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Police Investigations &
Review Commissioner

**COMMISSIONER'S
ANNUAL REPORT
2018-19**

Police Investigations & Review Commissioner

COMMISSIONER'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

It presents highlights of the PIRC's achievements for the financial year 2018-19 and details the organisation's performance against its objectives.

The report (SG/2019/SG/2019/240) was laid before the Scottish Parliament in November 2019 under section 43 (5) of the Police Public Order and Criminal Justice (Scotland) Act 2006.

Our Purpose and Vision

To increase public confidence in policing through independent scrutiny of police actions and to promote continuous improvement.

Our Priorities

- Carry out thorough and timely investigations of incidents involving the police;
- Carry out thorough and timely reviews of the way police handle complaints made about them and improve the quality of police complaint handling;
- Carry out our functions with a high level of efficiency, governance and accountability.



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The Commissioner's Foreword

As my five-year term as Commissioner draws to a close, I recognise that I have been privileged to lead the organisation through a period of profound change in policing and unprecedented demand for the independent scrutiny of police actions.

Our current operating model was established with some degree of haste in the wake of the decision to form a single Police Service of Scotland in April 2013. Experience over the six years since then, has convinced me that further fine-tuning of our remit and powers would be beneficial. I am hopeful that, as the organisation moves forward into the next phase, there will be further necessary refinement to the independent police oversight framework.

I therefore welcomed the post-legislative scrutiny work of the Police and Fire Reform (Scotland) Act 2012, undertaken by the Justice Committee this year. I also believe that Dame Elish Angiolini DBE, QC's review of the police complaints system in Scotland, which began in September 2018, is timely. Both pieces of work present opportunities to remedy inherent weaknesses in the current system and shape any future model. Last May, we submitted our recommendations to the Committee, flagging up areas that we believe would benefit from reform and thereby strengthening our ability to perform our role. In addition, myself, and several members of staff continue to contribute to Dame Elish Angiolini's review, which I anticipate will consider some of the following matters:

- The level of discretion granted to Police Scotland in handling complaints about its officers;
- The powers afforded PIRC investigators in Crown-directed investigations;
- The powers afforded PIRC investigators in investigations about retired officers;
- Increased PIRC engagement with victims and the families of those whose Article 2 or 3 human rights may have been breached;
- Policing and police oversight bodies' compliance with all human rights principles.

The outcomes of both these strands of work will provide an opportunity to transform the way police actions are independently scrutinised in Scotland. They will also shape the future powers and remit of the Scottish model of independent police scrutiny. Parliament and public appetite will, of course, determine the pace of any recommended change. Nonetheless, I hope that the change process will begin shortly and evolve to meet future public expectations.

As I highlighted in last year's Annual Report, during 2017-18 we experienced a dramatic rise in Category A investigations (i.e. our most serious category of investigation). The Scottish Government responded to our requests for additional resources to meet that higher demand by increasing our budget to £4,254,000. This allowed us to recruit further investigatory staff, providing much needed additional capacity.

Notwithstanding this uplift, the 12 months since then saw another significant rise in the number of investigations directed to us. This resulted in an overall increase in our investigations of 86%.

Within this, the number of investigations from both the Crown Office and Procurator Fiscal Service (COPFS) and Police Scotland more than doubled. Notably, the COPFS alone directed 36 investigations to me this year, equalling the total number of investigations received from all referring agencies last year. In contrast to last year, however, we received no referrals containing allegations of misconduct by senior police officers from the Scottish Police Authority (SPA).

In respect of the Review team, this year we saw a reduction of 12% in the number of complaint handling review (CHR) applications we received (from 291 to 258). This reduction may signify greater public satisfaction with the way in which Police Scotland dealt with their complaints. However, of the applications we did receive, it was disappointing to see that less than half of the complaints had been reasonably handled by the police. We will continue to work with Police Scotland to help improve this figure.

Undoubtedly, this has been a challenging year for the Review team, with a number of gaps in staffing levels because of some short-term issues around recruitment in that team last year. This has led to a backlog of cases which the team, now up to full strength, is working hard to reduce.

The recruitment of additional staff was made possible by the adjustment to our budget in April 2018, which also allowed us to bring in additional Corporate Services support staff. Due to the numbers of new staff and the need to provide accommodation and facilities for them, demand on the Corporate Services team too this year has been intense.

I am grateful to the Heads of Department and the Communications Team for collating the 2018-19 material and data rapidly, to allow me to submit this report to Scottish Ministers in June 2019, before I completed my tenure as Commissioner, and to provide information on our activities last year, as close as possible to the end of the 2018-19 financial year.

My successor will now take the organisation forward into its next phase, guided by a programme of reform that will strengthen the PIRC's ability to provide robust and independent scrutiny of police actions. He or she will do so with the support of a dedicated and highly professional team, and I take this opportunity to put on record my thanks to all staff for their hard work and support during the past five years.

I wish them and my successor well for the future.



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 PIRC seeks to ensure that the SPA and the Chief Constable maintain a suitable system for handling complaints.



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 to the way the police operate and deliver services to the public in Scotland.

The Police Investigations & Review Commissioner can review:

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

The purpose of the Complaint Handling Review (CHR) process is to determine whether or not the complaint was handled to a reasonable standard by the police.

The PIRC cannot carry out CHRs into:

- Complaints of Criminality;
- Complaints made by individuals currently serving, or who formerly served, with the police about the terms and conditions of their service.

At the conclusion of a CHR, the commissioner can make recommendations, identify learning points, and direct the policing body to reconsider their response.

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



Alan Buchanan
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 are honest, open and accountable.

IMPARTIALITY

We carry out our work fairly and independently, ensuring that all evidence is considered objectively and decisions are based on sound professional judgement.

RESPECT

We treat everyone with courtesy and dignity, irrespective of their background and needs.

INTEGRITY

**OUR
VALUES**

RESPECT

IMPARTIALITY



The Work of the **Investigation Team**

This year, policing bodies and the Crown Office and Procurator Fiscal Service (COPFS) referred 508 incidents to our Investigation Team, an increase of 21% on last year's figure of 421. They 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. In contrast with previous years, we received no referrals from the Scottish Police Authority (SPA) containing allegations of misconduct by senior police officers.

In addition to gathering and assessing evidence for each of the 508 incidents, we carried out 67 new, substantive investigations. This is an 86% rise on the number we initiated last year.

Of these 67 cases, 36 (54%) were directed to us by the COPFS:

- 4 deaths in custody;
- 11 deaths following police contact;
- 21 investigations into allegations of criminal behaviour by police officers.

This is more than double the 16 investigations that COPFS directed to us last year. In particular, the largest areas of growth can be seen for deaths following police contact (up from 3 to 11) and criminal investigations (up from 10 to 21).

The number of investigations resulting from a referral to us by Police Scotland also more than doubled this year, from 14 last year to 30:

- 4 deaths following police contact;
- 2 conventional firearms cases;
- 4 CS/PAVA spray discharge cases;
- 13 serious injuries following police contact;
- 7 uses of a Taser.

We also investigated a firearms incident referred by the Ministry of Defence Police. However, as is clear from the above, the main sources of our investigations continue to be the COPFS and Police Scotland.

Looking at the nature of these investigations, those labelled Category A are major investigations or investigations of particular public concern requiring significant resources. The number falling into this category rose for the fourth consecutive year, from 15 to 18.

We also experienced the largest ever increases in both Category B and Category C investigations. Category B investigations are those that may turn out to be lengthy but where lines of enquiry are apparent from the outset. Category C investigations are routine, lower-level investigations. The number of Category B investigations rose from 12 to 25, and Category C investigations from 9 to 24.

Not surprisingly, these figures placed unprecedented demands on our investigators at a time when they were already dealing with a high volume of investigations, in some cases involving deaths or allegations of criminal behaviour by police officers. It is hoped that with the recruitment of more specialist staff this year some of this pressure will begin to ease.

In all our investigations, regardless of which agency refers them, the role of the Investigation Team is to interview relevant witnesses, seize productions and examine the available evidence. The resulting investigation reports set out 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.

We continue to publish our reports of these investigations. Doing so brings greater transparency to our work. It also extends the reach of our recommendations and advice, strengthening our ability to support effective policing and ultimately to increase public confidence.

Stakeholder engagement remains an integral part of the work of the Investigation Team. We continue to give training on our role, purpose, functions and powers 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 the 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.

During the year, in conjunction with the Commissioner, members of the Investigation Team gave evidence to the review being undertaken by the Rt Hon Dame Elish Angiolini DBE QC. The review is assessing current law and practices relating to complaints handling, investigations and misconduct, with a view to identifying recommendations for improving the police complaints system.

Investigations Case Studies

1. POLICE SCOTLAND – INCREASE IN TASER DEPLOYMENT

Background

In December 2017, Police Scotland announced plans to train and equip additional officers with Tasers to improve the safety of the public and its police officers. This followed an increase in both the number of incidents in which officers had been confronted by people with bladed weapons and the number of assaults on officers.

The force trained and equipped around 500 so-called specially trained officers (STOs). These officers were then routinely armed with Tasers from June 2018 onwards.

Human rights and other similar groups had previously raised concerns over the potential for Tasers to be misused or overused when the number of officers investigated with these devices increased. We therefore investigated an initial sample of these cases, whilst continuing to assess every referral of Taser use made to us.

During the year we assessed 34 uses of Tasers, going on to investigate seven of them fully. In the previous year, Police Scotland used Tasers on only three occasions.

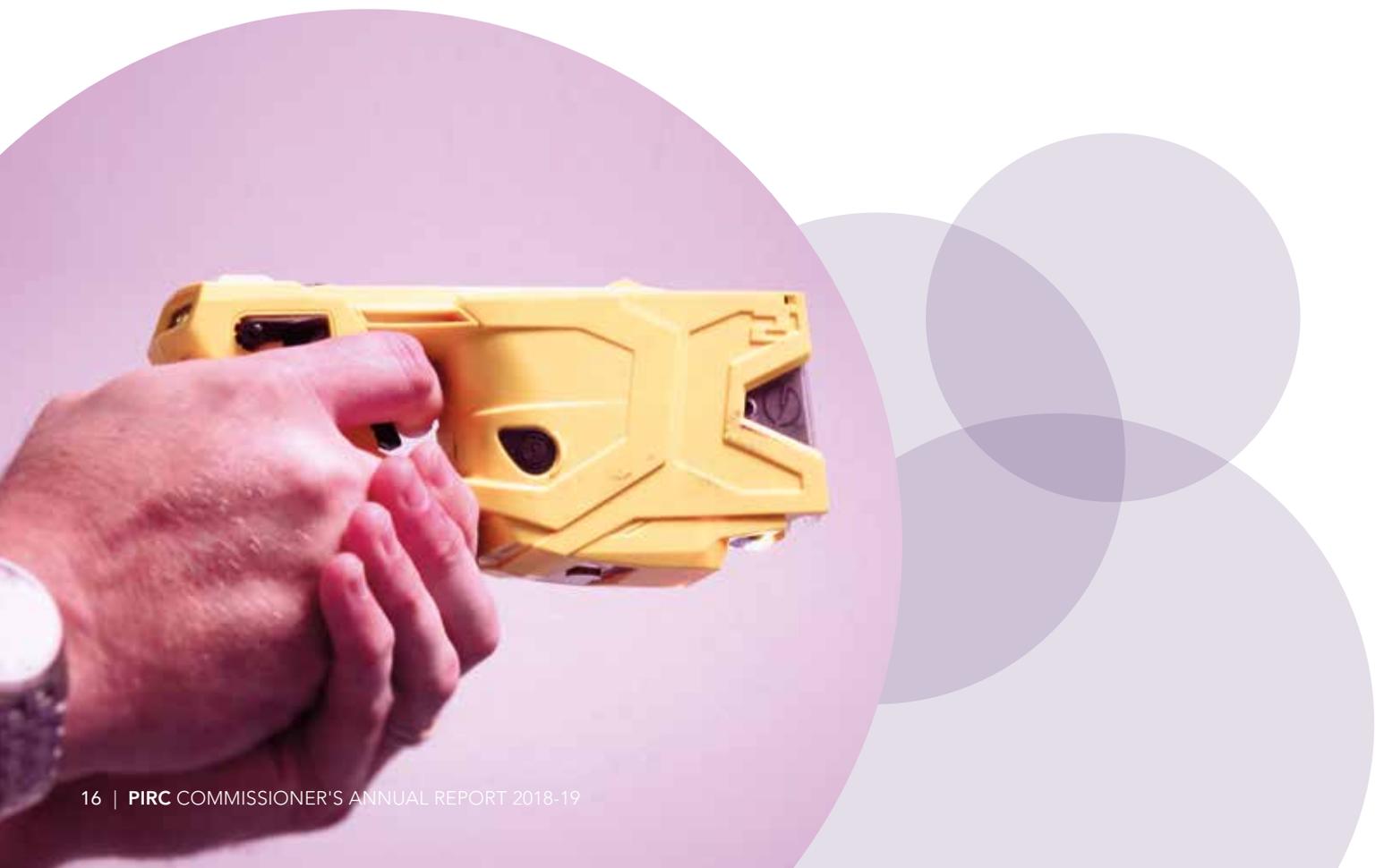
Findings

In all but one of the seven investigations we found that the use of Tasers had been necessary, justified and proportionate.

Unsurprisingly, STOs often used Tasers when confronted with people armed with weapons such as knives, machetes, firearms and crossbows. On other occasions, they used them when being threatened with violence.

Generally, it appears that the use of Tasers by Police Scotland's STOs increased their safety and allowed them to resolve incidents quickly without having to call upon the force's limited number of specialist firearms officers.

We also observed that the use of Tasers had often helped to save the lives of people with mental health issues threatening to commit suicide or self-harm using weapons. In these circumstances, the officers were able to limit the self-harm or even prevent the death of these individuals.



2. ATTEMPTED MURDER OF TWO POLICE OFFICERS IN GREENOCK

Background

On 1 June 2018, two police officers were stabbed by a man as they assisted NHS staff at a house in Greenock. The man, who suffered from a mental illness that included paranoid schizophrenia, was being cared for in the community. Despite receiving serious injuries, the officers attempted to arrest him. Not having Tasers, they used PAVA spray to subdue him. However, the PAVA spray appeared to have no effect and the man managed to run off.

Both officers radioed for immediate assistance and updated the police control room on the situation. Responding to their request, a number of police officers made their way to the scene. The first officers arrived in a marked police car and saw the man walking towards them, armed with a knife.

The driver of the police car, aware that two officers had already been seriously injured, assessed that the man posed an immediate risk to the lives of police officers and members of the public. Believing that he had no other option, the driver decided to use the police car to hit the man in an attempt to either disarm or incapacitate him.

The officer drove at low speed and struck the man, who hit the car's bonnet and fell to the ground. The man then got back onto his feet and attempted to stab the officer driving the car before running off again. He was arrested after a short chase.

The man later appeared at Glasgow High Court and was ordered to be detained at the State Hospital, Carstairs for an unlimited period of time.

Referral to the PIRC

Police Scotland referred the incident to the PIRC on 1 June 2018 under the Police, Public Order and Criminal Justice (Scotland) Act 2006 as amended, and the Police Investigations and Review Commissioner (Investigations, Serious Incidents and Specified Weapons) Regulations 2013.

PIRC Investigation

The PIRC was asked to investigate the circumstances that took place immediately after the original two officers were injured. In particular, the investigation focused on the actions and decision-making of the other officers attending the scene, including one officer's decision to use a police vehicle to deliberately strike the man, bring him under control and arrest him.

During the course of the investigation, PIRC investigators examined the incident scenes and vehicles, obtained statements from police officers, police staff and members of the public, and interviewed key witnesses. They also examined STORM command and control incident logs, telephone and Airwave recordings, briefing papers, Scottish Police Authority photographs, the PAVA Discharge report, the Use of Force form and Standard Operating Procedures (SOPs).

Findings

Our investigation found that:

- The man was not known to Police Scotland or recorded on any of its systems at the time of the incident;
- Two police officers were seriously injured during the incident;
- Police officers discharged PAVA spray at him on three occasions but with little effect. In the circumstances, the discharge of PAVA spray was necessary, proportionate and justified;
- The officer driving the police car made a dynamic risk assessment of the situation. Having considered both the tactical options available to him and the level of threat posed by the man, who was still armed with a knife, the officer deliberately drove at and struck the man with the car. In the circumstances, the officer's action was proportionate and justified;
- Police officers subsequently arrested the man, during which he sustained minor injuries having been struck several times by an officer using a police-issue baton. In the circumstances, the use of the baton was necessary, proportionate and justified;
- The police officers involved in the initial incident with the man and his subsequent arrest, displayed professionalism, sound judgment and extreme bravery.

3. DEATH FOLLOWING POLICE CONTACT - MUSSELBURGH

Background

Around 2.30 in the morning of Wednesday 9 May 2018, Police Scotland officers found the body of a 39-year-old woman in her home in Musselburgh.

A family member had first contacted Police Scotland on 5 May 2018 to report her concern for the woman's welfare. Local officers were sent to the woman's home later that day. They found the woman safe and well and updated her family with this information.

Around 1.55pm on 8 May 2018, the same family member contacted Police Scotland again to report her concern for the woman as she had not heard from her since 5 May 2018. An officer went to the woman's house around 5pm that afternoon, but received no reply. He went back again at around 9pm that night. Having managed this time to let himself in, he searched the house but did not find the woman.

After gaining more information from the family member about the woman's health, officers returned to the house at 2.30am on Wednesday 9 May 2018 and found the woman lying dead in a cupboard.

Referral to the PIRC

On 9 May 2018, Police Scotland referred the incident to the Police Investigations & Review Commissioner (PIRC) under the Police, Public Order and Criminal Justice (Scotland) Act 2006 as amended, and the Police Investigations and Review Commissioner (Investigations Procedure, Serious incidents and Specified Weapons) Regulations 2013.

PIRC Investigation

The PIRC investigation focused on the police handling of the incident, their decision-making processes in light of the family's concerns for the woman and the actions that were subsequently taken by the police.

PIRC investigators visited the scene and obtained statements from police officers, police staff and civilians. They also examined Command and Control incident logs, telephone and Airwave recordings, Police Scotland Standard Operating Procedures and documents.

Findings

Our investigation identified a number of failings in the way Police Scotland responded to the reports about the woman, and made the following findings and recommendations:

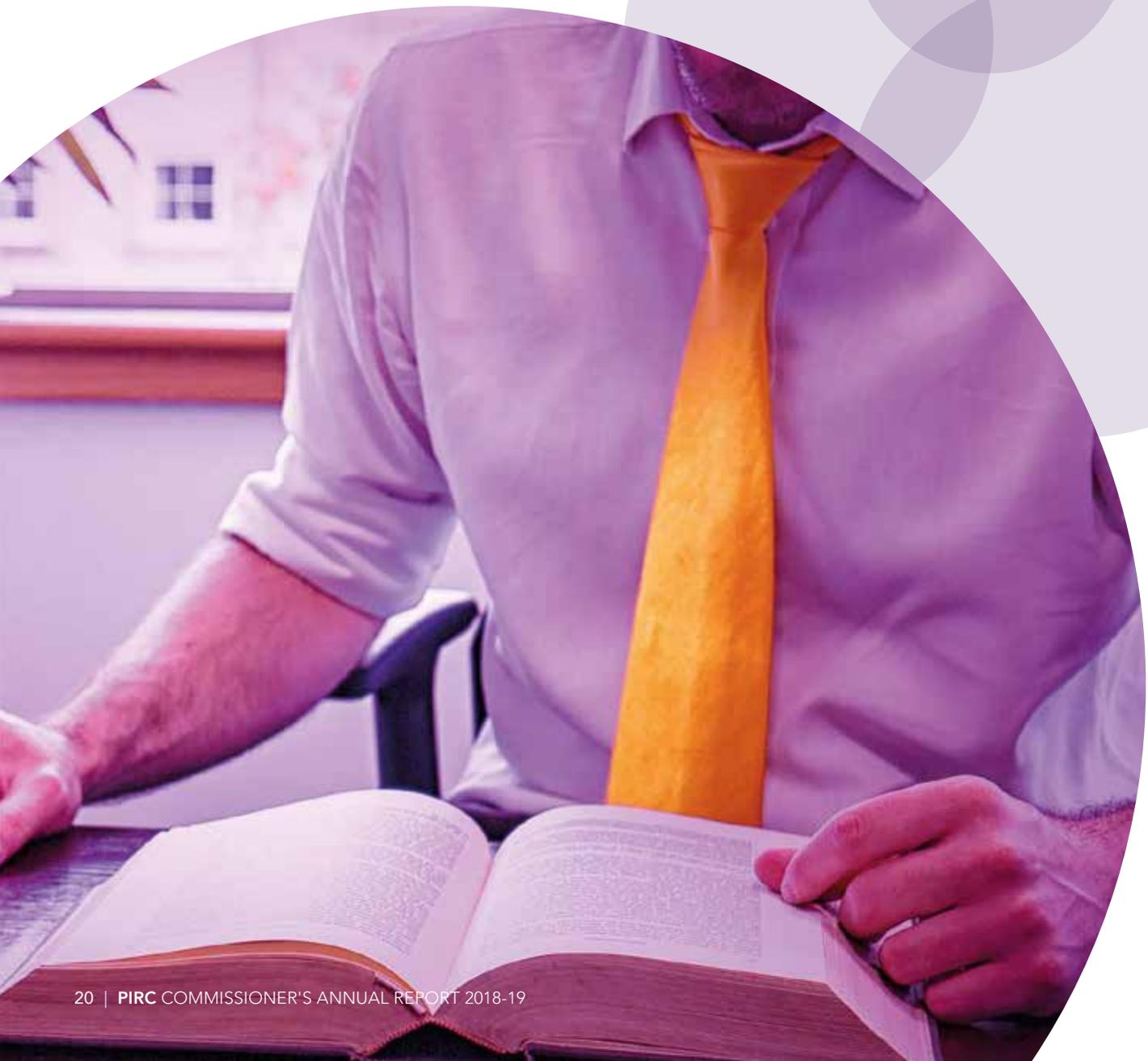
- Between 1.55pm and 10.27pm on 8 May 2018, Police Scotland treated the incident as a 'Concern for Person' rather than a 'Missing Person' enquiry. Police officers explained that this was because they were aware that the woman had been found safe on 5 May 2018 following a similar call.
- During her initial call to police at around 1.55pm on 8 May 2018, the family member informed them that the woman was on Police Scotland's interim Vulnerable Person Database (iVPD). Despite this, Police Scotland graded her initially as a Low-Risk Missing Person.
- The family member's call was correctly identified as a Grade 2 call, which requires ACR staff to make every effort to assign officers to the call within 15 minutes of accepting it. However, because of other priority incidents at that time, there were no officers available.
- As no police officers had been assigned by 5pm, a police sergeant, acting on his own initiative, went to the woman's home. However, he got no response when he knocked on the door. Having received no further information by 9pm, and remaining concerned for the woman's safety, he returned to the address. This time he managed to get into the house by slipping the lock. He then conducted a cursory search of the property.
- On his return to the police office, the sergeant learned that further information about the woman had been received from a family member and the Social Work Department. As a result of this information, the incident was declared a Missing Person Enquiry. Other officers then went to the woman's home where, following a search at around 2.30am on 9 May 2018, they found her body in a cupboard.
- It cannot be determined from the medical evidence whether the woman would have been found alive had an effective search of the property taken place at around 9pm in the evening of 8 May 2018.

The Commissioner recommended to Police Scotland that they:

- Review their resource management and their failure to allocate officers to the incident and take necessary action to resolve any shortcomings. Despite the fact that the incident had been given Grade 2 status—denoting a *'Crime/incident where there is a degree of urgency associated with police action'*—the Area Control Room failed to send any officers to the woman's home throughout the entire incident. The only officers to attend did so on their own initiative;
- Examine their risk-assessment and decision-making processes throughout the entire incident (between 1.55pm on 8 May 2018 and 2.30am on 9 May 2018), taking particular cognisance of the fact that they graded the woman as a Low-Risk Missing Person, despite information from a family member and Police Scotland's own systems indicating that she had serious health problems;
- Examine options for managing and deploying other officers to incidents in Edinburgh, Lothian and Scottish Borders divisions when local officers are tied up dealing with other priority incidents;
- Revisit their commitment to reviewing 'resource allocation and call handling issues', which it announced in response to a PIRC investigation in 2016.

The Work of the Review Team

This year proved to be one of the most challenging for the Review Team. The significant number of applications received in the last quarter of the previous year, coupled with gaps in staffing levels, meant that we started 2018-19 with a backlog of applications for complaint handling reviews (CHRs).



Following the recruitment of additional staff, we have been working hard to reduce this backlog. Thus, in addition to receiving a further 258 new applications, this year the Team reviewed 527 individual heads of complaint and completed 137 CHR reports. Within those reports we made 217 recommendations, issued 55 reconsideration directions and identified 49 learning points for the police.

The Review Team also makes sure that policing bodies go on to implement our recommendations. Of the 217 we made in 2018-19, 98% had already been implemented at the time of going to print. Furthermore, where the Team identifies significant failings or shortcomings in the way a policing body has handled a complaint, the Commissioner has the legal authority to direct the body to reconsider the complaint. During 2018-19 the Commissioner issued 55 such directions. Here too, by the end of the year Police Scotland had completed 89% of these.

Regrettably, last year we saw a reduction of nine percentage points (down to 44%) in the proportion of complaints we considered policing bodies to have handled to a reasonable standard. This shows that there is still significant work to be done to improve the standards of complaint handling, and we remain committed to working collaboratively with Police Scotland's Professional Standards Department to achieve this.

To this end, during the year the Review Team gave four presentations to senior police officers and complaint handlers across Scotland. The presentations were intended to improve the quality of the final response letters issued by the police to members of the public, one of the most common shortcomings identified by our review process. Likewise, as part of our external stakeholder engagement we gave a presentation to Scottish Police Federation staff representatives about complaint handling issues relevant to its members.

We also issued two editions of "Learning Point", our best practice bulletin: one in July 2018, the other in March 2019. Focusing again on the final response letters from the police, the first contained practical examples and advice for complaint handlers on how to improve these. The second, issued in conjunction with the Investigation Team, highlighted recurring problems in the seizure and preservation of CCTV evidence during complaint enquiries. In many of the cases that we deal with, CCTV recordings provide irrefutable evidence, allowing complaints to be determined quickly and definitively. In a number of the complaints we reviewed, CCTV evidence had not been preserved, was lost or could not be downloaded. Failure to secure such evidence is likely to significantly undermine public confidence in the complaint handling process.

Another way in which we work closely with Police Scotland is through our monthly meetings with its Professional Standards Department. Such regular, constructive discussion enables us to resolve many complex matters as they arise and helps to build mutual understanding, respect and co-operation.

Finally, this year we have also been working with Police Scotland to improve its procedures for resolving complaints as they arise (what we call 'front-line resolution') and to design and run new training inputs and interactive workshops for police complaint handlers. We look forward to seeing the positive impact of this work in 2019-20.

Review Case Studies

1. TEENAGERS STOPPED, SEARCHED AND HANDCUFFED

Background

The applicant in this case was on holiday in Scotland with his wife and his two teenage foster sons. Both teenagers are asylum seekers. On 30 October 2017, whilst walking through the town centre on their own, the applicant's foster sons were detained under section 23 of the Misuse of Drugs Act 1971, handcuffed and subjected to a drug search. No illegal drugs were found, however both teenagers were taken to a local police office to confirm their identity and asylum status.

The applicant was unhappy that the officers stopped and searched his foster sons and implied that their actions were racially motivated. He was also dissatisfied about the use of handcuffs and his interaction with the officers at the police office. The applicant also criticised police complaint procedures

Complaints

The applicant submitted six complaints, that:

1. Officers from Police Scotland unlawfully stopped and searched his foster sons;
2. Officers unreasonably handcuffed both teenagers in a public place, one of whom remained in handcuffs until his release into the applicant's care;
3. Officers failed to build a reasonable rapport with his foster sons in order to establish their background and did not tell them why they were being searched;
4. Officers failed to contact the applicant directly to explain what was happening to his foster sons. Instead it was left for one of his sons to make contact;
5. Officers did not make sufficient enquiries with the applicant at the police office to establish his sons' identity and background;
6. Police Scotland's complaints procedure appears to be geared to closing discussion down and is unfit for purpose.

Police Scotland did not uphold any of the complaints.

Conclusions

Our review concluded that two of the applicant's six complaints were handled to a reasonable standard.

In respect of the applicant's first complaint, we determined that officers did have lawful basis for detention and search of the applicant's foster sons. The complaint response provided a detailed explanation, was well-reasoned and supported by material information available.

Regarding his second complaint we determined that the complaint response provided a detailed and well-reasoned explanation as to why the teenagers were handcuffed during the search. However, the response failed to consider any lawful basis for continued detention after the drug search was concluded or explain why it was necessary or proportionate in the circumstances.

With reference to the third complaint, we considered that police were justified in not upholding the complaint in so far as it related to informing the teenagers why they were being detained and searched. However, in relation to building rapport, the response did not accurately reflect the available evidence and did not apply the balance of probabilities test.

In considering the fourth complaint, we determined that insufficient enquiry was undertaken and the response was not supported by the available evidence. Officers did not explain why, given that one of the foster sons was still a child, no contact with parents was made by the police officers.

Concerning the fifth complaint, we determined that the complaint response, although it did not refer to the relevant protocols and procedures, provided sufficient explanation and was supported by the available evidence.

In relation to the sixth complaint, in this case, Police Scotland attempted to resolve the applicant's complaints via Front Line Resolution (FLR). Whilst correct FLR procedures were followed, we considered that given the serious nature of the allegation, i.e. unlawful detention of a child and the racial element involved, it was inappropriate to attempt FLR in this case.

Outcomes

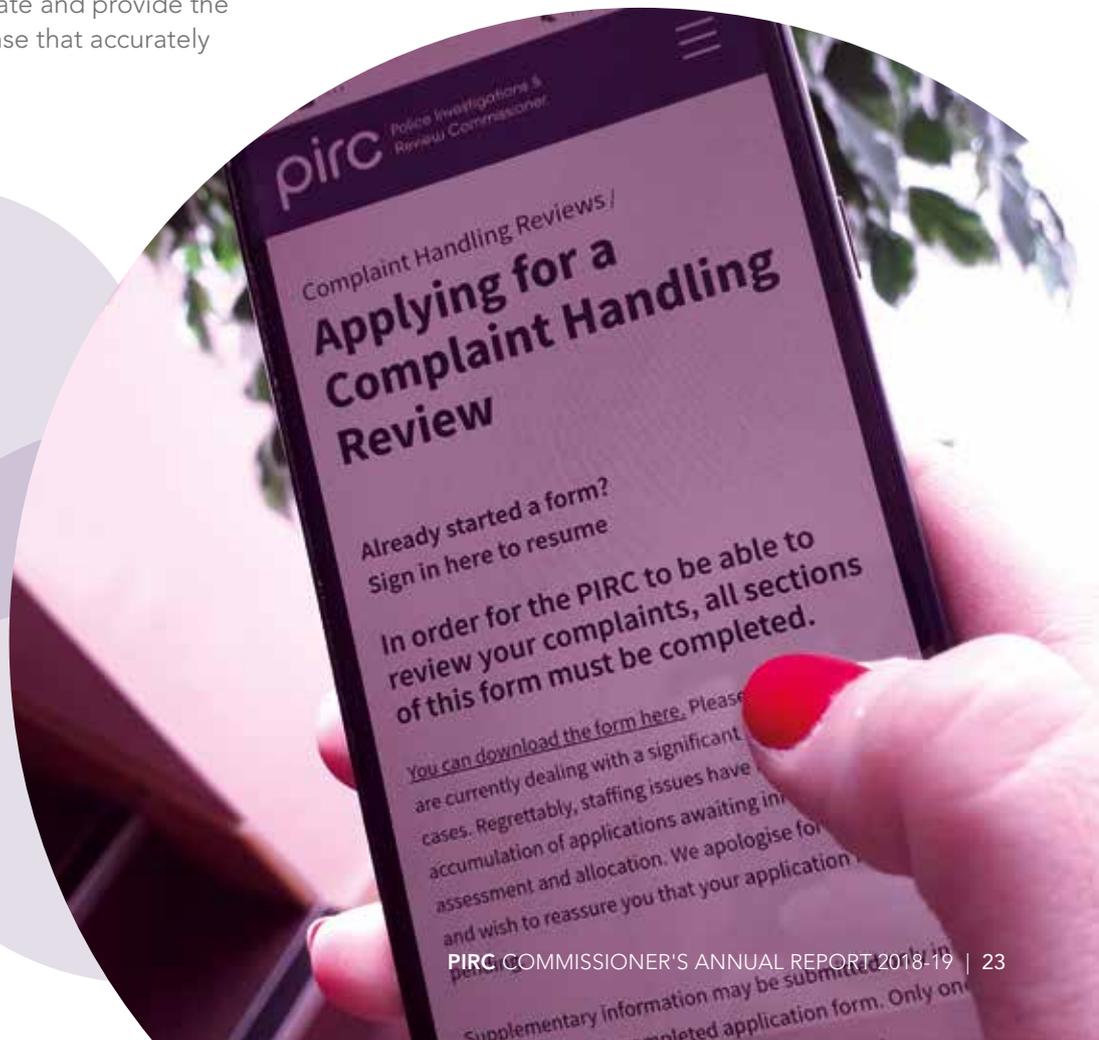
In light of the significant shortcomings identified during our review, we issued three Reconsideration Directions in relation to Complaints 2, 3 and 4.

In respect of complaints 2 and 3, we directed Police Scotland to record each element of those complaints as a separate allegation in line with the provisions of the Complaints About Police Standard Operating Procedure. We also directed police to obtain more detailed statements from the officers involved in order to address each complaint. We asked Police Scotland to consider whether continued detention and application of handcuffs was necessary and proportionate and provide the applicant with a further response that accurately reflects the evidence.

In relation to complaint 4, we directed Police Scotland to undertake further enquiry; consider whether the officers should have contacted the parents themselves; and provide the applicant with a further response that accurately reflects the available evidence.

In considering complaint 6, we identified an organisational Learning Point: The final letter issued to the applicant following the Front Line Resolution process contained insufficient detail in order to allow the complainer to reasonably consider that his complaint had been appropriately dealt with. We asked Police Scotland to consider improving FLR letters by providing sufficient detail about the complaint itself and how it was resolved.

The reconsideration directions in this case have now all been implemented by Police Scotland. The complaints were reassessed and two out of three have now been upheld by Police Scotland, with a more detailed explanation being given as to why the one remaining complaint was not upheld.



2. COMPLAINT NOT UPHELD IN RELATION TO FORCED ENTRY TO PROPERTY

Background

In this case the applicant managed a tenanted rental property on behalf of his father-in-law.

On 1 September 2017, officers from Police Scotland executed a search warrant and forced entry to the property. The applicant incurred the costs of repairing the front door.

The applicant believed that Police Scotland had made a mistake, and that they had executed the warrant at the wrong address. As a result, he was seeking to be compensated for the costs that he incurred for repairing the door.

The applicant made his complaint by both telephone and in writing on 6 September 2017. The complaint was initially resolved by Police Scotland by Front Line Resolution (FLR). The applicant received a letter from Police Scotland dated 6 October 2017 to the effect that, as the applicant had accepted the explanation provided, they considered the matter resolved.

However, the applicant contacted Police Scotland again shortly thereafter and made it clear that he was not happy with the proposed resolution. The complaint was then further investigated.

Police Scotland responded to the applicant's complaint in a letter dated 23 November 2017, stating that the complaint was not upheld. The applicant was not satisfied with the response that he received and asked the PIRC to review how Police Scotland handled his complaint.

Complaints

Our review considered that there were two distinct elements to the applicant's complaint, namely that:

- Police Scotland had forced entry to the wrong address under a search warrant; and
- The applicant was dissatisfied that he had incurred the cost of repairing the damage that had been caused to the door of the property.

Conclusions

Following our review, we concluded that Police Scotland handled the complaint to a reasonable standard. We considered each element of the applicant's complaint in turn.

The first element of the complaint was in relation to the assertion that entry had been forced at the wrong address. In relation to this complaint, Police Scotland explained to the applicant in great detail the robust system of checks that exist regarding intelligence-led warrant applications and that these require to be satisfied prior to the application being presented to the Procurator Fiscal. The response letter explained the purpose of such checks and that ultimately, the final decision to grant a warrant lies with the Sheriff.

In addition to the above, the final response letter also explained to the applicant in considerable detail the guidance and protocols in place in relation to the recording and retention of intelligence on the Scottish Intelligence Database.

Having viewed the provisions of the relevant police Standard Operating Procedures (SOPs), alongside a copy of the warrant application and the intelligence used to obtain the warrant, we were in a position to confirm that the response given to the applicant was accurate. We therefore concluded that we agreed with Police Scotland's position that entry was forced to the correct address by officers in possession of a lawfully granted warrant that had been obtained in accordance with the relevant guidance and SOPs.

Regarding the second aspect of the applicant's complaint about incurring the cost of damage to the property, Police Scotland's response explained to the applicant the provisions of the Forced Entry SOP. This SOP makes clear that on occasions where entry is forced to a property with a lawful warrant, the responsibility for any costs thereafter incurred rests with the owner/occupier of the property or their insurance company. Having viewed the relevant SOP, we considered that it had been accurately reflected in the response letter.

Outcomes

Following our review of Police Scotland's handling of this complaint, we considered that the applicant was provided with a thorough and well-reasoned response that addressed both aspects of his complaint in full.

Furthermore, we were able to confirm that the available evidence relied upon by Police Scotland in their final response letter was accurately presented.

This case demonstrated a very good standard of complaint handling which was transparent and focused on addressing the applicant's concerns.

As the complaint was handled very well by Police Scotland, we made no recommendations in this case.



The Work of the **Corporate Services Team**

The dual pressures of continuing high demand for our services and an increase in budget and headcount in 2018-19, saw the Corporate Services Team having to adapt and reassess its priorities throughout 2018-19.

Rising demand for our services has been a recurring theme of the last five years. In light of this, we submitted several business cases to the Scottish Government for additional resources to strengthen our capacity and longer-term resilience.

We duly received a one-off payment of £100,000 in December 2017. Our annual budget was also increased, rising to £4.25 million in April 2018. Consequently, we were able to embark on the biggest recruitment campaign we have undertaken since the organisation was formed.

Inevitably, this had a knock-on effect on our already stretched Corporate Services Team, whose human resources, facilities management, procurement, finance and communications staff were all affected. In addition to administering the recruitment process itself, changes to policies, procedures, and terms and conditions for all staff had to be put in place.

In order to accommodate our growing workforce, we also needed to modify our existing office space and facilities. This exercise alone took over eight weeks to complete and involved considerable planning, designing and changes to shift patterns, as well as managing the existing work space while these changes were being implemented.

On top of all this, May 2018 saw the introduction of the most significant change to data protection legislation in 20 years. In preparation, the Corporate Team carried out extra work and training to make certain that the organisation would fully comply with the requirements of both the General Data Protection Regulation (GDPR) and the UK Data Protection Act 2018.

Our internal Information Governance Group (IGG) is responsible for monitoring how we respond to these changes. Led by the Corporate Team, it will ensure that we continue to carry out our data protection duties to the highest standards.

In addition to the above, throughout the year the Corporate Services Team dealt with:

- 31 Data Protection (DPA) requests, handling 97% within statutory timescales which have been reduced from 40 days to one calendar month;
- 38 Freedom of Information (FOISA) requests, responding to 100% within the statutory timescale of 20 working days;
- 21 complaints made to the organisation;
- payments to suppliers, 99.5% of which were made within 10 days.

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 97%, 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 in raising public confidence in policing. This year we published 24 investigation reports, which generated a great deal of media attention and further interest in the organisation.

Our Communications Team liaises continually with the media to keep journalists informed about our role and functions, as well as our activities and findings. Regular updates on the latter are posted on our website and on social media.

Effective internal communication is vitally important too, particularly given our newly expanded staff complement. For these reasons, we also boosted our internal messaging and provided more opportunities for staff engagement throughout the year.

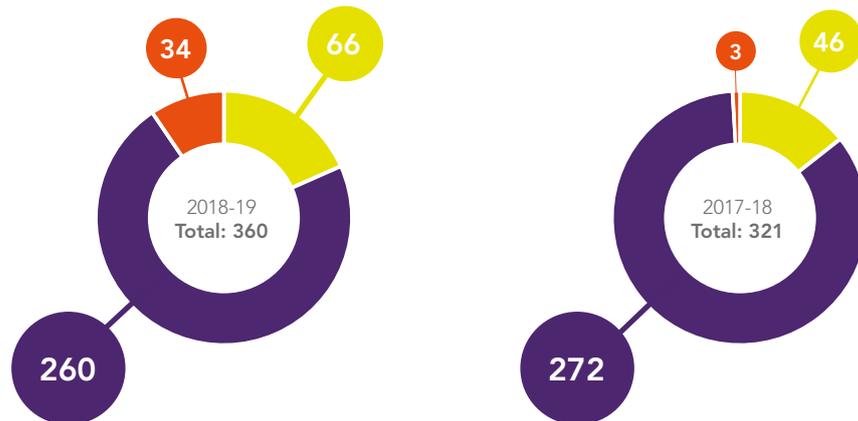


Key Statistics 2018-19



Independent Assessments

1. Independent assessments of police firearms incidents:



Assessment Type of Firearm

- Conventional
- CS/Pava
- Taser/other

2. Independent assessment of other matters:



Independent Investigations

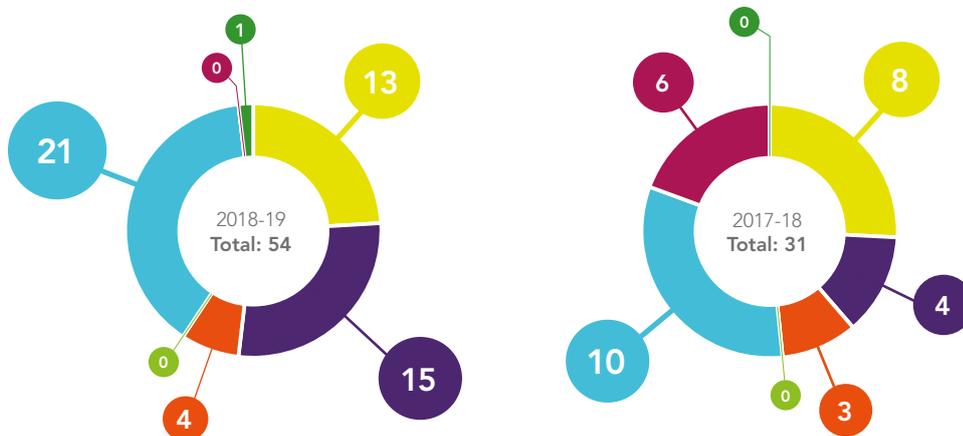
3. Source of investigations:



Referring Body

- Crown Office and Procurator Fiscal Service (COPFS)
- British Transport Police (BTP)
- Scottish Police Authority (SPA)
- Police Scotland (PS)
- Ministry of Defence Police (MDP)
- Other policing bodies

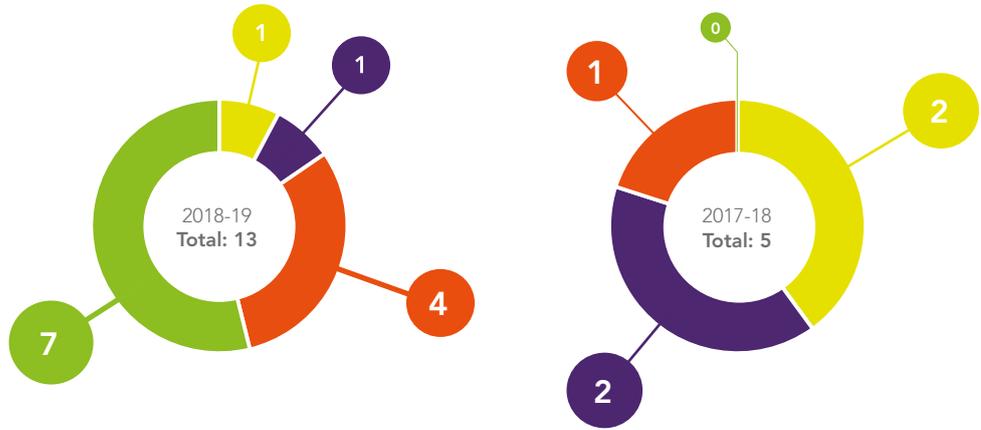
4. Types of Investigation (non-firearms):



Category

- Serious Injury following police contact
- Criminal Investigation
- Death following police contact
- Misconduct
- Death in custody
- Other
- Public Interest

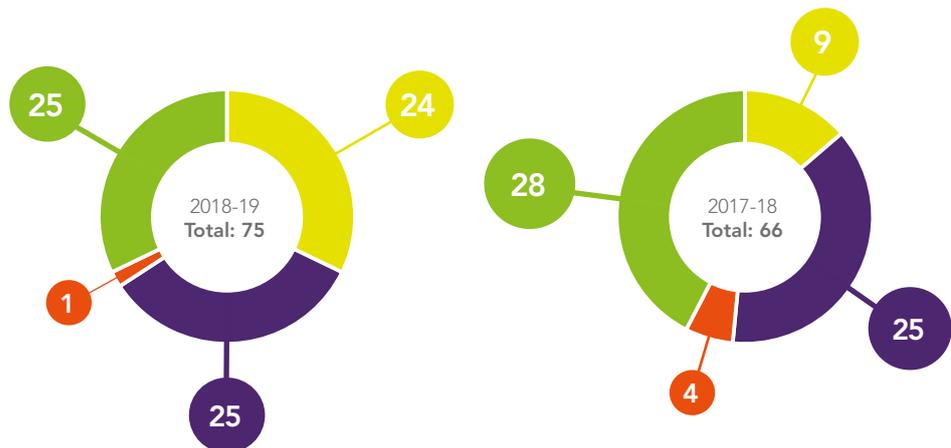
5. Firearms investigations by type:



Type of Firearm

- Conventional Firearms presented
- Conventional Firearms discharged
- CS/PAVA spray
- Taser/other

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

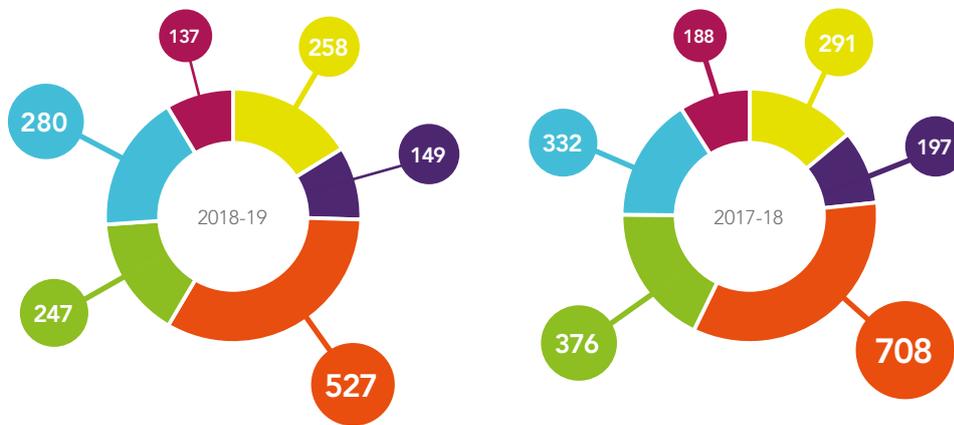


Reports

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

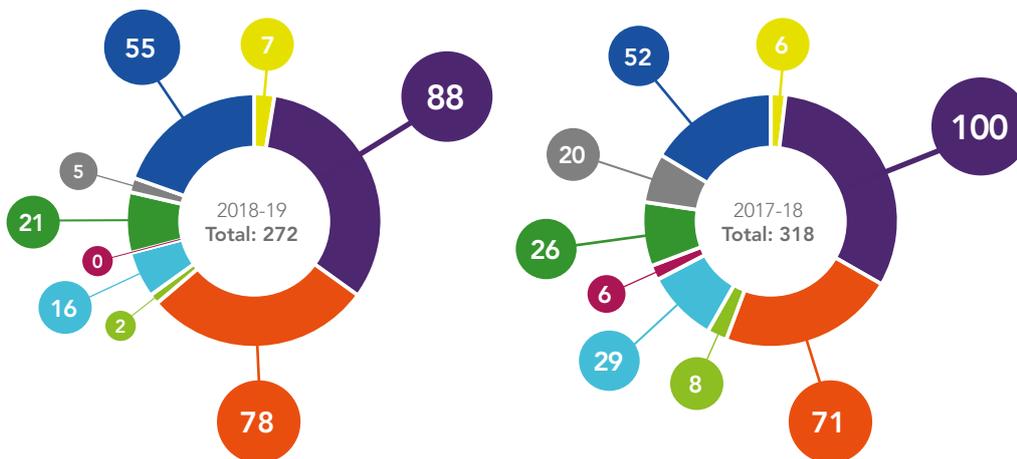
Independent Complaint Handling Reviews

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
- Provide further response
- Conduct further enquiry
- Other
- Record complaint and respond
- Revisit policy/procedure
- Reassess and respond
- Record as complaint against police
- Reconsideration directions

Some of the methodology for recording this data has changed since our last report, and as such fewer categories are now required.

Recommendations Accepted

2018-19



2017-18



Recommendations Not Accepted

2018-19



2017-18



Recommendations Implemented

2018-19



2017-18



Recommendations Not Implemented

2018-19



2017-18



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, 49 of 55 reconsideration directions had been carried out (89%).

²This figure was reported as 83.8% in last year's annual report, but has since increased.

Corporate Services

FOI Requests

2018-19



2017-18



DPA Requests

2018-19



2017-18



Complaints about PIRC

2018-19



2017-18



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

CHR – Complaint Handling Review

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

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 (2019)

The Commissioner's Annual Report presents highlights of the PIRC's achievements for the financial year 2018 - 19 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

2018-19

pirc

Police Investigations &
Review Commissioner

SG 2019/241

THE PERFORMANCE REPORT

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Statement by the Director of Operations on Performance for the Period
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Financial Performance
Payment Policy and Performance
Environmental Sustainability
Working with Communities

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Statement of Financial Position
Statement of Cash Flows
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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 2019.

Statement by Director of Operations

Performance Summary

The Police Investigations & Review Commissioner (PIRC) has continued to carry out her statutory functions during a period of unprecedented demand on the services of her staff. 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.

During 2018-19 our Investigations Team received 508 referrals from a combination of policing bodies and the Crown Office and Procurator Fiscal Service (COPFS). Of these, 67 became full investigations, an 86 % increase on the previous year. Significantly the number of 'Category A' investigations, which are major protracted investigations requiring significant staffing resources has risen for the second year in a row going from 15 last year to 18 this year, a 20 % rise. The resource demands on the Investigation Team as a result of the rise in Category A investigations cannot be overstated. We have now had 33 Category A investigations in the past two years compared to only 9 in the preceding four years.

Our Review Team saw a 12 % reduction in Complaint Handling Review applications received going from 291 applications to 258, however this came at a time of significant temporary staff reduction which has resulted in a backlog of applications to be progressed. The team issued 137 Complaint Handling Review (CHR) reports, 87 % of which were completed within three months of allocation.

The dual pressures of continuing high demand for our services and a substantial restructuring exercise due to recruitment and changes to the fabric of our estate saw the Corporate Services Team having to adapt and reassess its priorities throughout 2018-19. Despite this the Team continued to provide critical support functions to the wider organisation ensuring that 'business as usual' was maintained.

Once again, we can report an impressively high attendance rate of 97%, epitomising the dedication and determination of our staff to provide the best service possible.

All of our Strategic Objectives have been met. I will comment further in relation to this under the Performance Analysis section of my report.

Public awareness of who we are and the work we do to secure continuous improvement in police services is critical in raising public confidence in policing. This year we published 33 investigation reports, which generated a great deal of media attention and further interest in the organisation.

As a whole our organisation has met the increased challenges of a number of competing demands throughout 2018-19. Should those demands continue going forward then it will be increasingly difficult for us to maintain our levels of efficiency and effectiveness without a substantial uplift in our budget. As a consequence in November 2018 we submitted a Business Case to the Scottish Government requesting an increase in our budget. The Scottish Government deferred a decision in this regard pending the publication of the interim report in relation to the Rt Hon Dame Elish Angiolini's Independent Review of Complaints Handling, Investigations and Misconduct Issues in Relation to Policing

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 2018-19 we continued to monitor our risks with our capability and capacity to meet the demand for our services being the greatest risk that we face. We have streamlined a number of processes to minimise the impact of the increase in referrals and investigations, but without an increase in resources that is not sustainable in the medium to long term.

Adequate resources continues to underpin the success of reaching all KPI annual targets used as a measure against strategic objectives. Should demand levels continue at the current levels without us receiving a budgetary increase we will require to reassess if our Strategic Objectives can be met going forward.



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.

Our three Strategic Objectives have been achieved, but we did miss our targets in relation to specific KPIs, particularly in relation to the timeliness of the completion and submitting of Investigation Reports to the relevant referring agencies. The Investigation Team's KPIs were set based on our expectation that 2018-19 would mirror previous years in relation to the number of investigations that the Team would carry out. In reality we saw an 86% increase in the number of investigations meaning that our finite resources had to be spread across multiple investigations prolonging the duration of each and ultimately resulting in our already ambitious KPIs not being achieved.

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

Strategic Objective 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.		
MEASURE	YEAR END FIGURE	ANNUAL TARGET
Assessments to be completed within 5 working days of receipt of requested documentation.	99%	90%
Category C investigations completed and reports submitted within 4 months	44%	90%
Category B investigations completed and reports submitted within 5 months	53%	90%
Category A COPFS investigations completed and reports submitted within 6 months	66%	90%
Investigation Team receive identified priority training and development	100%	90%
Engage with policing bodies and other stakeholders to deliver 90% of core training requests	100%	90%
Recruit 5 trainee investigators and develop them into investigators through our two-year Trainee Programme	5	5
Presentations delivered to stakeholders and relevant agencies	35	30
No. of presentations per annum to be delivered to non-police stakeholders e.g. COPFS, NHS etc.	6	4

Strategic Objective 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.

MEASURE	YEAR END FIGURE	ANNUAL TARGET
CHRs completed within an average of 3 months upon allocation	2 months	3 months
Number of upheld challenges to material accuracy of CHR reports does not exceed 5%	0.7%	5%
All outstanding recommendations and reconsideration directions are pursued after the 56 day implementation period	100%	100%
Review Team receive identified core training and development	100%	90%
Meet monthly with Police Scotland's Professional Standards Department	8	12
Deliver PIRC presentations on complaint handling procedures to policing bodies and/or other relevant agencies	5	3
Issue 2 Learning Point bulletins during the year	2	2
Publish CHRs weekly	100%	100%

Strategic Objective 3 :

To demonstrate a high level of governance and business effectiveness in accordance with the best practice for Scottish public sector bodies.

MEASURE	YEAR END FIGURE	ANNUAL TARGET
Annual Test of Business Continuity Plan	Y	Y
Monthly update of the Risk Register	12	12
Positive audit outcomes and 100% implementation of any audit recommendations which will be reviewed quarterly	100%	100%
Grant in Aid request submitted on time monthly with a full breakdown and provide explanation of any variance of £10k and over.	100%	100%
Management Accounts to be submitted to the Accountable Officer by the 10th working day of the month.	100%	100%
Invoices paid within 10 days	99.5%	95%
Achieve at least 3% annual efficiency savings	4.8%	3%
Prepare and launch social media strategy	N	Y

Financial Performance

We continue to strive to deliver a high level of service whilst providing 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 2018-19 our Grant in Aid (GIA) of £4.162 million was spent as follows:-

	2018-19	2017-18
Staffing costs	3,227,000	2,531,000
Other operating costs	676,000	624,000
Capital		
Depreciation	100,000	100,000
Total:	4,003,000	3,255,000

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 2018-19 performance against this target was 99.5%

Environmental Sustainability

Although the PIRC is a small organisation, we remain committed to reducing our carbon footprint. Listed below are some of the practises that we utilise to help us achieve this:

- 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.
- Our internal communications and for the most part our external communications are mainly electronic.
- We have introduced recycling bins throughout our offices.

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 five Trainee Investigators.

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 £8.75. This rate is significantly higher than the statutory minimum for over 25s of £7.50 per hour introduced in April 2018.

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: 24.10.19

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 Alan Buchanan. 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 – Sharon Smit

The Executive Team is responsible 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 2018/19.

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 (FReM) 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 2019 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 past 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 Head of 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
Investigations	Reasonable Assurance
HR - Recruitment	Reasonable Assurance
Creditors and Procurement Cards	Substantial
General Data Protection Regulations	No Formal Opinion Provided

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.

In relation to General Data Protection Regulations no formal opinion was provided due to the short timeframe between the new regulations coming into force and the audit being carried out. However areas of improvement were raised to ensure compliance is made with the regulations.

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 one 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 has 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 2019 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 2018-19 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 2018-19.

Staff Resources

The breakdown of staff resources as at 31 March 2019 by gender is shown in the attached table.

	All	Male	Female
Commissioner	1	-	1
Directors	1	1	-
Senior Managers (Other)	3	2	1
Other Staff:	61	34	27
Other appointments:			
Fixed term appointments	9	3	6
Secondees (Inward)	-	-	-
Secondees (Outward)	-	-	-
Agency staff	-	-	-
Total	75	40	35

Remuneration and Pensions Benefits (subject to audit)

	Total Remuneration 2018-19	Total Remuneration 2017-2018
Commissioner – Kate Frame		
Fees	£90,000 - £100,000	£85,000 - £90,000
Pension Benefit	£108,000	£11,000
Total	£198,000 – £208,000	£96,000 - £101,000
John Mitchell (left PIRC 31.03.18)		
Director of Operations	N/A	£70,000-£75,000
Salary	N/A	£27,000
Pension benefit	N/A	£100,000-£105,000
Total		
Alan Buchanan		
Director of Operations		
Salary	£70,000 – £75,000	£10,000 - £15,000
Pensions benefit	£27,000	£6,000
Total	£97,000 – £102,000	£15,000 - £25,000

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 2019 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2018	CETV at 31 March 2019	Real Value of CETV increase over year
	£'000	£'000	£'000	£'000	£'000
Kate Frante	180 - 190	20 - 25	877	1,081	113
Alan Buchanan	0 - 5	0 - 2.5	4	25	16

Fair Pay Disclosure (subject to audit)

	2018-19	2017-18
Median total remuneration of all PIRC staff	£31,693	£32,129
Pay multiple between mid-point of Highest paid member of staff banding and median total remuneration of all staff	2.96	2.88
Lowest pay banding:	£15,000 - £20,000	£15,000 - £20,000
Highest pay banding	£90,000 - £95,000	£90,000 - £95,000

The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) 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. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those

benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Employer contributions for 2018-19 were £504k (2018-19 £400k) and were on average 16% of pay (2017-18 16%).

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 2019 PIRC has recorded 682 days of sickness absence and an average of 9.6 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 2019 was 96.2%.

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

PIRC spend as follows:

	2018-19	2017-18
Consultancy :	£0	£5,016
Off Payroll:	£25,210	£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:				2018-19	2017-18
				£'000	£'000
	Permanent	Fixed Term	Agency	Total	Total
Wages and salaries	2,360	88	25	2,473	1,935
Social security costs	239	8		247	194
Other pension costs	485	19		504	400
Staff on secondment costs				-	-
Commissioner fees and expenses				3	2
Total administration staff costs				3,227	2,531

Staff Numbers:	2018-19	2017-18
Average numbers of employees during the year (FTE)		
Commissioner	1	1
Other staff (permanent and temporary appointments)	67	56
Total	68	57

Early Exit Package (subject to audit)

There has been one voluntary termination payment during the financial year 2018/19.

Number of arrangements

	2018/19		2017/18
< £10,000	0	-	0
£10,000 – £25,000	0	-	0
£25,000 – £50,000	1	-	0
£50,000 – £100,000	0	-	0

Total number of arrangements 2018/19 1

Trade Union Facility Time

Approximately 52.3 hours were spent on trade union facility time.

SIGNED:



ALAN BUCHANAN

DATE: 24.10.19

ACCOUNTABLE OFFICER

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

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 2019 under the Police, Public Order and Criminal Justice (Scotland) Act 2006. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 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 2019 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 2018/19 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 for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 3 years. 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. Non-audit services prohibited by the Ethical Standard were not provided to the body. 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.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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.

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

respond to the assessed risks of material misstatement due to fraud.

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

Conclusions on wider scope responsibilities

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

Use of our report

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

Nick Bennett
Nick Bennett (for and on behalf of Scott-Moncrieff Audit Services)

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date *25 October 2019*

THE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE Year ending 31 March 2018

	Note	2018-19 £'000s	2017-18 £'000s
ADMINISTRATIVE COSTS			
Staff costs	2	3,227	2,531
Other admin costs	3,4	676	624
Depreciation	5	100	100
NET OPERATING COST		4,003	3,255

STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

		31 March 2019	31 March 2018
	<i>Note</i>	£'000s	£'000s
NON-CURRENT ASSETS			
Property, plant and equipment	5	480	395
Total non-current assets		480	395
CURRENT ASSETS			
Trade and other receivables	6	82	53
Cash and cash equivalents	7	429	389
Total current assets		511	442
TOTAL ASSETS		991	837
CURRENT LIABILITIES			
Trade and other payables	8	328	336
Total current liabilities		328	336
Total assets less current liabilities		663	501
NON-CURRENT LIABILITIES			
Other Financial liabilities	8	32	32
Total non-current liabilities		32	32
TOTAL ASSETS LESS TOTAL LIABILITIES		631	469
TAXPAYERS EQUITY			
General Fund	SOCTE	631	469
TOTAL TAXPAYERS EQUITY		631	469

The Accountable Officer authorised these financial statements for issue on

SIGNED:



Alan Buchanan

Date: 24.10.19.

ACCOUNTABLE OFFICER

POLICE INVESTIGATIONS & REVIEW COMMISSIONER

Hamilton House

Caird Park

Hamilton

ML3 0QA

Scotland

STATEMENT OF CASH FLOWS

Year ending 31 March 2019

	Notes	2018-19 £'000s	2017-18 £'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating cost	SOCNE	(4,003)	(3,255)
Adjustments for non-cash transactions:			
* Depreciation	5	100	100
* Notional costs	4	3	3
Movements in working capital			
* (Increase)/Decrease in trade and other receivables	6	(29)	(19)
* Increase/(Decrease) in trade and other payables	8	(8)	(153)
Net cash outflow from operating activities		(3,937)	(3,324)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(185)	(40)
Net cash flow from investing activities		(185)	(40)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in deferred lease payments	8	(0)	(0)
Funding	SOCTE	4,162	3,258
Net cash flow from financing activities		4,162	3,258
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		40	(106)
Cash and cash equivalents at beginning of period	7	389	495
Cash and cash equivalents at end of period	7	429	389
NET CHANGE IN CASH AND CASH EQUIVALENT BALANCES		40	(106)

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
Year ending 31 March 2019

	<i>Note</i>	General Fund £'000
Balance at 1 April 2018		469
<i>Non-cash charges – notional costs</i>	4	3
<i>Net operating cost for the year</i>	SOCNE	(4,003)
<i>Net funding</i>		4,162
Balance at 31 March 2019		631

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

NOTES TO THE ACCOUNTS

Year ending 31 March 2019

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.

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 2018-19, 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 2019 have been brought into the account irrespective of when actual payments were received.

(j) Payables

All material amounts outstanding as at 31 March 2019 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 salary costs reflects the uplift to our GIA of £1,068k for 2018/19. Amongst other new posts, the PIRC recruited 10 additional Investigators and 5 Trainee Investigators.

2. Staff costs

An average of 72 staff were on PIRC payroll during 2018/19 at a cost of £3,227k (for full details see Remuneration and Staffing Report).

3. Other operating costs

Other Operating Costs:	2018-19	2017-18
	£'000	£'000
Accommodation including Rent & Rates	189	215
Maintenance and Cleaning	44	29
Office Equipment	37	15
Research and Consultancy	-	5
IT	145	118
Travel and Subsistence	99	59
Legal Fees	13	12
Training and Conference costs	36	48
Telephones	25	21
Electricity	10	12
Printing and Publications	29	38
External audit fee	12	12
Internal audit fee	12	10
Recruitment	4	12
Stationery	4	5
Catering & Hospitality	2	2
Other Office costs	10	5
Furniture & Fittings	-	3
Childcare Vouchers	2	-
Total other operating costs	673	621

4. Notional costs

Notional Costs:	2018-19	2017-18
	£'000	£'000
Internal Accountancy Fees	3	3
Total	3	3

5. Property, plant and equipment

	Buildings	Fixtures & Fittings	Plant & Machinery	Information Technology	Assets Under Construc tion	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2018	481	298	22	204	-	1005
Additions	-	160	-	25	-	185
Disposals	-	-	-	-	-	-
Transfers to Assets	-	-	-	-	-	-
At 31 March 2019	481	458	22	229	-	1,190
Depreciation						
At 1 April 2018	283	150	22	155	-	610
Charge for year	32	49	-	19	-	100
Disposals	-	-	-	-	-	-
At 31 March 2019	315	199	22	174	-	710
NBV at 31 March 2019	166	259	-	55	-	480
NBV at 31 March 2018	198	148	-	49	-	395
Analysis of asset financing:						
Owned	198	148	-	49	-	395
Finance leased	-	-	-	-	-	-
NBV at 31 March 2018	198	148	-	49	-	395

Prior Year

	Buildings	Fixtures & Fittings	Plant & Machinery	Restated Information Technology	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2017	481	298	22	164	0	965
Additions	-	-	-	40	-	40
Disposals	-	-	-	-	-	-
Transfers to Assets	-	-	-	-	-	-
At 31 March 2018	481	298	22	204	0	1005
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 (Restated)	230	201	0	24	-	455
Analysis of asset financing:						
Owned	198	148	0	49	-	395
Finance leased	-	-	-	-	-	-
NBV at 31 March 2017	198	148	0	49	-	395

6. Trade receivables and other current assets

	2018-19	2017-18
	£'000	£'000
Amounts falling due within one year:		
Prepayments and accrued income	82	53
Total receivable within 1 year	82	53

7. Cash and cash equivalents

	2018-19	2017-18
	£'000	£'000
Balance at 1 April	389	495
Net change in cash and cash equivalent balances	40	(106)
Balance at 31 March	429	389

The following balances at 31 March were held at:

GBS Account (NatWest)	429	389
Commercial banks and cash in hand	-	-
Balance at 31 March	429	389

8. Trade payables and other current liabilities

	2018-19	2017-18
	£'000	£'000
Amounts falling due within one year:		
Trade payables	-	-
Other payables	328	336
Total due within one year	328	336
Amounts falling after more than one year:		
Deferred lease payments	32	32
Total	32	32

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 2019	31 March 2018
	£'000	£'000
Buildings:		
Not later than one year	61	61
Later than one year and not later than five years	182	243
Later than five years	-	-

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 (FRM) 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



