

# Annual Report and Financial Statements

For the year ended 31 March 2021



Laying number: SG/2021/224



CROWN OFFICE  
& PROCURATOR  
FISCAL SERVICE

SCOTLAND'S PROSECUTION SERVICE

We act to uphold  
the rule of law  
independently,  
robustly, fairly  
and effectively.



- 03** The Performance Report
- 27** The Accountability Report
- 44** Remuneration and Staff Report
- 61** Parliamentary Accountability Report
- 63** Independent Auditor's Report
- 70** The Financial Statements
- 76** Notes to the Accounts
- 99** Accounts Direction by Scottish Ministers



# The Performance Report





## The Performance Report Introduction

The Crown Office and Procurator Fiscal Service (COPFS) is Scotland's public prosecution authority, looks into deaths that need further explanation and investigates allegations of criminal conduct against police officers.

Our purpose is to secure justice for the people of Scotland in respect of the investigation and prosecution of crime and the investigation of deaths. Our work helps to ensure that Scotland is safe from crime, disorder and danger.

By investigating and prosecuting crime in terms of our Prosecution Code, we ensure that those responsible are identified and held accountable. By investigating deaths, we ensure that appropriate lessons are learned with a view to reducing the incidence of avoidable deaths. We act to uphold the rule of law independently, robustly, fairly and effectively.

To ensure our service remains fit for purpose in the face of a changing landscape we are working towards the goals in our **Strategic Plan for 2020-2023**.

Our overall, high level strategic goals for 2020-2023 are to:

- **Deliver high quality casework** – We will secure justice through independent, robust, fair and effective professional decision-making, case preparation and presentation. We will explain our decisions, be open about our work and conclude our investigations more quickly.
- **Support our people** – We will build a skilled, engaged and diverse workforce, invest in staff development and strengthen our capacity to deliver an improved service.
- **Improve our service** – We will continue to digitise and modernise the way we work, supporting wider reform of the criminal justice system, securing efficient and effective justice and putting the public at the heart of all we do.

Between 2020 and 2023 we also intend to meet the challenges of the COVID-19 pandemic and deliver a significant transformation in our service. In creating our strategy, we consulted with our staff and organisations with whom we work closely to consider the service we aspire to provide by 2023, and the changes we will make to achieve this.



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

### Performance and outcomes

2020-21 has been a time of significant uncertainty and unprecedented change for the people of Scotland due to the COVID-19 pandemic. Our overall focus remains: to keep the people of Scotland safe from harm and to deal effectively with those who break the law. In doing so, our priority has been to protect the safety and wellbeing of the public we serve and our staff as we worked together in new ways.

Our casework is becoming more challenging due to changes in profile and complexity. We are committed to rising to meet these challenges and continuously improving the levels of service we provide to the public.

### COVID-19 Impact

From early in 2020, the COVID-19 pandemic caused huge health and economic issues for virtually every country in the world.

The criminal justice system in Scotland scaled down all but the most essential court proceedings. In line with government guidelines, COPFS required the majority of its staff to work from home. While the existing Digital Strategy was intended to provide flexibility to allow working from home, the COVID-19 pandemic required full-time home working for many staff for a protracted period. Huge cultural as well as technological challenges were overcome in a matter of two or three weeks.

Existing Business Continuity Plans came through the sternest of tests successfully. To enable COPFS to continue providing services immediately, the first lockdown was announced, we deployed 1,976 laptops, 814 mobile phones and increased the capacity of our infrastructure to allow staff to work from home supporting 1,500 to 1,600 remote connections per day. This was completed very quickly with minimal disruption to services. Policies were introduced or adapted to support home working.

Continued service delivery was overseen by the Corporate Resilience Group supported by a number of sub-groups and CRG kept Executive Board and Audit and Risk Committee comprehensively updated. The COPFS Risk Management Group developed a new strategic risk register to provide a framework for decision-making as we moved through the phases of our business plan. This was a dynamic register with frequent updates as circumstances changed and risks were addressed.

We established links to the Scottish Government's resilience planning, Police Scotland and the Scottish Courts and Tribunals Service to co-ordinate our response and provide clarity and direction for staff and stakeholders about



the sudden changes which were taking place. At the same time, our Policy Team worked intensively with the Scottish Government on emergency legislation and prepared urgent guidance for staff on the new provisions.

**The changes to our operations include:**

- The majority (around 90%) of COPFS employees were no longer attending offices to work and carrying out their required duties from home.
- The implementation of new legislation, the Coronavirus (Scotland) Act 2020, and Coronavirus (Scotland)(No.2) Act, with provisions affecting COPFS including allowing for remote, electronic attendance of parties at court; electronic signature and transfer of documents; extension of time limits; and admission of statements in evidence in certain circumstances. Good progress has been made in the use of digital technologies to enable the conduct of criminal appeals and other virtual courts, including trials.
- Our work with the court service and defence agents to prepare and resolve cases is now largely carried out digitally instead of in court.
- The implementation of a memorandum of understanding with the medical profession on the reporting of COVID-19 deaths to the Procurator Fiscal. We saw a significantly increased number of reportable deaths which required further investigation. A dedicated Unit was established to investigate COVID-19 deaths that required to be reported.

In planning, we made assumptions that available court time would be very significantly constrained throughout the course of 2020-21 because of the immediate court closures in response to COVID-19 and the changes which needed to be made, as courts re-opened, took account of physical distancing and the use of new technology. That assumption led us to conclude that the justice system would finish the 2020-21 year with a significantly increased volume of pending cases which would take longer to reach a conclusion with a significant impact on victims and witnesses. Our assumptions were correct and at the close of the 2020-21 year there was an increase of 38,107 (112%) cases not concluded (refer to court disposals table on Page 9).

When the second wave of restrictions came in, the court recovery programme was reduced again with only the most serious cases being resolved. This resulted in further growth in backlogs.

We made remarkable progress in building resilience within our organisation to ensure business continuity during the COVID-19 pandemic. However, we recognise and anticipate that our new business as usual model may look significantly different to our working arrangements pre-coronavirus. Full recovery, in the sense of returning to a pre-COVID-19 pandemic number of cases awaiting trial, is expected to take a number of years. COPFS is working with Justice Partners to formulate and deliver the Court Recovery Programme with Scottish Government support. Our Future Ways of Working Programme,



described in more detail below, is taking account of lessons learned during the COVID-19 pandemic to shape the way we work in the years to come.

**Our business plan for 2020-21 was split into three phases which support the Strategic goals as mentioned in the Introduction on Page 4:**

- **Response:** our response to the COVID-19 pandemic. This phase focused on us meeting a number of new operational challenges to keep our employees and the public safe from harm while ensuring that essential business could continue.
- **Recovery:** our organisational recovery from coronavirus. In this phase we saw more business running through the courts and more of our employees returning to workplaces with significantly different working arrangements within the courts, and a much higher caseload of death investigations.
- **Renewal:** our “new normal” which will see our organisation fully recovered from the COVID-19 pandemic. We continue to learn resilience lessons and new ways of working and we aspire that our new normal will be more modern and efficient business than before, taking full advantage of the opportunities to modernise the criminal justice system.

Although there has been reduced activity due to the COVID-19 restrictions, through the delivery of high quality casework, supporting our people and improving our service, COPFS managed to keep the growing backlog of cases to the lowest possible position, supported victims and witnesses and improve performance by activities described throughout this Annual Report.

COPFS promotes diversity and engagement with local communities across the country through its annual Schools Public Speaking Competition. The competition did not take place in 2020-21 due to coronavirus restrictions but will recommence once circumstances allow.



## Performance and outcomes

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

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

	<b>2020-21</b>	<b>2019-20</b>
Criminal Reports Received	159,195	169,894
Death Reports Received	15,739	10,921
Total Reports Received (I)	174,934	180,815
<b>Non-Court Disposals (II)</b>		
No Action	15,930	15,999
Warning Letters	6,583	5,261
Conditional Offers of Fixed Penalties Paid	10,384	7,837
Fiscal Fines Paid / Accepted	12,399	17,705
Compensation Orders Accepted	925	595
Combined Fiscal Fines / Compensation Orders Accepted	2,051	3,840
Other Non-court disposals	13,960	11,747
<b>Total Non-Court Disposals</b>	<b>62,232</b>	<b>62,984</b>
<b>Total No Further Action (III)</b>	<b>16,437</b>	<b>17,734</b>
<b>Total Non-Court Cases</b>	<b>78,669</b>	<b>80,718</b>

### Notes:

- I. COPFS receives reports about crimes from the police and other reporting agencies and then decides what action to take, including whether to prosecute someone. We also look into deaths that need further explanation and investigate allegations of criminal conduct against police officers.
- II. Prosecutorial decisions are made by the Procurator Fiscal in accordance with the Prosecution Code and other prosecution policy and guidance.
- III. No Further Action indicates cases which were closed after proceedings have been commenced or attempted (e.g. cases which were closed because the accused died, the accused could not be traced, a key witness was not available, etc.).



Despite public health restrictions being in place for much of the year, the total number of criminal reports received was not significantly less than in 2019-20. It is notable that the number of death reports increased substantially, by around 50% on the number for 2019-20. The total non-court disposals has remained similar to 2019-20 with a reduction of only 750 actions.

Information on Court Disposals is not collated by COPFS. Information on court disposals is available from the Management Information Analysis Team at the Scottish Courts and Tribunal Service (SCTS) with the following extract as at 31 March 2021:

	<b>2020-21</b>	<b>2019-20</b> <b>(**Re-stated)</b>
<b>JP Court</b>		
Cases registered	16,932	33,582
Cases concluded*	9,975	30,686
Cases not concluded at 31 March	10,854	7,203
<b>Sheriff Court Summary Cases</b>		
Cases registered	54,110	65,490
Cases concluded*	32,443	57,256
Cases not concluded at 31 March	57,801	25,374
<b>Sheriff Court Solemn Cases</b>		
Cases registered	4,851	5,452
Cases concluded*	3,286	5,155
Cases not concluded at 31 March	3,399	1,370
<b>Total cases concluded</b>	<b>45,704</b>	<b>93,097</b>
<b>Total cases not concluded</b>	<b>72,054</b>	<b>33,947</b>

**Note:**

\* Cases concluded includes cases not disposed of in prior years. The data in this table is provided by Scottish and Courts Tribunal Service.

\*\* The 2019-20 figures have been restated as the 2019-20 Annual Accounts had provisional figures quoted which have since been finalised.

As shown in the table above, due to the COVID-19 restrictions, cases concluded reduced by 47,393 (51%) compared to 2019-20 levels and cases not concluded increased by 38,107 (112%) compared to 2019-20 levels.



Performance against our published targets during 2020-21 was:

<b>Business Area</b>	<b>Target</b>	<b>Performance 2020-21</b>	<b>Performance 2019-20</b>
Service of Indictments*	All indictments are served within timebar.**	100%	100%
Take & Implement Decisions***	Take a decision on the appropriate course of action and implement that decision in at least 75% of cases within 4 weeks of the report being received.	76%	75%
Investigation of Deaths****	In deaths which require further investigation, conduct the investigation and advise the next of kin of the outcome within 12 weeks in at least 80% of cases.	58%	70%
Investigation of Criminal Allegations against the Police	Complete the investigation of criminal allegations against police officers and advise the complainer of the outcome within 12 weeks of the date on which the report is received in at least 90% of cases.	91%	91%

**Notes:**

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

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

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

\*\*\*\* A key target in the investigation of deaths is that where a death requires further investigation, we will conduct the investigation and advise the next of kin of the result within 12 weeks of the death being reported to the Procurator Fiscal. Many of these deaths require a post-mortem examination to be conducted. The examination process includes toxicological analysis. Pathologists are unable to conclude their examinations and submit their final reports to COPFS until they receive the toxicology results.



Since February 2019 COPFS has experienced delays in the provision of toxicology by service providers. As a result, there have been delays in the provision of pathologists' final reports to COPFS and the conclusion of investigations. Performance against target has therefore reduced as a result of the impact of the increased 50% of reported deaths together with suppliers' performance delays.

COPFS worked with the toxicology supplier on an improvement plan and a prioritisation matrix was put in place during the 2020-21 reporting year which has assisted in reducing the caseload and improving turnaround times.

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

One of our main challenges remains in Serious Casework due to the increased number of serious cases reported and the change in the profile of this casework. Total High Court business on petition has been relatively constant over the last three years, but at a level approximately 40% higher than 2016-17 levels. Sexual crime is over 50% higher than 2016-17 levels, and major crime over 30% higher.

We are committed to significant improvement in performance particularly in the prosecution of serious cases. The priority for the latter part of 2020-21 was to tackle increasing caseloads in line with Scottish Courts and Tribunal Service (SCTS) court programmes, recruit for additional posts secured through the budget process for 2021-22 and induct and train staff transferring to new roles from other parts of COPFS. The challenges of COVID-19 have been vast but the Service is confident that performance will continue to improve throughout 2021-22 as staffing levels increase and additional resource is directed to reducing the journey time of serious cases.

**COPFS' Business Plan 2020-21** identified the following operational performance objectives:

- earlier indicting of sexual offence cases in the High Court and Sheriff Court;
- providing victims, vulnerable witnesses and bereaved relatives with more regular updates which explain the progress of investigations and case preparation;
- shortening the time taken to conclude complex death investigations;
- supporting work across the justice system to implement new domestic abuse and vulnerable witness legislation; and
- working with the courts and criminal justice partners to progress and conclude summary cases at a much earlier stage in order to reduce inconvenience to victims and witnesses.



These objectives remained valid throughout the year although the extent to which they could be progressed was impacted by the COVID-19 pandemic and a consequent growth in backlog of cases across the justice system.

Within Serious Casework the Specialist Casework function comprises 11 specialist units which deal with a diverse and complex range of investigations, including deaths investigations, and investigations connected to serious and organised crime. Examples of the breadth of our cases include the work of the Health and Safety Investigation Unit which is overseeing the ongoing investigation into the Stonehaven train derailment and maritime cases involving loss of life. The Wildlife and Environmental Crime Unit is considering a report in relation to flaring events at Mossmorran in Fife. The Serious and Organised Crime Unit has a number of cases involving serious and organised crime including Operation Venetic. The COVID Deaths Investigation Team was established in May 2020 in response to the decision of the Lord Advocate that certain categories of COVID-19 death were to be reported to the Procurator Fiscal and is considering a large number of cases. The Scottish Fatalities Investigations Unit (FAI) continues to progress all ongoing death investigations. As a result of the COVID-19 pandemic all FAI hearings will be heard remotely until further notice. This has largely been very successful. A project was completed in 2020-21 which reviewed and modernised the processes involved in deaths investigations and Fatal Accident Inquiries and work continues to improve the service we provide to the people of Scotland.



Throughout the year, despite the COVID-19 pandemic, the Business Services KPIs remained valid and were monitored monthly. The results show that although working remotely, we still delivered a quality service demonstrated as follows for the 12-month period to 31 March 2021:

### Information Services

KPI	Target	Range achieved	Average
COPFS IT Digital Production Systems Availability	99.5%	99.73% - 100%	100%
Case Management System availability	99.5%	96.98% - 100%	99.7%
COPFS Network Availability	99.5%	99.36% - 100%	99.7%
COPFS Desktop Availability	99.5%	98.81% - 100%	99.9%
Total number of Incidents		1,913 – 4,576	2,867.4
Incidents where SLA's met		76.4% - 97.8%	92.3%

### Finance

KPI	Target	Range achieved	Average
Invoices paid within 10 day aspirational payment	95%	76.6% - 98.5%	93.0%
Staff travel and subsistence claims paid within 10 days	100%	100%	100%
KPI	Target	Range achieved	Average
Invoices processed within 30 days payment target	98%	86.6% - 100%	96.1%
Witness claims paid within 10 days	100%	100%	100%

### Human Resources

KPI	Target	Range achieved	Average
Invoices paid within 10 day aspirational payment	95%	76.6% - 98.5%	93.0%
Staff travel and subsistence claims paid within 10 days	100%	100%	100%
Invoices processed within 30 days payment target	98%	86.6% - 100%	96.1%
Witness claims paid within 10 days	100%	100%	100%



## Records Management/Central Printing

KPI	Target	Range achieved	Average
Case documents printed within 24 hours of receipt	95%	95% - 99%	97.2%
Reply forms scanned within 24 hours of receipt	95%	96% - 99%	97.1%
Service desk calls closed within 24 hours of assignment	95%	100%	100%

## Citation Kits

KPI	Target	Range achieved	Average
Citation Kits (CKits*) printed, collated and ready for signature within 48 hours of receipt at print queue	90%	96% - 99%	97.6%

### Note:

\*A CKit is court documentation produced for Sheriff Summary and Justice of the Peace cases. Ckits include documentation informing Subjects of the date their case will be heard in court and the charges against them, documentation for the Court Clerks and for the Procurator Fiscal.

## Estates/Offices Services

KPI	Target	Range achieved	Average
Respond to Priority 1 office repairs within 2 hours of report on QFM; rectify faults within the same day if possible		100%	100%
Respond to Priority 2 office repairs within 6 hours of report on QFM; rectify faults within 5 working days		77.8% - 100%	93.3%
Respond to Priority 3 office repairs within 2 working days of report on QFM; rectify faults within 5 working days		88.9% - 100%	94.8%



## Learning and Development

KPI	Target	Range achieved	Average
Deputes reaching accreditation at the 2 year stage	80%	25% - 100%	68.4%
New staff undertaking Corporate Induction within 4 weeks of start date	90%	100%	100%
Legal Trainees meeting the required standard of being a "fit and proper person to be a solicitor" on completion of their Traineeship	95%	100%	100%
Modern Apprentices "on track" to complete MA programme	90%	73% - 100%	96.6%
Applicants attending their booked training course	90%	100%	100%

## Corporate Communications

KPI	Target	Range achieved	Average
Achieve 9000 page views of Update blog per month	9,000	8,059 – 19,397	11,757
Publish at least ten employee stories per month on Update	10	3 - 14	6.58



## Finance and risks

### Finance strategy

An updated Finance Strategy has been published at the end of May 2021. The Finance Strategy is supported by an updated Medium-Term Financial Plan and, in each year, an Annual Business Plan, which will outline the business objectives and deliverables for each year.

Over the last few years, COPFS has taken a number of steps to ensure continued operational delivery. These include developing and publishing strategies covering Finance, Digital, Estates, Procurement and Workforce which support the delivery of the COPFS Strategic Plan. The COPFS Finance Strategy takes cognisance of these strategies. They can be found on our website at [COPFS Business and Strategy Plans](#).

Owners, project executives and managers from across COPFS are responsible for taking each strand forward and delivering agreed benefits; each owner is accountable ultimately to one of the three Committees of the Executive Board. The interdependencies between the various strategies and workstreams are being mapped to ensure that they are fully understood and are managed accordingly to ensure and underpin the delivery of our strategic financial targets.

### Available resources

In line with the Scottish Government and other central government bodies in the UK, COPFS has implemented full reporting of the Annual Accounts under International Financial Reporting Standards (IFRS). The results for the year are reported in the accounts; they record total outturn (resource and capital) of £170m (2019-20: £145.3m) against the updated budget of £170.4m (2019-20: £134.1m).

Central Scottish Government budgets are set before the start of the Financial Year through the Budget Bill process. Adjustments can be made only twice during the financial year: at the Autumn and Spring Budget Revisions (ABR and SBR). However, expenditure that arises after SBR, which cannot be accommodated within the revised budget, must also be authorised by the Scottish Government.

After the SBR deadline, additional costs arose that had not previously been foreseen. These were estimated to amount to £15m, all of which was in addition to a fully allocated budget. When these became known, COPFS sought, and obtained, the required additional written budgetary authorisation from the Scottish Government. COPFS has received authorisation for the total overspend of £14.6m.



The running costs overspend was due to the provision required in 2020-21 following independent assessment of the impact of the Court of Session ruling on immunity from suit in relation to the conduct of solemn proceedings.

COPFS has been involved in civil litigation brought against the Lord Advocate by individuals prosecuted in connection with the acquisition and administration of Rangers Football Club. Some cases have resolved, with sums paid to pursuers as at September 2021 totalling £35.3 million. In 2020-21 we have charged £27.9m (2019-20: £12.6m) as expenditure in relation to the various cases associated with this.

The budget and outturn for 2020-21 was as follows:

	<b>Original Approved Budget</b>	<b>Updated Budget</b>	<b>Outturn</b>	<b>Variance</b>
<b>2020-21</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Cash Resource Expenditure	124.9	156.3	155.3	1.0
Non-Cash Resource Expenditure	4.6	5.1	4.9	0.2
AME Impairment	-	0.7	0.7	-
<b>Total Resource Expenditure</b>	<b>129.5</b>	<b>162.1</b>	<b>160.9</b>	<b>1.2</b>
Capital Expenditure	4.3	8.3	9.1	(0.8)
<b>Total Resource and Capital</b>	<b>133.8</b>	<b>170.4</b>	<b>170.0</b>	<b>0.4</b>
AME provision 2020-21	-		15.0	(15.0)
AME Provisions 2019-20 Utilised	-	(12.6)	(12.6)	-
<b>Total</b>	<b>133.8</b>	<b>157.8</b>	<b>172.4</b>	<b>(14.6)</b>

**Note:**

The Resource and AME expenditure are reflected in the Statement of Comprehensive Net Expenditure. AME impairment is accelerated depreciation on assets where the additions do not add to the market value of the asset (Note 2 to the accounts) and material provisions required for the year Note 9 to the accounts).



The table below further breaks down our total spend to show what areas we spent our funding on (including capital):

	<b>Annual Spend 2020-21</b>	<b>Annual Spend 2019-20</b>
<b>Business Area</b>	<b>£'000</b>	<b>£'000</b>
Local Court	44,608	43,584
Operational Support	15,494	13,491
Post-Mortems	9,476	7,580
Specialist Casework	66,003	36,609
Centrally Managed Costs	19,790	18,482
Capital	9,117	7,141
Non-Cash and AME Impairment	7,962	18,464
<b>Total</b>	<b>172,450</b>	<b>145,351</b>

The table below shows our consumption of resources, excluding Capital Costs, by each of the objectives from the strategic plan in line with our Statement of Comprehensive Net Expenditure on Page 71:

	<b>2020-21 Expenditure</b>	<b>2020-21 Income</b>	<b>2020-21 Net</b>	<b>2019-20 Net</b>
<b>Objectives</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
To ensure criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest. To ensure financial gain achieved by criminal means is removed from criminals using proceeds of crime laws.	143,937	(1,676)	142,261	122,913
To ensure that victims, nearest relatives and witnesses and those accused of an offense are treated with dignity and respect.	7,318	-	7,318	3,764
To ensure deaths which need further explanation are appropriately and promptly investigated.	13,754	-	13,753	11,533
<b>Net Operating Costs</b>	<b>165,009</b>	<b>(1,676)</b>	<b>163,333</b>	<b>138,210</b>



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

During 2020-21 an updated scheme of financial delegation was put in place which balanced the requirement to manage our resources corporately with a sufficient degree of local accountability and incentives.

The 2020-21 budget was set at a level that allowed the additional staff levels that had been agreed during 2019-20 to be maintained throughout 2020-21.

During 2020-21 COPFS also received additional capital funding. This was in further recognition of the near decade long suppression of capital funding at the same cash level. This funding was used to assist the procurement and distribution of laptops and mobile phones as part of the Digital Workplace programme and improve our digital infrastructure speedily to cope with the remote connection capacity demands resulting from the COVID-19 pandemic. COPFS also progressed the digital strategy, continuing to develop core systems, introduce new technology in areas of case management, finance and core digital infrastructure to modernise the COPFS digital environment. Core projects started and progressed are:

- To define, plan and transition COPFS' data centres to an offsite and/or private cloud solution;
- To improve the resiliency and continuity solutions and capabilities for COPFS' business critical digital systems and services in the event of major loss or impact to our systems;
- To expand Case Management in Court (CMiC) for use in Solemn and Sheriff and Jury courts cases;
- To provide digital solutions for the Defence Agent Service (DAS);
- To implement the new COPFS Intranet (combining PF Eye and Corporate Apps (our intranet and service sites) to a single browser solution);
- To define, plan and implement new COPFS' corporate website;
- To define, plan and implement COPFS' new corporate HR systems; and
- The upgrade of the Finance systems including moving them to new server environments has been completed during the 2020-21 financial year.

Total property, plant and equipment and intangible asset additions in the financial year were £9.1m (2019-20: £7.1m) in respect of capital refurbishments and investment in IT, to support the internal delivery of all our objectives (notes 4 and 5 on Page 88 to 91).



## Payment policy and performance

COPFS requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. COPFS aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in accordance with those terms. Beyond this, in line with the Scottish Government, COPFS has, for many years, had a target for payment within 30 days.

In 2020-21 performance against the 30 day target was **98.32%** (2019-20: 98.28%).

COPFS also aspires to pay all undisputed invoices within 10 working days. During 2020-21 COPFS paid **96.86%** within the 10 day period (2019-20: 96.28%).

**98.32%**

**96.86%**

In 2020-21, in line with the government policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act (2019-20: Nil).



## Principal risks and uncertainties facing the business

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



During 2020-21 we have re-evaluated the risks that we, as an organisation, face. The key risks identified were:

- a. Insufficient resource to enable COPFS to meet public expectations;
- b. Inadequate leadership and management of COPFS staff;
- c. Poor wellbeing and low morale of COPFS staff;
- d. Insufficiently skilled or experienced COPFS staff available;
- e. Decline of organisational performance and service delivery;
- f. Inadequate digital resource and capital investment;
- g. Inadequate contingency planning; and
- h. Ineffective stakeholder engagement.

We will continue to ensure that these risks are managed through the Risk Management Group. This will include continued monitoring of developments in relation to the United Kingdom's withdrawal from the European Union and the effects of the COVID-19 pandemic. We have teams in place to assess the impacts of Brexit and the COVID-19 pandemic on COPFS activities and services. The continual monitoring of developments ensures that COPFS is proactively managing the impact on the organisation.

We have been involved in civil litigation brought against the Lord Advocate by individuals prosecuted in connection with the acquisition and administration of Rangers Football Club. Some cases have resolved, with sums paid to pursuers as at September 2021 totalling £35.3 million, and other cases remain before the court. This is a highly complex matter in which the Inner House of the Court of Session has clarified the law on the common law immunity from suit of the Lord Advocate in exercising his prosecutorial function. The Lord Advocate has made a statement in the Scottish Parliament about this matter and has committed to further public accountability and to a process of inquiry once all litigation has concluded (see note 9 to the accounts on Page 93).



## People and capability

### COPFS' Workforce Plan, developed in 2019-20 and still in force:

- Takes account of work priorities, resources and business objectives;
- Develops skills and talents of our people; and
- Builds engagement and promotes wellbeing.

### Recruitment

COPFS has simultaneously been recruiting externally and promoting internally to fill vacancies as they arose in existing and additionally funded posts.

As at the end of March 2021, COPFS employed 1,879.73 FTE , 578.29 FTE of the total number are qualified lawyers, which is a record level. The Service also employs 62 trainee solicitors. In January 2021 the Scottish Government announced a significant 12% increase in the resources available to COPFS for the 2021/22 financial year due to the demands brought by increasing serious and complex caseloads. Due to this additional funding recruitment is in progress to recruit around 150 posts, with the skills required, to meet our organisational objectives. Approximately 78% of the Service's 2021-22 resource budget is expected to be spent on payroll costs, up from 76% in 2019-20 which was a record year. This continued increase is testament to a rigorous focus on reducing non-staff expenditure through efficiency gains and COPFS commitment to maintain and increase staffing levels.

### Staff engagement

We assess staff engagement by giving every member of staff the opportunity to take part in the annual UK Civil Service People Survey. Although the type of year we've had due to the COVID-19 pandemic is not directly comparable to any other year, the overall engagement is steadily increasing with the COPFS 2020 overall engagement index score increasing to 65% from 63% in the 2019 survey. This is on par with the Civil Service benchmark.



## Organisational efficiency

COPFS' Business Plan 2020-21 committed to continuing the organisational efficiency programme. The following are some of the examples of achievement:

- a. Configuring and distributing 2,200 new Windows 10 laptops and 1,700 mobile phones and implementing Microsoft Teams to equip our people to work productively and collaboratively from the office, home or from any location. These planned Digital Strategy solutions were deployed successfully over the first few weeks of the COVID-19 pandemic, supporting COPFS' continued delivery of essential public services and business operations;
- b. Working with criminal justice partners to establish the IT infrastructure and digital technologies to support Criminal Justice Recover, Renew and Transform priorities, including virtual courts and custody court pilots and other external stakeholder digital information workflow and communications. Engagement continues with partners to further develop digital casework and virtual court processes;
- c. Making substantial system and process changes to our case management systems and deploying new digital solutions to meet Coronavirus (Scotland) Bill legislation changes and to support new ways of working across the criminal justice system;
- d. Deploying an initial version of a new Booking App in November 2020 to support Pre-Intermediate Diet Meeting processes, with work ongoing to enhance the app as part of delivering system-level transformation;
- e. Completing complex upgrades to our corporate virtual desktop and case management applications and upgrading to the latest Microsoft Office 365 products;
- f. Deploying additional Case Management in Court digital devices and applications to support COVID-19 court processes and the planned expansion of digital presentation in court for Solemn and Sherriff and Jury cases. The Future Ways of Working project worked closely with the HR, Estates and Digital teams as they consulted on and developed policies and plans for enabling more flexible working arrangements for staff designed to make COPFS more effective and bring wellbeing, financial and carbon reduction benefits;
- g. The Future Ways of Working project worked closely with the HR, Estates and Digital teams as they consulted on and developed policies and plans for enabling more flexible working arrangements for staff designed to make COPFS more effective and bring wellbeing, financial and carbon reduction benefits;



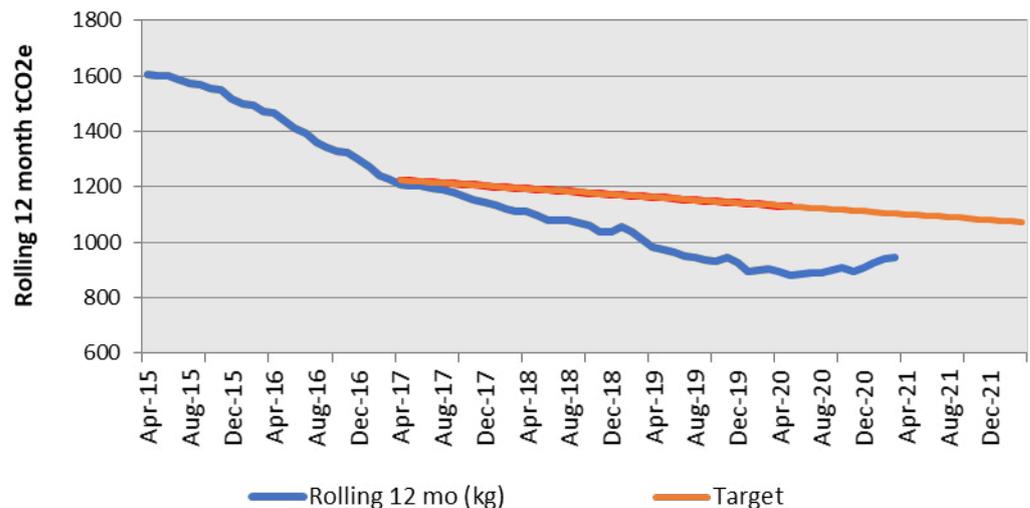
- h. We closed our office in Inverness and now share accommodation with Scottish Courts and Tribunal Service and other CJ partners in a purpose-built Inverness Justice Centre;
- i. At the start of the COVID-19 pandemic, we supported the rapid and significant move of the majority of our staff to support them working from home; and
- j. We worked closely with operational colleagues and SCTS to increase the safe capacity within a number of our offices in order to assist in the court recovery programme particularly the High Court.

## Environmental and sustainability

COPFS continues to exceed its target to reduce CO<sub>2</sub>e emissions from the use of gas and electricity in its buildings by over 2.5% per year from the baseline year of April 2016 to March 2017 with emissions reduced by 23% by the end of March 2021. A large part of this reduction is due to an increase in national renewable energy generation. However, a reduction in electricity consumption of 18% has also contributed towards this reduction.

Gas use has increased compared to the baseline year by 54%. This is due to the need to run ventilation 24/7 according to COVID-19 guidelines. This has caused a significant increase in heat demand as the supply air then needs to be heated in order to maintain comfortable internal temperatures. Particularly cold winter conditions in January have also contributed to the increase this year.

The increase in gas consumption has resulted in an increase in polluting CO<sub>2</sub>e emissions compared to last year. The graph below shows the combined emissions from gas and electricity.



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



Electricity generation in the UK from renewable sources has increased and now accounts for approximately 38% of generation.

The water meters at the three largest consuming sites (Glasgow, Edinburgh and Hamilton) have been upgraded to provide real time consumption data. This ensures that any out of hours consumption can quickly be identified, investigated and problems resolved. This approach identified considerable unnecessary consumption at Hamilton COPFS which was resolved, reducing consumption from a high of over 160 m<sup>3</sup> a month to around 60 m<sup>3</sup>.

COPFS has implemented various projects that, not only provide cash savings and a more efficient service, but also support the sustainability agenda of the organisation. This includes upgrades to the Building Energy Management System which allows increased visibility and control of the heating system remotely. There was also an upgrade to the electric heating at Tain to a more efficient system, heating improvements at Edinburgh and new boilers at Dumbarton.

In addition, projects have been approved to install electric vehicle charging points at several sites over the coming year, which will allow COPFS and their contractors to increase uptake of electric vehicles.

The six solar panel systems continue to contribute towards reducing the consumption of grid electricity and emissions. COPFS' Hamilton office has generated over 85,000 kWh of electricity since installation in 2017, reducing emissions by almost 20 tonnes of CO<sub>2</sub>e. This is equivalent to over £10,000 in electricity costs. Due to this solar panel system, Hamilton regularly achieves zero grid electric consumption during daylight hours at the weekends. During 2021, consumption has even occasionally reached zero on weekdays during peak sunlight hours.

Following a feasibility study to identify suitable sites, three additional solar panel arrays have been approved and are in the process of being installed (Glasgow (Ballater Street site), Falkirk, Paisley).

During 2019 COPFS renewed its certification to the Carbon Trust in recognition of its efforts to reduce carbon emissions resulting from electricity, gas, pool car fuel and fugitive emissions from across the estate which is due for renewal this coming year.

In relation to waste and recycling, services are managed by our Facilities Management provider. On site recycling rates are 54%, an additional 43% of material is diverted from landfill off site with the remainder going to landfill.

**David Harvie**

**Accountable Officer**

**23 September 2021**



# The Accountability Report



## Directors' report

### Overview

This overview provides a short summary outlining the purpose of the Crown Office and Procurator Fiscal Service (COPFS) and key risks to the achievements of its objectives.

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

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

COPFS has the duty to investigate all deaths which require further explanation and is responsible for deciding whether criminal proceedings or a Fatal Accident Inquiry should be held, and for conducting such proceedings and inquiries.

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

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

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

COPFS works closely with other criminal justice organisations to help make Scotland a safer place and plays a pivotal role in maintaining the security and confidence of all communities across Scotland in the prosecution system – making the criminal justice system more accessible and more responsive. The core values of COPFS are impartiality, integrity, sensitivity, respect and professionalism.

COPFS has a Strategic Plan which is underpinned by a number of other strategies and plans which are designed to ensure that the Strategic Plan is achieved. These include:

**Workforce Strategy**

**Estates Strategy**

**Digital Investment Strategy**

**Finance Strategy**

**Procurement Strategy**

**Estates Investment Strategy**

**Digital Strategy**

**Medium-Term Financial Plan**

**Annual Business Plans**



The Scotland Act 1998 – section 57(2) came into force on 20 May 1999 and embedded the European Convention on Human Rights into Scottish Law. Our prosecution code states the following:

“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.”

When developing prosecution policy, consideration is always given to the human rights of victims, witnesses and accused persons. We consider judgements from the European Court of Human Rights and consult widely on our prosecution policies and processes to ensure a balanced approach which meets our obligations in terms of the Convention. New policies and all project work within COPFS undergo Equality Impact Assessments to ensure that the proposed changes meet the needs of the diverse communities in Scotland. COPFS’ focus is operational effectiveness in all cases, while continuing to give priority to the most serious crimes. We support the Justice vision of a Just, Safe and Resilient Scotland.

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

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

## Our priorities

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

In 2020-21 our priorities and objectives are detailed in the Performance review and remained valid throughout the COVID-19 pandemic.

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



## Delivering our objectives

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

<b>Local Court</b>	Comprising Initial Case Processing and all prosecutions in the Sheriff and Justice of the Peace Courts;
<b>Serious Casework</b>	Comprising the High Court Unit, Appeals Unit, the Scottish Fatalities Investigation Unit, Proceeds of Crime Unit and other specialist Units; and
<b>Operational Support</b>	Comprising Business Services, covering Information Systems, Human Resources, Estates, Finance and Procurement, and Policy and Engagement.

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



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

- a. We have been seeking to reduce non-staff running costs as far as possible and improve efficiency in order to minimise any impact on our staff numbers. 75% of the Service's 2020-21 budget (excluding litigation costs) was spent on payroll costs, up from 59% just a few years ago. Our largest non-staff costs are our estate and forensic pathology. We continued to secure Best Value in both by taking opportunities to rationalise or share our estate and to restructure contracts with our forensic pathology providers.
- b. Our strategic approach is that the future of case processing is digital, with electronic exchange of data between the Police Service of Scotland and COPFS and with the defence, the courts, the National Health Service (NHS) (for medical records and reporting deaths) and, where possible, witnesses, together with the enhanced use of technology in presenting cases in court. Some of this is already in place, such as our completed roll out of tablet computers in all summary courts and our Digital Strategy underpins further work to develop new ways of working;
- c. We are continually reviewing contracts to identify the scope for savings there might be, whether through improved contract management or re-letting contracts;
- d. Whilst there were no compulsory redundancies in 2020-21, in line with the Scottish Government's policy, in line with our medium-term financial planning, we replaced all relevant staff that left the Service voluntarily through natural turnover during 2020-21;
- e. We promoted the wellbeing of our staff by continuing the implementation of the Fair Futures project and further developed the Future Ways of Working project to promote more flexible working arrangements for our staff; and
- f. We supported the COVID-19 reduced court capacity and progressed as many cases as possible through digital means such as virtual courts, electronic interchange with related parties and contributing towards the development of the Court Recovery Programme post COVID-19.



## Constraints

There are a number of constraints that have to be taken into account:

- a. COPFS must comply with the Scottish Government public sector pay policy, including the commitment to no compulsory redundancies;
- b. The inflation rate is forecast to increase and costs in some sectors, notably information technology, are currently forecast to increase at a substantially higher rate;
- c. The COPFS caseload is demand-led with time limits for action set by statute or policy, although these were revised in light of the COVID-19 pandemic; and
- d. Given the medium-term outlook for public expenditure it is expected that further year on year real terms reductions in resources will be required following the 2021-22 budget.

## Details of Ministers, Directors and Senior Officers

COPFS Ministers and their responsibilities were:

**Lord Advocate**, Mr James Wolffe QC, **Senior Scottish Law Officer**, Head of the systems of criminal prosecution and investigation of deaths in Scotland.

**Solicitor General**, Ms Alison Di Rollo QC, **Deputy to Lord Advocate**.



## The Executive Board

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

Members of the Executive Board during the year were:

Name	Role	Number of meetings attended during the year
David Harvie	Crown Agent and Chief Executive – Accountable Officer (Chair)	7
Stephen McGowan	Deputy Crown Agent Local Court	6
Lindsey Miller	Deputy Crown Agent Serious Casework	7
John Logue	Deputy Crown Agent Operational Support	7
Ian Walford	Deputy Chief Executive	6
Robert Tinlin	Non-Executive Director	7
John Cooper	Non-Executive Director	7
Fiona McLean	Non-Executive Director	7
Annie Gunner Logan	Non-Executive Director	7



## Non-Executive Directors

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.

A number of NXDs sit on the Executive Board, the Risk Management Group is chaired by a NXD and the COPFS and QLTR Audit and Risk Committee comprises of three NXDs.

NXDs who served during 2020-21 are detailed below:

<b>Non-Executive Directors</b>	<b>Period of Services</b>	<b>Register of interests</b>
Annie Gunner Logan	Appointed a NXD by the Permanent Secretary on 1 April 2017 and has been a member of the Executive Board as a COPFS NXD from 13 February 2019;	<ul style="list-style-type: none"> <li>Chief Executive Officer at CCPS (Coalition of Care &amp; Support Providers)</li> </ul>
Robert Tinlin	Appointed a NXD on 1 January 2018 by the Crown Agent and is a member of the Executive Board. He took over as Chair of the Audit and Risk Committee in May 2018 and is a member of the Business Process Improvement Committee;	<ul style="list-style-type: none"> <li>Director of Towler Tinlin Associated Limited</li> <li>Non-executive Board Member of the Comptroller and Auditor General for Jersey Board of Governance</li> </ul>
John Cooper	Appointed a NXD by the Crown Agent on 1 January 2018 and is a member of the Executive Board and the Resources Committee;	



<b>Non-Executive Directors</b>	<b>Period of Services</b>	<b>Register of interests</b>
David Watt	Appointed a NXD by the Crown Agent on 1 January 2018 and is a member of the Audit and Risk Committee and chairs the Risk Management Group;	<ul style="list-style-type: none"> <li>• Independent member of Audit &amp; Risk Committee at University of Glasgow</li> <li>• Trustee and chair of Audit Committee at Quarriers</li> <li>• Member of Board of Management and chair of Audit Committee at Glasgow Clyde College</li> <li>• Member of Scottish Parliamentary Corporate Body Advisory Audit Board</li> <li>• Member of the Advisory Audit Boards of the Scottish Public Services Ombudsman, Commissioner for Ethical Standards in Public Life in Scotland, Scottish Biometrics Commissioner, Scottish Human Rights Commission, Scottish Information Commissioner</li> <li>• Trustee of various component entities of The Church of Scotland</li> </ul>



<b>Non-Executive Directors</b>	<b>Period of Services</b>	<b>Register of interests</b>
Fiona McLean	Appointed a NXD by the Crown Agent on 1 January 2018 and is a member of the Executive Board and Operational Performance Committee;	<ul style="list-style-type: none"> <li>• Non-executive Director at Cairngorms National Park Authority</li> <li>• Chair and non-executive director at Highland Home Carers</li> <li>• Non-executive director at Historic Environment Scotland</li> <li>• Vice Chair at University of the Highlands and Islands (until January 2021)</li> </ul>
Vanessa Davies	Appointed a NXD by the Crown Agent on 1 January 2019 and is a member of the Audit and Risk Committee	<ul style="list-style-type: none"> <li>• Trustee at General Medical Council</li> <li>• Lay member at House of Lords Conduct Committee</li> <li>• Trustee at Law for Life</li> <li>• Governing Bencher at the Honourable Society of the Inner Temple</li> <li>• Board member at Quality Assurance Agency</li> </ul>



## Governance statement

### Purpose of the governance statement

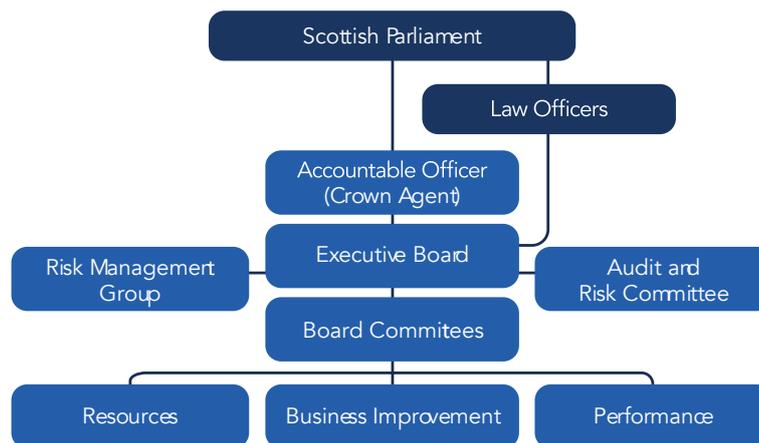
The Governance Statement is intended to not only outline the COPFS governance framework but to comment on its effectiveness.

### Scope of responsibility

As Accountable Officer for COPFS (under the terms of the Public Finance & Accountability (Scotland) Act 2000), I am responsible for ensuring that appropriate arrangements are in place for governance and that these arrangements support the Scottish Government's Purpose and the achievement of Scottish Ministers' policies, aims and objectives. This includes maintaining an adequate and effective system of internal control, which supports the achievement of COPFS's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me.

### COPFS's governance framework

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



COPFS complies with the principles of corporate governance as outlined in the Scottish Public Finance Manual, the Civil Service Code; relevant elements of the Good Governance Standard for Public Services produced by the Independent Commission on Good Governance in Public Services.



The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds (link: [SPFM](#)). The SPFM is supplemented, within COPFS, by the Finance Manual - Making the Most of Our Money booklets which provide more detailed guidance relevant to COPFS.

## Law Officers

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

## Crown Agent

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

## Executive Board

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

- performance and outcomes;
- people and capability;
- finance and risk;
- organisational efficiency;
- corporate wellbeing; and
- COVID-19 pandemic recovery.

The Executive Board has the following 3 Sub-Committees, each chaired by a Deputy Crown Agent and each committee includes a Non-Executive Director.



## The Resources Committee

Responsible for ensuring resources are managed properly across the Service. The Committee includes Finance, Human Resources and Estates and has a sub-committee looking at workforce planning.

## The Business Process Improvement Committee

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

## The Operational Performance Committee

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

## Additional Committees

### The Audit and Risk Committee (ARC)

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

Each year the ARC meets quarterly with additional meetings to consider and approve the annual accounts. The Committee met five times during 2020-21. A member of the ARC attends the Executive Board, providing feedback on the last ARC meeting.

### Risk Management Group (RMG)

The RMG is responsible for ensuring that risk is managed at corporate level and below. It is chaired by a Non-Executive Director and includes a senior representative from each function. The meeting cycle is aligned to the Audit and Risk Committee meetings and reviews each risk on a rolling programme in conjunction with the relevant risk owner, who attends RMG for that purpose. Page 21 provides more details on the risks faced by the organisation.



## Data security framework

Given the nature of COPFS's business, data security is one of the most significant risks that the organisation faces, COPFS has policies and related guidance on information risks to ensure that it meets prescribed information assurance standards and requirements. Strategic risks incorporate this significant risk. All security incidents are reported to the Departmental Security Committee. Any of which could result in the loss or potential loss of data are dealt with in accordance with COPFS Policies and Procedures. Staff training and relevant disciplinary procedures are in place to underpin COPFS's data security framework.

## Counter fraud activity

Fraud, including the misuse of data is another key risk which is incorporated into the strategic risks. COPFS has a whistle-blowing framework, which explains to staff what they should do in the event that they have concerns. This is outlined in Making the Most of our Money Booklet Number 10 – Fraud and Whistle Blowing, and provides the contact details of an independent (Scottish Government) contact as well as those of senior COPFS staff.

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

## Internal Audit

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

In financial year 2020-21 SG Internal Audit completed four main audits which were:

- a. Case Management in Court;
- b. Financial Governance and Sustainability;
- c. Strategic Relations and Communications; and
- d. Impact of Fair Futures.

Of the four audits completed during 2020-21 one was substantial assurance (a. above), two were reasonable assurance (b. and c. above) and one was limited assurance (d. above). The final Annual Assurance Report was presented at the May 2021 Audit and Risk Committee meeting and the overall opinion on COPFS risk management, control and governance arrangements during the year was Reasonable Assurance.



- Each audit provides a level of assurance ranging from Insufficient to Substantial. These are reviewed and discussed at the Audit and Risk Committee. The levels of assurance show the following:
- Insufficient Assurance – controls are not acceptable and have notable weaknesses;
- Limited Assurance – controls are developing but weak;
- Reasonable Assurance – controls are adequate but require improvement; and
- Substantial Assurance – controls are robust and well managed.

## Review of effectiveness

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

- The Executive Board considers the direction of COPFS's planned changes and operational performance;
- An Audit and Risk Committee whose membership is comprised entirely of Non-Executive Directors, one of whom chairs the meetings and reports to the relevant Scottish Government Audit and Assurance Committee on any significant problems with wider implications;
- A comprehensive set of Certificates of Assurance and supporting checklists which did not include any issues of note which were not addressed. These were provided by each of the Function Leaders and Corporate Services Group Directors/Heads. Certificates are supported by an Internal Control Checklist which covers 14 areas of control e.g. Financial Management, Risk Management, Fraud Prevention and Detection. All Certificates of Assurances were received with no significant failings noted that had not been addressed;
- The work of our internal auditors, who submit to the Audit and Risk Committee regular reports which include Internal Audit's independent opinion on the adequacy and effectiveness of COPFS's systems of internal control together with recommendations for improvement; and
- Comments made by the external auditors in their management letter and other reports.

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



## Significant governance issues

During 2020-21 there were seven breaches of security and data handling and four breaches of personal data. All breaches were dealt with in accordance with COPFS Disciplinary Policies and Procedures and none were required to be reported to the ICO.

## Conclusion

Overall in 2020-21 no other significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards of good governance, risk management and control. The systems have been in place for the year under review and up to the date of approval of the annual report and accounts. As Accountable Officer, I am satisfied with the adequacy of the internal control and governance arrangements of COPFS.

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

No such written authority was required during the 2020-21 financial year, or the period up to signature of the accounts.

## Statement of the Accountable Officer's responsibilities

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

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



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

- observe the Accounts Direction issued by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary has appointed the Crown Agent as Accountable Officer of COPFS. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding COPFS's assets.

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

**David Harvie**

**Accountable Officer**

**23 September 2021**



# Remuneration and Staff Report



## Remuneration and Staff Report

### Remuneration policy

COPFS has a separate pay bargaining unit within the Scottish Government and negotiates pay levels within guidance and limits determined by Scottish Government pay policy for posts excluding those of the Senior Civil Service. Early in 2020 work began with the Scottish Government to look at pay coherence across Scottish Government departments including COPFS. Funding has been secured with a three-year offer being accepted.

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

### Employment policies

#### Staff relations and equal opportunities

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.

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.

We are committed to applying equality and diversity principles for our staff and our service users. We continue to develop and implement our business plans with this focus as an integral element. The Equality Board, which is chaired by a Deputy Crown Agent, meets quarterly. This board shares good practice around sup and inclusion at both a local and national level ensuring that this is embedded into our day to day processes and practices. For the first year COPFS have participated in the **ENEI Tide Benchmarking** (Employers Network for Equality and Inclusion) being accredited with the bronze award.

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



The average number of days lost due to sickness absence in 2020-21 was 6.6 days per employee (2019-20: 10.2 days). This is analysed and discussed by senior management and the Corporate Health and Wellbeing Committee, however the impact of the COVID-19 pandemic on these figures will remain under review. COPFS has an absence management policy and training is provided to line managers on the operation of the policy. The HR directorate consulted widely in 2019-20 on a new 'maximising attendance' policy and this was close to being launched in March 2020. The launch was delayed by the onset of the COVID-19 pandemic with policy launch now planned for May 2021.

## Employment of Disabled People

COPFS adheres to the Civil Service Recruitment Principles and good practice in employing disabled people. As such, our practice is regularly audited by the Civil Service Commission. We are part of the Positive about Disabled People scheme. The average number of disabled employees employed by COPFS in 2020-21 was 103 (2019-20: 89). We use a Workplace Adjustment Passport (WAP) to support our colleagues. The WAP captures all workplace adjustments for COPFS employees who need them, whether to support mental or physical health, disability, or wellbeing.

## Employee Consultation and Communication

Our colleagues, staff networks and trade union partners all play a vital role in creating an environment where everyone can thrive and perform to a high standard.

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.

In 2020 we published our Employee Engagement Strategy, updating this to reflect the challenges faced in responding and recovering from the COVID-19 pandemic. This explains the approach that will be taken across COPFS to improve engagement and ensure all within COPFS are working together to deliver our organisational goals and values.

We reacted quickly to the COVID-19 pandemic with the provision of laptops to support home working. Our investment in systems and equipment meant we were able to continue to function effectively despite this profound change in circumstances. We have improved the way employees can communicate and collaborate such as the roll out of Microsoft Teams, supplementing this with a 'remote line management' series of learning to support those managing teams in new ways.



The Future Ways of Working (FWOW) programme was set up in 2019 to consider how we will manage our people, workplaces, and technology to offer more flexibility and choice to employees about where and when our employees work.

The COVID-19 pandemic has already provided a significant insight into the flexibility we are able to offer. We have learned more about what tasks must be done from an office, how our office spaces and policies can change to support flexibility, and how to use technology to work together even when we are not all in the office.

We are building on the lessons learned from the COVID-19 pandemic to start implementing the Future Ways of Working Vision:

- **People:** We will improve working lives by encouraging employees to work as flexibly as possible, subject to business need;
- **Workplaces:** We will modernise our buildings, creating efficient and task-focussed environments that encourage collaboration and decrease our estates footprint; and
- **Technology:** Employees will have the digital tools to work successfully in offices, courts and at home.

## Service Contracts/Appointments

### Executive Directors of the Executive Board

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.

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

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.

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



## Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer, defined benefit scheme as permitted under IAS 19, but COPFS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk>).

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

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

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per



classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his / her pensionable earnings during their period of scheme membership. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension in return for a lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.

Further details about the Civil Service pension arrangements can be found at the website: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

For 2020-21, employers' contributions of £18,033,166.70 were payable to the PCSPS (2019-20: £16,511,497.42) at one of four rates in the range 26.6% to 30.3% 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 2020-21 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 e.g. a stakeholder pension with an employer contribution. Employers' contributions paid in 2020-21 were £57,843.08 (2019-20: £47,861.13 restated). Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,131.81 (2019-20: £1,719.26), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.



A new defined contribution scheme with Legal and General was introduced in March 2019 but backdated to September 2013 to cover a specific group of staff (Advocate Deputes) who are not civil servants but holders of a commission from the Lord Advocate and therefore are not entitled to join the usual schemes. We are responsible for arranging a pension scheme and contributions for them, therefore the introduction of the new scheme. Employers' contributions of £34,725.86 were paid in 2020-21 (2019-20: £88,885.57 restated).

Contributions due to the partnership pension providers at the balance sheet date were £1,575,594.91 (31 March 2020: £1,420,289.47). Contributions prepaid at that date were nil (31 March 2020: nil).

## Remuneration

### Salaries

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

### Benefits in kind

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

### Bonuses

In line with Scottish Government pay policy no bonus/performance pay was paid during 2020-21 or 2019-20.

### Cash Equivalent Transfer Values

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.



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

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.

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

## Remuneration of Non-Executive Directors

Our Non-Executive Directors are non-salaried but receive a fee and expenses in line with their duties. The current fee is £237 per day (2019-20: £237) although the NXDs only claim £232 per day (in line with rates paid by the core Scottish Government).



## Trade Union Facility Time

Trade Union Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative. The following tables shows the resource commitment of COPFS staff for 2020-21:

### Relevant Union Officials

Number of employees who were relevant Union Officials	Full-time equivalent employee number
20	2.64

### Percentage of time spent on facility time

Percentage of time	Number of employees
0 – 0.99%	10
1 – 51%	8
51 – 99%	-
100%	2

### Percentage of pay bill spent on Facility Time

	Value in £ and %
Total Cost of Facility Time	£127,986
Total Pay Bill	£100,003,000
% of total pay bill spent on facility time	0.13%

### Paid Trade Union Activities

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



## Ministers Salaries

The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of COPFS for the year ending 31 March 2021 were as follows:

	Salary £	Salary £	Benefits in Kind Nearest £100	Benefits in Kind Nearest £100	Pension Benefits (to nearest £000)	Pension Benefits (to nearest £000)	Total (to nearest £,000)	Total (to nearest £,000)
Officials	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
James Wolffe QC – Lord Advocate	127,765	126,000	-	-	52,000	50,000	180,000	176,000
Alison Di Rollo QC – Solicitor General	110,241	108,718	-	-	45,000	43,000	155,000	152,000

### Note:

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

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.

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



## Audited information

### Pensions

The Ministers are members of the Scottish Parliamentary Pension Scheme.

	Accrued pension at age 65 as at 31 March 2021 £000	Real increase in pension at age 65 £000	CETV at 31 March 2021 £000	CETV at 31 March 2020 £000	Real increase in CETV £000
<b>Ministers</b>					
James Wolffe QC – Lord Advocate	15 - 20	2.5 - 5	265	203	47
Alison Di Rollo QC – Solicitor General	10 - 15	2.5 - 5	234	179	42

### Executive Directors

The Executive Directors' salaries are detailed below:

Officials	Salary £000 2020-21	Salary £000 2019-20	Benefits in Kind Nearest £100 2020-21	Benefits in Kind Nearest £100 2019-20	Pension Benefits £000 2020-21	Pension Benefits £000 2019-20	Total £000 2020-21	Total £000 2019-20
David Harvie – Crown Agent and Chief Executive	130 - 135	120 - 125	-	-	85	64	215 - 220	185 - 190
Stephen McGowan – Deputy Crown Agent Local Court from 13 August 2018	95 - 100	95 - 100	-	-	54	67	145 - 150	160 - 165
John Logue – Deputy Crown Agent, Operational Support	100 - 105	100 - 105	-	-	49	46	145 - 150	145 - 150



Officials	Salary	Salary	Benefits	Benefits	Pension	Pension	Total	Total
	£000	£000	in Kind	in Kind	Benefits	Benefits	£000	£000
	2020-21	2019-20	Nearest	Nearest	2020-21	2019-20	2020-21	2019-20
			£100	£100				
Lindsey Miller – Deputy Crown Agent, Serious Casework	100 – 105	95 – 100	-	-	66	45	165 - 170	140 - 145
Ian Walford – Deputy Chief Executive	80 – 85	80 – 85	-	-	44	19	120 - 125	100-105
Band of Highest Paid Director's Total Remuneration							130 - 135	120 - 125
Range of remuneration for all staff excluding on costs							20 - 135	19 - 125
Median Total COPFS Remuneration excluding on costs							33,188	28,605
Ratio							1:3.9	1:4.5

**Notes:**

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

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

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

In 2020-21, no (2019-20: 0) employees received remuneration in excess of the highest-paid director.



## Executive Directors' Pensions

The Executive Directors' pensions are detailed below:

<b>Senior Managers</b>	<b>Accrued pension at pension age as at 31 March 2021 and related lump sum (£000)</b>	<b>Real increase in pension and related lump sum at pension age (£000)</b>	<b>CETV at 31 March 2021 (£000)</b>	<b>CETV at 31 March 2020 (£000)</b>	<b>Real increase in CETV (£000)</b>	<b>Employer contribution to partnership pension account (Nearest £100)</b>
David Harvie – Crown Agent and Chief Executive	45 - 50 plus lump sum of 90 - 95	2.5 - 5 plus lump sum of 2.5 – 5	821	733	57	-
Stephen McGowan – Deputy Crown Agent Local Court from 13 August 2018	30 - 35 plus lump sum of 55 - 60	2.5 - 5 plus lump sum of 0 – 2.5	492	441	31	-
John Logue – Deputy Crown Agent, Operational Support	40 - 45 plus lump sum of 75 - 80	2.5 – 5 plus lump sum of 0 – 2.5	675	621	28	-
Lindsey Miller – Deputy Crown Agent, Serious Casework	35 - 40 plus lump sum of 75 - 80	2.5 - 5 plus lump sum of 2.5 – 5	660	593	42	-
Ian Walford – Deputy Chief Executive	35 – 40 plus lump sum of 105 - 110	0 – 2.5 plus lump sum of 5 – 7.5	831	758	45	-



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

NXD remuneration is listed below:

Name	2020-21 Remuneration £000	2020-21 Benefits in Kind	2019-20 Remuneration £000	2019-20 Benefits in Kind
Lesslie Young from 9 November 2015 to 30 September 2019	-	-	0 - 5	-
Vanessa Davies from 1 January 2019	0 - 5	-	0 - 5	-
Annie Gunner Logan from 1 April 2017	-	-	-	-
Robert Tinlin from 1 January 2018	0 - 5	-	5 - 10	-
John Cooper from 1 January 2018	5 - 10	-	5 - 10	-
David Watt from 1 January 2018	0 - 5	-	0 - 5	-
Fiona McLean from 1 January 2018	0 - 5	-	0 - 5	-



Staff costs account for 75% of our cash running costs budget excluding litigation costs. But our staff are not just our biggest single cost, they are, by far, our single biggest asset. We simply could not have achieved what we have done without the commitment and professionalism shown by our staff. Staff costs comprise of:

	<b>Officials</b> <b>£000</b>	<b>Ministers</b> <b>£000</b>	<b>2020-21</b> <b>Total</b> <b>£000</b>	<b>2019-20</b> <b>Total</b> <b>£000</b>
Wages and Salaries	73,224	238	73,462	66,439
Social Security Costs	7,246	30	7,276	6,666
Apprenticeship Levy	341	-	341	314
Other Pension Costs	17,808	48	17,856	16,267
<b>Sub-Total</b>	<b>98,619</b>	<b>316</b>	<b>98,935</b>	<b>89,686</b>
Inward Secondments	436	-	436	466
Early Departure Costs	858	-	858	82
Injury Benefit Claims	(2)	-	(2)	10
Agency, Temporary and Contract Staff	319	-	319	353
<b>Sub-Total</b>	<b>100,230</b>	<b>316</b>	<b>100,546</b>	<b>90,597</b>
Less Recoveries in Respect of Outward Secondments	(227)	-	(227)	(233)
<b>Total</b>	<b>100,003</b>	<b>316</b>	<b>100,319</b>	<b>90,364</b>

**Note 1.**

Ministers are paid by the Scottish Parliamentary Corporate Body.

**Note 2.**

2019-20 totals include Ministers salaries of £312,000.



The following table summarises some key information about our workforce:

Full-Time Equivalent for Staff	All staff 2020-21	All staff 2019-20	Male Staff 2020-21	Male staff 2019-20	Female staff 2020-21	Female staff 2019-20
Senior Civil Servants	23	22	13	11	10	11
Executive Board Directors	5	5	4	4	1	1
Other permanent staff	1,768	1,706	500	497	1,268	1,209
Fixed term appointments	78	58	28	17	50	41
Secondees	6	6	3	2	3	4
Agency staff	32	17	20	11	12	6
<b>Sub-Total</b>	<b>1,912</b>	<b>1,814</b>	<b>568</b>	<b>542</b>	<b>1,344</b>	<b>1,272</b>
Non-Executive Directors	6	6	3	3	3	3
<b>Total</b>	<b>1,918</b>	<b>1,820</b>	<b>571</b>	<b>545</b>	<b>1,347</b>	<b>1,275</b>



## FTE Equivalent Table

		2020/21	2019/20
	<b>People</b>	<b>FTE 1,912</b>	1,814
	<b>Gender</b>	<b>Female 70%</b> <b>Male 30%</b>	Female 70% Male 30%
	<b>Board</b>	<b>Female 33%</b> <b>Male 67%</b>	Female 33% Male 67%
	<b>Trainees</b>	<b>Female 65%</b> <b>Male 35%</b>	Female 74% Male 26%

## Severance payments

### Compensation for Loss of Office

In accordance with the Scottish Government's no compulsory redundancies policy, no employees left under compulsory severance terms during 2020-21 (2019-20: Nil).

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. There were no ill-health retirements during 2020-21 (2019-20: 0).



# Parliamentary Accountability Report



## Parliamentary Accountability Report

### Regularity of Expenditure

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.

The sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

### Fees and Charges

COPFS' main source of income comes directly as funding from the Scottish Government. A small element of income £1.67m is received through recharges for services to QLTR amounting to £0.65m and LINETS (Legal Information Network for Scotland) amounting to £0.91m. A further £0.11m was received during 2020-21. LINETS is a subscription service held by COPFS to provide access to legal information by Scottish legal practitioners across the public sector.

### Long-Term Trends

As part of the Medium-Term Financial Plan (MTFP) COPFS has carried out scenario analysis through to 2022-23. An updated Finance Strategy has published at the end of May 2021. We are continuing to assess workloads and staffing requirements, and to identify opportunities for savings within the organisation.

### Losses and Special Payments

We have recognised £27.9m for losses in 2020-21, (2019-20 restated: £13.065m). There were no other special payments exceeding the reporting threshold of £300,000 during 2020-21 (2019-20: Nil).

**David Harvie**

**Accountable Officer**

**23 September 2021**



# Independent Auditor's Report



## **Independent Auditor's Report**

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

### **Reporting on the audit of the financial statements**

#### Opinion on financial statements

I have audited the financial statements in the annual report and financial statements of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2021 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

#### **In my opinion the accompanying financial statements:**

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.



## Basis for opinion

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

## Conclusions relating to going concern basis of accounting

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

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

## Risks of material misstatement

I report in a separate Annual Audit Report, available from the **Audit Scotland website**, the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## Responsibilities of the Accountable Officer for the financial statements

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

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



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

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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



## Reporting on regularity of expenditure and income

### Opinion on regularity

#### In my opinion in all material respects:

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

### Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## Reporting on other requirements

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

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

### Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and financial statements. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such



material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

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

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

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

I have nothing to report in respect of these matters.



## Conclusions on wider scope responsibilities

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

## Use of my report

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

**Gillian Woolman (MA FCA CPFA)**

**Audit Scotland**

**102 West Port**

**Edinburgh**

**EH3 9DN**

**23 September 2021**



# The Financial Statements



## The Financial Statements

### Statement of Comprehensive Net Expenditure (SoCNE)

For the year to 31 March 2021

	Notes	2020-21 £000	2019-20 £000
Administration Costs			
Staff costs*		100,003	90,052
Other Administrative Costs	2	65,006	49,764
<b>Gross Administrative Costs</b>		<b>165,009</b>	<b>139,816</b>
Operating Income Applied	3	(1,676)	(1,606)
<b>Net Administrative Costs</b>		<b>163,333</b>	<b>138,210</b>
<b>Net Operating Costs for the year ended 31 March</b>		<b>163,333</b>	<b>138,210</b>
Other Comprehensive Net Expenditure			
Items that will not be classified to net expenditure			
Net (gain)/loss on revaluation of property, plant & equipment		-	(418)
<b>Total Comprehensive Expenditure for the year ended 31 March</b>		<b>163,333</b>	<b>137,792</b>

\*See staff costs breakdown on Page 58

The notes on Pages 76-98 form part of these accounts.



## Statement of financial position

For the year to 31 March 2021

	Notes	31 March 2021 £000	31 March 2020 £000
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	4	21,883	20,115
Intangible Assets	5	9,205	7,351
<b>Total Non-Current Assets</b>		<b>31,088</b>	<b>27,466</b>
<b>Current Assets</b>			
Trade and Other Receivables	6	5,055	5,704
Cash and Cash Equivalents	7	5,852	10,313
<b>Total Current Assets</b>		<b>10,907</b>	<b>16,017</b>
<b>Total Assets</b>		<b>41,995</b>	<b>43,483</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8	(22,428)	(25,449)
Provisions	9	(17,701)	(13,612)
<b>Total Current Liabilities</b>		<b>(40,129)</b>	<b>(39,061)</b>
<b>Total Assets less Current Liabilities</b>		<b>1,866</b>	<b>4,422</b>
<b>Non-Current Liabilities (&gt; 1 year)</b>			
Other Payables	8	(3,698)	(3,922)
Provisions	9	(395)	(462)
<b>Total Non-Current Liabilities</b>		<b>(4,093)</b>	<b>(4,384)</b>



	Notes	31 March 2021 £000	31 March 2020 £000
<b>Total Assets less Total Liabilities</b>		<b>(2,227)</b>	<b>38</b>
<b>Taxpayers' Equity and Other Reserves</b>			
General Fund		8,702	6,843
Revaluation Reserve	SoCTE*	(6,475)	(6,881)
<b>Total Equity</b>		<b>2,227</b>	<b>(38)</b>

\*Note: SoCTE is the Statement of Changes in Taxpayers' Equity (please see Page 75)

The notes on Pages 76-98 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on 23 September 2021.

**David Harvie**

**Accountable Officer**

**23 September 2021**



## Statement of cash flows

For the year ended 31 March 2021

	Notes	2020-2021 £000	2019-20 £000
Net Cash Outflow from Operating Activities	A	(149,876)	(121,250)
Net Cash Outflows from Investment Activities	B	(11,085)	(6,183)
Payments from / (to) the Scottish Consolidated Fund for income not applied		-	246
Cash flows from Financing Activities	C	156,500	137,500
<b>Increase/(Decrease) in cash in the year</b>		<b>(4,461)</b>	<b>10,313</b>
Note A – Cash Flows from Operating Activities			
Net Operating Cost		163,333	138,210
Adjust for non-cash transactions		(5,601)	(5,924)
Increase/(Decrease) in receivables and other current assets		(649)	528
(Increase)/Decrease in trade and other payables		(3,185)	1,338
(Increase)/Decrease in provisions		(4,022)	(12,902)
<b>Net cash outflow from operating activities</b>		<b>149,876</b>	<b>121,250</b>
Note B – Cash Flows from Investing Activities			
Purchase of property, plant and equipment		5,034	5,097
Purchase of intangible assets		4,083	3,081
(Increase)/Decrease in capital payables		1,969	(1,988)
Proceeds of disposal of property, plant and equipment		(1)	(7)
<b>Net Cash outflow from Investment Activities</b>		<b>11,085</b>	<b>6,183</b>
Note C – Cash flows from Financing Activities			
From Scottish Consolidated Fund		156,500	137,500
Surrender of excess capital receipts		-	-
Cash flows from financing activities		156,500	137,500
(Increase)/Decrease in cash and cash equivalents		4,461	(10,313)
<b>Net Cash and Cash Equivalents requirement</b>		<b>160,961</b>	<b>127,187</b>

The notes on Pages 76-98 form part of these accounts.



## Statement of changes in Taxpayers' Equity (SoCTE)

For the year ended 31 March 2021

	Notes	General Fund £000	Revaluation Reserve £000	Tax Payers Equity £000
<b>Balance at 31 March 2019</b>		<b>3,704</b>	<b>6,835</b>	<b>10,539</b>
Net Parliamentary Funding		137,500	-	137,500
Auditor's Remuneration	2	104	-	104
Comprehensive Net Expenditure for the year		(138,210)	-	(138,210)
Revaluation Gains and Losses		-	418	418
Movement of Balance with the SCF		(10,313)	-	(10,313)
Transfers between reserves		372	(372)	-
<b>Balance at 31 March 2020</b>		<b>(6,843)</b>	<b>6,881</b>	<b>38</b>
Net Parliamentary Funding		156,500	-	156,500
Auditor's Remuneration	2	107	-	107
Comprehensive Net Expenditure for the year		(163,333)	-	(163,333)
Revaluation Gains and Losses		-	-	-
Movement of Balance with the SCF		4,461	-	4,461
Transfers between reserves		406	(406)	-
<b>Balance at 31 March 2021</b>		<b>(8,702)</b>	<b>6,475</b>	<b>(2,227)</b>

The notes on Pages 76-98 form part of these accounts.



# Notes to the Accounts



## Notes to the Accounts

### 1. Accounting Policies

#### Period of accounts

This report and accounts are for the year ended 31 March 2021.

#### Basis of Accounts

These accounts have been prepared in accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 (reproduced at Page 101) and in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM, apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector context.

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

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

#### Basis of Accounting

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

#### Accounting Convention

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

#### Going Concern

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



## Change of Accounting Policies

There have been no changes to our accounting policies and there are no new reporting requirements for 2020-21.

## Non-current assets

### Property, Plant and Equipment (PPE)

#### Recognition

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

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

#### Valuation

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

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 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 COPFS and the value can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period during which they are incurred.

## Intangible assets

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

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

## Depreciation

Freehold Land is not depreciated.

Depreciation has been provided on straight-line basis 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 5 years



## 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; and
- It is actively marketed and there is an expectation that the sale will be made in less than 12 months.

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

Assets classified as held for sale will be presented separately on the face of the statement of financial position.

## Operating income

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

Income is recognised when COPFS is entitled to the funds, it is probable the income will be received and the amount can be measured reliably. Income received in advance of entitlement is recorded as deferred income until COPFS is entitled to the funds.

All income is accounted for net of Value Added Tax (VAT).

## Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs. COPFS does not have any programme income or expenditure. Administration costs reflect the costs of running COPFS as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not.



## Parliamentary Funding

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

## Employee Benefits

### Retirement Benefits

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

### Short-Term Employee Benefits

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

## Provisions

Under IAS 37, provisions are recognised when:

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



## Leases

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

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.

## Value Added Tax (VAT)

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

## Financial Instruments

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

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

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



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

### Cash and Cash Equivalents

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

### Trade Payables

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

### Segmental Reporting

COPFS does not report on a segmental basis, but reports on a corporate basis with sub-analysis by objectives and business area as appropriate (see Page 18 of Performance Report). This is considered the most suitable method of reporting.

### Critical Accounting Estimates and Judgements

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

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.

For the financial year 2020-21, the Accountable officer and the non-executive directors have made critical judgements which have been disclosed in the notes to the accounts.

The valuation of land and buildings is dependant on valuations carried out by external valuers. The valuations are based on number of assumptions related to the market performance and assets' useful lives as determined by the valuer.



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

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

There are a number of staff who previously took early retirement where COPFS is required to meet the additional cost of benefits beyond the normal PCSPS benefits, that is monthly payments until the individual reaches 60 (when they receive normal PCSPS pension payments). COPFS provided in full for these costs when the decisions were made. In 2020-21 the HM Treasury discount factor was -0.95% and the rate has been applied to the early severance provision (-0.5% in 2019-20). During 2018-19 the entitlement to severance payments was changed to a maximum of 21 months' salary. These payments take the form of a one-off lump sum which if not paid by 31 March 2021 was accrued. No members of staff left under the scheme during 2020-21. No member of staff left under the scheme during 2019-20.

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

COPFS is required to meet the cost of payments made to ex-employees who took early retirement on medical grounds, until their death. For the basis of calculating this liability, it has been assumed that the average life expectancy is 75 years. The provision for injury benefit payments has been calculated on this basis with current levels of payment being adjusted for inflation and then reduced to reflect the timing of the payments.

### **Estimates for Provisions**

The amount recognised as a provision is the best estimate of the expenditure to be incurred. The provision for leasehold dilapidations is estimated based on the opinion of external surveyors.

The provision for compensation claims is estimated based on assessment by external legal advisors e.g. Scottish Government Legal Department.



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

### IFRS 16 Leases

IFRS 16; Leases will replace IAS17 Leases and related interpretations. The effective date is 1 January 2020 and will be applied in UK Public Sector from 1 April 2022, therefore financial year 2022-23.

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

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

As the application of IFRS 16 is to be carried out on a cumulative catch-up basis, there will be no prior year adjustments made in the 2022-23 financial statements. The impact on the accounts for 2022-23 with current known leases which will transition to assets are as follows:

	Statement of Comprehensive Net Expenditure	Statement of Financial Position	
Year 1, 2022-23	£	£	£
Assets Value at 1 April 2022	-	4,903,019	-
Depreciation year 1	844,170	(844,170)	-
Asset Net Book Value at 31 March 2023	-	-	4,058,849
Lease creditor as at 1 April 2022	-	(4,903,019)	-
Lease creditor release	(831,743)	831,743	-
Lease creditor outstanding at 31 March 2023	-	-	4,071,276
Rental Payments	894,011	-	-
Interest = difference between rental payments and lease creditor release	-	-	62,268

#### Note:

The above comprises property leases only.



## 2. Other administrative costs

Other Expenditure comprised of:

	2020-21 £000	2019-20 £000
Travel and Subsistence	97	690
Training	206	208
Accommodation	8,571	8,211
Legal and Witness Costs	40,500	14,957
Supplies and Services	5,803	5,594
Other Staff and Office Costs	1,866	1,584
(Profit)/Loss on disposal of assets	(1)	(4)
Revaluation Adjustment	2	59
<b>Sub-Total</b>	<b>57,044</b>	<b>31,299</b>
Non-Cash Costs:		
Audit Fee	107	104
Provision utilised in year	(12,600)	-
Provision recognised in year	14,960	12,600
Impairment	693	1,767
Depreciation	4,802	3,994
<b>Sub-Total</b>	<b>7,962</b>	<b>18,465</b>
<b>Total Administrative Costs</b>	<b>65,006</b>	<b>49,764</b>

### Note:

Within Other Administrative Costs for 2020-21 there were £Nil for non-audit services provided by the appointed auditor, Audit Scotland (2019-20: £Nil).



### 3. Operating income

Operating Income analysed by classification and activity as follows:

	Income Applied £000	Income Not Applied £000	2020-21 Total £000	2019-20 Total £000
Administrative income allowable within cost limit*:				
Queen's and Lord Treasurer's Remembrancer (QLTR) costs recharged	650	-	650	572
Legal Information Network for Scotland (LINETS) Subscriptions	914	-	914	940
Other Income applied	112	-	112	94
<b>Sub-Total</b>	<b>1,676</b>	<b>-</b>	<b>1,676</b>	<b>1,606</b>
Other Income (Treated as not applied)**				
Civil Recovery and Proceeds of Crime Income	-	2,276	2,276	1,693
Cash Seizures	-	3,258	3,258	2,397
<b>Sub-Total</b>	<b>-</b>	<b>5,534</b>	<b>5,534</b>	<b>4,090</b>
<b>Total</b>	<b>1,676</b>	<b>5,534</b>	<b>7,210</b>	<b>5,696</b>

\* Retained Income limit per the Budget Act is £2,000,000 (2019-20: £2,000,000)

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



## 4. Property, plant and equipment

<b>2020-21</b>	<b>Land</b>	<b>Buildings</b>	<b>IT equip.</b>	<b>Telecomm-unications</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 April 2020	1,325	30,436	9,862	3,536	527	45,686
Additions	-	1,633	3,152	130	119	5,034
Disposals	-	-	(2,273)	(28)	-	(2,301)
Revaluations	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>1,325</b>	<b>32,069</b>	<b>10,741</b>	<b>3,638</b>	<b>646</b>	<b>48,419</b>
<b>Depreciation</b>						
As at 1 April 2020	-	(16,663)	(5,748)	(2,800)	(360)	(25,571)
Charged in-year	-	(1,075)	(1,078)	(341)	(79)	(2,573)
Accelerated Depreciation (Note 2)	-	(693)	-	-	-	(693)
Disposals	-	-	2,273	28	-	2,301
Revaluations	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>(18,431)</b>	<b>(4,553)</b>	<b>(3,113)</b>	<b>(439)</b>	<b>(26,536)</b>
<b>Net Book Value</b>						
<b>As at 31 March 2021</b>	<b>1,325</b>	<b>13,638</b>	<b>6,188</b>	<b>525</b>	<b>207</b>	<b>21,883</b>
As at 1 April 2020	1,325	13,773	4,114	736	167	20,115
<b>Analysis of Asset Financing</b>						
Owned	1,325	5,128	6,188	525	207	13,373
Leases	-	8,510	-	-	-	8,510
<b>NBV at 31 March 2021</b>	<b>1,325</b>	<b>13,638</b>	<b>6,188</b>	<b>525</b>	<b>207</b>	<b>21,883</b>

### Note 1:

Freehold Land, buildings and Plant were professionally valued at 31 March 2020 by Avison Young 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. Due to COVID-19, there may be an impact on valuations during the year 2021-22 (no impact for 2020-21). COPFS will discuss the position with the valuers towards the end of 2021-22 to assess any impact for the year end 31 March 2022.

### Note 2:

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



<b>2019-2020</b>	<b>Land</b>	<b>Buildings</b>	<b>IT equip.</b>	<b>Telecomm- unications</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 April 2019	1,325	29,081	10,365	4,610	524	45,905
Additions	-	1,545	3,076	124	67	4,812
Disposals	-	-	(3,579)	(1,198)	(64)	(4,841)
Revaluations	-	(190)	-	-	-	(190)
<b>At 31 March 2020</b>	<b>1,325</b>	<b>30,436</b>	<b>9,862</b>	<b>3,536</b>	<b>527</b>	<b>45,686</b>
<b>Depreciation</b>						
As at 1 April 2019	-	(14,420)	(8,717)	(3,627)	(362)	(27,126)
Charged in-year	-	(1,024)	(610)	(371)	(59)	(2,064)
Accelerated Depreciation	-	(1,767)	-	-	-	(1,767)
Disposals	-	-	3,579	1,198	61	4,838
Revaluations	-	548	-	-	-	548
<b>As at 31 March 2020</b>	<b>-</b>	<b>(16,663)</b>	<b>(5,748)</b>	<b>(2,800)</b>	<b>(360)</b>	<b>(25,571)</b>
<b>Net Book Value</b>						
<b>As at 31 March 2020</b>	<b>1,325</b>	<b>13,773</b>	<b>4,114</b>	<b>736</b>	<b>167</b>	<b>20,115</b>
As at 1 April 2019	1,325	14,661	1,648	983	162	18,779
<b>Analysis of Asset Financing</b>						
Owned	1,325	5,256	4,114	736	167	11,598
Leases	-	8,517	-	-	-	8,517
<b>NBV at 31 March 2020</b>	<b>1,325</b>	<b>13,773</b>	<b>4,114</b>	<b>736</b>	<b>167</b>	<b>20,115</b>



## 5. Intangible assets

	Software Developed In-House or by Third Parties	Software Licences	Websites	Development Expenditure	Total
2020-21	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>					
At 1 April 2020	16,199	3,591	91	3,806	23,687
Additions	677	160	-	3,246	4,083
Disposals	(625)	(959)	-	-	(1,584)
Reclassifications	1,618	-	-	(1,618)	-
<b>As at 31 March 2021</b>	<b>17,869</b>	<b>2,792</b>	<b>91</b>	<b>5,434</b>	<b>26,186</b>
<b>Amortisation</b>					
At 1 April 2020	(12,701)	(3,544)	(91)	-	(16,336)
Charged in Year	(2,196)	(33)	-	-	(2,229)
Disposals	625	959	-	-	1,584
<b>As at 31 March 2021</b>	<b>(14,272)</b>	<b>(2,618)</b>	<b>(91)</b>	<b>-</b>	<b>(16,981)</b>
<b>Net Book Value</b>					
<b>As at 31 March 2021</b>	<b>3,597</b>	<b>174</b>	<b>-</b>	<b>5,434</b>	<b>9,205</b>
As at 31 March 2020	3,498	47	-	3,806	7,351
<b>Analysis of Asset Financing</b>					
Owned	3,597	174	-	5,434	9,205
Finance Leased	-	-	-	-	-
Contracts	-	-	-	-	-
<b>NBV at 31 March 2021</b>	<b>3,597</b>	<b>174</b>	<b>-</b>	<b>5,434</b>	<b>9,205</b>



	Software Developed In-House or by Third Parties	Software Licences	Websites	Development Expenditure	Total
2019-20	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>					
At 1 April 2019	15,091	5,602	139	2,909	23,741
Additions	625	17	-	1,688	2,330
Disposals	(308)	(2,028)	(48)	-	(2,384)
Reclassifications	791	-	-	(791)	-
<b>As at 31 March 2020</b>	<b>16,199</b>	<b>3,591</b>	<b>91</b>	<b>3,806</b>	<b>23,687</b>
<b>Amortisation</b>					
At 1 April 2019	(11,130)	(5,521)	(139)	-	(16,790)
Charged in Year	(1,879)	(51)	-	-	(1,930)
Disposals	308	2,028	48	-	2,384
<b>As at 31 March 2020</b>	<b>(12,701)</b>	<b>(3,544)</b>	<b>(91)</b>	<b>-</b>	<b>(16,336)</b>
<b>Net Book Value</b>					
<b>As at 31 March 2020</b>	<b>3,498</b>	<b>47</b>	<b>-</b>	<b>3,806</b>	<b>7,351</b>
As at 31 March 2019	3,961	81	-	2,909	6,951
<b>Analysis of Asset Financing</b>					
Owned	3,498	47	-	3,806	7,351
Finance Leased	-	-	-	-	-
Contracts	-	-	-	-	-
<b>NBV at 31 March 2019</b>	<b>3,498</b>	<b>47</b>	<b>-</b>	<b>3,806</b>	<b>7,351</b>



## 6. Trade receivables, financial and other assets

	2021 £000	2020 £000
Amounts falling due within one year		
VAT	1,081	967
Other Receivables	726	776
Prepayments	3,076	3,482
Accrued Income	172	479
<b>Sub-total</b>	<b>5,055</b>	<b>5,704</b>
Intra-Government Balances		
Amounts falling due within 1 year		
Balances with other Central Government Bodies	1,434	1,278
<b>Total: Intra-governmental balances</b>	<b>-</b>	<b>1,278</b>
Balances with bodies external to government	3,621	4,426
<b>Total receivables at 31 March</b>	<b>5,055</b>	<b>5,704</b>

## 7. Cash and cash equivalents

	2021 £000	2020 £000
At 1 April	10,313	-
Net change in cash and cash equivalent balances	(4,461)	10,313
<b>At 31 March</b>	<b>5,852</b>	<b>10,313</b>
The following balances at 31 March were held at:		
Balances at Government Banking Services	5,490	9,933
Commercial banks and cash in hand	362	380
<b>At 31 March</b>	<b>5,852</b>	<b>10,313</b>



## 8. Trade Payables and other current liabilities

	2021 £000	2020 £000
Amounts falling due within one year		
Other taxation and Social Security Payables	(4,002)	(3,527)
Trade Payables	(213)	(2,127)
Other Payables	(285)	(248)
Accruals and Deferred Income	(11,852)	(9,033)
Current part of Finance Leases	(224)	(201)
Cash Seizures	-	-
Balances payable to the Scottish Consolidated Fund	(5,852)	(10,313)
<b>Total due within one year as at 31 March</b>	<b>(22,428)</b>	<b>(25,449)</b>
Amounts falling due after more than one year:		
Finance Leases	(3,698)	(3,922)
<b>Total due after more than one year as at 31 March</b>	<b>(3,698)</b>	<b>(3,922)</b>

## 9. Provisions for Liabilities and Charges

	Injury Benefit Costs £000	Other Provisions £000	2021 Total £000	2020 Total £000
Balance as at 1 April	526	13,548	14,074	1,712
Additional provisions made	-	17,228	17,228	13,148
(Decrease)/Increase due to change in the discount rate	-	-	-	10
Amounts incurred and charged against provision	(64)	(12,820)	(12,884)	(540)
Provision not required written back	(2)	(320)	(322)	(256)
<b>Balance at 31 March</b>	<b>460</b>	<b>17,636</b>	<b>18,096</b>	<b>14,074</b>
Payable within one year	65	17,636	17,701	13,612
Provision of over 1 year	395	-	395	462

### Note:

Injury benefit provision relates to employees who have sustained injuries at work. Other provisions relates to other early departure costs, dilapidations and specific cases where estimates are based on the information known at the time of signing of the financial statements but the actual settlements could be materially understated or overstated (including litigation as detailed on Page 17).



## Analysis of expected timing of discounted cashflows

	Injury Benefit Costs £000	Other Provisions £000	2021 £000	2020 £000
Not later than 1 year	64	17,636	17,701	13,612
Later than 1 year and not later than 5 years	239	-	239	261
Later than 5 years	156	-	156	201
<b>Total</b>	<b>460</b>	<b>17,636</b>	<b>18,096</b>	<b>14,074</b>

## 10. Capital commitments

### Property, plant and equipment

	2021 £000	2020 £000
Contracted capital commitments at 31 March not otherwise included in these statements but not provided for	213	46
<b>Total</b>	<b>213</b>	<b>46</b>

## 11. Commitments under leases

### 11a. Commitments under leases

Total future minimum lease payments under operating leases are given in the tables below. Obligations under operating leases for the following periods comprise:

	2021 £000	2020 £000
Buildings		
No later than 1 year	833	853
Later than 1 year and no later than 5 years	1,938	2,551
Later than 5 years	483	2,566
<b>Total as at 31 March</b>	<b>3,254</b>	<b>5,970</b>



## 11b. Finance Leases

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

	2021 £000	2020 £000
Buildings		
No later than 1 year	1,802	1,802
Later than 1 year and no later than 5 years	6,713	7,207
Later than 5 years	30,080	31,388
<b>Total lease payments as at 31 March</b>	<b>38,595</b>	<b>40,397</b>
Less Interest element as at 31 March	(34,673)	(36,274)
<b>Present value of obligations as at 31 March</b>	<b>3,922</b>	<b>4,123</b>

## 12. Related Party Transactions

COPFS is a separate service of the Scottish Government for funding purposes. During the year, COPFS had a number of material transactions with the Scottish Government, QLTR and The Scottish Courts and Tribunal Service. One of the Non-Executive Directors, who is an independent member of Audit & Risk Committee and is a member of the Audit & Risk Committee at University of Glasgow. None of the rest of the Non-Executive Directors, Executive Board members, key managerial staff or other related parties has undertaken any material transactions with COPFS during the year.

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

	2020-21 £000	2019-20 £000
Scottish Courts and Tribunal Service	3,302	3,209
University of Glasgow	4,992	1,111

Income recharged to QLTR for salaries and administration costs, Page 87, are as follows:

	2020-21 £000	2019-20 £000
QLTR	(650)	(572)



## 13. Financial Instruments

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

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

COPFS has no derivative financial assets or liabilities.

<b>Financial Assets Description</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Accrued Income	172	479
Other receivables	726	776
Cash and Cash Equivalents	5,852	10,313
<b>Totals</b>	<b>6,750</b>	<b>11,568</b>

<b>Financial Liabilities Description</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade Payables	(213)	(2,127)
Accruals	(11,852)	(9,033)
Other payables	(285)	(247)
Scottish Consolidated Fund	(5,852)	(10,313)
Finance Leases	(3,922)	(4,123)
<b>Totals</b>	<b>(22,124)</b>	<b>(25,843)</b>

### Credit risk

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

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



## Liquidity risk

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

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

## 14. Losses and Special Payments

	2020-21 £000	2019-20 Restated £000
Special Payments 13 cases (2019-20; 20 cases)	27,593	13,065
<b>Totals</b>	<b>27,593</b>	<b>13,065</b>

### Note:

There are losses of £27.9m in 2020-21 of which £16.2m are anticipated to be paid in 2021-22 where estimates are based on the information known at the time of signing of the financial statements but the actual losses could be materially understated or overstated (see Page 62 Losses and Special Payments).

The 2019-20 figures have been restated to reflect the £12.6m provision in respect of 2020-21 payments.

## 15. Cash Requirement

Financial Liabilities Description	2020-21 £000
Approved Cash Requirement	156,500
Additional funding drawn down	-
<b>Funding drawn down</b>	<b>156,500</b>
Cash Expended:	
Operating Costs	149,876
Capital expenditure	11,085
<b>Total Cash Expended</b>	<b>160,961</b>



<b>Financial Liabilities Description</b>	<b>2020-21</b>
	<b>£000</b>
Net change in cash balance year to 31 March 2021	(4,461)
Cash Balance due to the SCF as at 31 March 2020	10,313
<b>Total Cash Balance as at 31 March 2021</b>	<b>5,852</b>
Consisting of:	
Funding balance due to (from) the SCF	5,852
Excess income due to the SCF	-

## 16. Contingent Liabilities

COPFS is subject to several civil litigation and damages claims. COPFS is opposing these claims, but continues to review each case individually for liabilities that may arise as the legal processes progress. The value of these claims has yet to be finalised.

## 17. Events after the Reporting Period

Additional provisions included in these accounts arose after the balance sheet date but before the signing of the accounts and is therefore a post balance sheet event. There have been no further material events between 31 March 2021 and the publication of the statements that require adjustments to the accounts to be disclosed.



# Accounts Direction by Scottish Ministers



## Accounts Direction by Scottish Ministers

Ministerial requirement to produce a set of annual accounts

These annual accounts have been produced to meet the requirement placed on the Lord Advocate to do so by the Accounts Direction by Scottish Ministers.

### Period of accounts

This report and accounts are for the year ended 31 March 2021.

### The scope of these accounts

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



## Accounts Direction by Scottish Ministers



### LORD ADVOCATE

### DIRECTION BY THE SCOTTISH MINISTERS

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

1. The statement of accounts for the Crown Office and Procurator Fiscal Service for the financial year ended 31 March 2006 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 15 July 2002 is hereby revoked.

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

Signed by the authority of the Scottish Ministers Dated: 17 January 2006



PPDAS930446