.

28. Total property, plant and equipment and intangible asset additions in the financial year were £3.6m (2012-13; £4.6m) in respect of capital refurbishments, and investment in ICT.

29. The Spending Review 2011 allocation for 2013-14 was £104.5m for operating costs and £3.6m for capital compared with £104.5m operating costs and £3.6m capital budget for 2012-13. In addition to the £104.5m running cost allocation the COPFS received £1.8m in year from the Scottish Government specifically for annually managed expenditure which relates to the impairment of fixed assets. The total funding for 2013-14 was £109.9m. Allocations for the remainder of the 2011 Spending Review period are as follows:

Year	2014-15 £ms
Running Costs	105.1
Capital	3.6
Total	108.7

Environmental Sustainability

30. COPFS has implemented various projects that not only provide cash savings and a more efficient service, but supports the sustainability agenda for the organisation. Recent projects implemented during 2013-14 are:

- a. reduced energy consumption, by promoting leaner use of energy and installing solar panels at the Dumbarton and Elgin sites which both attract feed in tariffs and reduce carbon emissions;
- b. installation of boiler management systems;
- c. case management in court which includes scanning case documents and providing them electronically for use in court;
- d. providing tablets to facilitate the use of electronic documents in court.

The projects above have been piloted and after being evaluated and deemed a successful way of working and supporting core delivery are being rolled out across the organisation.

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

Principal Risks and Uncertainties facing the business

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

33. Although it is anticipated that the work being undertaken for the next Budget Bill may look again at budget allocations for 2015-16, it is not expected that the COPFS budget will be reduced further.

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STRATEGIC REPORT (continued)

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

35. The COPFS has taken a number of steps in seeking to ensure continued operational delivery despite reduced funding; these include a fundamental restructuring of the organisation brigading areas into Federations and within Federations, creating specialist functional units e.g. Initial Case Processing and Fatalities units.

36. The move to a single Scottish Police Service offers opportunities as well as potentially posing risks. A Police Reform Team, led by one of our most senior Business Managers, has been set up to ensure that Police Scotland work with COPFS to ensure the most effective single process is in place across the country for every interface between our two organisations. The aim of this is to drive efficiencies and deliver savings for both.

Legislative changes

37. The Victims and Witnesses Act will impact upon COPFS and in particular the right for victims to review the decision not to take proceedings in the case that they are involved in. This project is being effectively managed within Policy Division and ensuring that there is effective ownership of the key areas of the business. Every available use of technology in improving the level of service that is provided to victims and witnesses is being utilized.

38. The Criminal Justice Bill (which includes proposals for the removal of the need for corroboration) will impact on the COPFS. A project team is in place to identify the risks and opportunities and to ensure that the COPFS is able to respond to changes.

39. Longer term, there are other legislative changes that may be made eg as a result of Lord Gill's review. The Policy Division within the COPFS, which is led by a senior legal member of staff, is responsible for identifying developments which might impact on the COPFS and for ensuring that the COPFS is able to inform, influence and respond to changes.

40. During 2013-14, the Scottish Court Service (SCS) reviewed the number and locations of courts across Scotland, consulted and recommended the closure of a number of courts, known as "Future Court Structures - FCS". One of our senior business managers is the COPFS corporate lead for FCS and oversees the internal work to implement these changes. COPFS are also represented on the FCS interagency project board, working closely with SCS and Police Scotland. Following the first phase of closures in 2013-14, two further phases are planned for 2014-15.

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

Employment of Disabled People

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

43. The average number of disabled employees employed by the COPFS in 2013-14 was 76 (2012-13; 67.5).

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STRATEGIC REPORT (continued)

Staff Resources

44. The breakdown of staff as at 31 March 2014 is shown as follows:

	All	Male	Female
Senior Civil Servants	28	14	14
Other permanent staff	1,340	397	943
Fixed term appointments	198	78	120
Secondees	11	5	6
Agency staff	8	2	6
Total	1,585	496	1,089

Health, Safety and the Environment

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

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

47. The COPFS is committed to improving environmental performance as part of our wider commitment to sustainable development. We recognise our legal and ethical responsibilities to protect and enhance the environment and are working towards sustainable practices in the use and disposal of materials, energy, and transport and landscape management.

Other Disclosures

Payment Policy

48. The COPFS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. The COPFS aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in accordance with those terms. Beyond this, in line with the Scottish Government, the COPFS has, for many years, had a target for payment within 30 days. In 2013-14 performance against the 30 day target was 99.47%, (2012-13; 99.36%). The COPFS aspire to pay all undisputed invoices within 10 days. During 2013-14 the COPFS paid 97.23% within the 10 day aspiration period (2012-13; 96.16%). In 2013-14 in line with the government policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act.

Significant changes in Property, Plant and Equipment and Intangible Assets

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

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STRATEGIC REPORT (continued)

Charitable donations

50. No charitable donations were made.

Catherine Dyer
Accountable Officer

Date:15/07/2014

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DIRECTORS' REPORT

Employment Policies

Staff Relations and Equal Opportunities

1. The COPFS is an equal opportunities employer. Policies are in place to promote equality and diversity and to avoid discrimination and unfair treatment. We work hard to remove any barriers to employment or career development in COPFS.
2. Our equal opportunities policy commits us to treat all staff equally, irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, or religion/belief or because they work part-time. Employment and promotion are based solely on merit. Staff on alternative work patterns are assessed on exactly the same basis as those working full time.
3. We are committed to developing our plans on race equality and diversity. The Diversity Strategy Group, chaired by the Solicitor General, oversees these plans, which commit COPFS to increasing the diversity of staff within the organisation, to develop all staff and to valuing the contribution of each individual. The Equality Advisory Group (EAG) consisting of representatives from external groups meets two or three times per year to review COPFS policies and practice in relation to equalities issues.
4. We make a significant investment in the development of all of our staff. Development and learning is quality assured and, wherever possible, externally accredited. Our commitment to learning was first recognised by an Investor in People award in 1996 and we have since gone through four reassessments. We recently received bronze status.
5. The average number of days lost due to sickness absence in 2013-14 was 8.5 days (2012-13; 9.2 days).
6. There were no significant personal data related incidents reported in 2013-14.

Employee Consultation and Communication

7. The COPFS is committed to effective communication with its employees and does this by means of office circulars, in-house newsletters, the intranet, and regular team briefings. We have productive relationships with our trade unions and operate a joint Partnership Agreement.

Pension Liabilities

8. Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded. COPFS does not account for pension liability in the financial statements explained in accounting policy 1.13 in Note 1 to the Accounts.

Events after the Reporting Period

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

Auditors

10. The accounts of the COPFS are audited by auditors appointed by the Auditor General for Scotland. Audit Scotland carried out the audit of the COPFS accounts for the financial year ended 31 March 2014. The notional fee for this service was £95,900 (2012-13; £95,900), which relates solely to the provision of statutory audit services.

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DIRECTORS' REPORT (continued)

Disclosure of information to auditors

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

Catherine Dyer
Accountable Officer

Date:15/07/2014

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REMUNERATION REPORT

1. This report has been prepared in accordance with the provisions of the Companies Act 2006 in as far as it is judged relevant to the public sector. As in previous years, external auditors are required to read all of the report and ensure that it is consistent with the financial statements but are required to audit only certain sections. The information that is presented in tabular format has been audited.

Remuneration Policy

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

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

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

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

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

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

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

Service Contracts / Appointments

Executive Directors of the Management Board

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

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

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REMUNERATION REPORT *(continued)*

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

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

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

Non Executive Directors of the Management Board and Audit and Risk Committee

13. The Management Board includes, and the Audit and Risk Committee consists solely of, independent Non Executive Directors. Responsibility for the appointment of Non Executive Directors to the Audit and Risk Committee transferred to the Permanent Secretary of the Scottish Government during 2009-10.

- Charles Winstanley was Chair of the Audit and Risk Committee until 31 August 2013;
- Douglas Hutchens was appointed Chair of the Audit and Risk Committee from 1 September 2013;
- Stuart Smith was appointed as a Non Executive Director of the Audit and Risk Committee from 1 September 2012;
- Neelam Bakshi was appointed as a Non Executive Director of the Audit and Risk Committee from 1 September 2013.

Remuneration

Ministers

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

Salaries

15. 'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. The salary detailed reflects the salary for the period of the year the individual was a member of the Management Board.

Benefits in kind

16. The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument.

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REMUNERATION REPORT *(continued)*

Civil Service Pensions

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

18. Employee contributions are set at various rates of pensionable earnings for **classic**, **premium**, **classic plus** and **nuvos**. Further increases to employee contributions will apply from 1 April 2014. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

19. The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

20. The accrued pension quoted is the pension that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

21. Pension policy is covered under Accounting Policy 1.12 and the Remuneration Report above, covers pension liabilities for Ministers and the COPFS Senior Management.

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

Cash Equivalent Transfer Values

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

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REMUNERATION REPORT *(continued)*

24. 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

25. 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.

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

Remuneration of Non Executive Directors

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

Audited Information

Ministers

Salaries

28. The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of the COPFS and members of the Management Board for the year ending 31 March 2014 were as follows:

Ministers	2013-14 Ministerial Salary £	2012-13 Ministerial Salary £
Mr Frank Mulholland QC – Lord Advocate from 25 May 2011	115,135	113,994
Ms Lesley Thomson QC – Solicitor General from 25 May 2011	99,343	98,358

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

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

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REMUNERATION REPORT (continued)

Pensions

Ministers	Accrued pension at age 65 as at 31 March 2014 £000s	Real increase in pension at age 65 £000s	CETV at 31 March 2014 £000s	CETV at 31 March 2013 £000s	Real increase in CETV £000s
Mr Frank Mulholland QC - Lord Advocate	15 – 20	0 - 5	223	184	28
Ms Lesley Thomson QC - Solicitor General	5 - 10	0 - 5	103	64	26

The Ministers are members of the Scottish Parliamentary Pension Scheme.

Executive Directors' Salaries

Single Total Figure of Remuneration										
Officials	Salary		Bonus Payments		Benefits in Kind		Pension Benefits		Total	
	£000s		£000s		Nearest £100		£000s		£000s	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Mrs Catherine Dyer – Crown Agent and Chief Executive (Note 1)	125 - 130	125 - 130	-	-	-	-	4	15	125 - 130	135 - 140
Dr Peter Collings – Deputy Chief Executive (Note 2)	65 – 70 (105 – 110 full year equivalent)	65 – 70 (105 – 110 full year equivalent)	-	-	-	-	14	18	80 - 85	85 - 90
Mr Stephen Woodhouse – Head of Corporate Office (Note 3)	0-5 (65 – 70 full year equivalent)	-	-	-	-	-	-	-	0 - 5	-
Mr John Dunn – Procurator Fiscal, West of Scotland	90 - 95	90 - 95	-	-	-	-	6	10	95 - 100	100 - 105
Mr David Harvie – Director of Serious Casework	90 - 95	90 - 95	-	-	-	-	9	39	100 - 105	130 - 135

Crown Office and Procurator Fiscal Service

Single Total Figure of Remuneration										
Officials	Salary £000s		Bonus Payments £000s		Benefits in Kind Nearest £100		Pension Benefits £000s		Total £000s	
	2013- 14	2012-13	2013- 14	2012- 13	2013- 14	2012- 13	2013- 14	2012- 13	2013- 14	2012- 13
Mr Liam Murphy – Procurator Fiscal, North of Scotland	70 - 75	-	-	-	-	-	53	-	125 - 130	-
Mr John Logue – Procurator Fiscal, East of Scotland	90 - 95	90 - 95	-	-	-	-	8	46	100 - 105	135 - 140
Mr Mark Howells – Director of Finance	65 - 70	60 - 65	-	-	-	-	1	7	65 - 70	70 - 75
Ms Janice Irvine – Director of Human Resources	70 - 75	70 - 75	-	-	-	-	11	15	85 - 90	85 – 90
Band of Highest Paid Director's Total Remuneration	125 - 130	125 – 130								
Median Total COPFS Remuneration	25 - 30	20 – 25								
Ratio	1:4.9	1:5.7								

Note 1 - Remuneration for Senior Civil Servants is determined outwith the COPFS.

Note 2 – Retired 31 March 2014, Accountable Officer for QLTR to 24 March 2014.

Note 3 - With effect from 25 March 2014, Head of Corporate Office/Accountable Officer for QLTR.

During 2013-14 Nil (2012-13; Nil) employees received remuneration in excess of the highest-paid director. The Chief Executive is the highest paid director.

Non Executive Directors (NXDs) of the Management Board

31. Mr C Winstanly attended the COPFS Management Board as a NXD until 31 August 2013 and Mr D Hutchens attended the COPFS Management Board as a NXD from 1 September 2013. They were paid £0 - £5k each (2012-13; £0k – £5k). Payments are non pensionable.

Crown Office and Procurator Fiscal Service

REMUNERATION REPORT (continued)

Non Executive Directors of the Audit and Risk Committee

32. NXDs are paid a daily rate for days that they attend meetings of the Audit and Risk Committee and the Management Board. The daily rate is £237 (2012-13; £237) although some have elected to claim less. During 2013-14 the following served as NXDs for the COPFS: Mr A Thompson, Mr C Winstanley (Chair from 1 September 2012), Mr S Smith, Mr D Hutchens and Ms Neelam Bakshi.

Name and Title	2013-14			2012-13		
	Salary £000s	Bonus £000s	Benefits in Kind	Salary £000s	Bonus £000s	Benefits in Kind
Mr Alan Thompson – To 31 Aug 2012	-	-	-	0 - 5	-	-
Mr William Hughes – Chair to 31 August 2012	-	-	-	0 - 5	-	-
Mr Charles Winstanley - Chair to 31 Aug 2013	0 - 5	-	-	0 - 5	-	-
Mr Stuart Smith – From 1 Sep 2012	0 - 5	-	-	0 - 5	-	-
Mr Douglas Hutchens – Chair from 1 Sep 2013	0 - 5	-	-	0 - 5	-	-
Ms Neelam Bakshi – From 1 Sep 2013	0 - 5	-	-	-	-	-

Crown Office and Procurator Fiscal Service

REMUNERATION REPORT *(continued)*

Executive Directors' Pensions

Senior Managers	Note	Accrued pension at pension age as at 31 March 14 and related lump sum £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 31 March 2014 £000s	CETV at 31 March 2013 £000s	Real increase in CETV £000s	Employer contribution to partnership pension account Nearest £100
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Footnote 1

Mrs Catherine Dyer - Crown Agent and Chief Executive		40 - 45 plus lump sum of 120 - 125	0 - 2.5 plus lump sum of 0 - 2.5	779	727	2	-
Dr Peter Collings - Deputy Chief Executive (Part Time)	1	0 - 5 plus lump sum of 5 - 10	0 - 2.5 plus lump sum of 0 - 2.5	57	40	13	-
Mr John Dunn - Procurator Fiscal, West of Scotland		30 - 35 plus lump sum of 100 - 105	0 - 2.5 plus lump sum of 0 - 2.5	595	555	3	-
Mr David Harvie - Director of Serious Casework		20 - 25 plus lump sum of 60 - 65	0 - 2.5 plus lump sum of 0 - 2.5	303	278	3	-
Mr Liam Murphy - Procurator Fiscal, North of Scotland		10 - 15 plus lump sum of 40 - 45	0 - 2.5 plus lump sum of 5 - 7.5	202	159	30	-
Mr John Logue - Procurator Fiscal, East of Scotland		20 - 25 plus lump sum of 65 - 70	0 - 2.5 plus lump sum of 0 - 2.5	314	289	2	-
Mr Mark Howells - Director of Finance		25 - 30 plus lump sum of 85 - 90	0 - 2.5 plus lump sum of 0 - 2.5	542	509	-	-

Crown Office and Procurator Fiscal Service

Senior Managers	Note	Accrued pension at pension age as at 31 March 14 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2014	CETV at 31 March 2013	Real increase in CETV	Employer contribution to partnership pension account
		£000s	£000s	£000s	£000s	£000s	Nearest £100
Ms Janice Irvine - Director of Human Resources		15 – 20 plus no lump sum	0 – 2.5 plus no lump sum	264	236	9	-

Note 1 – Retired 31 March 2014

Bonuses

33. In line with Scottish Government pay policy no bonus/performance pay was paid during 2013-14.

Compensation for Loss of Office

34. In accordance with the Scottish Government's no compulsory redundancies policy, no employees left under compulsory severance terms during 2013-14 (2012-13; Nil).

35. No staff left under a voluntary early severance scheme in 2013-14, (2012-13; 8, the details of which can be found in Note 2 to these accounts).

Catherine Dyer
Accountable Officer

Date:15/07/2014

Crown Office and Procurator Fiscal Service

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

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

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

The Crown Agent and Chief Executive is the Accountable Officer, responsible for preparing the COPFS's accounts and transmitting them to the Auditor General for Scotland. The Crown Agent and Chief Executive was appointed as the Accountable Officer of the COPFS by the Principal Accountable Officer for the Scottish Government.

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

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

The responsibilities of the Accountable Officer are described in the *'Memorandum to Accountable Officers'* from the Principal Accountable Officer published in the Scottish Public Finance Manual, a copy of which can be found at www.scotland.gov.uk/Topics/Government/Finance/spfm/Accountability .

Crown Office and Procurator Fiscal Service

GOVERNANCE STATEMENT

The Board fully supports the principles of corporate governance as outlined in the Scottish Public Finance Manual and Section 2 of “On Board: A Guide for Board Members of Public Bodies in Scotland”. The COPFS Management Board confirms that the COPFS complies with these requirements and has done so throughout the financial year.

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control, which supports the achievement of the organisation’s aims, objectives and policies including those set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me.

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

Purpose of the Governance Framework

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

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

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

COPFS Governance Framework

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

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

- integrity and accessibility of financial information;
- auditor independence;
- management responsibility;
- sound processes of internal control.

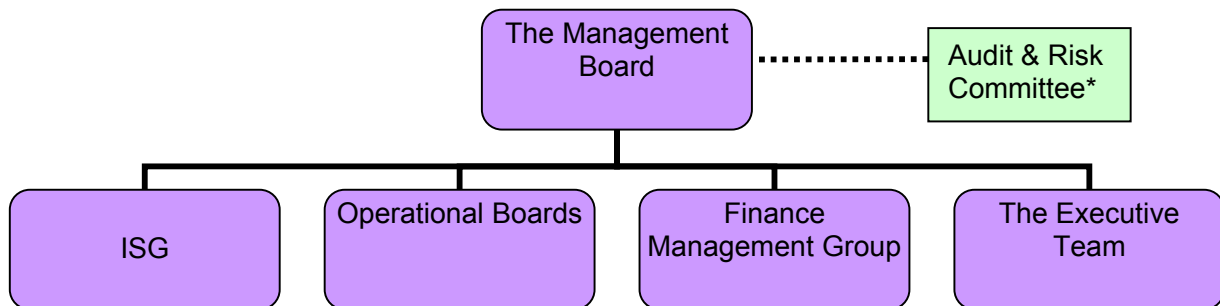
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Ministers

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

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

COPFS Board Structure



* Supporting the Crown Agent/Chief Executive as Accountable Officer

COPFS Management Board

The responsibilities of the Board include setting the organisation’s strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to stakeholders on their stewardship.

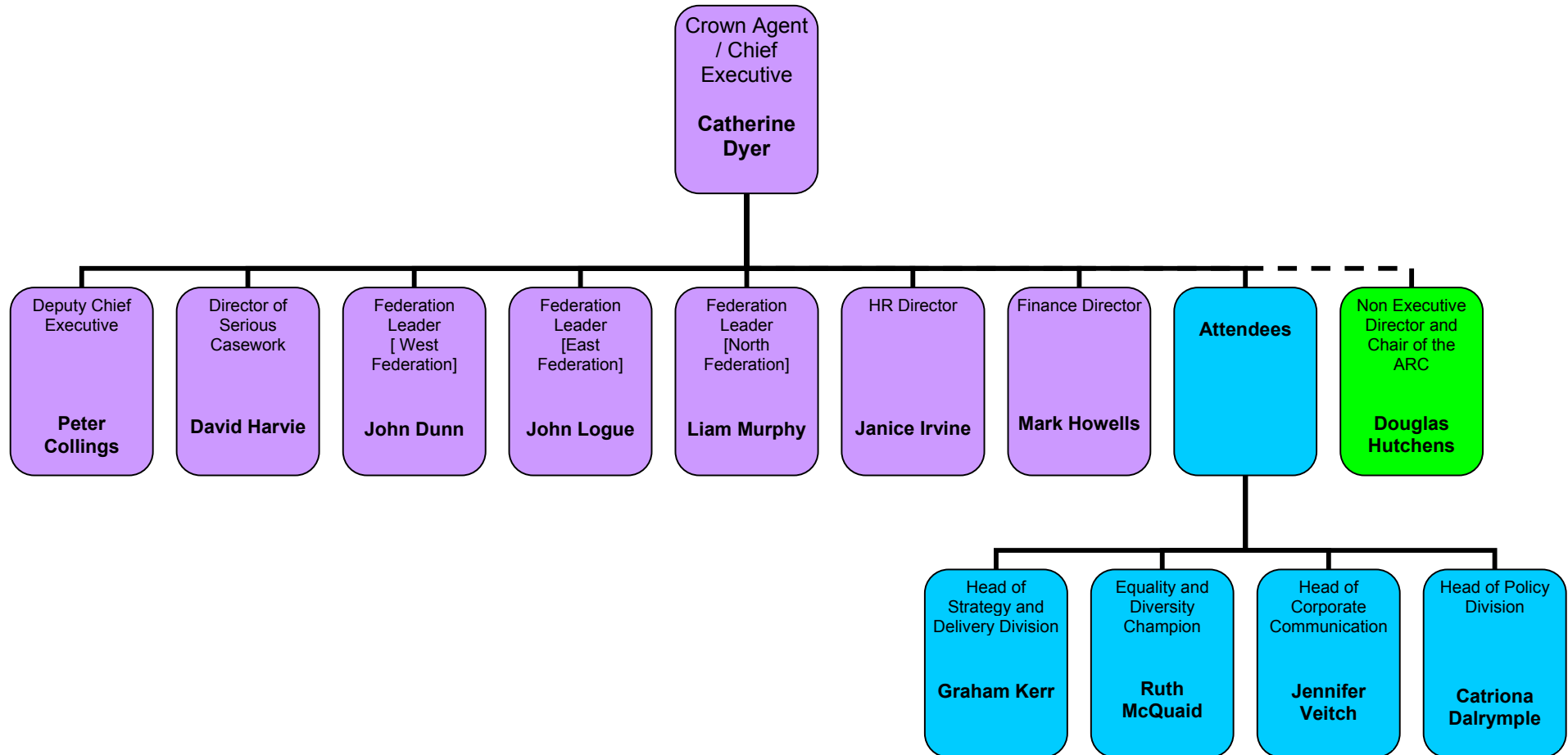
The COPFS’s Management Board comprises nine members, eight permanent executives and one non-executive director, who is a member of the Audit and Risk Committee. There are also four other attendees being the Head of Policy Division, the Head of Strategy and Delivery Division, the Head of Corporate Communications and a non-executive director.

During 2013-14 the Board has considered all aspects of the COPFS’s strategic and tactical level planning and operational delivery. It has successfully overseen the remainder of the major organisation restructure whilst ensuring continued operational delivery.

COPFS has continued to exceed its published targets.

The Management Board has also considered the longer-term priorities and pressures that the COPFS will face and has initiated work to manage these challenges.

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The Board met six times during 2013-14.

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

In the course of the year, the Board considered the strategic development of the organisation and ensured that 293,665 reports received were disposed of, successfully ensured that the published targets outlined in the Strategic Report continued to be exceeded, and managed the budget of the organisation within the levels agreed by the Scottish Government.

Operational Boards

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

- performance and target compliance;
- performance accountability;
- driving efficiency improvements across the functional element of the business;
- ensuring the use of consistent practices and processes;
- providing a forum to discuss and agree change proposals.

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

The Audit and Risk Committee (ARC)

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

The ARC meets quarterly with an additional meeting to consider and approve the annual accounts. In formal terms, the Audit and Risk Committee reports annually to the overarching Scottish Government Audit and Risk Committee (SGARC) including assessing its own effectiveness. During 2013-14 the Chair of the ARC reported to the SGARC, utilising the standard report outlined in the SPFM.

The Committee met five times during 2013-14. The Chair of the Audit and Risk Committee attends the Management Board, providing feedback on the last ARC meeting at the next Management Board meeting. Review of the effectiveness of the ARC is ensuring that it provides constructive challenge through a self-assessment checklist and discussion between the Non Executive Members (NXDs) and the NXDs of other organisations.

Its work has included:

- a detailed review of the Committee's effectiveness;
- the review and update of our fraud prevention and whistle blowing framework;
- consideration to the business, operational and reputational risks COPFS faces including our disaster recovery plans;

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- the appointment of two new members with considerable experience from other organisations in Non-Executive roles;
- liaison with the Scottish Government Non Executive Members and the sharing of best practice.

Finance Management Group (FMG)

A Finance Management Group comprising the Federation Heads of Business Management and including the Director of Serious Casework Group has been set up to allow an agile response to emerging under/over spends, review business cases, capital investment plans etc and to ensure that Finance Division is providing optimum support to the business. The Board met for the first time in April 2013 and reported to the Management Board quarterly.

Information Systems Group (ISG)

The ISG directs IT investment. It is chaired by one of the Federation Leaders.

Executive Directors

The COPFS has executive directors for each of its key areas e.g. Fiscal Federations (East, North and West), Serious Casework Group, HR and Finance. The performance of each Director is subject to the COPFS annual appraisal process.

Project Management

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

Best Practice

The COPFS processes are reviewed on an ongoing basis driven by executive management as a matter of routine, and an Internal Audit programme agreed by the Audit and Risk Committee. The operation of sound mechanisms for internal control is ensured through:

- planning procedures to ensure that future work is aligned to government policy and the COPFS's strategic direction;
- clear capital investment control mechanisms;
- further enhancement of project management and project sponsorship disciplines;
- sound asset management processes including management of our properties.

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

In financial year 2013-14 SG Internal Audit Services Division undertook five main audits including a review of our corporate governance arrangements with three being finalised and the remaining two to be finalised in 2014-15. Each audit is given a level of assurance ranging from Limited to Substantive. Of the three audits completed during 2013-14, all three received a reasonable level of assurance.

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Risk Control Framework

Risk Management and Business Continuity Framework

The COPFS operates a formal risk management and business continuity framework. This is consistent with the Scottish Public Finance Manual but is at a more detailed level and is tailored to the COPFS business needs. The framework includes procedures to ensure that all risks to the business are identified and receive due management attention at the appropriate level with guidance provided in the finance manual Money Matters 8.

The Risk Management Group meet monthly and report to the Executive Board which then reports to the Management Board that reviews the Corporate Risk Register at all of its meetings.

The Audit and Risk Committee routinely carry out a risk interrogation.

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

Risk Assessment

During 2013-14 the significant corporate risks of the organisation were re-appraised and re-articulated as:

Risk Ref.	Description	Score as at 31.3.14	Score as at 31.3.13
1	We fail to deliver on the Law Officers' priorities	9	9
2A	We fail to secure the correct outcomes	12	12
2B	Prosecutory independence is compromised or there is a perception that it has been	3	3
3	We fail to influence changes which impact the COPFS and the wider justice system	9	9
4	We fail to adapt to a changing environment	16	15
5	Failure of Corporate Services	9	20

Risk 5 includes breaches / lapses of security including physical security and loss of confidential information which are clearly risks. During 2013-14 significant work has been, and continues to be, done to safeguard data. These range from the investment in IT security to prevent unauthorised electronic access, encrypting of information disclosed to defence counsel electronically and the secure use of papers in court. This has resulted in the risk assessment score reducing from 20 to 9.

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

Review of Effectiveness

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

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Best Value

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

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

Although the COPFS has not used Best Value as a specific driver, arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual, for example during 2013-14 the organisation has:

- implemented a new process specifically focused on the review and improvement of the High Court case process, related guidance and roles within the organisation structure. This new process and products streamlines the case preparation and the presentation in Court of our most serious and complex cases;
- we have developed a new software tool that simplifies the procedure for getting paper documentation onto our system allowing us to move work around electronically as we have the full electronic record stored on our systems;
- we have proved the concept of using tablet devices in procedural summary courts as opposed to relying on paper. This has now moved forward to a full production project;
- we have set up specific specialisms and identified specific Procurators Fiscal to deal with Domestic Abuse and Stalking incidents;
- we have introduced a methodology for continuous improvement using the electronic data we hold. This methodology moves away from sampling and allows the department to assess the quality of its work without having to assign significant resources to this subject matter;
- we have embarked upon a programme of application development using the data we hold in or present applications as the source. These application will allow us to present our data in the way that our business requires. We will also be able to dynamically change them if the business changes.

Working with partnership organisations

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

Victim Support Scotland

We have been leading on a pilot project in Tayside to assess the viability of Victim Support Scotland being the one point of contact for Victims of Summary Crime. We have developed a methodology to transmit the information from our IT systems to Victim Support Scotland in order that they can keep victims informed of the progress of cases. Police Scotland and the Scottish Court Service are also involved in this pilot.

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Police Reform

We have put in place a dedicated team to allow us to take full advantage of the move from eight Police forces to one National force. Our Police Reform Team are in close liaison with the Police to ensure that we can gain maximum benefit for our respective departments and the wider Criminal Justice Community.

Future Court Restructure

We have been fully engaged in the Scottish Courts Restructure and have been working very closely with them to ensure that there is no disruption to our other stakeholders during the restructuring process.

Supporting arrangements

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

The COPFS has an annual appraisal system, which includes forward-looking objectives and consideration of training and development needs. The COPFS has intra and internet sites for engaging with its staff and other stakeholders respectively.

Review of Effectiveness

Ultimately the COPFS must be judged on its ability to deliver against its published national targets. The COPFS operational performance is formally reviewed by the Management Board each quarter but is subject to on-going dialogue at all levels of management. Our performance against our published targets during 2013-14 is shown in the Strategic Report above.

Federation Procurators Fiscal are members of the Management Board and provide feedback and hold staff within their Federation accountable for their performances based on these results.

The COPFS has moved to a Federation and function based structure, accordingly Federation Leaders provide feedback and are held accountable as function leaders. As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- a Management Board which meets every six weeks to consider the strategic direction of the COPFS, planned changes and operational performance (the Board comprises seven senior executive members and four executive attendees from the COPFS and a Non Executive Director);
- an Audit and Risk Committee whose membership is comprised entirely of Non Executive Directors, one of whom chairs the meetings and reports to the Scottish Government Audit and Risk Committee on the work of the COPFS and QLTR Audit and Risk Committee;
- a comprehensive set of Certificates of Assurance and supporting checklists which did not include any issues of note;
- the work of the 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 the COPFS's systems of internal control together with recommendations for improvement;
- comments made by the external auditors in their management letter and other reports.

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

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Significant Governance Issues

During the 2013-14 financial year the COPFS concluded the major organisation restructure designed to improve efficiency and to enable it to remain within our budgets for the remainder of the Spending Review period. This included the brigading of 11 fiscal areas into three fiscal federations, the creation of a fourth federation containing national units such as the Serious Casework and Corporate Services Group, and the restructuring of frontline operational teams within each federation into function based specialist teams.

As has been the practice for a number of years, senior managers/directors across the COPFS are required to submit a Certificate of Assurances (CoAs) to the Accountable Officer, supported by a checklist (this was updated in March 2014 prior to issue to ensure that it was current and fit for purpose).

I have received individual certificates of assurance and supporting Internal Control Checklists from the leaders of each Federation. I am satisfied that my management team has involved staff within their areas in this exercise and as such have adopted a robust approach to risk management and reporting. No issues of significant note were reported which required inclusion in this statement.

There were no significant personal data related incidents reported in 2013-14.

Disclosure

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

Catherine Dyer
Accountable Officer:

Date:15/07/2014

Crown Office and Procurator Fiscal Service

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

I have audited the financial statements of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2014 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, the Statement of Resources by Service's Aims and Objectives and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2013/14 Government Financial Reporting Manual (the 2013/14 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2014 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 FReM; and

Crown Office and Procurator Fiscal Service

- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

In my opinion in all material respects:

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

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Mark Taylor
Assistant Director
Audit Scotland

Date ...16/07/2014

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Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

	Note	2013-14 £000s	2012-13 £000s
Administration Costs			
Staff costs	2	67,121	66,787
Other Administrative Costs	3	39,970	38,646
Gross Administrative Costs		107,091	105,433
Operating Income Applied	4	(996)	(977)
Net Administrative Costs		106,095	104,456
Programme Costs			
Expenditure		-	-
Less Income		-	-
Net Programme Costs		-	-
Net Operating Costs		106,095	104,456
Other Comprehensive Expenditure			
Net loss on revaluation of Property, Plant and Equipment		-	6
Total Comprehensive Expenditure for the year ended 31st March 2014		106,095	104,462

The notes on pages 37 - 56 form part of these accounts.

Crown Office and Procurator Fiscal Service

Statement of Financial Position

As at 31 March 2014

	Note	2014 £000s	2013 £000s
Non Current Assets			
Property, Plant and Equipment	5	23,621	25,369
Intangible Assets	6	4,814	5,614
Trade and Other Receivables due in more than one year	9	-	-
Total Non Current Assets		28,435	30,983
Current Assets			
Assets classified as held for sale	7	-	-
Inventories	8	-	-
Trade and Other Receivables	9	3,076	2,862
Cash and Cash Equivalents	10	3,525	471
Total Current Assets		6,601	3,333
Total Assets		35,036	34,316
Current Liabilities			
Trade and Other Payables	11	(15,467)	(12,266)
Provisions	12	(277)	(495)
Total Current Liabilities		(15,744)	(12,761)
Current Assets less Current Liabilities		(9,143)	(9,428)
Non Current Assets less Current Assets and Liabilities		19,292	21,555
Non Current Liabilities (> 1 year)			
Trade and Other Payables	11	(4,862)	(4,968)
Provisions	12	(999)	(1,042)
Financial Liabilities		-	-
Total Non-Current Liabilities		(5,861)	(6,010)
Total Assets less Total Liabilities		13,431	15,545
Taxpayers' Equity			
General Fund		(5,295)	(7,849)
Revaluation Reserve		(8,136)	(7,696)
Total Taxpayers' Equity		(13,431)	(15,545)

The notes on pages 37 - 56 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on the 15/07/2014

Catherine Dyer
Accountable Officer:

Crown Office and Procurator Fiscal Service

Statement of Cash Flows

For the year ended 31 March 2014

	Note	2013-14 £000s	2012-13 £000s
Net Cash Outflow from Operating Activities	A	(98,728)	(98,406)
Net Cash Outflows from Investment Activities	B	(2,781)	(6,450)
Payments from / (to) the Scottish Consolidated Fund for income not applied		(1,936)	-
Cash flows from Financing Activities	C	106,500	104,700
Increase/(Decrease) in cash in the year		3,055	(156)

Note A - Reconciliation of operating costs to operating cash flows

Net Operating Cost	106,095	104,456
Adjust for non-cash transactions	(6,683)	(4,625)
Increase in inventories	-	-
Increase in receivables and other current assets	214	173
Increase in trade and other payables	(1,159)	(2,102)
Decrease in provisions	261	504
Interest receivable	-	-
Net cash outflow from operating activities	98,728	98,406

Note B – Analysis of Cash Flows from Investment Activities

Purchase of property, plant and equipment	2,042	2,114
Purchase of intangible assets	739	2,462
Adjustment for movement in working capital	-	1,873
Proceeds of disposal of property, plant and equipment	-	-
Proceeds of disposal of intangible assets	-	-
Net Cash outflow from Investment Activities	2,781	6,450

Note C – Analysis of Cash flows from Financing Activities

From Scottish Consolidated Fund	106,500	104,700
Surrender of excess capital receipts	-	-
Cash flows from financing activities	106,500	104,700
Decrease in cash and cash equivalents	(3,055)	156
Net Cash and Cash Equivalents requirement	103,445	104,856

The notes on pages 37 - 56 form part of these accounts.

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Statement of Changes in Taxpayers' Equity

	Note	For the year ended 31 March 2014			For the year ended 31 March 2013		
		General Fund	Reval'n Reserve	Total Tax Payers Equity	General Fund	Reval'n Reserve	Total Tax Payers Equity
		£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1st April		7,849	7,696	15,545	7,353	7,702	15,055
Net gain/(loss) on revaluation of Property, Plant and Equipment	5	-	440	440	-	(6)	(6)
Net loss on revaluation of intangibles	6	-	-	-	-	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure		-	-	-	-	-	-
Non Cash Charges – Auditor's Remuneration	3	96	-	96	96	-	96
Transfers between reserves		-	-	-	-	-	-
Net Operating Cost for the Year		(106,095)	-	(106,095)	(104,456)	-	(104,456)
Total Recognised Income and Expenditure		(98,150)	8,136	(90,014)	(97,007)	7,696	(89,311)
Parliamentary Funding		106,500	-	106,500	104,700	-	104,700
Movement of Balance with the SCF		(3,055)	-	(3,055)	156	-	156
Total Movement in Year		(2,554)	-	(2,554)	496	(6)	490
Balance at 31st March		5,295	8,136	13,431	7,849	7,696	15,545

The notes on pages 37 - 56 form part of these accounts.

Crown Office and Procurator Fiscal Service

Resources by Service's aims and objectives

For the year ended 31 March 2014

	2013-14			2012-13
	Gross £000s	Income £000s	Net £000s	Net £000s
Aim				
To provide an independent, modern prosecuting service which is committed to professional excellence, pursues cases fairly and consistently in the public interest and is responsive to the public's needs				
Objectives				
To improve the delivery of justice by timely, efficient and effective investigation and prosecution of crime. To support stronger, safer communities by securing public confidence, including that of ethnic minorities, in the prosecution system. To give priority to the prosecution of serious crime, including drugs trafficking and persistent offenders	100,133	(996)	99,137	97,606
To provide services which meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies	2,786	-	2,786	2,743
To ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily	4,172	-	4,172	4,107
Net Operating Costs	107,091	(996)	106,095	104,456

The notes on pages 37 - 56 form part of these accounts.

Crown Office and Procurator Fiscal Service

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

In accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 (reproduced at page 57) these accounts have been prepared in compliance with the principles and disclosure requirements of the *Government Financial Reporting Manual (FReM)*, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context.

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

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

1.1 Basis of Accounting

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

1.2 Accounting Convention

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

1.3 Going Concern

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

1.4 Change of Accounting Policies

There have been no changes to our accounting policies.

1.5 Non Current Assets

Property, Plant and Equipment (PPE)

Recognition

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

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

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Valuation

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

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

Capitalisation

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

Subsequent Cost

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

1.6 Intangible Assets

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

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.'

1.7 Depreciation

Freehold Land is not depreciated.

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

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

1.8 Assets Held for Sale

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

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

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

1.9 Operating Income

Operating income is income which relates directly to the operating activities of the COPFS. It includes income applied without limit and income applied within limit. For income categorised as being applied within limit any excess over that approved, is surrendered to the Scottish Consolidated Fund (SCF). The COPFS derives minimal levels of income from LINETS, recharging of services provided to QLTR and some sub-leasing/letting of properties.

1.10 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs. Administration costs reflect the costs of running the COPFS as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. The COPFS has no programme related expenditure or income.

1.11 Parliamentary Funding

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

1.12 Foreign Currency

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

1.13 Employee Benefits

Retirement Benefits

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded. It is not possible for COPFS to identify its share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. Departments, agencies and other bodies covered by the PCSPS recognise the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which it benefits from their services by payment to the PCSPS of amounts calculated on an accruing basis (relevant disclosures are reported in Note 2). Liability for the payment of future benefits is a charge to the PCSPS. There is a separate scheme statement for the PCSPS as a whole. Ministers are covered by the provisions of the Scottish Parliamentary Pension Scheme which is contributory and funded.

Short Term Employee Benefits

A liability and an expense is recognised for holiday days, bonuses and other short-term benefits when the 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.

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1.14 Provisions

Provisions are recognised when:

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

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

1.15 Leases

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

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

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

1.16 Value Added Tax (VAT)

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

1.17 Financial Instruments

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

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

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

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

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1.18 Cash and Cash Equivalents

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

1.19 Trade Payables

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

1.20 Segmental Reporting

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

1.21 Critical Accounting Estimates and Judgements

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

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

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

Valuation of property, plant and equipment

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

Early Severance Costs

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

The COPFS provided in full for this cost when the decisions were made. In 2013-14 the HM Treasury discount factor decreased from 2.35% to 2.2% and the new rate has been applied to the early severance provision.

During 2010-11 the entitlement to severance payments was changed to a maximum of 21 month's salary. This applied to staff who left under the second scheme which was run during 2010-11 and those leaving thereafter under these terms. These payments take the form of a one-off lump sum which if not paid by 31st March 2014 was accrued. No staff left under the scheme during 2013-14.

Provision for Injury Benefit Payments

The COPFS is required to meet the cost of payments made to ex employees who took early retirement on

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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.

1.22 Disclosure of new standards not yet applied

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

IFRS 9 – Financial Instruments

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

IFRS 13 – Fair Value Measurement

A date for introduction has yet to be set. The adoption of this standard could change the measurement techniques used when determining fair value. The impact on the consolidated accounts has not been determined.

2 Staff Costs

2a: Staff costs consist of:

	2013-14			2012-13		
	Officials £000s	Ministers £000s	Total £000s	Officials £000s	Ministers £000s	Total £000s
		Footnote 1			Footnote 1	
Wages and Salaries	51,315	215	51,530	50,417	212	50,629
Social Security Costs	4,421	26	4,447	4,386	26	4,412
Other Pension Costs	9,288	43	9,331	9,025	43	9,068
Sub-Total	65,024	284	65,308	63,828	281	64,109
Inward Secondments	351	-	351	358	-	358
Early Departure Costs	97	-	97	923	-	923
Injury Benefit Claims	207	-	207	(76)	-	(76)
Agency, Temporary and Contract Staff and Trainees	1,715	-	1,715	2,145	-	2,145
Sub-Total	67,394	284	67,678	67,178	281	67,459
Less Recoveries in Respect of Outward Secondments	(273)	-	(273)	(391)	-	(391)
Total	67,121	284	67,405	66,787	281	67,068

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

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

2013-14

Objective	Ministers	Senior Management	Permanently Employed Staff	Agency	Other	2013-14 Total
1. Prosecution	2	8	1,248	8	231	1,497
2. Victim Support	-	-	86	-	-	86
3. Investigation of Deaths	-	-	45	-	-	45
Total	2	8	1,379	8	231	1,628

2012-13

Objective	Ministers	Senior Management	Permanently Employed Staff	Agency	Other	2012-13 Total
1. Prosecution	2	7	1,317	16	150	1,492
2. Victim Support	-	-	78	-	-	78
3. Investigation of Deaths	-	-	40	-	-	40
Total	2	7	1,435	16	150	1,610

Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer, defined benefit scheme but the COPFS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2013-14, employers' contributions of £9,249,610 were payable to the PCSPS (2012-13; £9,010,389) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £35,307 (2012-13; 32,573) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,613 (2012-13; £2,450), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £1,006,476. Contributions prepaid at that were £0.

There were no ill health retirements during 2013-14.

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

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The COPFS ran an early severance scheme in 2012-13 the details of which are as follows:

2012-13

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band 2012-13
< £10,000	-	-	-
£10,001 - £25,000	-	1	1
£25,001 - £50,000	-	2	2
£50,001 - £100,000	-	4	4
£100,001 - £150,000	-	1	1
£150,001 - £200,000	-	-	-
Total number of exit packages	-	8	8
Total cost	-	£455,945	£455,945

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

3 Other Administration Costs

	2013-14 Total £000s	2012-13 Total £000s
Travel and Subsistence	734	576
Training	210	275
Accommodation	9,075	10,187
Legal and Witness Costs	15,805	14,822
Supplies and Services	6,635	7,690
Other Staff and Office Costs	827	470
(Profit)/Loss on sale of assets*	-	63
Sub-Total	33,286	34,083
Non-Cash Costs:		
Audit Fee	96	96
Impairment	1,834	148
Depreciation	4,754	4,319
Sub-Total	6,684	4,563
Total Administration Costs	39,970	38,646

Within Other Administration Costs for 2013-14 there were £Nil for non-audit services provided by the appointed auditor, Audit Scotland (2012-13; £Nil).

*Profit/(Loss) on sale of assets information previously included within note 4 Operating Income

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4 Operating Income

	Income Applied £000s	Income Not Applied £000s	2013-14 Total £000s	2012-13 Total £000s
Operating Income analysed by classification and activity as follows:				
Administrative income allowable within cost limit*:				
Queen's and Lord Treasurer's Remembrancer (QLTR) costs recharged	385	-	385	397
Legal Information Network for Scotland (LINETS) Subscriptions	611	-	611	580
Sub-Total	996	-	996	977
Other Income (Treated as not applied)**				
Fines and Fixed Penalties	-	-	-	-
Civil Recovery Income	-	2,537	2,537	2,339
Cash Seizures	-	1,886	1,886	2,041
Sub-Total	-	4,423	4,423	4,380
Total	996	4,423	5,419	5,357

* Retained Income limit per the Budget Act is £2,000,000 (2012-13 £2,000,000)

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

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5 Property, Plant and Equipment

	Land £000s	Buildings £000s	IT equip. £000s	Telecomm unications £000s	Vehicles £000s	Total £000s
	Footnote 1	Footnote 1				
Cost or Valuation						
As at 1 April 2013	1,350	25,846	7,086	2,777	310	37,369
Additions	-	1,528	1,110	40	-	2,678
Disposals	-	-	(261)	-	-	(261)
Transfers In	-	-	-	-	-	-
Impairments	(20)	(287)	-	-	-	(307)
Revaluations	-	440	-	-	-	440
Reclassifications	-	190	21	-	-	211
At 31 March 2014	1,330	27,717	7,956	2,817	310	40,130
Depreciation						
As at 1 April 2013	-	(6,535)	(3,402)	(1,836)	(227)	(12,000)
Charged in-year	-	(2,914)	(1,294)	(293)	(83)	(4,584)
Disposals	-	-	261	-	-	261
Impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	(192)	6	(1)	1	(186)
As at 31 March 2014	-	(9,641)	(4,429)	(2,130)	(309)	(16,509)
Net Book Value						
As at 31 March 2014	1,330	18,076	3,527	687	1	23,621
As at 1 April 2013	1,350	19,311	3,684	941	83	25,369
Analysis of Asset Financing						
Owned	1,330	5,297	3,527	687	1	10,842
Leasehold Buildings	-	5,762	-	-	-	5,762
Finance Leases	-	7,017	-	-	-	7,017
NBV at 31 March 2014	1,330	18,076	3,527	687	1	23,621

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

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6 Intangible Assets

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

7 Assets Classified as Held for Sale

As at 31 March 2014 there were no assets classified as held for sale (2012-13; Nil).

8 Inventories

As at 31 March 2014 there were no inventories (2012-13; Nil).

Crown Office and Procurator Fiscal Service

9 Trade and other receivables

	2014 £000s	2013 £000s
Amounts falling due within 1 year		
VAT	258	360
Other Receivables	72	77
Prepayments	2,418	2,028
Accrued Income	328	397
Sub-total	3,076	2,862
Intra-Government Balances		
Amounts falling due within 1 year		
Balances with other Central Government Bodies	715	859
Balances with Local Authorities	-	-
Total: Intra-governmental balances	715	859
Balances with bodies external to government	2,361	2,003
Total receivables at 31 March	3,076	2,862

Amounts falling due after more than 1 year		
Other Receivables	-	-
Sub-total	-	-
Intra-Government Balances		
Amounts falling due after more than 1 year		
Balances with bodies external to government	-	-
Total receivables at 31 March	-	-

10 Cash and cash equivalents

	2014 £000s	2013 £000s
Balances at Government Banking Services	3,490	445
Commercial banks and cash in hand	35	26
At 31 March	3,525	471
At 1 April	471	627
Net change in cash and cash equivalent balances	3,054	(156)
At 31 March	3,525	471
Amount issued and unspent from Scottish Consolidated Fund	1,332	471
Cash receipts due to be paid to Scottish Consolidated Fund	2,193	-
At 31 March	3,525	471

Crown Office and Procurator Fiscal Service

11 Trade payables and other current liabilities

	2014 £000s	2013 £000s
Amounts falling due within one year:		
Taxation and Social Security Payables	(2,348)	(2,347)
Trade Payables	(11)	-
Other Payables	(138)	(121)
Accruals and Deferred Income	(7,145)	(8,974)
Finance Leases	(107)	(96)
Cash Seizures	(2,193)	(257)
Balances payable to the Scottish Consolidated Fund	(3,525)	(471)
Total due within one year	(15,467)	(12,266)
Intra-Government Balances		
Amounts falling due within 1 year		
Balances with other Central Government Bodies	(2,331)	(3,542)
Balances with Local Authorities	(1,332)	(213)
Total: Intra-governmental balances	(3,663)	(3,755)
Balances with Bodies External to Government	(11,804)	(8,511)
Total payables at 31 March	(15,467)	(12,266)
Amounts falling due after more than one year:		
Other Payables, Accruals and Deferred Income	-	-
Finance Leases	(4,862)	(4,968)
Total due after more than one year	(4,862)	(4,968)
Amounts falling due after more than 1 year		
Total: Intra-governmental balances		
Balances with Bodies External to Government	(4,862)	(4,968)
Total payables at 31 March	(4,862)	(4,968)

Crown Office and Procurator Fiscal Service

12 Provisions

	Early Departure Costs	Injury Benefit Costs	Other Provisions	2014 Total	2013 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	465	577	-	1,042	1,500
Add: element reported as due within one year	339	56	100	495	541
Total as at 1 April	804	633	100	1,537	2,041
Provided for in year	49	207	-	256	113
Provisions not required written back	-	-	-	-	(148)
Provisions utilised in year	(361)	(56)	(100)	(517)	(469)
Balance as at 31 March	492	784	-	1,276	1,537
Payable within one year	220	57	-	277	495
Provision of over one year	272	727	-	999	1,042

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

COPFS staff in Inverness moved offices from Baron Taylor Street (which was leased from a private sector landlord) to space within Great Glen House (a shared Scottish Government property) over the weekend of 25th / 26th May 2013. Under the terms of the lease on Baron Taylor Street the COPFS was liable for dilapidations once the lease came to an end (23rd June 2013). We had provided £100,000 for this liability based on an estimate provided by our Facilities Management Shared Service suppliers, the Scottish Court Service and utilised the full £100,000 against actual cost of £130,000.

Analysis of expected timing of any resulting outflows of economic benefits

	Early Departure Costs	Injury Benefit Costs	Other Provisions	2014 Total	2013 Total
	£000s	£000s	£000s	Total £000s	Total £000s
Payable in 1 year	220	57	-	277	495
Payable between 2 - 5 yrs	258	232	-	490	663
Payable between 6-10 yrs	14	293	-	307	271
Thereafter	-	202	-	202	108
Total as at 31 March	492	784	-	1,276	1,537

Crown Office and Procurator Fiscal Service

13 Capital commitments

Property, plant and equipment	2014 £000s	2013 £000s
Contracted for at 31 March but not provided for	-	12
Approved at 31 March but not provided for	-	-
Total	-	12
Intangible assets		
Contracted for at 31 March but not provided for	-	49
Approved at 31 March but not provided for	-	-
Total	-	49

14 Commitments under leases

14a Operating Leases

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

Obligations under Operating leases comprise:

	2014 £000s	2013 £000s
Buildings		
Within one year	-	121
Between two and five years (inclusive)	2,475	1,951
After five years	3,543	5,087
Total	6,018	7,159

14b Finance Leases

Obligations under Finance leases are payable as follows:

	Minimum Lease Payments	Interest	Principal		Minimum Lease Payments	Interest	Principal
	2014				2013		
	£000s	£000s	£000s		£000s	£000s	£000s
Within one year	1,802	1,696	106	Within one year	1,802	1,706	96
Between two and five years (inclusive)	7,207	6,649	558	Between two and five years (inclusive)	7,207	6,706	501
After five years	42,199	37,895	4,304	After five years	44,001	39,534	4,467
Total	51,208	46,240	4,968	Total	53,010	47,946	5,064

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15 Other Financial Commitments

15a Other Commitments

As at 31 March 2014 there were no other financial commitments (2012-13; Nil).

15b Guarantees, indemnities and letters of comfort

As at 31 March 2014 there were no guarantees, indemnities or letters of comfort (2012-13; Nil).

16 Contingent Liabilities disclosed under IAS 37

As at 31 March 2014 there were no contingent liabilities (2012-13; Nil).

17 Related Party Transactions

The COPFS is a separate service of the Scottish Government for funding purposes. During the year, the COPFS had a number of transactions with the Scottish Government and with other Government Departments and public bodies, viz. local authorities, the Scottish Court Service, the National Health Service and universities.

None of the Management Board members, key managerial staff or other related parties has undertaken any material transactions with the COPFS during the year.

Crown Office and Procurator Fiscal Service

18 Financial Instruments

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

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

The COPFS has no derivative financial assets or liabilities.

Financial Assets	2014	2013
Description	£'000s	£'000s
Accrued Income	328	397
Other receivables	72	77
Cash and Cash Equivalents	3,525	471
	3,925	945

Financial Liabilities	2014	2013
Description	£'000s	£'000s
Trade Payables	(11)	-
Accruals	(7,145)	(7,315)
Other payables	(138)	(121)
Scottish Consolidated Fund	(3,525)	(471)
Finance Leases	(4,968)	(5,064)
	(15,787)	(12,971)

Credit risk

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

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

Liquidity risk

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

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

Crown Office and Procurator Fiscal Service

18 Financial Instruments (continued)

The table below details the contractual maturities of financial liabilities.

Maturity Profile Financial Liabilities	<1yr £000s	2 - 5 yrs (inclusive) £000s	>5yrs £000s	Total £000s
-------------------------------------------	---------------	-----------------------------------	----------------	----------------

2014

Trade Payables	(11)	-	-	(11)
Accruals	(7,145)	-	-	(7,145)
Other payables	(138)	-	-	(138)
Scottish Consolidated Fund	(3,525)	-	-	(3,525)
Finance Leases	(106)	(558)	(4,304)	(4,968)

2013

Trade Payables	-	-	-	-
Accruals	(7,315)	-	-	(7,315)
Other payables	(121)	-	-	(121)
Scottish Consolidated Fund	(471)	-	-	(471)
Finance Leases	(96)	(501)	(4,467)	(5,064)

Market risk

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

Interest rate risk

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

Currency risk

The COPFS is not exposed to foreign exchange rates.

Crown Office and Procurator Fiscal Service

18 Financial Instruments (continued)

Fair values

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

	2014 Carrying amount £'000s	2013 Carrying amount £'000s
Financial Assets		
Accrued Income	328	397
Other receivables	72	77
Cash and cash equivalents	3,525	471
Financial liabilities		
Trade Payables	(11)	-
Accruals	(7,145)	(7,315)
Other payables	(138)	(121)
Scottish Consolidated Fund	(3,525)	(471)
Finance Leases	(4,968)	(5,064)
Net total	(11,862)	(12,026)

Estimation of Fair Values

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

19 Losses and special payments

		2013-14 £000s	2012-13 £000s
Cash losses	Nil cases (2012-13; nil cases)	-	-
Special payments	36 cases (2012-13; 28 cases)	21	69
Total		21	69

20 Third-party Assets

At 31 March 2014 there were no third party assets (2012-13; Nil).

Crown Office and Procurator Fiscal Service

21 Budget against Outturn

	Approved Budget £000s	Updated Budget £000s	Outturn £000s	Variance £000s
Running Costs Expenditure	104,500	106,300	106,095	205
Capital Expenditure	3,600	3,600	3,596	4
Total	108,100	109,900	109,691	209

22 Cash Requirement

Approved Cash Requirement

Undrawn funding
Funding drawn down

Cash Expended

Operating Costs
Capital expenditure

Cash Balance due to the SCF as at 31 March 2014

Cash Balance due to the SCF as at 31 March 2013

Consisting of:

Funding balance due to the SCF*

Excess income due to the SCF

£000s	£000s
	108,100
	1,600
	106,500
100,665	
2,781	
	103,446
	3,054
	471
	3,525
	3,525
	-
	3,525

*The difference between the balance payable to the Scottish Consolidated Fund in note 11 is the cash balance due to the Scottish Consolidated Fund for proceeds of crime as at 31 March 2014 which was £2,193k.

23 Events after the Reporting Period

There have been no material events between 31 March 2014 and the publication of the accounts that require adjustments to the accounts to be disclosed.

Crown Office and Procurator Fiscal Service



LORD ADVOCATE

DIRECTION BY THE SCOTTISH MINISTERS

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the Crown Office and Procurator Fiscal Service for the financial year ended 31 March 2006 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (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 of the third paragraph.

Signed by the authority of the Scottish Ministers

Dated 17 January 2006