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Police Investigations &
Review Commissioner

**COMMISSIONER'S
ANNUAL REPORT
2017-18**

Police Investigations & Review Commissioner

COMMISSIONER'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

This report is prepared in accordance with and meets reporting obligations under Part 1 of the Police, Public Order and Criminal Justice (Scotland) Act 2006 as amended by the Police and Fire Reform (Scotland) Act 2012.

It presents highlights of the PIRC's achievements for the financial year 2017-18 and details the organisation's performance against its objectives.

The report (SG/2018/200) was laid before the Scottish Parliament in November 2018 under section 43 (5) of the Police, Public Order and Criminal Justice (Scotland) Act 2006.



To independently investigate incidents involving the police and independently review the way police handle complaints from the public.



To secure public confidence in policing in Scotland by supporting continuous improvement, promoting positive change and thereby driving up standards.



To carry out our functions detailed in the Police, Public Order & Criminal Justice (Scotland) Act 2006, the Police Investigations & Review Commissioner (Investigations Procedure, Serious Incidents and Specified Weapons) Regulations 2013 and the Police Service of Scotland (Senior Officers) (Conduct) Regulations 2013.



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The Commissioner's Foreword

2017/18 was a year that strained our capacity and tested our resolve, requiring us to deal resolutely with matters that struck at the very heart of public confidence in Scottish policing.

A large part of this was prompted by the unprecedented level of referrals we received from the Scottish Police Authority (SPA) concerning allegations of misconduct by senior officers. These allegations were forwarded to me over a concentrated six-month period, and were both serious and demanding in their nature and sensitivity.

The subsequent investigations were high profile and attracted intense media and political commentary. This, together with stretched resources and the 'drip feed' effect of additional allegations, placed considerable demand on our investigators at a time when they were already dealing with a high volume of cases, some of which involved allegations of criminal behaviour by other police officers and deaths. In spite of this, the Investigation Team maintained its professionalism, tenacity and impartiality in seeking the truth behind the allegations. Our reports on these matters were then submitted to the SPA, which is responsible for deciding what action to take in such cases.

Another unexpected test for us arose from this year's extensive audit of the SPA's complaints handling procedures. This was the third such audit carried out by the Review Team and it revealed a number of areas for improvement. I made several recommendations designed to improve the SPA's processes and at the time of writing I am aware that it is making good progress in responding to them.

At the outset of the audit I made it clear that I intended to publish my report in December and my decision to proceed with its publication as scheduled, allowed me to re-emphasise the independence of my office and role as Commissioner in relation to these matters.

In terms of our day-to-day business, overall the trend throughout the year was one of sustained demand.

Most notably, the complexity of the investigations carried out by the Investigation Team has increased significantly in the five years since the PIRC was established. In 2013-14, only three per cent of our investigations were classed as Category A (major investigations). This year, 42 per cent fell into this resource-intensive category, a rise of 29 percentage points on the previous year alone.

We also saw a shift in the origin of these investigations. Whilst the Crown Office and Procurator Fiscal Service (COPFS) directed investigations fell, the number referred by Police Scotland doubled. Additionally, as highlighted above, the SPA directed six investigations to us having referred none the previous year.

One particular case that struck me this year involved an application for a complaint handling review. Upon closer examination it appeared that the police actions at the core of the man's complaint amounted to potential criminal behaviour and therefore merited a full independent investigation rather than a review. The COPFS confirmed our assessment and duly directed us to investigate a number of the police officers involved.

This case re-emphasised to me an inherent weakness in the current police complaints system: it allows serious complaints like this one to pass through Police Scotland's internal system, with no independent check. It is of concern to me that, when presented with the opportunity to recognise and address certain issues, Police Scotland's Professional Standards Department failed to do so.

Without doubt, all the high-profile investigations that we carried out this year combined to put staff under a great deal of pressure. This, together with expanding workloads in other areas of our business, meant that the need for additional resources to bolster our operational capability became inevitable.

Following the submission of a number of business cases to the Scottish Government, I am pleased to report that the Cabinet Secretary agreed to increase our budget for next year to £4,254,000. Looking to the future, I believe that it is crucial that Government remains responsive to further justifiable calls for additional resource if we are to cope with growing demand for our services.

Turning to the Review Team, although this year saw a seven per cent reduction in the number of new requests for complaint handling reviews, the level has now simply reverted to the number received on average annually over the past five years.

On the back of these reviews, the Team issued 266 recommendations to policing bodies in Scotland. Staff continue to work closely with these bodies to ensure that the recommendations are fully implemented. At the time of writing, 83.8% of those recommendations have been put into effect and I expect this number to rise in the coming months.

To complement the review side of the business, the Team sought to supplement its guidance to policing bodies by extending its series of best practice guidance presentations throughout Scotland. It is hoped that this outreach work, which was well received by Police Scotland, will help to improve the quality of Police Scotland's response to complaints from members of the public.

The Corporate Services Team supports the operational areas of the organisation. Not surprisingly, therefore, it too experienced significant growth in its workload this year.

This included a considerable boost in recruitment activity following the receipt of additional monies from the Scottish Government, as well as all the extra work that accompanies the introduction of new staff. Furthermore, the heightened media attention around a number of our investigations had a concomitant effect on our Communications Team, at a time when they were also working towards the launch of our new website in October 2017. Corporate Services staff also worked hard to make us ready, and compliant, for the new General Data Protection Regulations.

As well as welcoming new staff to the organisation, this year we also bid farewell to our Director of Operations, John Mitchell, who retired in March. John joined the organisation in December 2012, during the transition period from the Police Complaints Commissioner for Scotland (PCCS) to the PIRC.

"Looking to the future, I believe that it is crucial that Government remains responsive to further justifiable calls for additional resource if we are to cope with growing demand for our services."

He was instrumental in establishing the Investigations function during his initial four years with us as Director of Investigations. In his role as Director of Operations, he oversaw all aspects of operations while also acting as Accountable Officer. During his time with us John was an invaluable member of our management team and we will miss his astute leadership and, of course, his good humour. We wish him many happy and relaxed years ahead in his retirement.

Despite the various challenges we faced this year, all three teams continued to deliver a high standard of service. I wish to record my thanks to all staff for their continuing dedication and commitment to increasing public confidence in policing in Scotland.



Kate Frame,
Commissioner





Who is the Commissioner and what is her role?

The role of the Police Investigations & Review Commissioner (PIRC) was established in 2013 at the same time as the single Police Service of Scotland.

The Commissioner, who is appointed by Scottish Ministers, is independent of the police and delivers a free and impartial service. Her role is to independently investigate incidents involving the police and independently review the way the police handle complaints from the public.

The Police Investigations & Review Commissioner can investigate:

- Incidents involving the police, referred by the Crown Office and Procurator Fiscal Service (COPFS). These may include deaths in custody and allegations of criminality made about police officers.
- Serious incidents involving the police, at the request of the Chief Constable or the Scottish Police Authority (SPA). Reasons for requests for investigations from the Chief Constable may include the serious injury of a person in police custody, the death or serious injury of a person following contact with the police or the use of firearms by police officers.
- Allegations of misconduct by senior police officers of the rank of Assistant Chief Constable (ACC) and above, if requested by the SPA.
- Relevant police matters which she considers would be in the public interest.

At the conclusion of an investigation, the Commissioner can recommend improvements in the way the police operate and deliver services to the public in Scotland.

The Police Investigations & Review Commissioner (PIRC) can review:

- How the police in Scotland handle complaints made to them by the public.

Before the PIRC can consider a request for a Complaint Handling Review (CHR), the complainer must first make their complaint to the policing body concerned to give that body the opportunity to address it. The policing body will inform the complainer of the outcome of that process, and the complainer can then apply to the PIRC for a CHR. Applications for CHRs must be received by the PIRC within three months of the date on which the policing body sent their decision on the outcome of the complaint to the complainer.

The PIRC cannot carry out CHRs in relation to complaints of criminality or complaints made by individuals serving, or who formerly served, with the police about the terms and conditions of their service.

The purpose of the CHR process is to determine whether or not the complaint was handled to a reasonable standard by the police. The review may examine, amongst other things, whether the police undertook sufficient enquiries into the complaint or whether the police response was supported by available information.

At the conclusion of a CHR, the Commissioner can give reconsideration directions, make recommendations and identify learning points for the policing body.

The PIRC also ensures that the SPA and Police Scotland's Chief Constable maintain a suitable system for handling complaints.

Our Objectives

To independently investigate incidents involving the police and independently review the way the way police handle complaints from the public, with the aim of increasing public confidence in policing in Scotland.

1

To carry out independent, thorough and timely investigations into serious incidents involving the police, with the aim of improving police procedures and increasing public confidence in policing in Scotland.

2

To carry out independent reviews of the way the police handle complaints, with the aim of increasing public confidence in policing in Scotland by making recommendations and ensuring that policing bodies have suitable complaints procedures.

3

To demonstrate a high level of governance and business effectiveness in accordance with best practice for Scottish Public Sector Bodies.

1

**PUBLIC
CONFIDENCE
IN POLICING
BODIES**

2

3

Senior Management Team

The Commissioner's senior management team is responsible for the day-to-day running of the office. She and the Director of Operations form the Executive Team and are supported by the Heads of Department Group, which comprises the Head of Investigations, Head of Reviews and Policy and Head of HR and Corporate Services.



Kate Frame
COMMISSIONER



John Mitchell
DIRECTOR OF OPERATIONS

The Heads of Department Group



John McSparran
HEAD OF
INVESTIGATIONS



Ilya Zharov
HEAD OF REVIEWS
AND POLICY



Sharon Smit
HEAD OF HR AND
CORPORATE SERVICES

Our Values

Our values guide, inspire and are reflected in all aspects of our work. The Commissioner is committed to ensuring all staff are guided by these values in carrying out their work.

INTEGRITY

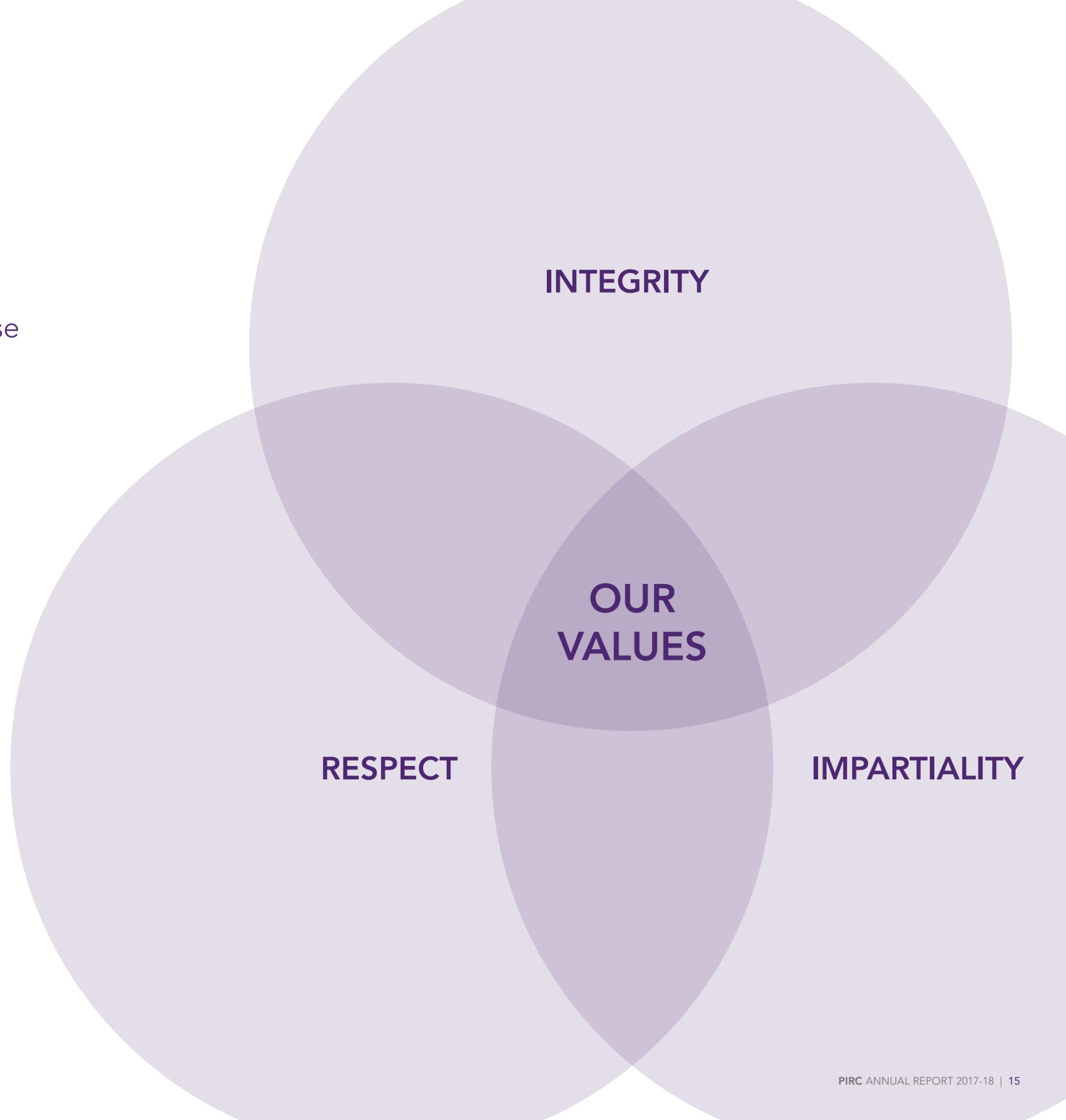
We will be trustworthy, honest, open and accountable for our actions.

IMPARTIALITY

We will act fairly and independently, ensuring that our work is objective and reflects a rigorous analysis of the evidence. Our actions and decisions will be based on professional judgement and free from bias and discrimination.

RESPECT

We will treat everyone with courtesy and dignity, openly demonstrating respect for diversity and equality, irrespective of an individual's background, beliefs, values, culture and needs.





The Work of the Investigation Team

This year, policing bodies, the Crown Office and Procurator Fiscal Service (COPFS) and the Scottish Police Authority (SPA) referred 422 incidents to our Investigation Team. These arose from a wide variety of circumstances, including the presentation/use of firearms by police officers, deaths in custody and deaths and serious injuries following police contact, as well as criminal allegations about the police and allegations of misconduct about senior police officers.

In addition to carrying out assessments of all 422 referrals, we completed 36 new, substantive investigations. Whilst this is three fewer than the number of full investigations conducted last year, it quickly became clear that the matters being referred to us were of an increasingly complex nature.

Sixteen (44%) of these 36 cases were directed to us by the COPFS:

- 3 deaths in custody;
- 3 deaths following police contact; and
- 10 investigations into allegations of criminal behaviour by police officers.

This is a decrease on last year and can be attributed to a change in COPFS policy that has resulted in fewer referrals of investigations into deaths following police contact.

Conversely, at 14 (39%) the number of full investigations referred to us by Police Scotland was double that of last year:

- 1 death following police contact;
- 4 conventional firearms cases;
- 1 CS/PAVA spray discharge case; and
- 8 serious injury following police contact cases.

The overall number of incidents referred to us by Police Scotland also increased, by almost 10% on last year, to 393. Most were directed to us because they involved the presentation or discharge of CS/PAVA spray, taser or conventional weapons – incidents that by law require to be referred for independent assessment.

As the above figures show, the main sources of our investigations continue to be the COPFS and Police Scotland. However, this year saw a significant increase in referrals from the SPA. In total, six (17%) of our full investigations came from the Authority. All were high-profile cases concerning allegations of misconduct by senior police officers.

This unprecedented level of SPA referrals was also largely behind the 29 percentage point increase on last year in the proportion of Category A investigations carried out by the Investigation Team this year. Category A investigations are major investigations or investigations of particular public concern requiring significant resources.

Not surprisingly, this placed considerable demand on our investigators at a time when they were already dealing with a high volume of investigations, in some cases involving deaths and allegations of criminal behaviour by police officers. The consequent need for additional resources to strengthen our capability, ultimately led to the Scottish Government increasing our budget.

In all our investigations, regardless of who refers them, the role of the Investigation Team is to interview relevant witnesses, seize productions and examine the available evidence. The resulting investigation reports present our objective assessment of the actions taken by the police. We may find that those actions are appropriate or justified in the circumstances or we may recommend areas for improvement.

Following our agreement with the COPFS to publish details of our investigation reports in cases where there are no court proceedings, this year, we published six such reports. Doing so brings greater transparency to our work, extends the reach of our recommendations and advice and thus strengthens our ability to support effective policing and ultimately increase public confidence.

Stakeholder engagement remains an integral part of the work of the Investigation Team. We continue to give training inputs on the role, purpose, functions and powers of the PIRC to various groups and organisations: all probationer, first-line manager and senior investigating officer courses at the Scottish Police College; clinical forensic nurses and nurse practitioners working in custody centres; and, Ambulance Service and Fire and Rescue Service staff. The team also has regular meetings with the COPFS' Scottish Fatalities Investigation Unit and Criminal Allegations about the Police division, Police Scotland's Professional Standards Department and the Scottish Police Federation. Their purpose is to discuss current and emerging matters with the aim of identifying, evaluating and securing any necessary improvements in policing in Scotland.

The above is further supported by the Executive Team's programme of strategic engagement with the Cabinet Secretary for Justice, the Lord Advocate, the Crown Agent, the Chief Constable of Police Scotland, the Chair and Chief Executive of the Scottish Police Authority, Her Majesty's Inspectorate of Constabulary and the Scottish Government.

Investigations Case Studies

1. POLICE CONTACT WITH MAN PRIOR TO TOWER BLOCK DEATH

Background

On 19 July 2016, a 56-year-old man jumped to his death from the 12th floor balcony of a tower block in Aberdeen following the arrival of the police.

Officers had gone to the tower block in response to reports of a woman screaming and a man who had been seen with blood on his hands. After speaking to witnesses, they identified the flat where they believed an incident was taking place. On entering the flat they found Keith Taylor, 43, lying on a sofa in the living room. He had been stabbed and there was blood on his chest and face.

Officers then saw Hugh Gallacher, 56, standing on the balcony of the flat. He leaned into the living room through an open window and shouted comments indicating that he was responsible for inflicting injuries on Keith Taylor and Tracy Gabriel. His hands appeared to the officers to be bloodstained.

Two of the officers carried out CPR on Keith Taylor, while the other two attempted to calm Hugh Gallacher and persuade him to come back inside. However, Mr Gallacher said, "If they're dead, I'm joining them" before slamming the window shut and jumping from the balcony.

The officers found Tracy Gabriel, 40, the occupier of the flat, lying on the balcony with stab wounds to her chest. They assisted her while other officers carried out first aid on Hugh Gallacher on the ground outside the tower block.

All three died from their injuries.

Referral to the PIRC

The Crown Office and the Procurator Fiscal Service (COPFS) instructed the PIRC, in terms of Section 33A(b) of the Police, Public Order and Criminal Justice (Scotland) Act 2006, to investigate the circumstances surrounding the death of Hugh Gallacher, and in particular to examine the interaction and conversation between him and the police.

PIRC Investigation

As part of their enquiries, PIRC investigators interviewed and took statements from members of the public, police officers and civilian staff. They also examined police statements, Command and Control (STORM) logs, police reports, telephone and radio communication recordings, briefing papers, photographs, police standard operating procedures and seized productions.

Findings

The PIRC investigation found that:

- the police officers who attended the incident acted appropriately and professionally in very difficult circumstances in which they had limited opportunity to prevent Hugh Gallacher from completing his stated intention of suicide;
- the call to Police Scotland was categorised correctly and officers were dispatched to the scene within the required five-minute timescale;
- the officers attempted to persuade Hugh Gallacher to come back into the flat from the balcony; and
- officers were confronted with very difficult circumstances but dealt with them appropriately and with a high degree of professionalism.

2. POLICE RESPONSE TO REPORTS OF CONCERN FOR VULNERABLE WOMAN LATER FOUND DEAD

Background

On 20 February 2016, following reports of concern for a 52-year-old woman from Dumfries, police forced entry into her home and found her dead.

The daughter of the woman first contacted Police Scotland late at night on 19 February 2016. She was concerned for the safety of her mother, who had not visited her home earlier that day as arranged and was not answering her calls or text messages.

The daughter gave staff in the Area Control Room (ACR) her mother's details, including her name, age, physical description and address.

The call was classed as a Grade 2 incident and officers were instructed to attend within 15 minutes. However, they were mistakenly given the wrong address. Nor did the officers receive information identifying the woman as a vulnerable person.

On arriving at the wrong address, the officers roused the 84-year-old woman who lived there, from her bed. Although they noted her name, they failed to realise that it was different from the name they had been given. The officers, wrongly assuming the woman to be the one they were looking for, then informed the ACR that they had found her.

The police did not duly update the daughter, who became increasingly concerned for her mother's safety. She, her husband and a neighbour all phoned Police Scotland for an update on their enquiries. They were all assured that the woman was safe and well and that she would phone her daughter in due course.

When she did not receive a call, the daughter went to her mother's home. Upon receiving no reply, she again called Police Scotland. One of the officers who had attended the first call at the wrong address was sent to speak to the daughter. While en route, he discovered the mistake of having attended the wrong address.

Four and a half hours after the first call from her daughter, police officers forced entry at the correct address and found the 52-year-old woman dead.

Referral to PIRC

The Crown Office and Procurator Fiscal Service (COPFS) instructed the PIRC to investigate the circumstances of the police involvement in the death, and in particular to:

- establish a time of death and narrow its parameters as much as possible to help determine whether they would have been too late had they attended the correct address on the first occasion;
- investigate the reasons why the Police Gazetteer system gave an incorrect address;
- investigate the actions of Force Control and in particular the information they gave officers about the address, the deceased and her vulnerability, and whether they should have called the woman's daughter back following the officers' first house visit; and
- investigate the actions of the attending officers, and in particular whether they should have confirmed the details of the elderly lady they spoke to and the apparent discrepancy in the address.

PIRC Investigation

In undertaking this investigation, PIRC investigators interviewed members of the public, police officers and police staff. They examined police statements, Command and Control (STORM) logs, police reports, telephone recordings, briefing papers, Scottish Police Authority (SPA) photographs, standard operating procedures and seized productions.

Findings

Our investigation found that the cause of death was established as an overdose of prescribed medication, which it was suspected the woman had taken accidentally. It is likely that she was already dead when the police were originally contacted.

The investigation further identified a series of failings in how Police Scotland dealt with the matter:

- the inputting of certain addresses was known to be a problem with Police Scotland's ACR Gazetteer system. In this case it resulted in the address being transposed in such a way that it was misinterpreted and thus officers were sent to the wrong address;
- ACR staff did not give the officers attending the call all the relevant available information, such as the age or a description of the woman they were looking for;
- there appeared to be confusion between ACR staff and the officers attending the call as to who was responsible for updating the woman's daughter;
- the officers who attended the call did not carry out basic checks to establish that the elderly woman at the wrong address was not the woman they were looking for. Had they done so, then the series of subsequent errors, including informing the woman's daughter that her mother was safe and well, would not have been made; and
- there was disagreement between ACR staff and operational officers as to who was responsible for conducting additional enquiries and, in particular, for updating the person who had reported the incident. We have found this to be the case in a number of other investigations, where often the person reporting the incident is not contacted and opportunities to identify errors sooner are missed.

Recommendations

As a result of our investigation, the Commissioner recommended that Police Scotland:

- take steps to fix the fault in the ACR Gazetteer system;
- ensure that ACR staff give front-line operational officers all the relevant information available; and
- examine problems within command and control relating to managing incidents and provide clear guidance to ACR staff and operational officers on who is responsible for undertaking particular lines of enquiry and investigation, including updating those who report the incident. These details should be recorded on the police command and control system.

The Commissioner's report was shared with the Chief Constable at the time, in July 2016, to allow him to take immediate action to ensure that similar enquiries would not be subject to the same failings.

3. POLICE RESPONSE TO REPORTS OF CONCERN FOR VULNERABLE MAN LATER FOUND DEAD

Background

On 23 March 2016, 37-year-old Andrew Bow, who suffered from Asperger's Syndrome and had learning difficulties, was found dead in his home in a block of flats in Edinburgh.

Mr Bow, who was recorded on the police database as a vulnerable person, was last seen by police officers on 12 March 2016 in Edinburgh when they found him in a confused and paranoid state. They took him to hospital for treatment and after being examined he was deemed fit to go home. The incident was recorded on police systems.

Subsequent enquiries revealed that Mr Bow's bank card was last used on 15 March 2016, suggesting strongly that he was alive at that time.

However, later that night, one of Andrew Bow's neighbours made a report to the City of Edinburgh Council informing them that the windows of Mr Bow's flat were broken. As a result of the area's confusing street and house-numbering system, the neighbour gave an incorrect address for Mr Bow's flat.

On 16 March, Council staff concluded that the report of damage to Mr Bow's property should be investigated. They therefore sent a report to the police requesting that checks be carried out, but took no further action themselves.

In the early evening of 21 March 2016, a local shopkeeper called 999 to report that the windows of Mr Bow's flat were broken. Believing that no police resources were available at that time, Area Control Room (ACR) staff at Bilston Glen did not send officers to attend the call.

Late that night, some five and a half hours after receiving the call, ACR staff attempted to call the shopkeeper to ask when he might be available to help officers find Mr Bow's flat. On receiving no response, ACR staff updated the police system to show that the shopkeeper's premises were now closed and that no officers were available to attend the incident.

On the morning of 22 March 2016 the shopkeeper again contacted ACR staff, by calling 999, to reiterate his concerns.

Despite linking the shopkeeper's call from the previous day to this second call from him, ACR staff again did not send officers to Mr Bow's flat, again determining that no officers were available to attend.

In the early evening, another neighbour contacted the ACR to report her 'concerns' for Mr Bow's welfare. At this point, ACR staff were aware of the two previous un-actioned 999 calls and of concerns being expressed that Mr Bow may have 'hurt himself' or 'committed suicide'. Again, no officers were sent to his flat.

On 23 March 2016, a police sergeant read about the incident on the police system and decided to send officers to Mr Bow's flat. They forced entry and found Mr Bow dead inside.

Referral to PIRC

The circumstances of Mr Bow's death were referred to us by the Crown Office and Procurator Fiscal Service (COPFS) in terms of Section 33A(b)(ii) of the Police, Public Order and Criminal Justice (Scotland) Act 2006 as amended.

The investigation focused on Police Scotland's handling of the telephone calls about Mr Bow's welfare, received between 21 March and 23 March 2016, and the subsequent events leading to the discovery of his body.

PIRC Investigation

PIRC investigators interviewed members of the public, police officers and civilian staff at the Bilston Glen ACR and examined police statements, telephone calls and police radio transmissions. They also scrutinised police resource levels for the City of Edinburgh to determine the availability of officers to attend the calls, as well as examining command and control logs, standard operating procedures, policies and other evidence.

Findings

Our investigation identified a number of failings in how Police Scotland responded to the reports of concern for Mr Bow and found the following:

- the police officer who received the first report of broken windows at Mr Bow's flat on 16 March 2016 did not raise an incident report. Had he done so, this would have given the police an opportunity to send officers to check on his welfare;
- despite receiving three calls between 21 and 22 March 2016 from members of the public either expressing concern for Mr Bow's welfare or reporting damage to his house, staff at Police Scotland's Area Control Room (ACR) at Bilston Glen failed to send officers to follow them up. The calls were categorised as Grade 3 calls, requiring officers to be dispatched within 40 minutes. However, reports of 'concerns for a person' merit a higher priority response that requires officers to be dispatched within 15 minutes of the call;
- police officers and civilian staff working in the ACR stated when interviewed that it was not uncommon for Grade 3 calls, which require police officers to be dispatched within 40 minutes, to remain un-actioned for days before being referred to the relevant division. Some ACR sergeants confirmed that a significant percentage of Grade 3 incidents are not responded to within the required timescale; and
- ACR staff told PIRC investigators that no officers had been available at the time the calls were received. This was found to be inaccurate. Our enquiries, as well as an internal review by Police Scotland, showed that community police officers had been available. However, ACR staff appeared to be considerably reluctant to send these officers to calls.

As it is not possible from the medical evidence to establish precisely when Mr Bow died, it is not known whether an earlier response from Police Scotland could have led to his life being saved.

Recommendations

As a result of the investigation, the Commissioner recommended that Police Scotland:

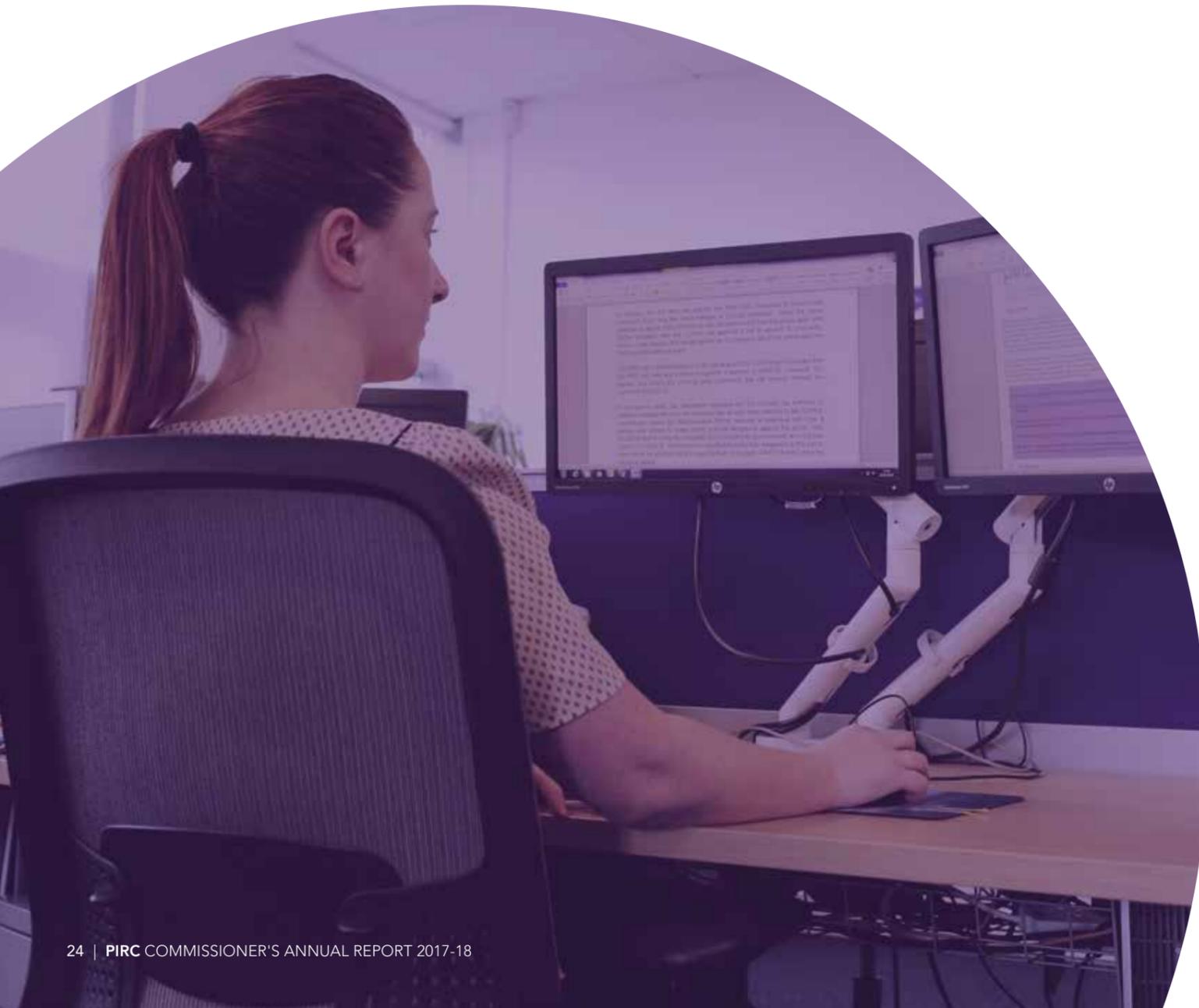
- take action to improve the handling and management of calls by staff at their Area Control Room (ACR) at Bilston Glen
- ensure that ACR staff use all available operational officers for priority calls, particularly those involving concern for the safety or security of the public.



The Work of the Review Team

This year was another challenging one for the Review Team. Demand for our independent oversight of the way policing bodies handle complaints remained high throughout, despite a small overall decrease in the number of requests we received.

Specifically, there was a slight reduction in the number of requests for our complaint handling reviews (CHRs), down 7% on last year, to 291. This figure is more or less consistent with the average annual number of requests received over the past five years.



The number of heads of complaint* that we dealt with also fell, by 22%, from 903 in 2016-17 to 708 this year. This is similar to the level recorded in 2015-16.

Regrettably, we also saw a reduction by two percentage points (to 53%) in the proportion of complaints we considered policing bodies to have handled to a reasonable standard.

Furthermore, this year we took the decision to increase our use of reconsideration directions. We issue these directions when we find more significant failings or shortcomings in the way a policing body has handled a complaint and we require that body to reconsider the complaint. Last year we issued 13 such directions whereas this year we issued 52.

As well as these reconsideration directions, we also identified 36 learning points and made 266 recommendations touching on specific areas for improvement.

The Review Team in fact performs a wide range of activities to help policing bodies improve their complaint handling practices. For example, throughout the year we worked with Police Scotland's Professional Standards Department to share examples of both good and poor practice.

We also organised a series of seven presentations for senior police officers and police complaint handlers across Scotland. These highlighted the most common shortcomings identified in our reviews and presented guidance on how they should be resolved.

In addition, in June 2017 we produced a special edition of Learning Point, our best practice bulletin. This particular issue contained extensive practical advice for police complaint handlers on the proper application of the "balance of probabilities"* test. Future issues will contain further topic-specific guidance and advice on best practice in complaint handling.

Once we complete a review we set out our deliberations, findings and any further action required in a report which we then send to both the policing body concerned and the person who made the complaint.

The majority of these reports are publicly available through our website. However, on occasion, to protect the identity of those involved some are not published.

Making sure that policing bodies go on to implement our reconsideration directions and recommendations is another vital role of the Review Team. Of the 266 recommendations we made in 2017-18, 83.8% had been implemented at the time of writing. When we issue a reconsideration direction the complaint must be re-examined by police officers not involved in dealing with the original complaint. These are usually issued in more serious and complex cases and police must also provide a report to us on the action taken. Reconsideration directions can take longer to implement and at the time of writing, 26 of the 52 have been completed. The recommendations and reconsideration directions issued this year include the following:

- recommendations to Police Scotland to issue an apology and examine further complaints relating to an allegation of non-recent sexual abuse (PIRC/00163/17);
- an amendment to Police Scotland procedures to ensure that custody CCTV footage is seized when complaints are made (PIRC/00453/16); and
- a direction to Police Scotland to reconsider a complaint about a person being told by the police not to protest at a particular location, contrary to the European Convention on Human Rights (PIRC/00642/16).

Finally, we continue our work with Police Scotland and the Scottish Police Authority (SPA) to ensure that both organisations maintain suitable arrangements for handling complaints. In July 2017, we conducted a comprehensive audit of the SPA's procedures. Our report, published in December 2017, identified a number of areas of concern and made 12 recommendations intended to improve, simplify and streamline the Authority's complaints procedures.

*See glossary on page 39

Review Case Studies

1. QUALITY OF INVESTIGATION AFTER ELDERLY WOMAN STRUCK BY VEHICLE

Background

An elderly woman was struck by a vehicle as she crossed a road near her home, sustaining a broken ankle and laceration to the back of her head. She spent three weeks in hospital as an in-patient, after which she went to live with her sister for a further six weeks until she recovered from her injuries.

Two months after the incident, the woman wrote to Police Scotland seeking an update on their enquiries and pointing out that she had heard nothing from them since the accident. Police Scotland advised her that her case was closed. The woman subsequently wrote to Police Scotland on four separate occasions, expressing her dissatisfaction at what she saw as the lack of investigation into the accident. In her last letter she specifically stated that she was making a formal complaint. Eight months later she received Police Scotland's final response letter dealing with her complaints.

Complaints

The woman complained to Police Scotland that:

1. police did not carry out a full, or indeed any, investigation into the road traffic accident;
2. police did not speak to her after the incident to establish her version of events;
3. during a meeting at the woman's home in relation to her complaints, the police officer gave her misleading information; and
4. the quality of service provided by Police Scotland was "contradictory".

Police Scotland did not uphold any of the woman's complaints. She subsequently asked the PIRC to review how Police Scotland had handled her complaints.

Conclusions

Our review concluded that none of the complaints had been dealt with to a reasonable standard.

In respect of the woman's first complaint, we found that during the police investigation, the officers:

- did not take any statements from civilian witnesses who witnessed the accident;
- did not seize and preserve CCTV footage capturing the accident;
- miscategorised the woman's injury as "slight" rather than "serious";
- did not provide operational statements concerning the initial incident or the complaint enquiry; and
- failed to follow Police Scotland's standard operating procedure on road traffic collisions.

With regard to her second complaint, Police Scotland did apologise for its lack of direct contact with the woman. However, in its final response letter, Police Scotland determined that it had conducted a "full and thorough" investigation that had established that she was at fault for the road traffic accident. On this basis, Police Scotland concluded there was no need for the officers to speak to the woman to establish her version of events.

Concerning the woman's third complaint, our review established that there was no auditable record of what was said to her during a meeting she had with officers to discuss her complaint and that none of the officers had provided statements about the complaint enquiry. As such, it was not clear on what basis Police Scotland had decided not to uphold this complaint.

In addressing her fourth complaint, we found that the enquiry officer who recorded the woman's complaints had failed to establish what she meant when she stated that the quality of service she had received was "contradictory".

Outcomes

In light of the significant shortcomings identified during our review, we issued reconsideration directions for all four of the woman's complaints.

In relation to the first two, we directed Police Scotland to re-assess the quality of its initial investigation into the road traffic accident with specific reference to the five bullet points listed above.

In relation to the third complaint, we directed Police Scotland to take statements from the officers involved. Furthermore, in light of its re-assessment of the first two complaints we directed Police Scotland to determine whether the information given to the applicant during her meeting with the officers was accurate.

In relation to the woman's final complaint, we directed Police Scotland to ascertain what she had meant by "contradictory". Thereafter, again depending on its re-assessment of the first two complaints, Police Scotland was directed to reconsider the entire complaint.

We also observed that the length of time the police had taken to deal with the applicant's complaint was excessive. We therefore directed Police Scotland to both acknowledge this in future correspondence with the woman and resolve the situation so that similar delays do not occur in future.

The reconsideration directions have now been completed by Police Scotland. The complaints were reassessed and a further response was issued to the applicant, with the majority of her complaints now upheld.



2. CLAIMS OF WRONGFUL ARREST AND OF BEING SUBJECT TO EXCESSIVE FORCE

Background

A man was detained, charged or arrested on at least eight separate occasions between September 2014 and May 2016. The charges related to a variety of offences, including domestic incidents, disorderly conduct aggravated by racial prejudice, drug offences, breaches of special bail conditions and failure to attend court.

In April 2016 and February 2017 the man submitted numerous complaints about these incidents. Police Scotland responded to his complaints in May and July 2017 respectively. The applicant was not satisfied with the responses he received and asked the PIRC to review how Police Scotland had handled nine of his complaints.

Complaints

In seven of the nine complaints, the man alleged that on various occasions between 2014 and 2016 he had been wrongly, unlawfully or unnecessarily arrested, detained or charged with various offences.

He also complained that his former partner, whom he alleged had assaulted him, had not received severe enough punishment from the court.

His final complaint was that in May 2016, police officers used excessive force during his arrest.

Conclusions

Our review found that Police Scotland had carried out a very detailed and thorough enquiry into the man's complaints.

We determined that in relation to each of the seven alleged wrongful or unlawful arrests or detentions, Police Scotland had provided a very well-reasoned response that accurately reflected the available evidence. Furthermore, it had explained not only the procedures applicable in each case but also the legal basis for the officers' actions.

In relation to the complaint concerning the man's former partner, we found that Police Scotland's final response letter accurately explained both the different functions of the court and the police and that the final outcome lies with the presiding sheriff rather than the police. During its enquiry into this complaint, Police Scotland identified an additional allegation made by the man against his former partner that had not been recorded or dealt with appropriately. For this, Police Scotland issued an apology, advising the man that the allegation would be considered. Police Scotland went on to uphold this complaint and advised the man that the relevant officer would receive corrective action.

Police Scotland did not uphold the man's final complaint, that of excessive force. Our review found that Police Scotland's response letter accurately reflected the statements of all officers involved in the incident. We therefore concluded that the police finding was justified on the evidence available.

Outcomes

We determined that Police Scotland had handled all nine complaints to a reasonable standard. Police Scotland had carried out a thorough enquiry into the man's complaints and accurately presented the available evidence in its final response letters. Furthermore, we found that during its complaint enquiry Police Scotland had uncovered shortcomings in its investigations of the man's allegations that he had not complained about. Not only did Police Scotland acknowledge those shortcomings but it also made efforts to rectify the situation, upholding the man's complaint, offering him an apology and taking corrective action concerning the officer responsible. We believe that this demonstrated a high standard of complaint handling that was open, transparent and focused on resolution.

Overall, we found that Police Scotland had handled the complaints very well and accordingly we made no recommendations.

The Work of the **Corporate Services Team**

Demand for our services was particularly high throughout 2017-18. Although the impact was felt particularly by our Investigation Team (see page 16), all operational areas of the organisation found themselves having to cope with the additional pressure this incurred.

As a consequence, we submitted business cases to the Scottish Government for additional resources.

In response, we received an initial, one-off sum of £100,000, to be supplemented by an increase to our annual budget, which next year will stand at £4.2 million.

The additional monies received so far have allowed us to initiate a recruitment exercise for specialist staff and begin work on improving facilities for all our staff. By doing so, we will be able to substantially strengthen resilience across the organisation and ease some of the pressure on our services.

Understandably, both increasing demand on services externally and the growth of the organisation internally had a concomitant effect on our Corporate Services Team. General and specialist support functions such as human resources, facilities management, procurement, finance and communications all experienced significant increases in workloads as a result.

In addition to performing the functions above, the Corporate Services Team handles a considerable number of requests from other bodies and individuals. This year, it dealt with the following:

- 44 data protection (DPA) requests, handling 93.1% within the statutory timescale of 40 days;
- 59 freedom of information (FOISA) requests, processing 93.2% within the statutory timescale of 20 working days;
- 12 complaints made to the organisation; and
- payments to suppliers, 98.4% of which were made within 10 days (95% being our target for the year).

Success in meeting our business objectives ultimately depends on the commitment and professionalism of our staff. Once again, we are proud to report an impressively high attendance rate of 98%, which epitomises our dedication and determination to provide the best service possible.

Public awareness of who we are and the work we do to secure continuous improvement in police services is critical to raising public confidence in policing. This year, a number of high profile investigations generated a great deal of media activity and further interest in the organisation.

In addition, our Communications Team continues to liaise with the media to keep journalists informed about our role and functions, as well as our activities and findings. We also post regular updates on our work on social media.

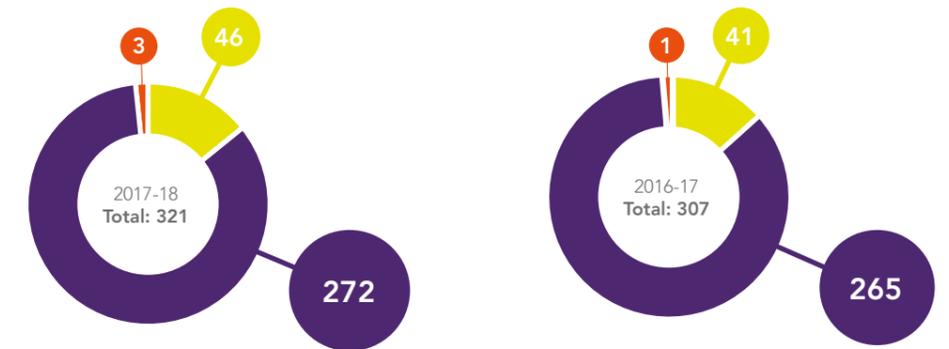
Greater public access and insight into what we do is now also possible thanks to our new website, which was launched in October.



Key Statistics 2017-18

Independent Assessments

1. Independent assessments of police firearms incidents:



Assessment Type of Firearm

- Conventional
- CS/Pava
- Taser/other

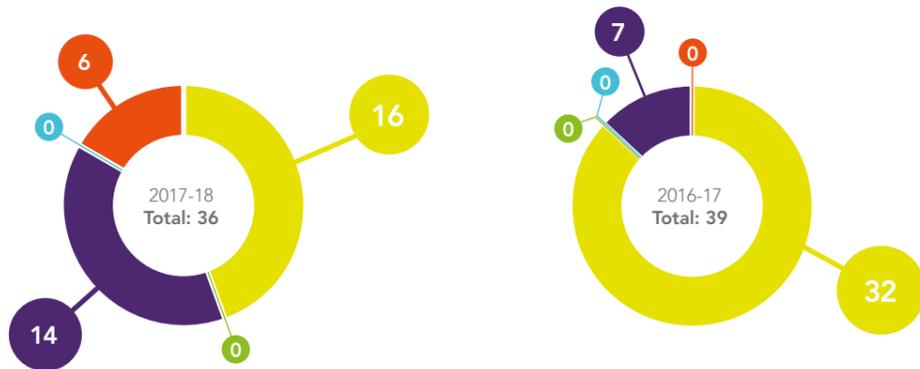
2. Independent assessment of other matters:



*This figure now includes assessments that progressed to full investigation.

Independent Investigations

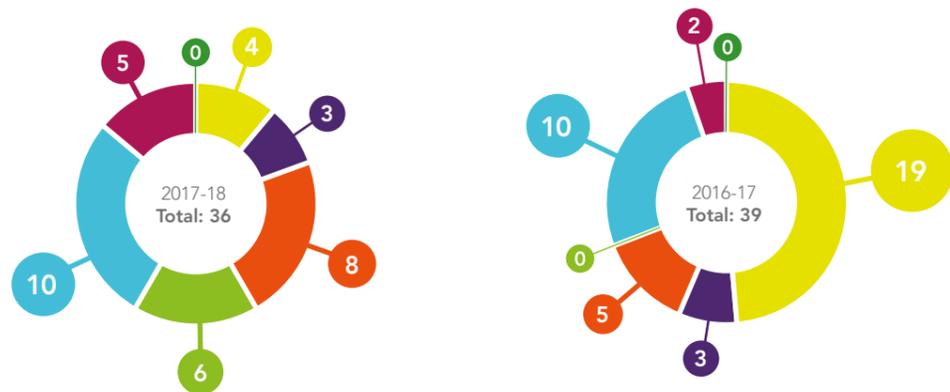
3. Source of investigations:



Referring Body

- Crown Office and Procurator Fiscal Service (COPFS)
- Police Scotland
- Scottish Police Authority (SPA)
- Other policing bodies
- Public interest

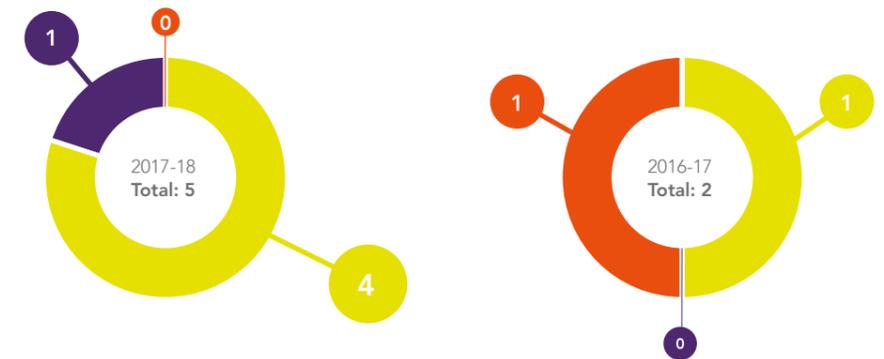
4. Type of investigation:



Category

- Death following police contact
- Death in police custody
- Serious injury following police contact
- Misconduct by a senior police officer
- Criminal allegations about police officers
- Use of firearms by police officers
- Public interest enquiry

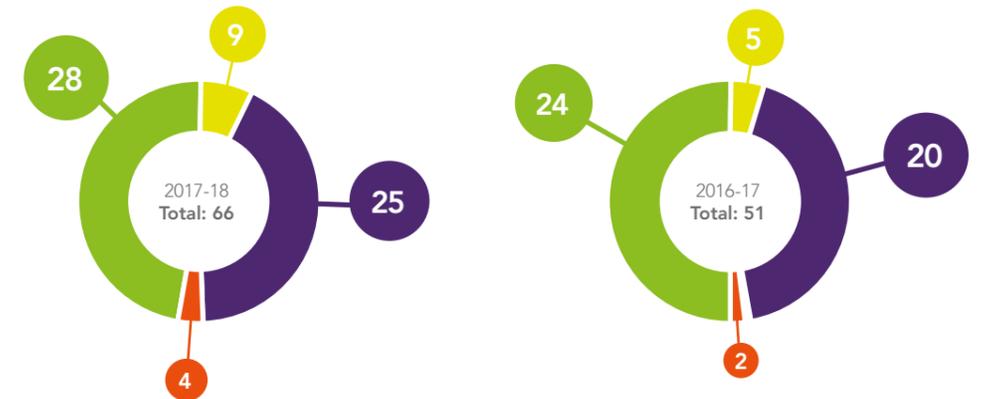
5. Firearms Investigations by type of firearm:



Type of Firearm

- Conventional
- CS/PAVA spray
- Taser/other

6. Reports published or submitted to the Crown Office and Procurator Fiscal Service (COPFS) or the Scottish Police Authority (SPA):

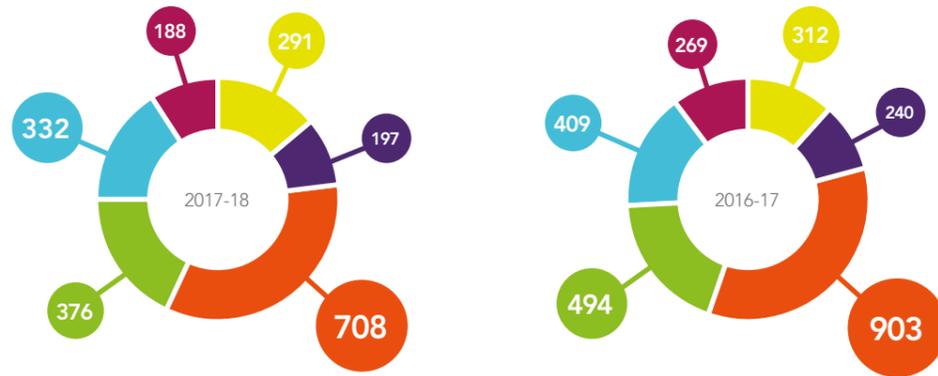


Reports

- Published
- Submitted to COPFS
- Submitted to SPA
- Ongoing

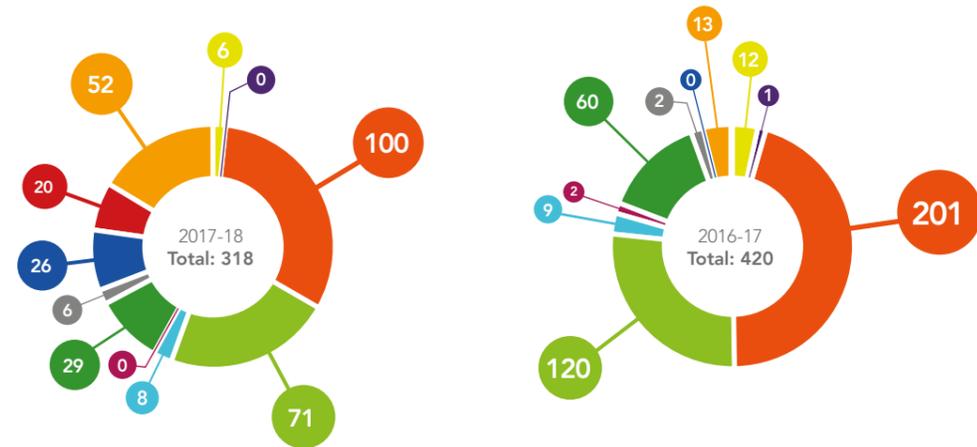
Independent Complaint Handling Reviews

1. Complaint Handling Reviews overview



- Applications received
- Applications accepted
- Total number of Heads of complaint
- Heads of complaint handled to a reasonable standard
- Heads of complaint not handled to a reasonable standard
- Cases concluded

2. Recommendations and reconsideration directions issued



- Apologise
- Change policy/procedure
- Provide further response
- Conduct further enquiry
- Other
- Reclassify complaint
- Record complaint and respond
- Review policy/procedure
- Reassess complaint and respond
- Record as complaint
- Reconsideration direction

Recommendations Accepted



Recommendations Not Accepted



Recommendations Implemented



Recommendations Not Implemented



¹This figure was correct at the time of publication, although it is likely to increase as and when outstanding recommendations are implemented. It also excludes reconsideration directions. At the time of writing, 26 of 52 reconsideration directions (50%) had been carried out.

²This figure was reported as 92% in last year's annual report, but has since increased.

Corporate Services



Relevant Legislation and Regulations:

- The Police, Public Order & Criminal Justice (Scotland) Act 2006
- The Police and Fire Reform (Scotland) Act 2012
- The Police Investigations & Review Commissioner (Investigations Procedure, Serious Incidents and Specified Weapons) Regulations 2013
- The Police Service of Scotland (Senior Officers) (Conduct) Regulations 2013

Policing Bodies Operating in Scotland:

- Police Scotland
- The Scottish Police Authority
- British Transport Police
- British Transport Police Authority
- The National Crime Agency
- Civil Nuclear Constabulary
- Civil Nuclear Police Authority
- Ministry of Defence Police
- UK Visas and Immigration
- HM Revenue & Customs

Glossary

Balance of probabilities – in applying the ‘balance of probabilities’ test, the complaint handler must determine, based on the evidence available, whether one account is more probable than the other

COPFS – Crown Office and Procurator Fiscal Service

DPA – Data Protection Act 1998

FOISA – Freedom of Information (Scotland) Act 2002

Heads of Complaint – Complaints identified by the PIRC and confirmed with the complainer following assessment of the application form and case papers

PIRC – Police Investigations & Review Commissioner

Senior Police Officer – Police Officer of rank of Assistant Chief Constable or above

SOP – Standard Operating Procedure

SPA – Scottish Police Authority

pirc

Police Investigations &
Review Commissioner

The Police Investigations &
Review Commissioner (2018)

The PIRC Commissioner's Annual Report
presents highlights of the PIRC's achievements
for the financial year 2017-18 and details the
organisation's performance against its objectives.

Copies can be downloaded from our website:
pirc.scot

Design by StudioSVN

Police Investigations & Review Commissioner

Hamilton House
Hamilton Business Park
Caird Park
Hamilton ML3 0QA

PIRC ANNUAL REPORT AND ACCOUNTS

2017-18

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Police Investigations &
Review Commissioner

SG/2018/201

THE PERFORMANCE REPORT

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ACCOUNTS DIRECTION BY SCOTTISH MINISTERS

PERFORMANCE REPORT

OVERVIEW

This section provides information on our principal activities, purpose and the risks to achieving our objectives for the year ended 31st March 2018.

Statement by Director of Operations

Performance Summary

The Police Investigations & Review Commissioner (PIRC) continues to carry out her statutory functions amid a backdrop of dealing with matters of a more complex nature.

During 2017-18 our Investigations Team received 422 referrals from a combination of policing bodies, the Crown Office and Procurator Fiscal Service (COPFS) and the Scottish Police Authority. Of these, 36 became full investigations which although is three less than the previous year, included a substantial increase of 5 to 15 in the number of 'Category A' investigations which are major investigations requiring significant staffing resources.

The increase in Category A investigations was largely attributed to 6 referrals from the Scottish Police Authority relating to allegations of senior officer misconduct. These investigations by their nature were high profile and placed significant demands on our team at a time when they were already dealing with a high number of investigations which involved deaths and allegations of criminality about police officers.

For the Review Team, it was another challenging year. The team issued 188 Complaint Handling Review (CHR) reports, encompassing 708 separate complaints. Despite dealing with a higher volume of complaints per case, we succeeded in completing 94% of these reports within three months of allocation, once the necessary information had been provided to us.

The sustained demand on the organisation placed additional pressures on the Corporate Services Team, which provides critical support functions to the wider organisation not least in facilitating an intensive recruitment program to bolster our resilience across the organisation and carrying out preparatory work to ensure that we would be GDPR compliant in advance of the May 2018 start date.

The organisation continues to produce high quality, independent and impartial reports and services to all stakeholders. This can be attributed to the commitment and professionalism of our staff. Once again, we can report an impressively high attendance rate of 98%, epitomising their dedication and determination to provide the best service possible.

All of our Strategic Objectives have been met and although we fell short on two of our KPI's in relation to the number of audits carried out and Learning Point bulletins

produced, this was due to a temporary resourcing issue and did not impact on the overall achievement of our objectives

Public awareness of the work undertaken by our staff is a critical part of demonstrating how we are working with policing bodies to ensure continuous improvement in the service delivered by them to the public. To that end, in October we launched our new website, which has made us more accessible to the public, while better explaining the functions that we carry out.

The past 12 months have once again posed a number of new challenges and I'm pleased to report that staff once again rose to meet the new demands placed upon them. I thank them for their continued efforts and support.

Principal Activities and Purpose

The Police Investigations & Review Commissioner (PIRC) is an executive non-departmental public body (NDPB) and was initially established as the Police Complaints Commissioner for Scotland (PCCS) by the Scottish Parliament in 2006 in terms of the Police, Public Order and Criminal Justice (Scotland) Act 2006 ('the 2006 Act'). The Police and Fire Reform (Scotland) Act 2012 amended the 2006 Act and on the 1st April 2013, introduced the role and functions of the Police Investigations and Review Commissioner.

The Commissioner who is appointed by Scottish Ministers is independent of the police and delivers a free and impartial service. The role of the PIRC is to independently investigate incidents involving the police and independently review the way the police handle complaints from the public.

The PIRC aims to secure and increase public confidence in policing in Scotland by supporting continuous improvement, promoting positive change and thereby driving up standards in policing bodies operating in Scotland.

Key Issues and Risks

The PIRC manages risk in accordance with recognised best practice and holds a Risk Register which is reviewed monthly by the Heads of Department Group where risk owners agree actions to eliminate or mitigate the risks identified.

The PIRC's risk management procedures are reviewed with our Audit and Accountability Committee (AAC) and Scottish Government (SG) Sponsor Team on a quarterly basis. The PIRC Risk Register is a standing agenda item at these governance meetings.

During 2017-18 we continued to monitor our risks and in particular special consideration was given to the risk posed by the continued rise in demand in investigations. In June, July and August 2017 business cases were submitted to the Scottish Government evidencing the increased demand profile. Lack of available resource to satisfy increased demand profile continued to be the greatest risk posed by the PIRC. Adequate resource underpins the success of reaching all KPI annual targets used as a measure against strategic objectives. In November 2017 the Scottish Government provided a non-recurring award of up to £100,000 for use by 31 March 2018 in order to mitigate against the risk to capacity. This additional award

was used to bring in agency staff in support to the Investigations Team. Further engagement with the Scottish Government resulted in an increased budget allocation of £1,068,000 for the financial year 2018/19. A recruitment process began in February 2018 to increase staffing in areas of greatest business demand.

PERFORMANCE ANALYSIS

Performance and Performance Measurement

The PIRC's Strategic and annual Business Plans are available on the PIRC website at http://pirc.scotland.gov.uk/corporate/business_and_corporate_plans

The Strategic Plan outlines the PIRC's strategic priorities and describes three key strategic objectives which inform the annual Business Plan.

The strategic objectives for 2016-19 are as follows:

- 1. To undertake independent, thorough and timely investigations into incidents involving the police, with the aim of improving their procedures and increasing public confidence in policing in Scotland.**
- 2. To undertake independent examination of the way the police handle complaints, with the aim of increasing public confidence in policing in Scotland by making recommendations and ensuring that policing bodies have suitable complaints procedures.**
- 3. To demonstrate a high level of governance and business effectiveness in accordance with the best practice for Scottish public sector bodies.**

For each of the Strategic Objectives the Commissioner has agreed a series of key performance indicators (KPIs) which form the basis of the PIRC's performance management framework. Performance against these KPIs is reviewed monthly by the Heads of Department Group and quarterly by the Audit and Accountability Committee (AAC) and Scottish Government (SG) Sponsor Team meetings.

Details of how we performed against these KPIs is contained below:-

Strategic Objective 1 : March 2018		
MEASURE	YEAR END FIGURE	ANNUAL TARGET
Assessments to be completed within 5 working days of receipt of requested documentation.	100%	90%
Final reports submitted to Policing Bodies are accepted as materially factually accurate.	100%	95%
Investigation staff receive identified training and development requirements by year end	100%	90%
Internal briefings held to increase the operational competency and capability of Investigators	7	5
Quarterly trainee mentoring meetings are completed within timescales	100%	100%
% of Police Scotland probationer training and first line manager training courses to receive presentations by PIRC staff.	100%	95%
No. of presentations per annum to be delivered to non-police stakeholders e.g. COPFS, NHS etc.	7	4

Strategic Objective 2 : March 2018		
MEASURE	YEAR END FIGURE	ANNUAL TARGET
Number of upheld material challenges to CHRs	0.0%	5%
Cases accepted for Complaint Handling Reviews completed within 3 months	94%	90%
Compliance with the Recommendations monitoring process	100%	95%
Number of audits to be completed within the year	1	2
PIRC presentations delivered to police complaints handlers	7	3
Learning Point bulletins issued	1	2

Strategic Objective 3 : March 2018

MEASURE	YEAR END FIGURE	ANNUAL TARGET
Internal & external audit recommendations within agreed timescales	100%	100%
PIRC management accounts submitted to HoDG monthly	100%	100%
Achieve 95% payments to suppliers within 10 days	98.2%	95%
Achieve 3% efficiency saving	3.65%	3%
Complete Training Needs Analysis (TNA) by end of June	Jul	Jul
Complete Succession Planning by September	Oct	Oct
Complete review of Performance Appraisal by end of January 18	Jan-18	Jan-18

Financial Performance

Our aim has been to deliver a high level of service whilst continuing to provide value for money by using our funding to maximum effect.

Our funding is delivered by way of Grant in Aid provided by the Scottish Government. The Scottish Ministers are accountable to the Scottish Parliament for the financial resources of the PIRC and for the allocation of the correct level of financing from the Scottish Government. In 2017-18 our Grant in Aid (GIA) of £3.286 million (comprising £3.186 million original GIA plus the additional non-recurring £0.1 million) was spent as follows:-

	2017-18	2016-17
Staffing costs	2,531,000	2,503,000
Other operating costs	624,000	562,000
Capital		
Depreciation	100,000	115,000
Total:	3,255,000	3,180,000

In line with the Scottish Government and other NDPBs, the PIRC has implemented full reporting of the Annual Accounts under International Financial Reporting Standards (IFRS).

Payment Policy and Performance

The PIRC aims to ensure that 95% of all suppliers invoices, not in dispute, are paid within 10 days. In 2017-18 performance against this target was 98.4%

Environmental Sustainability

The PIRC is committed to reducing its carbon footprint and previously we had produced data charts that show our impact. For a small organisation like PIRC which can have large fluctuations in carbon impact that are directly linked to the demands, we think a different approach is more meaningful. Listed below are some of the initiatives that we continue to take to reduce our carbon footprint:

- Over the past year we have continued to reinforce the use of our IT systems for people to communicate with us whether by requesting a complaint handling review, applying for a job or simply contacting us through email.
- We continue to use efficient heating and lighting controls to minimise our energy use however it has been necessary to increase our office footprint as the organisation grows and our operational requirements develop.
- Our internal communications and for the most part our external communications are mainly electronic.

As PIRC is not classified as a 'major player' as per the Sustainable Scotland website, we are exempt from mandatory sustainability reporting requirements.

Working with Communities

During the year we have continued our commitment to the Trainee Programme recruiting two Trainee Investigators. At the same time we continued our commitment to Modern Apprenticeships (MA) by appointing a further member of staff on the programme.

Accredited Living Wage Employer

In September 2017, the PIRC became an accredited living wage employer. The PIRC living wage commitment ensures that all employees, regardless of whether they are direct employees or third-party contracted staff, receive a minimum hourly wage of £8.45. This rate is significantly higher than the statutory minimum for over 25s of £7.50 per hour introduced in April 2017.

The accreditation programme in Scotland launched in April 2014. It is an initiative from The Poverty Alliance, in partnership with the Living Wage Foundation, and is funded by the Scottish Government

SIGNED:



Alan Buchanan

Date: 30.10.18

ACCOUNTABLE OFFICER

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

This section contains the Directors' Report, the Statement of the Accountable Officer's Responsibilities and the Governance Statement.

The Directors' Report

The organisation comprises an Executive Team of the Commissioner, Kate Frame and the Director of Operations and Accountable Officer, John Mitchell. Alan Buchanan joined the Executive Team on the 15 January 2018 in order to facilitate the handover of the Director of Operation and Accountable Officer role. The Executive Team is supported by the following Heads of Department:

Head of Investigations – John McSparran

Head of Reviews and Policy – Ilya Zharov

Head of Corporate Services and Human Resources – Les Common until April 2017 and Sharon Smit from June 2017

It is the responsibility of the Executive Team for directing the major activities of the organisation during the year. It is for this reason that disclosure details provided in this report relate to the members of the Executive Team as named above.

The monthly Heads of Department Group meeting is attended by the Executive Team and is further supported by the leads on Finance and Communication. Performance, risk, finances and matters of strategic importance are considered at this meeting.

The PIRC Register of Interests is available on the PIRC website at the [following link](#). On the basis of robust assurance provided, there are no interests that conflict with the interests of the PIRC.

There were no data related security incidents during the year 2017/18.

Statement of Accountable Officer's responsibilities

In terms of the Police, Public Order and Criminal Justice (Scotland) Act 2006, Scottish Ministers have directed the PIRC to prepare for each financial year a statement of accounts in the form and on the basis set out in their Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PIRC and of its comprehensive net expenditure, financial position, cash flows and movement in taxpayers' equity for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the Financial Reporting Manual (FRM) and in particular to:

- observe the Accounts Direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards as set out in the FReM have been followed and disclose and explain any material departures in the financial statements.
- prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the Commissioner will continue in operation.
- confirm that, as far as he or she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he or she ought to have taken to make himself or herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

As Accountable Officer I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.

As Accountable Officer, I confirm that this annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the PIRC's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the PIRC, in accordance with the responsibilities set out in the "Memorandum to Accountable Officers".

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the PIRC's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The processes within the organisation have regard to the guidance to public bodies in Scotland issued by Scottish Ministers and set out in the Scottish Public Finance

Manual with further guidance contained within the Governance and Accountability Framework Document agreed with Scottish Government.

As Accountable Officer I also have responsibility for reviewing the effectiveness of the systems of internal control. The following processes have been established to inform my review.

The PIRC has a Heads of Department Group which met twelve times during the year. The Group develop and monitor the plans and agree the strategic direction of the organisation under the strategic direction of the Commissioner. The Group comprises the Commissioner, the Director of Operations, the Head of Human Resources and Corporate Services, the Head of Reviews and Policy and the Head of Investigations. The Group is also attended by the Finance Manager and Communications. It considers regular reports from the managers on progress towards meeting the organisation's performance objectives as well as reviewing the PIRC risk register and other standard corporate documents.

The PIRC has an Audit and Accountability Committee (AAC) which met four times during the year. The AAC approves the appointment of our internal auditors and reviews our annual accounts and internal audit reports. The AAC considers the risk management arrangements, receives regular updates on the corporate risk register, and reviews the annual assurances provided by management. The Chair of the Audit Committee provides annual assurance to the Police Investigations & Review Commissioner.

During the year our internal auditors conducted high level reviews of the following aspects of our business governance:

Internal Audits	Assurance Level Provided
Business Continuity Planning	Reasonable Assurance
Complaint Review Process	Reasonable Assurance
Creditor Payments	Reasonable Assurance

The audit results were favourable with no high-level recommendations highlighting any areas that required immediate action. They did, however, recommend a number of medium and low-level actions which have been accepted.

The auditors also followed up on recommendations falling out of previous audits. They concluded that we had made reasonable progress with these. They have made two further low and two medium level actions which we are progressing.

The organisation is taking appropriate action to address the recommendations made by Internal Audit.

The Director of Operations is designated as the PIRC's Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. 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 the PIRC assets, are set out in the Memorandum to Accountable Officers for Other Public Bodies issued

by the Scottish Government which is available at www.scotland.gov.uk/Resource/Doc/1069/0084581.doc

The Accountable Officer received assurance from the former Accountable Officer who retired on 31 March 2018 and also received assurance checklists and certificates from the Heads of Department Group members, the Finance Manager, Head of Communications and the Corporate Services Officer in relation to their particular areas of responsibility.

PIRC has a risk strategy and policy which sets out the approach to risk management which is kept under annual review. The corporate risk register, which identifies the key risks facing the organisation, the likelihood and impact of the risk crystallising, the controls in place, the way in which the risk is monitored and any actions to mitigate the risk, is regularly reviewed by the Heads of Department Group, the AAC and Scottish Government (SG) at the quarterly Business Meeting.

Information risk is covered by the normal risk management arrangements. PIRC remains committed to information management and security and improving our arrangements for data sharing and data protection.

The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular it includes;

- Detailed budgeting processes with an annual budget sign off by the Sponsor Team at SG
- Regular reviews by the Heads of Department Group of financial reports covering progress towards financial targets
- Annual reviews and updates to standing orders, scheme of delegation and standing financial instructions
- Monthly reviews of the corporate risk register
- The PIRC Finance Manager carries out a monthly reconciliation of SEAS to PIRC bank accounts which the Director of Operations agrees
- The PIRC Corporate Services Officer carries out monthly payroll reconciliation, reporting any anomalies to the Director of Operations

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

- The work of the internal auditor which is directed through an audit plan agreed by the AAC and focuses on identified control risk areas. The internal auditors submit regular reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement.
- Quarterly reviews by the AAC of the organisations corporate risk register and the work of Internal Audit in assessing the effectiveness of risk management arrangements.
- Comments made by the External Auditors in their management letters and other reports.

During the financial year to 31 March 2018 and up to the date of this statement no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Police Investigations and Review Commissioner's remuneration is determined by Scottish Ministers. The Commissioner, in turn, determines the remuneration of all staff.

The PIRC submits a pay remit within the terms and conditions of the Scottish Government (SG) Public Sector Pay Guidance to its sponsoring department at SG for negotiation on an annual basis. A single year pay remit was approved for implementation for the whole of the financial year 2017-18 and will be confirmed after the round of pay negotiations.

The PIRC also takes account of guidance from the work of the Senior Salaries Review Body.

In line with SG pay policy guidance there were no performance or other form of bonus payments made in 2017-18.

Staff Resources

The breakdown of staff resources as at 31 March 2018 by gender is shown in the attached table.

	All	Male	Female
Commissioner	1	-	1
Directors	2	2	-
Senior Managers (Other)	3	2	1
Other Staff:	48	23	25
Other appointments:			
Fixed term appointments	3	1	2
Secondees (Inward)	0	-	0
Secondees (Outward)	-	0	-
Agency staff	5	5	-
Total	62	33	29

Remuneration and Pensions Benefits (subject to audit)

	Total Remuneration 2017-18	Total Remuneration 2016-2017
Commissioner – Kate Frame		
Fees	£85,000 - £90,000	£80,000-£85,000
Pension Benefit	£11,000	£19,000
Total	£96,000 - £101,000	£99,000-£104,000
John Mitchell		
Director of Operations		
Salary	£70,000-£75,000	£65,000-£70,000
Pension benefit	£27,000	£27,000
Total	£100,000-£105,000	£95,000-£100,000
Alan Buchanan		
Director of Operations (Designate from 15 January 2018)		
Salary	£10,000 - £15,000	N/A
Pensions benefit	£6,000	N/A
Total	£15,000 - £25,000	N/A

No performance bonuses or benefits in kind were made to the Commissioner or Director.

Pension Benefits	Total accrued pension at age 60 as at 31 March 2018 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2017	CETV at 31 March 2018	Real Value of CETV increase over year
	£'000	£'000	£'000	£'000	£'000
Kate Frame	155-160	2.5 -5	809	877	10
John Mitchell	5-10	0 - 2.5	103	131	19
Alan Buchanan	0- 5	0 - 2.5	0	4	3

Fair Pay Disclosure (subject to audit)

	2017-18	2016-17
Median total remuneration of all PIRC staff	£32,129	£31,811
Pay multiple between mid-point of Highest paid member of staff banding and median total remuneration of all staff	2.88	2.57
Lowest pay banding:	£15,000 - £20,000	£15,000 - £20,000
Highest pay banding	£90,000 - £95,000	£80,000 - £85,000

The Cash Equivalent Transfer Value (CETV)

This is the 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. It 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 they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the member (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.

Pensions

Pension benefits are provided through the Civil Service Pension arrangements. Employees of PIRC may be in one of the statutory based 'final salary' defined benefit schemes (Classic, Premium, Classic Plus, Nuvos and Alpha). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Consumer Price Index. From 1 April 2015 all new staff members join the Alpha scheme which is a career average pension scheme. Staff can still choose to join the Partnership Pension Account which is a good quality 'money purchase' stakeholder arrangement with a significant employer contribution.

Employee contributions for staff earning over £15,000 were set at the rate of 4.6 – 8.05% of pensionable earnings for Classic and at 4.6 - 8.05% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For Premium and Nuvos, 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic, i.e. accruing at 1/80th of final pensionable earnings for each year. Alpha is a career average scheme.

Employer contributions for 2017-18 were £400k (2016-17 £389k) and were on average 16% of pay (2016-17 21%).

Pension Liabilities

PIRC pension benefits are provided through the Civil Service pension arrangements and administered for PIRC by Scottish Government.

Sickness absence

During the period ended 31 March 2018 PIRC has recorded 297 days of sickness absence and an average of 5.2 days per employee. The Chartered Institute of Personnel Development (CIPD) absence survey in 2016 indicates that nationally 6.3 days/person are lost to sickness in a year. PIRC has a performance target of 95% attendance and our performance for the period to 31 March 2018 was 97.9%.

Expenditure on Consultancy and Off Payroll Matters (Subject to Audit)

PIRC spend as follows:

	2017-18	2016-17
Consultancy :	£5,016	£7,732
Off Payroll:	£44,200	-

Equal opportunities and diversity

The PIRC is fully committed to equality in the work place and across our operation. An equality personal objective is mandatory for all PIRC staff.

All PIRC staff undertake biennial mandatory training in relation to equality and received training in 2016-17. All new recruits receive training during initial induction.

PIRC has a range of policies in place to ensure equality matters are given priority. These policies include; Equality and Diversity, Code of Conduct and Recruitment.

Staff costs (subject to audit)

Staff Costs:				2017-18	2016-17
				£'000	£'000
	Permanent	Fixed Term	Agency	Total	Total
Wages and salaries	1,845	46	44	1,935	1,824
Social security costs	192	2		194	197
Other pension costs	391	9		400	382
Staff on secondment costs				-	16
Commissioner fees and expenses				2	84
Total administration staff costs				2,531	2,503

Staff Numbers:	2017-18	2016-17
Average numbers of employees during the year (FTE)		
Commissioner	1	1
Other staff (permanent and temporary appointments)	56	54
Total	57	55

Early Exit Package (subject to audit)

There have been no voluntary termination payments during the financial year 2017/18.

Number of arrangements

	2017/18		2016/17
< £10,000	0	-	0
£10,000 – £25,000	0	-	0
£25,000 – £50,000	0	-	0
£50,000 – £100,000	0	-	0

Total number of arrangements 2017/18 0

Trade Union Facility Time

Approximately 40 hours was spent on trade union facility time which was higher than expected due to a newly appointed representative requiring training.

SIGNED:


ALAN BUCHANAN

DATE: 30.10.18

ACCOUNTABLE OFFICER

Independent auditor's report

Independent auditor's report to the members of the Police Investigations and Review Commissioner, the Auditor General for Scotland and the Scottish Parliament

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 approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Police Investigations and Review Commissioner for the year ended 31 March 2018 under the Police, Public Order and Criminal Justice (Scotland) Act 2006. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2017/18 Government Financial Reporting Manual (the 2017/18 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Police, Public Order and Criminal Justice (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2018 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 2017/18 FReM; and
- have been prepared in accordance with the requirements of the Police, Public Order and Criminal Justice (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our

other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us 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.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer 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 assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve 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 our 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.

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 our 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 our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we 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 our audit of the financial statements, our 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 our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our 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.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are 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 our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Police, Public Order and Criminal Justice (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

In our 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 Police, Public Order and Criminal Justice (Scotland) Act 2006 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 Police, Public Order and Criminal Justice (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our 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
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Nick Bennett, for and on behalf of Scott-Moncrieff

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

31 October 2018

THE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE Year ending 31 March 2018

	<i>Note</i>	2017-18 £'000s	2016-17 £'000s
ADMINISTRATIVE COSTS			
Staff costs	2	2,531	2,503
Other admin costs	3,4	624	562
Depreciation	5	100	115
NET OPERATING COST		3,255	3,180

STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

		31 March 2018	31 March 2017
	Note	£'000s	£'000s
NON-CURRENT ASSETS			
Property, plant and equipment	5	395	455
Total non-current assets		395	455
CURRENT ASSETS			
Trade and other receivables	6	53	34
Cash and cash equivalents	7	389	495
Total current assets		442	529
TOTAL ASSETS		837	984
CURRENT LIABILITIES			
Trade and other payables	8	336	489
Total current liabilities		336	489
Total assets less current liabilities		501	495
NON-CURRENT LIABILITIES			
Other Financial liabilities	8	32	32
Total non-current liabilities		32	32
TOTAL ASSETS LESS TOTAL LIABILITIES		469	463
TAXPAYERS EQUITY			
General Fund	SOCTE	469	463
TOTAL TAXPAYERS EQUITY		469	463

The Accountable Officer authorised these financial statements for issue on

SIGNED:



Alan Buchanan

Date: 30.10.18

ACCOUNTABLE OFFICER

POLICE INVESTIGATIONS & REVIEW COMMISSIONER

Hamilton House

Caird Park

Hamilton

ML3 0QA

Scotland

STATEMENT OF CASH FLOWS
Year ending 31 March 2018

	Notes	2017-18 £'000s	2016-17 £'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating cost	SOCNE	(3,255)	(3,180)
Adjustments for non-cash transactions:			
* Depreciation	5	100	115
* Notional costs	4	3	3
Movements in working capital			
* (Increase)/Decrease in trade and other receivables	6	(19)	10
* Increase/(Decrease) in trade and other payables	8	(153)	26
Net cash outflow from operating activities		(3,324)	(3,026)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(40)	(36)
Net cash flow from investing activities		(40)	(36)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in deferred lease payments	8	0	(8)
Funding	SOCTE	3,258	3,129
Net cash flow from financing activities		3,258	3,121
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(106)	59
Cash and cash equivalents at beginning of period	7	495	436
Cash and cash equivalents at end of period	7	389	495
NET CHANGE IN CASH AND CASH EQUIVALENT BALANCES		(106)	59

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
Year ending 31 March 2018

	<i>Note</i>	General Fund £'000
Balance at 1 April 2017		463
<i>Non-cash charges – notional costs</i>	4	3
<i>Net operating cost for the year</i>	SOCNE	(3,255)
<i>Net funding</i>		3,258
Balance at 31 March 2018		469

Balance at 1 April 2016		511
<i>Non-cash charges – notional costs</i>	4	3
<i>Net operating cost for the year</i>	SOCNE	(3,180)
<i>Net funding</i>		3,129
Balance at 31 March 2017		463

NOTES TO THE ACCOUNTS

Year ending 31 March 2018

1. Statement of accounting policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Police Investigations and Review Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

(a) Basis of accounting

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment to fair value as determined by the relevant accounting standard.

(b) Property, plant and equipment (PPE)

Depreciated historic cost has been used as a proxy for the fair value of all assets. All of the assets in these categories have:

- low values or short useful economic lives which realistically reflect the life of the asset and;
- an amortisation charge which provides a realistic reflection of consumption.

The capitalisation thresholds for the principal categories of assets is £5,000, with the exception of IT assets, where the capitalisation threshold is £1,000. Assets below these thresholds may be capitalised if they fall within the same project.

are Assets under construction are held at cost until operational. Thereafter they are valued as above in accordance with all other assets in the same category and will become subject to depreciation in line with note 1c).

(c) Depreciation

Depreciation is provided on property, plant and equipment, on a straight line basis at rates sufficient to write down their cost over their estimated useful lives. The depreciation periods for the principal categories of assets are: -

Buildings	15 years
Plant and machinery	15 years
Fixtures and fittings	5 years
Office equipment	5 years
Information Technology	5 years

A full year is charged in the year of acquisition, and there is no charge in the year of disposal.

Assets under construction are not depreciated.

(d) Government grants

All of the expenditure of the PIRC is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. Funding for the acquisition of fixed assets received from the Scottish Government is credited to the general fund. Funding received from any other source for the acquisition of specific assets is recognised as income in the statement of comprehensive net expenditure.

(e) Amortisation of rent-free periods

The benefit of rent-free periods on leases of premises is amortised over the period of the lease or over the period to a lease break point when this is the most probable end of lease, whichever is the shorter.

(f) Operating leases

Rentals payable under operating leases are charged to the revenue account over the term of the lease.

(g) Provisions

Provisions are made for obligations which are of an uncertain amount or time at the balance sheet date. During financial year 2017-18, the PIRC made no provisions.

(h) Value added tax

Irrecoverable tax is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

(i) Receivables

All material amounts due as at 31 March 2018 have been brought into the account irrespective of when actual payments were received.

(j) Payables

All material amounts outstanding as at 31 March 2018 have been brought into account irrespective of when actual payments were made.

(k) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme which is an unfunded multi-employer defined benefit scheme.

As it is not possible to identify the PIRC share of the underlying assets and liabilities of the scheme, PIRC has accounted for the contributions to the scheme as if it was a defined contribution scheme. This is in accordance with FRS 17.

The funding arrangements are through defined contributions.

It is not possible to identify or describe the extent to which PIRC is liable for other entities obligations or any agreed allocation of deficit/surplus on the wind-up of the plan given the scale of our involvement in relation to the wider Scottish Government (SG). The exact proportion of the plan attributable to PIRC is negligible in relation to SG and other related bodies within the plan. Employer contributions to the scheme are shown in the Remuneration and Staff Report.

(l) Going concern

The Police and Fire Reform (Scotland) Act 2012 established a single Police Service in Scotland and the Police Investigations and Review Commissioner (PIRC). The act came in to effect on 1 April 2013. PIRC was established and came in to effect from 1 April 2013. It is appropriate for the accounts of PIRC to be prepared on a going concern basis.

(m) Disclosure of new accounting standards

PIRC have considered the expected impact of new accounting standards issued but not yet in effect. PIRC consider the impact is not material.

n) Salaries

The increase in salaries reflect the decision to make the Commissioner post salaried where we had previously paid them a fee. We took the decision to make this a salaried position in order that all staff are on a formal pay scale.

2. Staff costs

An average of 57 staff were on PIRC payroll during 2017/18 at a cost of £2,531k (for full details see Remuneration and Staffing Report).

3. Other operating costs

Other Operating Costs:	2017-18	2016-17
	£'000	£'000
Accommodation including Rent & Rates	215	195
Maintenance and Cleaning	29	33
Office Equipment	15	22
Research and Consultancy	5	12
IT	118	115
Travel and Subsistence	59	59
Legal Fees	12	5
Training and Conference costs	48	22
Telephones	21	19
Electricity	12	9
Printing and Publications	38	27
External audit fee	12	12
Internal audit fee	10	10
Recruitment	12	7
Stationery	5	4
Catering & Hospitality	2	2
Other Office costs	5	6
Furniture & Fittings	3	-
Total other operating costs	621	559

4. Notional costs

Notional Costs:	2017-18	2016-17
	£'000	£'000
Internal Accountancy Fees	3	3
Total	3	3

5. Property, plant and equipment

	Buildings	Fixtures & Fittings	Plant & Machinery	Information Technology	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2017	481	298	22	164	-	965
Additions	-	-	-	40	-	40
Disposals	-	-	-	-	-	-
Transfers to Assets	-	-	-	-	-	-
At 31 March 2018	481	298	22	204	-	1,005
Depreciation						
At 1 April 2017	251	97	22	140	-	510
Charge for year	32	53	-	15	-	100
Disposals	-	-	-	-	-	-
At 31 March 2018	283	150	22	155	-	610
NBV at 31 March 2018	198	148	0	49	-	395
NBV at 31 March 2017	230	201	0	24	-	455
Analysis of asset financing:						
Owned	198	148	0	49	0	395
Finance leased	-	-	-	-	-	-
NBV at 31 March 2018	198	148	0	49	-	395

Prior Year

	Buildings	Fixtures & Fittings	Plant & Machinery	Information Technology	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2016	481	51	22	145	230	929
Additions	-	17	-	19	-	36
Disposals	-	-	-	-	-	-
Transfers to Assets	-	230	-	-	(230)	-
At 31 March 2017	481	298	22	164	0	965
Depreciation						
At 1 April 2017	219	41	20	115	-	395
Charge for year	32	56	2	25	-	115
Disposals	-	-	-	-	-	-
At 31 March 2018	251	97	22	140	-	510
NBV at 31 March 2017	230	201	0	24	-	455
NBV at 31 March 2016 (Restated)	262	10	2	30	230	534
Analysis of asset financing:						
Owned	230	201	0	24	-	455
Finance leased	-	-	-	-	-	-
NBV at 31 March 2017	230	201	0	24	-	455

6. Trade receivables and other current assets

	2017-18	2016-17
	£'000	£'000
Amounts falling due within one year:		
Prepayments and accrued income	53	34
Total receivable within 1 year	53	34

Intra Government Receivables

Prepayments are for services from bodies external to government.

7. Cash and cash equivalents

	2017-18	2016-17
	£'000	£'000
Balance at 1 April	495	436
Net change in cash and cash equivalent balances	(106)	59
Balance at 31 March	389	495

The following balances at 31 March were held at:

GBS Account (NatWest)	389	495
Commercial banks and cash in hand	-	-
Balance at 31 March	389	495

8. Trade payables and other current liabilities

	2017-18	2016-17
	£'000	£'000
Amounts falling due within one year:		
Trade payables	-	-
Other payables	336	489
Total due within one year	336	489
Amounts falling after more than one year:		
Deferred lease payments	32	32
Total	32	32

Intra Government Payables

There were balances within trade and other payables of £224,366 to central government bodies and within deferred lease payments £32,252 payable to central government bodies.

9. Financial instruments

As the cash requirements of PIRC are met through grant funding, financial instruments play a more limited role in creating and managing risk than in a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with PIRC's expected purchase and usage requirements, and PIRC is therefore exposed to little credit, liquidity or market risk.

10. Related party transactions

The PIRC have not been involved in any related party transactions.

11. Capital commitments and contingent liabilities

There were no contracted capital commitments or contingent liabilities.

12. Commitments under Leases

Obligations under operating leases comprise:

	31 March 2018	31 March 2017
	£'000	£'000
Buildings:		
Not later than one year	61	61
Later than one year and not later than five years	243	243
Later than five years	-	22

Payments due under operating leases relate to the lease of premises.

13. Segmental reporting

PIRC is considered to have just one operating segment and therefore no segmental information is produced.

ACCOUNTS DIRECTION



POLICE INVESTIGATIONS AND REVIEW COMMISSIONER

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 10 of Schedule 4 of the Police, Public Order and Criminal Justice (Scotland) Act 2006, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2008, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 31 March 2008