

Crown Office and Procurator Fiscal Service

2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Crown Office and Procurator Fiscal Service and the Auditor General for Scotland

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Key messages

Audit of 2022/23 annual report and financial statements

- 1 Audit opinions on the annual report and financial statements are unmodified.

Financial management and sustainability

- 2 COPFS operated within its DEL budget in 2022/23 and financial management arrangements within COPFS are good.
- 3 To date, COPFS has incurred £60.5 million of unplanned costs in connection with claims against the Lord Advocate.
- 4 COPFS should review its current Financial Strategy 2021-2024, to align with the 2023-2027 Strategic Plan

Vision, leadership and governance

- 5 Governance arrangements are appropriate but register of interest procedures could be better applied.

Use of resources to improve outcomes

- 6 COPFS, together with its key partners on the Criminal Justice Board, has helped to reduce the trial backlog due to Covid-19.
- 7 COPFS's arrangements for Best Value are generally satisfactory but could be strengthened by undertaking a self-assessment against the Best Value characteristics and reporting the results to the Board.
- 8 Two Gateway Reviews have been completed on pathology, post-mortem and mortuary contracts. The status of the service is rated "red". A further review is planned for September 2023.

Introduction

1. This report summarises the findings from the 2022/23 annual audit of the Crown Office and Procurator Fiscal Service (COPFS) and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.
2. The scope of the audit was set out in an Annual Audit Plan circulated to the members of the audit and Risk Committee on 21 March 2023. This Annual Audit Report includes significant matters arising from an audit of COPFS's annual report and financial statements, and conclusions on the wider scope areas, as set out in the [Code of Audit Practice 2021](#).
3. We would like to thank all Board members, management and staff, particularly those in finance, for their cooperation and assistance this year and we look forward to working together over the course of the five-year appointment.

Adding value through the audit

4. We aim to help COPFS promote improved standards of governance, better management and decision making and more effective use of resources. We do this by sharing intelligence and good practice and by identifying and providing insight on significant risks and making clear recommendations for improvement.

Responsibilities and reporting

5. COPFS has primary responsibility for ensuring the proper financial stewardship of its resources. This includes preparing an annual report and financial statements in accordance with the accounts direction from Scottish Ministers. COPFS is also responsible for establishing appropriate and effective arrangements for governance, propriety and regularity.
6. The responsibilities of the independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000, the [Code of Audit Practice 2021](#) and supplementary guidance and International Standards on Auditing in the UK.
7. This report contains an agreed action plan at the [Appendix](#) setting out specific recommendations, responsible officers, and dates for implementation. The weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

Auditor Independence

8. We confirm that we comply with the Financial Reporting Council's Ethical Standard and that we have not undertaken any non-audit related services. The 2022/23 audit fee of £109,190, as set out in our 2022/23 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

1. 2022/23 annual report and financial statements

Public bodies are required to prepare annual reports and accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

Main judgements

Audit opinions on the annual report and financial statements are unmodified.

Some immaterial issues were identified with the calculation of injury benefit provisions and the disclosure of total provision costs. These have been corrected.

Audit opinions on the annual report and financial statements are unmodified

9. The Audit and Risk Committee (ARC) approved the annual report and financial statements for COPFS for the year ended 31 March 2023 on 31 August 2023. The independent auditor's report included the following audit opinions on the annual report and financial statements:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- expenditure and income were in accordance with applicable enactments and guidance
- the audited part of the Remuneration and Staff Report was prepared in accordance with the financial reporting framework
- the Performance Report and Governance Statement were consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

The 2022/23 audit was completed on 31 August 2023 in line with the agreed audit timetable

10. The unaudited annual report and financial statements were received in line with our agreed audit timetable in June 2023. The accounts and working papers presented for audit were of a good standard and management and finance staff provided good support to the team during the audit process. This helped ensure that the final accounts audit was completed in line with the audit timetable of 31 August 2023.

Our audit approach and testing was informed by the overall materiality level of £3.7 million

11. The concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the accounts, and impact the opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature, and it is ultimately a matter of the auditor's professional judgement.

12. Our initial assessment of materiality was carried out during the planning phase of the audit and was based on the audited 2021/22 annual report and financial statements. These materiality values were reported in our annual audit plan.

13. On receipt of the unaudited annual report and financial statements we reconsidered our materiality levels based on the financial results for the year ended 31 March 2023, and concluded that our original materiality levels remained appropriate. These materiality levels are summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£3.7 million
Performance materiality	£2.2 million
Reporting threshold	£0.185 million

14. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 60% of overall materiality, reflecting the scale of previous year's adjustments, the extent of estimation in the accounts and the planned testing in proportion to the scale of the organisation.

Our audit identified and addressed the risks of material misstatement to the financial statements

15. [Exhibit 2](#) sets out the significant risk of material misstatement to the financial statements we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over this risk and the conclusions from the work completed.

Exhibit 2**Identified significant risks of material misstatement to the financial statements**

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>Assess the design and implementation of controls over journal entry processing.</p> <p>Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</p> <p>Use data analytics to consider, identify and test journals at the year-end and post-closing entries and focus on significant risk areas.</p> <p>Consider the need to test journal entries and other adjustments during the period.</p> <p>Evaluate significant transactions outside the normal course of business.</p> <p>Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements.</p> <p>Assess any changes to the methods and underlying assumptions used to prepare significant accounting estimates compared to the prior year.</p> <p>Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</p>	<p>We reviewed the controls around journal entries and concluded that they were satisfactory.</p> <p>We made inquiries of key individuals about any unusual journal activity and confirmed that postings were appropriate and within the normal course of business.</p> <p>We used data analytics to consider all journals and substantively tested a sample of higher risk year-end journals and a smaller sample of in-year journals.</p> <p>We identified one transaction, a temporary advance to KLTR to meet a temporary cash shortfall, as outwith the normal course of business. We obtained satisfactory explanation and documentation to support this transaction.</p> <p>We assessed the adequacy of controls in place for identifying and disclosing related party relationships and transactions. We made one recommendation regarding reminding members of the procedures in place (Recommendation 4).</p> <p>Estimates were made on a consistent basis as previous years, and we were satisfied with the reasonableness of these taking into account our materiality.</p> <p>We substantively tested a sample of income and expenditure transactions, including accruals,</p>

Audit risk	Assurance procedure	Results and conclusions
	<p>Focussed testing of accounting accruals and prepayments.</p>	<p>prepayments and post year-end transactions to ensure they were accounted for in the correct financial year. No issues were identified, and we did not identify any transactions outwith the normal course of business.</p>
<p>2. Estimation and judgement in the valuation of provisions and contingent liabilities</p> <p>There is a significant degree of subjectivity in the measurement of material account areas of provisions and contingent liabilities. COPFS is required to assess and evaluate any legal cases against it at the time the annual accounts are signed by the Accountable Officer. It is essential that this is based on sound professional judgement and estimation. There is a risk of misstatement in the accounts over the completeness, accuracy, presentation, and disclosure of these items.</p>	<p>Review the information provided by legal counsel to assess for completeness.</p> <p>Obtain an understanding of management's involvement in the estimation process to assess if appropriate oversight has occurred.</p> <p>Critically assess the adequacy of the COPFS disclosures regarding the assumptions in relation to contingent liabilities.</p>	<p>We reviewed the information provided by legal counsel and concluded that the provisions were complete.</p> <p>We discussed management's involvement in the estimation process and concluded that there was sufficient management oversight.</p> <p>We reviewed all relevant information and supporting documentation and found two errors in the injury benefit cost provision: one individual case was overstated, and the wrong discount rate had been applied - see Exhibit 3 for details.</p> <p>We reviewed the disclosures in relation to provisions and contingent liabilities. We identified that the treatment is incorrect in Note 2 - see Exhibit 3 for details.</p>

We have one significant finding to report from our audit of the annual report and financial statements

16. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. These are summarised in [Exhibit 3](#).

Exhibit 3

Significant findings from the audit of the annual report and financial statements

Issue	Resolution
<p>1. Provisions</p> <p>Injury Benefits Provisions were overstated by £1.4 million due to miscommunication between HR and Finance staff regarding the time period over which an injury benefit was due to be paid, and the general use of an incorrect rate for discounting injury benefit payments.</p> <p>We also identified that Note 2 recognises legal costs and the use of a pre-recognised provision as expenditure and as income. This includes £15 million of costs which were previously recognised when the provision was created. The net effect is correctly stated in the SoCNE. This presentation overstates both expenditure and income in the Note, but correcting this would require a further reconciliation between the accounts outturn and the amount chargeable against government DEL funding.</p>	<p>Management have recalculated the provision and updated the financial statements to correct this misstatement.</p> <p>Recommendation 1</p> <p>Management agreed to insert an explanatory footnote to the Note this year, with a commitment to review the treatment for next year.</p> <p>Recommendation 2</p> <p>(Refer Appendix, action plan)</p>

17. Our audit did not identify any material misstatements and the total of misstatements (£1.4 million) did not exceed our performance materiality level. We did review the nature and cause of the misstatement set out in [Exhibit 3](#) and concluded that these represented the whole of the error in the population and decided that additional testing was not required.

There are no unadjusted misstatements to report to those charged with governance

18. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

19. Management agreed to amend the financial statements to reflect all our significant audit findings and there are no unadjusted misstatements to report to those charged with governance. The amendments reduced expenditure and increased net assets and reserves by £1.4 million.

Work is ongoing to address last year's recommendation on pathology, post-mortem and mortuary contracts

20. The previous external audit team made one recommendation in the 2021/22 annual audit report on pathology, post-mortem and mortuary contracts. Work is ongoing to address this recommendation. See paragraphs 50 to 53 for details.

2. Financial management

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively.

Main judgements

COPFS operated within its DEL budget in 2022/23.

To date, COPFS has incurred £60.5 million of unplanned costs in connection with claims against the Lord Advocate.

Financial management arrangements within COPFS are good.

COPFS operated within its revised budget in 2022/23

21. COPFS's main financial objective is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers. COPFS's financial performance against Departmental Expenditure Limits (DEL) is shown in [Exhibit 4](#). This shows COPFS reported an outturn of £206 million against its resource budget of £209 million, an underspend of £3 million.

Exhibit 4

COPFS performance against fiscal resource in 2022/23

The financial outturn was within Departmental Expenditure Limits

Performance	Initial budget £m	Final budget £m	Outturn £m	Over/(under) spend £m
Resource DEL	175.6	202.3	199.1	(3.2)
Capital DEL	5.3	6.5	7.1	0.6
Total DEL	180.9	208.8	206.2	(2.6)
AME Provisions	-	(16.8)	(15.5)	1.3
IFRS Working Capital	-	2.5	2.2	(0.3)
Total	180.9	194.5	192.9	(1.6)

COPFS has incurred £60.5 million of costs since 2016 on legal claims against the Lord Advocate

22. The Inner House of the Court of Session clarified the common law immunity from lawsuits of the Lord Advocate in exercising the prosecutorial function on 30 October 2019. COPFS has been involved in civil litigation brought against the Lord Advocate by individuals prosecuted in connection with the acquisition and administration of Rangers Football Club, and in respect of other cases. Some cases have been resolved, while others are still ongoing.

23. To date, COPFS has incurred £60.5 million of costs, since 2016, in connection with these claims against the Lord Advocate. With £0.7 million incurred in 2022/23.

24. The Lord Advocate made a statement in the Scottish parliament about this matter on 9 February 2021 and has committed to a process of inquiry once all litigation has concluded.

Budget processes were appropriate

25. COPFS budget was increased as part of the autumn and spring Budget revisions. Additional funding from the Scottish Government totalled £28 million, the majority (£17 million) of which was funding for legal claims and associated costs paid out in 2022/23.

26. As part of our audit, we reviewed the arrangements for monitoring spend against budget and concluded that these are appropriate. Regular reports are made to the Resources Committee, Executive Board and Audit and Risk Committee (ARC). From our attendance at ARC meetings and review of minutes, we concluded that there is effective challenge and scrutiny of reports.

There were two identified control weaknesses in key internal controls, but these did not affect our audit opinion

27. We also identified and evaluated the key internal controls in the accounting systems significant to the production of COPFS's financial statements. Our objective was to gain assurance that the systems of recording and processing transactions provided a sound basis for the preparation of the financial statements.

28. Our findings were included in our management report which was circulated to members of the Audit and Risk Committee on 3 August 2023. We concluded that there were two weaknesses in the key controls. We undertook additional work in response to these findings as part of our audit of the 2022/23 financial statements and did not identify any issues that would impact on our audit opinion.

Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate.

29. COPFS is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery, and corruption. We have reviewed the arrangements in place to maintain standards of conduct and prevent and detect fraud, error, and other irregularities and concluded that these are appropriate.

COPFS has followed up all NFI matches and identified three overpayments

30. The National Fraud Initiative (NFI) is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. COPFS has followed up all matches and reported the results to the Audit and Risk Committee in August 2023. Three overpayments were identified, two duplicate payments and one overpayment of VAT. Two of these are being recovered, with the third (£4,598.76) being written-off as the company has since been dissolved.

3. Financial sustainability

Financial Sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Main judgement

COPFS should review its current Financial Strategy 2021-2024, to align with the 2023-2027 Strategic Plan.

COPFS should review its Financial Strategy to align with the 2023-2027 Strategic Plan

31. The current Financial Strategy covers three years from 2021-2024. It was published in May 2021 and was reviewed and updated in February 2023. The strategy explains how COPFS plans to put in place sufficient resources to deliver the COPFS Strategic Plan. The Financial Strategy takes into account financial scenario planning and options analysis, but it links to the previous Strategic Plan 2020-24, not the current Strategic Plan, which covers 2023-2027. As such there is no clear link between the extant financial strategy and the current strategic plan.

Recommendation 3

COPFS should review its Financial Strategy to align with the current Strategic Plan.

4. Vision, leadership and governance

Public sector bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Main judgements

The Strategic Plan covers 4 years from 2023-27 and is supported by an annual Business Plan.

Governance arrangements are appropriate but register of interest procedures could be better applied.

The Strategic Plan covers 4 years from 2023-27 and is supported by an annual Business Plan

32. COPFS has recently published its Strategic Plan which covers the next four years from 2023-2027. The plan outlines three main priorities:

- improve the experiences of women and children within the justice system
- improve how communication with customers and partners and the support offered to the most vulnerable service users
- achieve quicker conclusions to criminal and death investigations.

33. These strategic objectives are supported by practical actions and the Plan outlines what successful outcomes will look like. COPFS use the annual business planning process to ensure that the Business Plan supports the Strategy.

34. The COPFS Digital Strategy is due to be updated and published later in the year, in line with their policy of every three years. We will review this in 2023/24.

Governance arrangements are appropriate but register of interest procedures could be better applied

35. COPFS' governance arrangements have been set out in the Governance Statement in the annual accounts. We have reviewed these overall arrangements and concluded that they are appropriate.

36. We noted, however, that procedures for identifying registers of interest and related party disclosures were not being followed. Members are required to submit signed disclosures to management. From our testing, we found that some disclosures were provided retrospectively and in some cases an email trail was used instead of the required signed disclosure documents.

Recommendation 4

Members should be reminded of the conflicts of interest and related party disclosures process. Year-end schedules should be completed and returned to management.

COPFS has appropriate arrangements for managing and mitigating cyber security risks

37. In recognition of the increasing concern of cyber-attacks, increasing resources have been invested in the area by COPFS. COPFS have completed major simulation exercises to ensure they are equipped to deal with any cyber-attacks.

38. Internal Audit completed a report on cyber security which concluded that a reasonable assurance rating can be provided. Internal Audit reported that COPFS has effective Cyber Resilience arrangements, with a strong tone from the top and clear leadership, direction and engagement from a senior management level. Some minor recommendations for improvement were made.

39. We conclude that COPFS has appropriate cyber security arrangements in place.

The Performance Report is long, but of a good standard

40. In addition to the opinion on the performance report covered in Part 1 of this report, we also consider the qualitative aspects of COPFS' performance report. The performance report should provide information on the organisation, its main objectives and the principal risks. Additionally, it should provide a fair, balanced and understandable analysis of performance as well as helping stakeholders understand the financial statements.

41. We concluded that overall, the Performance Report rather long at 21 pages, but was of a good standard. We made some minor recommendations for improvement in the structure, which were accepted.

5. Use of resources to improve outcomes

Public sector bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.

Main judgements

COPFS, together with its key partners on the Criminal Justice Board, has helped to reduce the trial backlog due to Covid-19.

COPFS's arrangements for Best Value are generally satisfactory but could be strengthened by undertaking a self-assessment against the Best Value characteristics and reporting the results to the Board.

Two Gateway Reviews have been completed on pathology, post-mortem and mortuary contracts. The status of the service is rated "red". A further review is planned for September 2023.

COPFS, together with its key partners on the Criminal Justice Board, has helped to reduce the trial backlog due to Covid-19

42. In May 2020, a Criminal Justice Board (CJB), was formally established to oversee the Covid-19 pandemic response. The CJB is a sub-group of the National Justice Board for Scotland whose role is to lead justice system organisations in delivering the outcomes set out in the Scottish Government's justice strategy. The CJB includes senior representatives from key public sector criminal justice partners, including COPFS.

43. From June 2020 the CJB focused on the change programme, '*Recover, Renew, Transform*'. The programme aimed to enable the justice system to operate again at pre-Covid-19 levels and prepare for future transformation. The programme showed positive examples of partnership working and has helped to make significant progress in reducing the trial backlog that accrued during the pandemic. There used to be 20,000 outstanding scheduled trials, but by January 2022 this had more than doubled, peaking at 43,606. This has been reducing every month and, by February 2023, stood at 28,029.

COPFS's arrangements for Best Value are generally satisfactory but could be strengthened by undertaking a self-assessment against the Best Value characteristics

44. *Ministerial guidance to Accountable Officers* for public bodies and the *Scottish Public Finance Manual* (SPFM) sets out the accountable officer's duty to ensure that arrangements are in place to secure best value. The guidance sets out the key characteristics of best value and states that compliance with the duty of best value requires public bodies to take a systematic approach to self-evaluation and continuous improvement.

45. Our high-level review of COPFS's arrangements for Best Value concluded that these are generally satisfactory but could be strengthened by undertaking a self-assessment against the Best Value characteristics and reporting the results to the Board.

Recommendation 5

COPFS should carry out a self-assessment of their arrangements against the Best Value characteristics and report this to the Board annually.

COPFS report annual performance against four key indicators.

46. COPFS continues to monitor key performance indicators throughout the year, with performance being reported to the Operational Performance Committee on a regular basis.

47. An annual summary of performance against key targets was published in April 2023. Four key indicators were outlined against a previous year comparison 2021/22. These four key indicators are outlined in the Annual Business Plan 2023-24.

Recommendation 6

The Annual Performance Report could be improved by including additional information such as trend analysis and cross referring to other reports where action is being taken and service is being monitored and reported.

Exhibit 5

Key performance indicators

	Target	2021/22	2022/23
Take and implement decisions	75% in 4 weeks	73%	72%
Service of indictments	All indictments are served within time bar	100%	100%
Investigations of death	80% within 12 weeks	50%	65%
Investigation of criminal allegations against the Police	75% within 6 months	87%	84%

Source: COPFS Performance against Key Targets April 2022 to March 2023

Performance against the investigation of deaths target has improved but is still below target of 80 percent within 12 weeks

48. The Lord Advocate is responsible for the investigation of sudden and suspicious deaths. The service standard is that where a death requires further investigation, COPFS is to advise next of kin of the result within 12 weeks in at least 80% of cases. Service performance had deteriorated, with only 50 percent being completed within the 12-week target. In 2022/23, performance has improved to a total of 65 percent of deaths being investigated within the required timeframe.

49. Since February 2019 COPFS has experienced delays in the provision of toxicology by service providers and there have been delays in the provision of pathologists' final reports to COPFS and the conclusion of investigations. Though 2022/23 is an improvement on the previous year, it is not in meeting or exceeding the 80% target and continues to be lower than 2019/20 levels.

Two Gateway Reviews have been completed on pathology, postmortem and mortuary contracts. The status of the service is rated "red". A further review is planned for September 2023

50. One recommendation was made in the previous year's Annual Audit Report. This covered Pathology, post-mortem and mortuary contracts.

51. A Gateway Review was issued in September 2022, the report was rated red. A number of recommendations were made, the main conclusion was that COPFS should, in conjunction with key stakeholders, identify and prioritise areas for incremental service improvements with the intention to reduce demand for services and improve effectiveness. An agreed timescale for each initiative should be agreed with all key stakeholders. A follow up gateway review was planned in six months' time.

52. The follow up Gateway Review was issued in May 2023. The review recognised that COPFS had used the first Gateway report to engage positively with stakeholders. It noted that whilst COPFS has responsibilities based in common law to investigate all suspicious or unexplained deaths, it has no powers or controls with health providers or universities to mandate Forensic Pathology and Mortuary Services to an agreed Service Level and can only seek to take forward incremental improvements. The report outlined that progress had been made during the last 9 months but outlined six recommendations, with one closed from the previous report. The status remains at red and there is a further planned assurance review before the end of September 2023 to follow up on these recommendations.

53. We will continue to keep the situation under review.

The Equality Mainstreaming Report 2021-23 in April 2023 outlines good progress against equality outcomes

54. An Equality Mainstreaming Report 2021-23 was published in April 2023, it provided an update on progress against the 6 equality outcomes. The six equality outcomes are:

- People who live or work in Scotland are aware of the role of the prosecution service in the Scottish criminal justice system.
- Our employees will act fairly and without bias towards all victims, witnesses, accused persons and bereaved relatives, and be sensitive to individual needs, to ensure that the deaths investigation and prosecution service we provide, delivers an equal opportunity to everyone to access justice.
- The services provided by COPFS are suitable and accessible to all who need to use them.
- COPFS employees are knowledgeable about equality legislation and protected characteristics and treat all victims, witnesses, accused persons and colleagues with dignity and respect.
- Scotland will be a safer place for everyone as a result of our collaborative working with other organisations.
- COPFS is an inclusive employer with a workforce which proportionately reflects the diversity of Scottish society and where employees have an equal opportunity to achieve their full potential.

55. The Equality Mainstreaming Report outlines the aim against each of the equality outcomes and what work has been done to achieve these outcomes. Good progress has been made against the six equality outcomes and in 2022, COPFS retained the Silver Standard Award in the Employer's Network for Equality and Inclusion TIDE (Talent Inclusion and Diversity Evaluation) benchmarking process.

Appendix. Action plan 2022/23

2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Overstatement of Provisions</p> <p>Injury Benefits Provisions were overstated by £1.4 million due to miscommunication between HR and Finance staff regarding the time period over which an injury benefit was due to be paid, and the use of the incorrect rate for discounting injury benefit payments.</p> <p>There is a risk that provisions are not recorded accurately.</p>	<p>Year-end procedures should be reviewed to ensure that the correct discount rate is used and that any time limits on the payment of injury benefits are clearly communicated between HR and finance staff.</p> <p>Exhibit 3</p>	<p>Agreed. HR and Finance have reviewed and amended criteria for year-end provisions. The revised approach to be documented in 2023-24 year-end planning document.</p> <p>Responsible officer: Director of Finance and Procurement</p> <p>Agreed date: Immediate</p>
<p>2. Accounting for the use of Provisions</p> <p>Note 2 recognises legal costs and the use of a pre-recognised provision as expenditure and income. This presentation results in both expenditure on legal costs and non-cash income being overstated in the Note. There is no impact on the amount charged to the SoCNE as these amounts net off within the Other Administrative Costs figure.</p> <p>There is a risk that the notes are inconsistent with the SoCNE.</p>	<p>In future years, amounts paid from previously recognised provisions should not be recognised as expenditure and non-cash income in Note 2. Instead, a reconciliation between the accounts outturn and the amount chargeable against government DEL funding should be included alongside the outturn against budget table within the Performance Report.</p> <p>Exhibit 3</p>	<p>The presentation of the non-cash element of the SOCNE is consistent with previous years and therefore unchanged for 2023-24. Management will discuss presentation of these elements for future years. The additional note below note 2 provides further clarity for the reader of the financial statements.</p> <p>Responsible officer: Director of Finance and Procurement</p> <p>Agreed date: 31 March 2024</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>3. Financial Strategy</p> <p>The current Financial Strategy covers three years from 2021-2024 and was reviewed and updated in February 2023. However, it links to the previous Strategic Plan 2020-24, not the current Strategic Plan, which covers 2023-2027. There is no clear link between the financial strategy and the strategic corporate objectives.</p> <p>There is a risk that COPFS cannot demonstrate how it will deliver its corporate objectives</p>	<p>COPFS should review its Financial Strategy in line with their Strategic Plan and ensure that it can demonstrate how it will deliver its corporate objectives.</p> <p>Paragraph 31</p>	<p>The Finance Strategy is due to be produced in 2023-24 to align to the new Strategic Plan.</p> <p>Responsible officer: Director of Finance and Procurement</p> <p>Agreed date: December 2023</p>
<p>4. Conflicts of Interest and Related Party procedures</p> <p>Members are required to submit signed related party disclosures and register of interest disclosures. The process was not fully followed in 2022/23, while some were provided retrospectively, in some cases an email trail was used instead.</p> <p>There is a risk that related parties are not identified and disclosed appropriately.</p>	<p>Members should be reminded of the process and the year-end schedules completed and returned to management.</p> <p>Paragraphs 35 & 36</p>	<p>Agreed</p> <p>Responsible officer: Director of Finance and Procurement</p> <p>Agreed date: Immediate</p>
<p>5. Best Value Assessment</p> <p>Ministerial Guidance to Accountable Officers for public bodies and the Scottish Public Finance Manual (SPFM) explain that accountable officers have a specific responsibility to ensure that arrangements have been made to secure Best Value.</p>	<p>COPFS should consider carrying out a self-assessment of their arrangements against the Best Value characteristics and report this to the Board.</p> <p>Paragraphs 44 & 45</p>	<p>Agreed and will be taken forward in revised management structure framework.</p> <p>Responsible officer: Crown Agent</p> <p>Agreed date: February 2024</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>6. Trend analysis of key performance indicators</p> <p>An annual summary of performance against key targets was published in April 2023. Four key indicators were outlined against 2021/22. No trend analysis was reported.</p> <p>There is a risk that progress over time is not monitored and reported.</p>	<p>The Annual Performance Report could be improved by including additional information such as trend analysis and cross referring to other reports where action is being taken and service is being monitored and reported.</p> <p>Paragraphs 46 & 47</p>	<p>Agreed</p> <p>Responsible officer: Director of Finance and Procurement</p> <p>Agreed date: These will be included in 2023-24 Annual Statements</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>Value for money – Pathology, post mortem and mortuary contracts</p>	<p>Progress needs to be made to secure continuity of service provision for the COPFS to fulfil its role for the investigation of sudden or suspicious deaths</p>	<p>Ongoing</p> <p>Two gateway reviews have been carried out with a further review planned for September 2023.</p> <p>Some progress has been made, but the area remain “Red”.</p> <p>See Paragraphs 50 to 53</p>

Crown Office and Procurator Fiscal Service

2022/23 Annual Audit Report

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk