



CROWN OFFICE
& PROCURATOR
FISCAL SERVICE

SCOTLAND'S PROSECUTION SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2020



Reference SG/2020/116

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1.

The Performance Report

1. THE PERFORMANCE REPORT

STATEMENT BY THE CROWN AGENT AND CHIEF EXECUTIVE ON PERFORMANCE FOR THE PERIOD

Performance and outcomes

1. COPFS' Business Plan 2019-20 identified the following objectives in respect of operational performance:
 - Criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest;
 - Deaths which need further explanation are appropriately and promptly investigated;
 - Financial gain achieved by Criminal means is removed from criminals using proceeds of crime laws;
 - A level of service which takes account of individual needs and characteristics is provided to all; and
 - Victims, nearest relatives and witnesses and those accused of an offence are treated with dignity and respect.
2. COPFS promotes diversity and engagement with local communities across the country through its annual Schools Public Speaking Competition. The core work of COPFS involves promoting and upholding human rights, anti-bribery and anti-corruption by investigating and prosecuting criminal offences and seizing the profits from criminality. Through its membership of the Serious and Organised Crime Taskforce and wider joint working with law enforcement bodies in Scotland, the UK and abroad, COPFS works effectively across wider public sector to support these core activities. More information on bribery and corruption can be found at [Bribery and Corruption](#).

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

	2019-20	2018-19
Criminal Reports Received	169,894	170,575
Death Reports Received	10,921	10,397
Total Reports Received (i)	180,815	180,972
Non-Court Disposals		
No Action	15,999	17,705
Warning Letters	5,261	5,816
Conditional Offers of Fixed Penalties Paid	7,837	6,896
Fiscal Fines Paid / Accepted	17,705	17,830
Compensation Orders Accepted	595	756
Combined Fiscal Fines / Compensation Orders Accepted	3,840	3,178
Other Non-court disposals	11,747	11,144
Total Non-Court Disposals	62,984	63,325
Total No Further Action (ii)	17,734	18,861
Grand Total	80,718	82,186

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. 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.)*

4. Information on Court Disposals is no longer collated centrally by COPFS. Information on court disposals is available from the Management Information Analysis Team at the Scottish Courts and Tribunal Service (SCTS) with an extract below as at 31 March 2020:

	2019-20 (Provisional results)	2018-19
JP Court		
Cases registered	33,271	36,955
Cases concluded*	27,314	29,705
Cases not concluded at 31 March	7,203	7,501
Sheriff Court Summary Cases		
Cases registered	65,225	59,777
Cases concluded*	41,130	41,885
Cases not concluded at 31 March	26,013	19,678
Sheriff Court Solemn Cases		
Cases registered	5,452	5,182
Cases concluded*	5,155	4,799
Cases not concluded at 31 March	1,334	1,132
Total cases concluded	73,599	76,389

Notes:

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

** Due to the Coronavirus situation, some courts were closed with a small number of buildings dealing with priority business. The closed courts adjourned their business administratively which means the figures above may not reflect their true status. The data is therefore provisional as at 31 March 2020.

5. Performance against our published targets during 2019-20 was:

Business Area	Target	Performance	
		2019-20	2018-19
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.	75%	77%
Investigation of Deaths****	In deaths which require further investigation, conduct the investigation and advise the next of kin of the outcome within 12 weeks in at least 80% of cases.	70%	89%
Investigation of Criminal Allegations against the Police	Complete the investigation of criminal allegations against police officers and advise the complainer of the outcome within 12 weeks of the date on which the report is received in at least 90% of cases.	91%	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.

6. High Court business on petition has risen in each of the last three years, albeit a relatively modest rise of 1.4% in 2019/20, but an overall rise of 40%. Sexual offences rose sharply in 2017/18, stabilised in 2018/19 but has risen again in 2019/ 20. Major Crime spiked in 2018/19 and whilst it has dropped in 2019/20 it is still significantly higher (35%) than it had been in 2017/18.
7. In our Specialist Casework Unit the diverse and complex nature of the criminal investigations; and the associated prosecutions, including those connected to serious and organised crime, continue to be a challenge. In 2019-20 additional resource was directed to reducing the end to end time of these cases and the investigations into deaths. A project was implemented and completed which reviewed and modernised the processes involved in deaths investigations and Fatal Accident Inquiries. For example, the Service's analysis of the need for extra

resource took into account a 50% increase in the number of High Court level sexual offences related to the Crown in 2018-19.

8. The Service is committed to significant improvement in performance particularly in the prosecution of serious cases bearing in mind the challenging profile of casework. The priority for the latter part of the year has been to induct and train both new recruits and staff transferring to new roles. Nevertheless there have already been improvements in performance given the complexity of cases and challenging profile of casework. The Service is very confident that performance will continue to improve throughout 2020-21 as staffing levels increase and new staff settle into their roles.
9. Decisions on whether to prosecute or issue a Non-Court disposal are made by the Procurator Fiscal in accordance with the Lord Advocate's Guidelines and in accordance with [Prosecution Policy and Guidance](#).
10. The main risk to the delivery of these targets is that operational resources are not effectively balanced against workloads. A range of controls are in place to mitigate this risk.

FINANCE AND RISKS

Finance Strategy

11. An updated Finance Strategy has been drafted. This will be finalised once the COPFS Corporate Strategic Plan has been finalised. The Finance Strategy will be supported by an update Medium Term Financial Plan and, in each year, an Annual Business Plan, which will outline the business objectives and deliverables for each year and the financial implications of those plans.
12. 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 where the updated plans will be published at the end of the summer 2020.
13. Owners, project executives and managers from across COPFS are responsible for taking each strand forward and delivering agreed benefits; each owner is accountable ultimately to one of the three Committees of the Executive Board. The interdependencies between the various strategies and work streams are being mapped to ensure that they are fully understood and are managed accordingly to ensure and underpin the delivery of our strategic financial targets.

Available resources

14. 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 £145.3m (2018-19: £121.1m) against the updated budget of £134.1m (2018-19: £121.6m).
15. 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.

16. After the SBR deadline, additional costs arose that had not previously been foreseen. These were estimated to amount to some £14.3m, 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 £11.2m.

17. The running costs overspend was due largely to

- a. expenses incurred and provided for in relation to earlier than expected hearing of legal cases;
- b. a higher than expected closing balance for annual leave and flexible working hours credits, caused by the COVID-19 outbreak (this is a technical accounting adjustment required under IFRS); and
- c. The provision required in 2019-20 following independent assessment of the impact of the Court of Session ruling on immunity from suit in relation to the conduct of solemn proceedings.

18. The budget and outturn for 2019-20 was as follows:

2019-20	Original Approved Budget £m	Updated Budget £m	Outturn £m	Variance £m
Cash Resource Expenditure	113.4	118.4	119.7	1.3
Non-Cash Resource Expenditure	3.7	3.7	4.1	0.4
Total Resource Expenditure	117.1	122.1	123.8	1.7
Capital Expenditure	3.6	10.2	7.1	-3.1
AME Impairment/Provisions	-	1.8	14.4	12.6
Total	120.7	134.1	145.3	11.2

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. It is shown in Note 2 to the Accounts.

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

Business Area	Annual Spend	
	2019-20 £'000	2018-19 £'000
Local Court	43,584	39,247
Operational Support	13,491	13,085
Post Mortems	7,580	8,822
Specialist Casework	36,609	30,567
Centrally Managed Spend	18,482	18,167
Capital Spend	7,141	6,406
Non Cash and AME spend	18,464	4,810
Total	145,351	121,104

20. 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 48:

Objectives	2019-20			2018-19
	Gross £000	Income £000	Net £000	Net £000
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.	124,519	(1,606)	122,913	99,725
To ensure that victims, nearest relatives and witnesses and those accused of an offense are treated with dignity and respect.	3,764	-	3,764	3,051
To ensure deaths which need further explanation are appropriately and promptly investigated.	11,533	-	11,533	11,898
Net Operating Costs	139,816	(1,606)	138,210	114,674

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

22. During 2019-20 a new scheme of financial delegation was put in place which balances the requirement to manage our resources corporately with a sufficient degree of local accountability and incentives.

23. The 2019-20 budget was set at a level that allowed the additional staff levels that had been agreed during 2018-19 to be maintained throughout 2019-20 (the COPFS baseline for 2020-21 has been increased for the same reasons).
24. During 2019-20 COPFS also received additional capital funding. This was in recognition of the near decade long suppression of capital funding at the same cash level. This funding was used to accelerate the procurement and distribution of laptops as part of the Digital Workplace programme. In the event, this proved extremely fortuitous as, had this funding not been made available, COPFS would not have been able to deliver work during the COVID-19 outbreak.
25. Total property, plant and equipment and intangible asset additions in the financial year were £7.1m (2018-19: £6.4m) in respect of capital refurbishments and investment in IT, to support the internal delivery of all our objectives (notes 4 and 5 on pages 61 to 64).

Payment policy and performance

26. 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 2019-20 performance against the 30 day target was 98.28% (2018-19: 98.23%).
27. COPFS also aspires to pay all undisputed invoices within 10 working days. During 2019-20 COPFS paid 96.28% within the 10 day period (2018-19: 96.91%).
28. In 2019-20, in line with the government policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act (2018-19: Nil).

Principal risks and uncertainties facing the business

29. COPFS manages risk in accordance with recognised best practice (based on processes used across the Scottish Government). There is a corporate level Risk Register which is reviewed by our Risk Management Group on a 6 weekly basis (drawing information from lower level registers within COPFS). The Group reports to our Executive Board and the Audit and Risk Committee to provide assurance that risks are being managed appropriately.
30. During 2019-20 we have re-evaluated the risks that we, as an organisation, face. The key risks identified were:
- a) Insufficient skilled and engaged staff are available to be deployed effectively;
 - b) COPFS does not remain within budget allocations;
 - c) COPFS does not manage and embed change effectively and ensure that the benefits are secured;
 - d) Information is not protected and managed effectively and staff are unaware of the risks;
 - e) COPFS doesn't process casework appropriately;
 - f) COPFS does not engage effectively and ensure appropriate alignment of our objectives with our partners and stakeholders, and does not respond effectively to policy and legal changes;
 - g) Frontline delivery is not protected from the consequences of business continuity failure.

h) The new financial risk to the organisation following the Court of Session ruling on immunity from suit in relation to the conduct of solemn proceedings.

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

COVID-19

32. Early in 2020, the world was impacted by the spread of the COVID-19 pandemic. This pandemic caused huge health and economic issues for virtually every country in the world.

33. For COPFS this included the scaling down and then the cessation of, all but the most essential court proceedings. In line with Government guidelines, COPFS required all but a small number of its staff to work from home. While the 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, much earlier than the Digital Strategy had allowed for. Huge cultural as well as technological challenges also had to be overcome in a matter of 2 or 3 weeks.

34. Existing Business Continuity Plans were put to the sternest of tests and most come through with flying colours, allowing almost 90% of COPFS staff to continue to work from home with no, or at worst, minimal, delays.

35. Continued service delivery was overseen by the Corporate Resilience Group supported by a number of sub-groups and kept Executive Board and Audit and Risk Committee comprehensively updated. Policies were adapted, and some new policies were introduced to clarify matters such as additional costs of working from home, annual leave etc. Courts continued to be "attended" and work completed, including using video links.

36. COPFS officials are keeping in close touch with Scottish Government colleagues about the potential short, medium and longer term implications of the COVID-19 pandemic for public expenditure.

PEOPLE AND CAPABILITY

37. COPFS' Business Plan 2019-20 identified the following objectives in respect of our people and capability:

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

Recruitment

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

39. As at the end of March 2020, COPFS employed 1,797.56 FTE staff with 31.42 FTE staff joining on 1 April 2020, 540.63 FTE of the total number are qualified lawyers, which is a record level. The Service also employs 61 trainee solicitors. Approximately 76% of the Service's 2020-21 budget is expected to be spent on payroll costs, up from under 59% just a few years ago. This increase is testament to a rigorous focus on reducing non-staff expenditure through efficiency gains and COPFS commitment to maintain and increase staffing levels.

Staff engagement

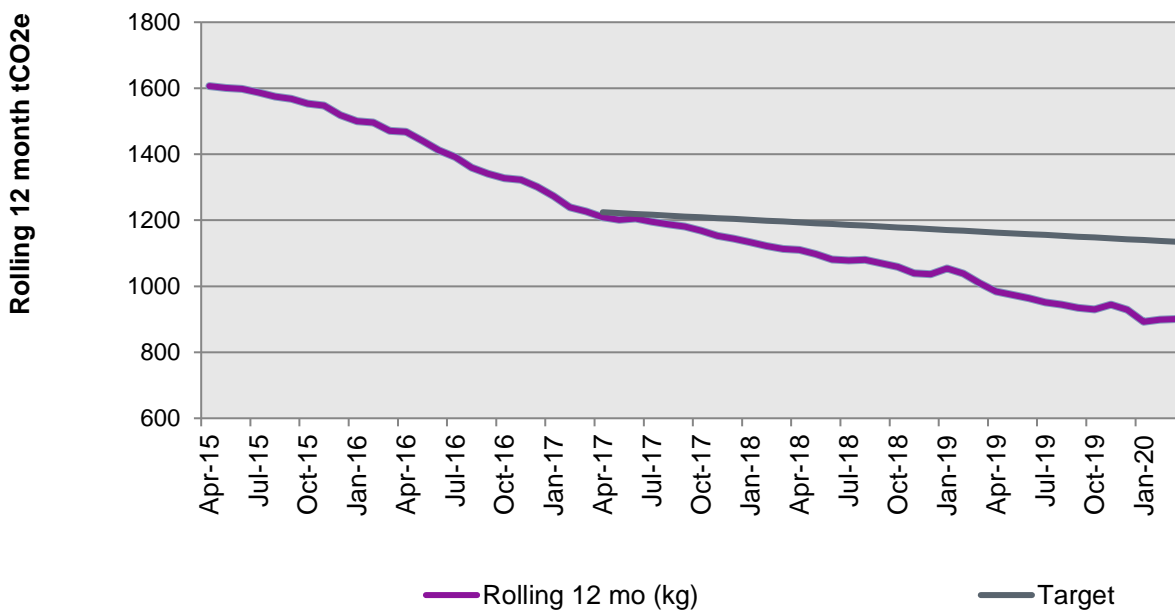
40. The results of the COPFS people survey in 2019 were the best for some years with increased satisfaction on all areas but one (where there was no change). The response rate was one of the highest since 2012 and the overall engagement index was 63%. This is on par with the Civil Service benchmark on median scores.

ORGANISATIONAL EFFICIENCY

41. COPFS' Business Plan 2019-20 committed to continuing the organisational efficiency programme. The following are some of the examples of achievement:
- a. Case Management in Court (CMiC) tablets and apps were successfully implemented in all COPFS offices for use in summary courts by the end-March 2019 target. COPFS' corporate Wi-Fi service was implemented over Q4 2018/19, with the COPFS corporate Wi-Fi service made accessible in all court locations over April to November 2019 via a partnership arrangement with Scottish Courts and Tribunal Service (SCTS).
 - b. The continued roll out of dual screen monitors to staff across COPFS to enable more efficient working. By the end of November 2019, ISD deployed around 2,700 dual screen monitors to staff and business areas across the organisation. Feedback has been very positive, enhancing case processing and business productivity and improving multi-tasking capabilities. Dual monitors are now an integral component of COPFS' digital workplace solutions.
 - c. Continued development of a suite of corporate applications to digitise standard corporate processes and provide corporate management information more efficiently; The Corporate Apps Business Directory, Attendance Management, Travel and Subsistence and Vehicle Pool digital apps are used by staff across the organisation. The Staff Changes App is used by Post Admins, HR and ISD to manage starter, leaver and mover changes across the organisation and to maintain our staff data and Business Directory information. Further Staff Changes Apps functionality is being added along with more Corporate Apps solutions to digitally deliver our business and administrative processes more efficiently and to replace paper based systems.
 - d. 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
 - e. We closed the office in Greenock and now share accommodation with Scottish Courts and Tribunal Service in Greenock;
 - f. The reconfiguration and refurbishment of offices in Edinburgh and Glasgow has provided more efficient and more fit for purpose work areas for staff.

ENVIRONMENTAL AND SUSTAINABILITY

42. COPFS continues to exceed its target to reduce CO₂e emissions from the use of gas and electricity in its buildings by 2.5% per year from the baseline year of April 2016 to March 2017 with emissions reduced by 27% by the end of April 2020. A large part of this reduction is due to an increase in national renewable energy generation. However, a reduction in electricity consumption of 7% has also contributed towards this reduction.
43. Gas use has increased compared to the baseline year by 15%. This is due to changes to heating settings to improve the comfort of building occupants and the need to extend opening hours. However, a robust monitoring programme is in place to ensure any unexpected out of hours gas is quickly identified and investigated to prevent reoccurrence.



Note: CO₂e – Carbon dioxide equivalent emissions.

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

44. 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 Edinburgh which was resolved, reducing consumption from a high of over 300 m³ a month to less than 130 m³.
45. COPFS has implemented various projects that, not only provide cash savings and a more efficient service, but also support the sustainability agenda of the organisation. These include a programme to install highly efficient LED lighting. Lighting upgrades have now taken place at buildings including Elgin, Dumfries and Dumbarton achieving typical reductions in electricity consumption of 70% for lighting.
46. In addition, projects have been approved, or are ongoing, at Glasgow, Hamilton and Edinburgh which will improve the gas efficiency of the sites and comfort levels. These include modifications to heating controls and zoning.

47. The six solar panel systems continue to contribute towards reducing the consumption of grid electricity and emissions. COPFS' Hamilton office has generated over 40,000 kWh of electricity since installation in 2019, reducing emissions by over 10 tonnes of CO₂e. This is equivalent to over £4,000 in electricity costs. Due to this solar panel system, Hamilton achieved zero grid electric consumption for several hours in 2019 during peak sunlight hours.
48. 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.
49. In relation to waste and recycling, services are managed by our Facilities Management provider. On site recycling, rates exceeded 60%, with additional material diverted for recycling off site.

David Harvie

David Harvie
Accountable Officer

24 November 2020

2.

The Accountability Report

2. THE ACCOUNTABILITY REPORT

DIRECTORS' REPORT

OVERVIEW

50. 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.
51. COPFS is the sole public prosecution authority in Scotland prosecuting cases independently, robustly, fairly and effectively in the public interest.
52. 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.
53. 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.
54. Responsibility for investigating allegations of criminal conduct against police officers also rests with COPFS with prosecution being undertaken on the instruction of Crown Counsel.
55. COPFS's Proceeds of Crime and Civil Recovery Units investigate and recover proceeds of drugs trafficking and other serious crime.
56. COPFS also provides a Victim Information and Advice Service across Scotland.
57. 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.
58. 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
 - Finance Strategy
 - Digital Strategy
 - Estates Strategy
 - Procurement Strategy
 - Medium Term Financial Plan
 - Digital Investment Strategy
 - Estates Investment Strategy
 - Annual Business Plans

59. 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.”

60. 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.

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

62. 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

63. 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.

64. In 2019-20 our priorities were to:

- a) recruit, induct and train approximately 200 additional staff and replace any staff who leave during the year;
- b) prosecute complex, serious and organised crime and significant financial crime before the High Court and Sheriff and Jury courts;
- c) implement a programme of work to reduce journey times in High Court cases, particularly in cases involving children and young people;
- d) implement a programme of work to reduce the duration of some of the more complex death investigations;

- e) take action to recover associated proceeds of crime;
- f) prosecute hate crime, domestic abuse, stalking and sexual offending, all of which involve significant equalities issues for those who have protected characteristics across all sections of society; and
- g) meet the challenges arising from changes in the legal environment, including changes in the causes of crime and workload, judicial decisions and planned legislation.

Our objectives

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

- a) Criminal cases are effectively and independently investigated and prosecuted or have other proportionate action taken in the public interest;
- b) Deaths which need further explanation are appropriately and promptly investigated;
- c) Financial gain achieved by criminal means is removed from criminals using proceeds of crime laws;
- d) A level of service which takes account of individual needs and characteristics is provided to all;
- e) Victims, nearest relatives and witnesses and those accused of an offence are treated with dignity and respect.

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

Core Business	Target for 2019-2020
Indictments	Serve 100% of solemn indictments within statutory time limits.
Take and Implement Decisions	Take and implement a decision in 75% of crime reports within 4 weeks of receipt.
Deaths Requiring Investigation	In reports of a death where further investigations are required, conduct the investigation and advise the next of kin of the outcome within 12 weeks of receipt of the report in at least 80% of cases.
Complaints Against the Police	Complete investigation of 90% of criminal allegations against the police within 12 weeks.

67. 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

68. 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:

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

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

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

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.

69. 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 2019-20 budget was expected to be 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 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 2019-20, 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 2019-20;
 - e) We promoted the wellbeing of our staff by continuing the implementation of the Fair Futures project and developed a Future Ways of Working project to promote more flexible working arrangements for our staff.
 - f) We supported a judicially led project under the Evidence and Procedure Review to establish three summary pilot courts in January 2020 to promote early resolution of cases, reducing the inconvenience for victims and witnesses, achieving earlier appropriate outcomes and reducing churn in the summary courts.

Constraints

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

- a) COPFS must comply with the SG public sector pay policy, including the commitment to no compulsory redundancies, and with changes in employer's pension and National Insurance contributions, together with the new Apprenticeship Levy;
- b) The inflation rate is forecast to increase and costs in some sectors, notably IT, 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;
- 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 2020-21 budget.

Details of Ministers, Directors and Senior Officers

71. COPFS Ministers and their responsibilities were:

Lord Advocate, Mr James Wolffe QC, 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

72. The Executive board met 8 times during the year. The number of meetings attended by each member of the Board is shown below.

73. 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	8
Lindsey Miller	Deputy Crown Agent Serious Casework	6
John Logue	Deputy Crown Agent Operational Support	6
Ian Walford	Deputy Chief Executive	8
Robert Tinlin	Non-Executive Director	5
John Cooper	Non-Executive Director	7
Fiona McLean	Non-Executive Director	7
Annie Gunner Logan	Non-Executive Director	6

Non-Executive Directors

74. 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.

75. 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.

76. NXDs who served during 2019-20 are detailed below:

- Annie Gunner Logan was appointed a NXD by the Permanent Secretary on 1 April 2017 and has attended the Executive Board as a COPFS NXD from 13 February 2019;
- Robert Tinlin MBE was appointed a NXD on 1 January 2018 by the Crown Agent and attends the Executive Board. He took over as Chair of the Audit and Risk Committee in May 2018 and attends the Business Process Improvement Committee;
- John Cooper CB, DSO, MBE was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Executive Board and the Resources Committee;
- David Watt was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Audit and Risk Committee and chairs the Risk Management Group;
- Fiona McLean was appointed a NXD by the Crown Agent on 1 January 2018 and attends the Executive Board and Operational Performance Committee;
- Vanessa Davies was appointed a NXD by the Crown Agent on 1 January 2019 and attends the Audit and Risk Committee.

GOVERNANCE STATEMENT

Purpose of the governance statement

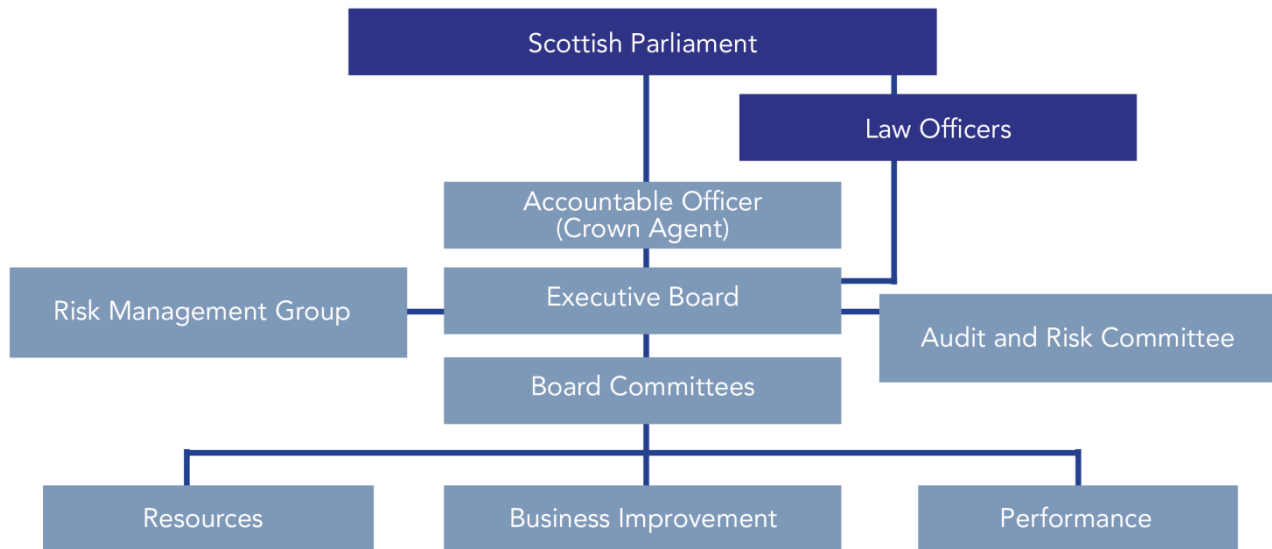
77. The Governance Statement is intended to not only outline the COPFS governance framework but to comment on its effectiveness.

Scope of responsibility

78. 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

79. 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.



80. 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.

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

Law Officers

82. 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

83. 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

84. 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.

85. 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

86. 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

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

The Operational Performance Committee

88. 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)

89. 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.

90. Each year the ARC meets quarterly with an additional meeting to consider and approve the annual accounts. The Committee met five times during 2019-20. A member of the ARC attends the Executive Board, providing feedback on the last ARC meeting.

91. The ARC carried out a self-assessment exercise and agreed action points in November 2019.

Risk Management Group (RMG)

92. 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. It meets every six weeks and reviews each risk on a rolling programme in conjunction with the relevant risk owner, who attends RMG for that purpose. Page 11 provides more details on the risks faced by the organisation.

Data security framework

93. 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. All security incidents are reported to the Departmental Security Committee. Any which could result in the loss or potential loss of data are dealt with in accordance with COPFS Policies and Procedures. Staff training and relevant disciplinary procedures are in place to underpin COPFS's data security framework.

Counter fraud activity

94. Fraud, including the mis-use of data is another key risk. COPFS has a whistle-blowing framework, which explains to staff what they should do in the event that they have concerns. This is outlined in Money Matters Booklet Number 10 – Fraud and Whistle Blowing, and provides the contact details of an independent (Scottish Government) contact as well as those of senior COPFS staff.
95. COPFS also participated in the last National Fraud Initiative exercise led by Audit Scotland and will continue to do so going forward.

Internal Audit

96. 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.

97. In financial year 2019-20 SG Internal Audit completed four main audits which were:

- a) Business Continuity Planning Arrangements;
- b) Change and Project Management Arrangements;
- c) Workforce Planning;
- d) Information Management Assurance Phase Two.

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

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

99. Of the four audits completed during 2019-20, all were assessed as Reasonable assurance. The final Annual Assurance Report was presented at the May 2020 Audit and Risk Committee meeting and the overall opinion on COPFS risk management, control and governance arrangements during the year was Reasonable Assurance.

Review of effectiveness

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

- An Executive Board considers the direction of COPFS's planned changes and operational performance;

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

Significant governance issues

102. During 2019-20 there were 9 breaches of security and data handling and 5 breaches of personal data. All breaches were dealt with in accordance with COPFS Disciplinary Policies and Procedures.

Conclusion

103. Overall in 2019-20 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. As Accountable Officer, I am satisfied with the adequacy of the internal control and governance arrangements of COPFS.
104. 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.
105. No such written authority was required during the 2019-20 financial year, or the period up to signature of the accounts.

STATEMENT OF THE ACCOUNTABLE OFFICER'S RESPONSIBILITIES

106. 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.
107. 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.
108. In preparing the accounts, the Crown Agent and Chief Executive, as the Accountable Officer, is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:
- observe the Accounts Direction issued by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards as set out in the Government Financial Reporting manual have been followed, and disclose and explain any material departures in the accounts; and
 - prepare the accounts on a going concern basis.
109. The Permanent Secretary has appointed the Crown Agent as Accountable Officer of COPFS. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding COPFS's assets, are set out in Managing Public Money published by the HM Treasury.
110. I confirm that as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors were aware of that information.
111. I confirm that the annual report and accounts as a whole are fair, balanced and understandable and I take responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

David Harvie

David Harvie
Accountable Officer

24 November 2020

REMUNERATION AND STAFF REPORT

Remuneration Policy

112. The salaries of Scottish Government Ministers (including junior ministers) were established under section 81(1) and (2) of the Scotland Act 1998. They are paid through the Scottish Parliamentary Corporate Body (SPCB) and are reflected in the SPCB's annual accounts (www.scottish.parliament.uk).
113. The remuneration of Senior Civil Servants is set in accordance with the Civil Service Management Code (available at [Civil Service Management Code](#)) and with independent advice from the Review Body on Senior Salaries (SSRB).
114. In reaching its recommendations, the SSRB is to have regard to the following considerations:
- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
 - regional/local variations in labour markets and their effects on the recruitment and retention of staff, and where relevant, promotion of staff;
 - Government policies for improving the public services including the requirement on Departments to meet the output targets for the delivery of Departmental Services;
 - the funds available to Departments as set out in the Government's Departmental Expenditure Limits; and
 - the Government's inflation target.
115. Further information about the work of the SSRB can be found at www.ome.uk.com.
116. For staff below the Senior Civil Service grades, COPFS has a separate pay bargaining unit within the Scottish Government and negotiates pay levels within guidance and limits determined by Scottish Government pay policy. Early in 2020 work began with the Scottish Government to look at pay coherence across Scottish Government departments including COPFS.
117. 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

118. 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.
119. 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.
120. We are committed to applying equality and diversity (Equality and Diversity) principles for our staff and our service users. We continue to develop and implement our business plans with this focus as an integral element. The Equality Board, which is chaired by a Deputy Crown Agent, meets quarterly. This board shares good practice around equality and inclusion at both a local and national level ensuring that this is embedded into our day to day processes and practices. COPFS was once again scored in the Stonewall top 100 employers on the basis of its index in 2019.
121. We make a significant investment in the development of all of our staff. Development and learning is quality assured and, wherever possible, externally accredited.
122. The average number of days lost due to sickness absence in 2019-20 was 10.2 days per employee (2018-19: 8.9 days) which has been analysed and discussed by senior management. COPFS has an absence management policy and training is provided to line managers on the operation of the policy. 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, but the policy is expected to be launched in summer 2020.

Employment of Disabled People

123. 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 2019-20 was 89 (2018-19: 70).

Employee Consultation and Communication

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

Service Contracts / Appointments

Executive Directors of the Executive Board

125. 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.

126. Further information about the work of the Civil Service Commissioners can be found at [Civil Service Commission](#).
127. 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.
128. 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

129. 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>).
130. 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.
131. 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.)
132. 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).

133. 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.
134. 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).
135. 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.
136. Further details about the Civil Service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk.
137. For 2019-20, employers' contributions of £16,511,497.42 were payable to the PCSPS (2018-19: £11,627,326) 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 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.
138. Employees can opt to open a partnership pension account e.g. a stakeholder pension with an employer contribution. There was no Employers' contributions paid in 2019-20 (2018-19: £23,762 were paid to one or more of the panel of three appointed stakeholder pension providers). Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,719.26 (2018-19: £1,941), 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.
139. 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 £136,746.70 were paid in 2019-20 (2018-19: £54,913).

140. Contributions due to the partnership pension providers at the balance sheet date were £1,420,289.47 (31 March 2019: £1,271,279.81). Contributions prepaid at that date were £0 (31 March 2019: £0).

Remuneration

Salaries

141. '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

142. 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

143. In line with Scottish Government pay policy no bonus/performance pay was paid during 2019-20 or 2018-19.

Cash Equivalent Transfer Values

144. 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.
145. 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

146. 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.

147. 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

148. 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 (2018-19: £237) although the NXDs only claim £232 per day (in line with rates paid by the core Scottish Government).

Trade Union Facility Time

149. 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 2019-20:

150. Relevant Union Officials

Number of employees who were relevant Union Officials	Full-time equivalent employee number
20	2.34

151. Percentage of time spent on facility time

Percentage of time	Number of employees
0 – 0.99%	6
1 – 51%	12
51 – 99%	-
100%	2

152. Percentage of pay bill spent on Facility Time

	Value in £ and %
Total Cost of Facility Time	£118,219
Total Pay Bill	£90,052,000
% of total pay bill spent on facility time	0.13%

153. Paid Trade Union Activities

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

AUDITED INFORMATION

Ministers Salaries

154. The salary, pension entitlements and value of any taxable benefits in kind for the Ministers of COPFS for the year ending 31 March 2020 were as follows:

Officials	Salary £		Benefits in Kind Nearest £100		Pension Benefits (to nearest £000) £**		Total (to nearest £,000) £	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
James Wolffe QC – Lord Advocate	126,000	123,166	-	-	50,000	46,000	176,000	169,000
Alison Di Rollo QC – Solicitor General	108,718	106,272	-	-	43,000	40,000	152,000	146,000

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.

155. 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.

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

Pensions

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

Ministers	Accrued pension at age 65 as at 31 March 2020 £000	Real increase in pension at age 65 £000	CETV at 31 March 2020 £000	CETV at 31 March 2019 £000	Real increase in CETV £000
James Wolffe QC – Lord Advocate	10 – 15	2.5 – 5	203	143	43
Alison Di Rollo QC – Solicitor General	10 – 15	2.5 – 5	179	126	38

Executive Directors

158. The Executive Directors' salaries are detailed below:

Officials	Salary £000		Benefits in Kind Nearest £100		Pension Benefits £000		Total £000	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
David Harvie – Crown Agent and Chief Executive	120 – 125	120 – 125	-	-	64	40	185 - 190	160 - 165
John Dunn – Deputy Crown Agent, Local Court to 28 February 2019	0	90 – 95	-	-	0	9	0	100 - 105
Stephen McGowan – Deputy Crown Agent Local Court from 13 August 2018	95 – 100	85 – 90	-	-	67	49	160 - 165	135 - 140
John Logue – Deputy Crown Agent, Operational Support	100 – 105	100 – 105	-	-	46	30	145 - 150	130 - 135
Lindsey Miller – Deputy Crown Agent, Serious Casework	95 – 100	95 – 100	-	-	45	29	140 - 145	120 - 125
Ian Walford – Deputy Chief Executive	80 – 85	80 – 85	-	-	19	7	100-105	90 - 95
Band of Highest Paid Director's Total Remuneration							120 - 125	120 - 125
Range of remuneration for all staff excluding on costs							19 - 125	19 - 125
Median Total COPFS Remuneration excluding on costs							28,605	27,505
Ratio							1:4.5	1:4.6

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 2019-20, no (2018-19: 0) employees received remuneration in excess of the highest-paid director.

Executive Directors' Pensions

159. The Executive Directors' pensions are detailed below:

Senior Managers	Accrued pension at pension age as at 31 March 20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2020	CETV at 31 March 2019	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
David Harvie – Crown Agent and Chief Executive	40 - 45 plus lump sum of 85 - 90	2.5 - 5 plus lump sum of 0 – 2.5	733	658	38	-
John Dunn – Deputy Crown Agent, Local Court to 28 February 2019		-	-	918	-	-
Stephen McGowan – Deputy Crown Agent Local Court from 13 August 2018	25 - 30 plus lump sum of 55 - 60	2.5 - 5 plus lump sum of 2.5 – 5	441	377	41	-
John Logue – Deputy Crown Agent, Operational Support	35 - 40 plus lump sum of 75 - 80	2.5 – 5 plus lump sum of 0 – 2.5	621	565	25	-
Lindsey Miller – Deputy Crown Agent, Serious Casework	35 - 40 plus lump sum of 75 - 80	2.5 - 5 plus lump sum of 0 – 2.5	593	539	25	-
Ian Walford – Deputy Chief Executive	30 – 35 plus lump sum of 95 - 100	0 – 2.5 plus lump sum of 2.5 – 5	758	704	19	-

Non-Executive Directors (NXDs) of the Executive Board

160. NXD remuneration is listed below:

Name	2019-20		2018-19	
	Remuneration £000	Benefits in Kind	Remuneration £000	Benefits in Kind
Douglas Hutchens to from 1 September 2012 to 31 March 2018	-	-	0 - 5	-
Lesslie Young from 9 November 2015 to 30 September 2019	0 - 5	-	0 - 5	-
Vanessa Davies from 1 January 2019	0 - 5	-	0 - 5	-
Annie Gunner Logan from 1 April 2017	-	-	0 - 5	-
Robert Tinlin from 1 January 2018	5 - 10	-	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	-	5 - 10	-

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

	Officials £000	Ministers £000	2019-20 Total £000	2018-19 Total £000
Wages and Salaries	66,204	235	66,439	60,777
Social Security Costs	6,636	30	6,666	6,107
Apprenticeship Levy	314	-	314	287
Other Pension Costs	16,220	47	16,267	11,594
Sub-Total	89,374	312	89,686	78,765
Inward Secondments	466	-	-	472
Early Departure Costs	82	-	-	39
Injury Benefit Claims	10	-	-	4
Agency, Temporary and Contract Staff	353	-	-	566
Sub-Total	90,285	312	90,597	79,846
Less Recoveries in Respect of Outward Secondments	(233)	-	(233)	(230)
Total	90,052	312	90,364	79,616

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

Note 2. 2018-19 totals include Ministers salaries of £304,000.

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

Full Time Equivalent for Staff	All		Male		Female	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Senior Civil Servants	22	22	11	10	11	12
Executive Board Directors	5	5	4	4	1	1
Other permanent staff	1,706	1,598	497	470	1,209	1,128
Fixed term appointments	58	60	17	21	41	39
Secondees	6	7	2	2	4	5
Agency staff	17	7	11	3	6	4
Sub-Total	1,814	1,699	542	510	1,272	1,189
Non-Executive Directors	6	7	3	3	3	4
Total	1,820	1,706	545	513	1,275	1,193

Severance payments

Compensation for Loss of Office

163. In accordance with the Scottish Government's no compulsory redundancies policy, no employees left under compulsory severance terms during 2019-20 (2018-19: Nil).

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

Cost Band	Number of other departures agreed 2019-20	Total number of exit packages by cost band 2019-20	Number of other departures agreed 2018-19	Total number of exit packages by cost band 2018-19
< £10,000	-	-	-	-
£10,001 - £25,000	-	-	-	-
£25,001 - £50,000	-	-	1	1
£50,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
Total number of exit packages	-	-	1	1
Total cost	-	-	£39,441	£39,441

165. 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.
166. Ill-health retirement costs are met by the Civil Service Pension Scheme and are not included in the table. There were no ill health retirements during 2019-20 (2018-19: 0).

PARLIAMENTARY ACCOUNTABILITY REPORT

Regularity of Expenditure

167. 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.
168. 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

169. COPFS' main source of income comes directly as funding from the Scottish Government. A small element of income £1.6m is received through recharges for services to QLTR amounting to £0.57m and LINETS (Legal Information Network for Scotland) amounting to £0.94m. A further £0.09m was received during 2019-20. 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

170. As part of the Medium Term Financial Plan (MTFP) COPFS has carried out scenario analysis through to 2022-23. An updated Finance Strategy has been drafted and this will be finalised once the COPFS Strategic Plan has been finalised (it is currently subject to consultation). We are continuing to assess workloads and staffing requirements, and to identify opportunities for savings within the organisation.

Losses and Special Payments

171. We have recognised a £12.6m provision for losses which are anticipated to be paid in 2020-21 (nil for 2018-19). There were no special payments exceeding the reporting threshold of £300,000 during 2019-20 (2018-19: Nil), refer to note 14 on page 70.

David Harvie

David Harvie
Accountable Officer

24 November 2020

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

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Crown Office and Procurator Fiscal Service for the year ended 31 March 2020 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and Notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2019/20 Government Financial Reporting Manual (the 2019/20 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 2020 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 2019/20 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 three years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Other information in the annual report and accounts

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

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

Report on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

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

Responsibilities for regularity

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

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

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

Gillian Woolman (MA FCA CPFA)

Audit Scotland
102 West Port
Edinburgh
EH3 9DN

24 November 2020

3.

The Financial Statements

3. THE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE (SoCNE)

For the year to 31 March 2020

	Notes	2019-20 £000	2018-19 £000
Administration Costs			
Staff costs*		90,052	79,312
Other Administrative Costs	2	49,764	36,764
Gross Administrative Costs		139,816	116,076
Operating Income Applied	3	(1,606)	(1,402)
Net Administrative Costs		138,210	114,674
Net Operating Costs for the year ended 31 March		138,210	114,674
<u>Other Comprehensive Net Expenditure</u>			
Items that will not be classified to net expenditure			
Net (gain)/loss on revaluation of property, plant & equipment		(418)	(74)
Total Comprehensive Expenditure for the year ended 31 March		137,792	114,600

* See staff costs breakdown on page 40

The notes on pages 52 - 71 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

For the year to 31 March 2020

	Notes	31 March 2020 £000	31 March 2019 £000
Non-Current Assets			
Property, Plant and Equipment	4	20,115	18,779
Intangible Assets	5	7,351	6,951
Total Non-Current Assets		27,466	25,730
Current Assets			
Trade and Other Receivables	6	5,704	5,176
Cash and Cash Equivalents	7	10,313	-
Total Current Assets		16,017	5,176
Total Assets		43,483	30,906
Current Liabilities			
Trade and Other Payables	8	(25,449)	(14,532)
Provisions	9	(13,612)	(1,197)
Total Current Liabilities		(39,061)	(15,729)
Total Assets less Current Liabilities		4,422	15,177
Non-Current Liabilities (> 1 year)			
Other Payables	8	(3,922)	(4,123)
Provisions	9	(462)	(515)
Total Non-Current Liabilities		(4,384)	(4,638)
Total Assets less Total Liabilities		38	10,539
Taxpayers' Equity and Other Reserves			
General Fund		6,843	(3,704)
Revaluation Reserve	SoCTE*	(6,881)	(6,835)
Total Equity		(38)	(10,539)

*Note: SoCTE is the Statement of Changes in Taxpayers' Equity (please see page 51)

The notes on pages 52 - 71 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on the 24 November 2020.

David Harvie

David Harvie
Accountable Officer

24 November 2020

STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

Notes		2019-2020 £000	2018-2019 £000
Net Cash Outflow from Operating Activities	A	(121,250)	(111,799)
Net Cash Outflows from Investment Activities	B	(6,183)	(5,431)
Payments from / (to) the Scottish Consolidated Fund for income not applied		246	642
Cash flows from Financing Activities	C	137,500	114,150
Increase/(Decrease) in cash in the year		10,313	(2,438)
Note A – Cash Flows from Operating Activities			
Net Operating Cost		138,210	114,674
Adjust for non-cash transactions		(5,924)	(4,866)
Increase/(Decrease) in receivables and other current assets		528	1,483
(Increase)/Decrease in trade and other payables		1,338	856
(Increase)/Decrease in provisions		(12,902)	(348)
Net cash outflow from operating activities		121,250	111,799
Note B – Cash Flows from Investing Activities			
Purchase of property, plant and equipment		5,097	2,067
Purchase of intangible assets		3,081	3,366
(Increase)/Decrease in capital payables		(1,988)	-
Proceeds of disposal of property, plant and equipment		(7)	(2)
Net Cash outflow from Investment Activities		6,183	5,431
Note C – Cash flows from Financing Activities			
From Scottish Consolidated Fund		137,500	114,150
Surrender of excess capital receipts		-	-
Cash flows from financing activities		137,500	114,150
(Increase)/Decrease in cash and cash equivalents		(10,313)	2,438
Net Cash and Cash Equivalents requirement		127,187	116,588

The notes on pages 52 - 71 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (SOCTE)

For the year ended 31 March 2020

	Notes	General Fund £000	Revaluation Reserve £000	Tax Payers Equity £000
Balance at 31 March 2018		1,319	7,130	8,449
Net Parliamentary Funding		114,150	-	114,150
Auditor's Remuneration	2	102	-	102
Comprehensive Net Expenditure for the year		(114,674)	-	(114,674)
Revaluation Gains and Losses		-	74	74
Movement of Balance with the SCF		2,438	-	2,438
Transfers between reserves		369	(369)	-
Balance at 31 March 2019		3,704	6,835	10,539
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)	-
Balance at 31 March 2020		(6,843)	6,881	38

The notes on pages 52 - 71 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Accounting Policies

Period of accounts

1.1. This report and accounts are for the year ended 31 March 2020.

Basis of Accounts

1.2. These accounts have been prepared in accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 (reproduced at page 72) and in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM, apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector context.

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

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

Basis of Accounting

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

Accounting Convention

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

Going Concern

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

Change of Accounting Policies

1.8. There have been no changes to our accounting policies and there are no new reporting requirements for 2019-20.

Non-current assets

Property, Plant and Equipment (PPE)

Recognition

- 1.9. All PPE assets have been accounted for as non-current assets unless they are deemed to be held for sale.
- 1.10. Title to the freehold land and buildings shown in the accounts is held by the Lord Advocate as a Scottish Minister. From 1 April 1996 the Crown Office assumed responsibility as principal for this accommodation in its capacity as 'major occupier', pursuant to the reorganisation of the management of the Civil Estate. The property which COPFS occupies is therefore capitalised and appears on COPFS's Statement of Financial Position.

Valuation

- 1.11. Freehold land and buildings have been stated at fair value using open market value under a rolling 3-year programme of professional physical valuations, with desk top valuations/confirmation of carrying values in intervening years and a physical valuation exercise undertaken at the end of year 3. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of HM Treasury's Financial Reporting Manual.
- 1.12. From 1 April 2007 other non-current assets that have short useful lives or low values or both are no longer revalued using indices but are reported at depreciated historic cost as a proxy for fair value.
- 1.13. Losses in value reflected in valuations are accounted for in accordance with IAS 36, Impairment of Assets. Such losses are taken to the revaluation reserve to the extent of any previous gain and any further loss is charged to the Statement of Comprehensive Net Expenditure.

Capitalisation

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

Subsequent Cost

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

Intangible Assets

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

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

Depreciation

1.18. Freehold Land is not depreciated.

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

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

Assets Held for Sale

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

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

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

Operating Income

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

Administration and Programme Expenditure

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

administrative costs in determining the outturn against the administration cost limit, and that operating income which is not.

Parliamentary Funding

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

Employee Benefits

Retirement Benefits

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

Short Term Employee Benefits

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

Provisions

1.27. 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.

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

Leases

1.29. Where COPFS bears substantially all of the risks and rewards of owning the leased item, it is accounted for as a finance lease under International Accounting Standard (IAS) 17: Leases. IAS17 does not set a quantitative test for assessing the transfer of risks and rewards of ownership. Finance leases are capitalised at the start of the lease term at the fair value of

the leased asset, or if lower, the present value of future lease payments is used as a proxy for the purposes of the value of the asset and the associated financial liability. Property, plant and equipment and financial liabilities associated with finance leases are recognised and valued on the same basis as other property, plant and equipment and financial liabilities as set out in the relevant accounting policies.

- 1.30. Lease payments are apportioned between the finance charges and the lease liability in order to achieve a constant rate of interest on the remaining balance of the liability. Capitalised leased assets are depreciated over the shorter of the lease term and the estimated useful life of the asset.
- 1.31. 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)

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

Financial Instruments

- 1.33. COPFS has no material deposits and all material assets and liabilities are denominated in sterling. COPFS is therefore not exposed to significant interest rate or currency exchange risk.
- 1.34. The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include other receivables and cash at bank in the Statement of Financial Position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the Statement of Comprehensive Net Expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from COPFS.
- 1.35. COPFS has no borrowings and relies primarily on funding from the Scottish Consolidated Fund for its cash requirements. COPFS is therefore not exposed to liquidity risks.
- 1.36. Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished i.e. discharged, cancelled or expired.

Cash and Cash Equivalents

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

Trade Payables

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

Segmental Reporting

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

Critical Accounting Estimates and Judgements

- 1.40. The preparation of the accounts in conformity with IFRS requires the Accountable Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- 1.41. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- 1.42. Information about critical judgements 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

- 1.43. 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 2019-20 the HM Treasury discount factor was -0.5% and the rate has been applied to the early severance provision (none in 2018-19). During 2018-19 the entitlement to severance payments was changed to a maximum of 21 months' salary. These payments take the form of a one-off lump sum which if not paid by 31st March 2020 was accrued. No members of staff left under the scheme during 2019-20. No member of staff left under the scheme during 2018-19.

Provision for Injury Benefit Payments

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

Impending application of newly issued accounting standards not yet effective

IFRS 16 Leases

- 1.45. 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 2021, therefore financial year 2021-22. This has been delayed by one year by HM Treasury and agreed with FRAB (Financial Reporting Advisory Board) in March 2020.
- 1.46. IFRS 16 brings a significant change in lessee accounting by removing the distinction between operating and finance leases and introducing a single lessee accounting model. The model requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

- 1.47. The impact for COPFS is that all operating leases will be capitalised and treated similarly to the current finance leases. Discount rates will be supplied by HM Treasury in the annual PES papers which will be used by COPFS as COPFS does not have an incremental borrowing rate.
- 1.48. 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 2021-22 financial statements.
- 1.49. The impact on the accounts for 2021-22 with current known leases which will transition to assets are as follows:

Year 1, 2021-22	Statement of Comprehensive Net Expenditure	Statement of Financial Position	
Assets Value at 1 April 2021		£5,905,531	
Depreciation year 1	£974,998	(£974,998)	
Asset Net Book Value at 31 March 2022			£4,930,533
Lease creditor as at 1 April 2021		(£5,905,531)	
Lease creditor release	(£953,601)	£953,601	
Lease creditor outstanding at 31 March 2022			(£4,951,930)
Rental Payments	£1,028,601		
Interest = difference between rental payments and lease creditor release			£75,000

2. Other administrative costs

Other Expenditure comprised of:

	2019-20 £000	2018-19 £000
Travel and Subsistence	690	690
Training	208	244
Accommodation	8,211	8,450
Legal and Witness Costs	14,957	15,312
Supplies and Services	5,594	5,361
Other Staff and Office Costs	1,584	1,848
(Profit)/Loss on disposal of assets	(4)	8
Revaluation Adjustment	59	(1)
Sub-Total	31,299	31,912
Non-Cash Costs:		
Audit Fee	104	102
Provision recognised in year	12,600	-
Impairment	1,767	1,093
Depreciation	3,994	3,657
Sub-Total	18,465	4,852
Total Administrative Costs	49,764	36,764

Note: Within Other Administrative Costs for 2019-20 there were £Nil for non-audit services provided by the appointed auditor, Audit Scotland (2018-19: £Nil).

3. Operating income

Operating Income analysed by classification and activity as follows:

	Income Applied £000	Income Not Applied £000	2019-20 Total £000	2018-19 Total £000
Administrative income allowable within cost limit*:				
Queen's and Lord Treasurer's Remembrancer (QLTR) costs recharged	572	-	572	440
Legal Information Network for Scotland (LINETS) Subscriptions	940	-	940	933
Other Income applied	94	-	94	29
Sub-Total	1,606	-	1,606	1,402
Other Income (Treated as not applied)**				
Civil Recovery and Proceeds of Crime Income	-	1,693	1,693	1,773
Cash Seizures	-	2,397	2,397	1,912
Sub-Total	-	4,090	4,090	3,685
Total	1,606	4,090	5,696	5,087

* Retained Income limit per the Budget Act is £2,000,000 (2018-19 £2,000,000)

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

4. Property, plant and equipment

2019-20 Cost or Valuation	Land £000	Buildings £000	IT equip. £000	Telecom- munications £000	Vehicles £000	Total £000
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)
At 31 March 2020	1,325	30,436	9,862	3,536	527	45,686

Depreciation

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 (Note 2)	-	(1,767)	-	-	-	(1,767)
Disposals	-	-	3,579	1,198	61	4,838
Revaluations	-	548	-	-	-	548
As at 31 March 2020	-	(16,663)	(5,748)	(2,800)	(360)	(25,571)

Net Book Value

As at 31 March 2020	1,325	13,773	4,114	736	167	20,115
As at 1 April 2019	1,325	14,661	1,648	983	162	18,779

Analysis of Asset Financing

Owned	1,325	5,256	4,114	736	167	11,598
Leases	-	8,517	-	-	-	8,517
NBV at 31 March 2020	1,325	13,773	4,114	736	167	20,115

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. COPFS will discuss the position with the valuers towards the end of 2020-21 to assess any impact for the year end 31 March 2021.

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

2018-2019 Cost or Valuation	Land £000	Buildings £000	IT equip. £000	Telecom- munications £000	Vehicles £000	Total £000
As at 1 April 2018	1,325	27,386	9,503	4,726	444	43,384
Additions	-	1,906	378	114	97	2,495
Disposals	-	(261)	(267)	-	(17)	(545)
Revaluations	-	50	-	-	-	50
Reclassifications	-	-	751	(230)	-	521
At 31 March 2019	1,325	29,081	10,365	4,610	524	45,905

Depreciation

As at 1 April 2018	-	(12,623)	(8,413)	(3,270)	(311)	(24,617)
Charged in-year	-	(988)	(565)	(357)	(67)	(1,977)
Accelerated Depreciation	-	(1,093)	-	-	-	(1,093)
Disposals	-	261	261	-	16	538
Revaluations	-	23	-	-	-	23
As at 31 March 2019	-	(14,420)	(8,717)	(3,627)	(362)	(27,126)

Net Book Value

As at 31 March 2019	1,325	14,661	1,648	983	162	18,779
As at 1 April 2018	1,325	14,763	1,090	1,456	133	18,767

Analysis of Asset Financing

Owned	1,325	5,035	1,648	983	162	9,153
Leases	-	9,626	-	-	-	9,626
NBV at 31 March 2019	1,325	14,661	1,648	983	162	18,779

5. Intangible assets

2019-20

	Software Developed In- House or by Third Parties £000	Software Licences £000	Websites £000	Develop- ment Expenditure £000	Total £000
Cost or Valuation					
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)	-
As at 31 March 2020	16,199	3,591	91	3,806	23,687
Amortisation					
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
As at 31 March 2020	(12,701)	(3,544)	(91)	-	(16,336)
Net Book Value					
As at 31 March 2020	3,498	47	-	3,806	7,351
As at 31 March 2019	3,961	81	-	2,909	6,951
Analysis of Asset Financing					
Owned	3,498	47	-	3,806	7,351
Finance Leased	-	-	-	-	-
Contracts	-	-	-	-	-
NBV at 31 March 2020	3,498	47	-	3,806	7,351

2018-19	Software Developed In- House or by Third Parties £000	Software Licences £000	Websites £000	Develop- ment Expenditure £000	Total £000
Cost or Valuation					
At 1 April 2018	11,997	5,660	139	3,147	20,493
Additions	1,596	29	-	2,286	3,911
Disposals	(547)	(45)	-	-	(592)
Reclassifications	2,045	(42)	-	(2,524)	(521)
As at 31 March 2019	15,091	5,602	139	2,909	23,741
Amortisation					
At 1 April 2018	(10,114)	(5,447)	(139)	-	(15,700)
Charged in Year	(1,563)	(119)	-	-	(1,682)
Disposals	547	45	-	-	592
Reclassifications	-	-	-	-	-
As at 31 March 2019	(11,130)	(5,521)	(139)	-	(16,790)
Net Book Value					
As at 31 March 2019	3,961	81	-	2,909	6,951
As at 31 March 2018	1,883	213	-	3,147	5,243
Analysis of Asset Financing					
Owned	3,961	81	-	2,909	6,951
Finance Leased					
Contracts	-	-	-	-	-
NBV at 31 March 2019	3,961	81	-	2,909	6,951

6. Trade receivables, financial and other assets

	2020 £000	2019 £000
Amounts falling due within one year		
VAT	967	2,476
Other Receivables	776	356
Prepayments	3,482	2,184
Accrued Income	479	160
Sub-total	5,704	5,176
Intra-Government Balances		
Amounts falling due within 1 year		
Balances with other Central Government Bodies	1,278	2,515
Total: Intra-governmental balances	1,278	2,515
Balances with bodies external to government	4,426	2,661
Total receivables at 31 March	5,704	5,176

7. Cash and cash equivalents

	2020 £000	2019 £000
At 1 April	-	2,438
Net change in cash and cash equivalent balances	10,313	(2,438)
At 31 March	10,313	-
The following balances at 31 March were held at:		
Balances at Government Banking Services	9,933	(485)
Commercial banks and cash in hand	380	485
At 31 March	10,313	-

8. Trade Payables and other current liabilities

	2020 £000	2019 £000
Amounts falling due within one year		
Other taxation and Social Security Payables	(3,527)	(3,086)
Trade Payables	(2,127)	(140)
Other Payables	(248)	(379)
Accruals and Deferred Income	(9,033)	(6,736)
Current part of Finance Leases	(201)	(181)
Cash Seizures	-	(263)
Balances payable to the Scottish Consolidated Fund	(10,313)	(3,747)
Total due within one year as at 31 March	(25,449)	(14,532)
Amounts falling due after more than one year:		
Finance Leases	(3,922)	(4,123)
Total due after more than one year as at 31 March	(3,922)	(4,123)

9. Provisions for Liabilities and Charges

	Injury Benefit Costs £000	Other Provisions £000	2020 Total £000	2019 Total £000
Balance as at 1 April	577	1,135	1,712	1,541
Additional provisions made	-	13,148	13,148	595
(Decrease)/Increase due to change in the dis-count rate	10	-	10	3
Amounts incurred and charged against provision	(61)	(479)	(540)	(270)
Provision not required written back	-	(256)	(256)	(157)
Balance at 31 March	526	13,548	14,074	1,712
Payable within one year	64	13,548	13,612	1,197
Provision of over 1 year	462	-	462	515

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.

Analysis of expected timing of discounted cashflows

	Injury Benefit Costs £000	Other Provisions £000	2020 £000	2019 £000
Not later than 1 year	64	13,548	13,612	1,197
Later than 1 year and not later than 5 years	261	-	261	265
Later than 5 years	201	-	201	250
Total	526	13,548	14,074	1,712

10. Capital commitments**Property, plant and equipment**

	2020 £000	2019 £000
Contracted capital commitments at 31 March not otherwise included in these statements but not provided for	46	885
Total	46	885

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:

	2020 £000	2019 £000
Buildings		
No later than 1 year	853	957
Later than 1 year and no later than 5 years	2,551	2,583
Later than 5 years	2,566	1,280
Total as at 31 March	5,970	4,820

11b. Finance Leases

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

	2020	2019
	£000	£000
Buildings		
No later than 1 year	1,802	1,802
Later than 1 year and no later than 5 years	7,207	7,207
Later than 5 years	31,388	33,190
Total lease payments as at 31 March	40,397	42,199
Less Interest element as at 31 March	(36,274)	(37,895)
Present value of obligations as at 31 March	4,123	4,304

12. Related Party Transactions

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

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

	2019-20	2018-19
	£000	£000
Scottish Courts and Tribunal Service	3,209	3,082

Income recharged to QLTR for salaries and administration costs, see page 60, are as follows:

	2019-20	2018-19
	£000	£000
QLTR	(572)	(440)

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.

Financial Assets Description	2020 £000	2019 £000
Accrued Income	479	160
Other receivables	776	356
Cash and Cash Equivalents	10,313	-
Totals	11,568	516

Financial Liabilities Description	2020 £000	2019 £000
Trade Payables	(2,127)	(140)
Accruals	(9,033)	(6,736)
Other payables	(247)	(379)
Scottish Consolidated Fund	(10,313)	(3,747)
Finance Leases	(4,123)	(4,304)
Totals	(25,843)	(15,306)

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

		2019-20 £000	2018-19 £000
Special Payments	20 cases (2018-19; 24 cases)	465	229
Totals		465	229

Note: There are estimated losses of £12.6m which are anticipated to be paid in 2020-21

15. Cash Requirement

Financial Liabilities Description	2019-20 £000
Approved Cash Requirement	128,500
Additional funding drawn down	9,000
Funding drawn down	137,500
Cash Expended	
Operating Costs	121,004
Capital expenditure	6,183
Total Cash Expended	127,187
Net change in cash balance year to 31 March 2020	10,313
Cash Balance due to the SCF as at 31 March 2019	-
Total Cash Balance as at 31 March 2020	10,313
Consisting of:	
Funding balance due to (from) the SCF	10,313
Excess income due to the SCF	-

16. Contingent Liabilities

COPFS has been subjected 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 process progresses. The value of these claims has yet to be finalised.

17. Events after the Reporting Period

The provision included in these accounts, arising from an event extant at 31 March 2020, 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 2020 and the publication of the statements that require adjustments to the accounts to be disclosed.

4.

Accounts Direction by
Scottish Ministers

4. ACCOUNTS DIRECTION BY SCOTTISH MINISTERS

Ministerial requirement to produce a set of annual accounts

172. 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

173. This report and accounts are for the year ended 31 March 2020.

The scope of these accounts

174. 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.

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