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Police Investigations &
Review Commissioner



PIRC
**Annual Report
& Accounts**

2019-20

Police Investigations & Review Commissioner

PIRC ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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 2019-20 and details the organisation's performance against its objectives.

The report (SG/2020/229) was laid before the Scottish Parliament in November 2020 under section 43 (5) of the Police Public Order and Criminal Justice (Scotland) Act 2006.

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Commissioner's Foreword

I have pleasure in presenting my first Annual Report as the Police Investigations & Review Commissioner (PIRC) for the year 2019-20.

I wish to extend my gratitude to my predecessor, Kate Frame, who inherited a relatively young and fledgling organisation. Under her leadership, she embedded rigorous scrutiny of the newly created single Police Service of Scotland and oversaw significant growth of PIRC, establishing the organisation as an essential part of the wider justice landscape. This was achieved while dealing with several high profile investigations and an increasing workload.

I aim to build on these foundations and, through the work of the PIRC, continue to promote continuous improvement and increase public confidence in policing in Scotland.

Prior to my appointment, the Cabinet Secretary commissioned an independent review of Police Complaints Handling, Investigations and Misconduct Issues, chaired by Rt Hon Dame Elish Angiolini DBE QC, with a mandate to make recommendations to help to strengthen public confidence in policing in Scotland.

In her preliminary report, published in June 2019, Dame Elish recognised that the core organisations, Police Scotland, the Scottish Police Authority (SPA) and the PIRC, were motivated to carry out their functions in a thoroughly professional way. However she highlighted an absence of constructive engagement between the organisations and advocated the need for a concerted effort to make these crucial professional relationships work more effectively. This emphasised the need for better liaison at every level of interaction to increase understanding and reduce the unnecessary tension that had developed.

Since my appointment, much of my focus has been on improving working relationships with our justice partners, while still providing independent scrutiny of police actions.

There are a number of strands of ongoing collaboration and work designed to foster better communication, improve processes, procedures and relationships between the PIRC and the other stakeholders:

- The Strategic Oversight Group with representatives from Crown Office and Procurator Fiscal Service (COPFS), the SPA, Police Scotland and the PIRC has been strengthened with a clear remit to drive improvements at a strategic level.
- We have played a key role in the establishment of the National Complaint Handling Development Group where representatives from the PIRC, the SPA and Police Scotland are working together to implement measures designed to improve all aspects of complaint handling.
- Monthly meetings between senior officials within COPFS and Police Scotland's Professional Standards Department (PSD) have helped to streamline the investigation process.

We have placed learning and improvement at the heart of our complaint handling reviews and investigations with less emphasis on procedural and administrative issues to foster more of a learning culture within policing.

This cultural change has resulted in a marked improvement in Police Scotland's handling of complaints from the public with 62% of complaints found to be reasonably handled; the highest since the inception of the single force seven years ago.

"We have placed learning and improvement at the heart of our complaint handling reviews and investigations to foster more of a learning culture within policing."

The workload of the PIRC continues to increase with the Investigation Team experiencing its busiest ever year and the Review Team dealing with an increased number of cases while almost halving the backlog of pending applications.

This has been achieved through the hard work, commitment and professionalism of everyone at the PIRC, as highlighted by an attendance rate of more than 98%, one of the highest in the public sector.

Looking ahead, there are a number of significant challenges on the horizon:

- The Cabinet Secretary has announced a public inquiry into the circumstances and investigation into the death of Sheku Bayoh which, with the PIRC as a key participant, will require substantial preparation.
- The final report by Dame Elish, expected this Autumn, is likely to have implications for all of the key policing bodies.
- Planning for the Cop 26 UN environmental summit, one of the biggest events of its kind to be held in Scotland in November 2021.

However, by far our biggest challenge to date came as we approached the end of the year when, in March 2020, we were faced with the emergence of the Coronavirus (COVID-19) pandemic that impacted on all our lives and how we conduct our daily business.

As an organisation, it had immediate and devastating impact, taking the lives of two valued and popular members of our investigation team. They will both be long remembered for their professionalism, integrity, humour and friendship by all their colleagues and friends at the PIRC.

The future impact of the Coronavirus pandemic is unknown. In common with many organisations, we have had to adapt to new ways of working. It is credit to the professionalism, commitment and flexibility of everyone at the PIRC that we have continued, almost seamlessly, to deal with day-to-day business and provide a vital service, that is central to improving the standard of policing in Scotland.

M. Macleod





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

The PIRC ensures that the SPA and the Chief Constable maintain a suitable system for handling complaints and issues statutory guidance where appropriate.



Our Purpose and Values

We 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 the Commissioner considers would be in the public interest.

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

We can review:

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

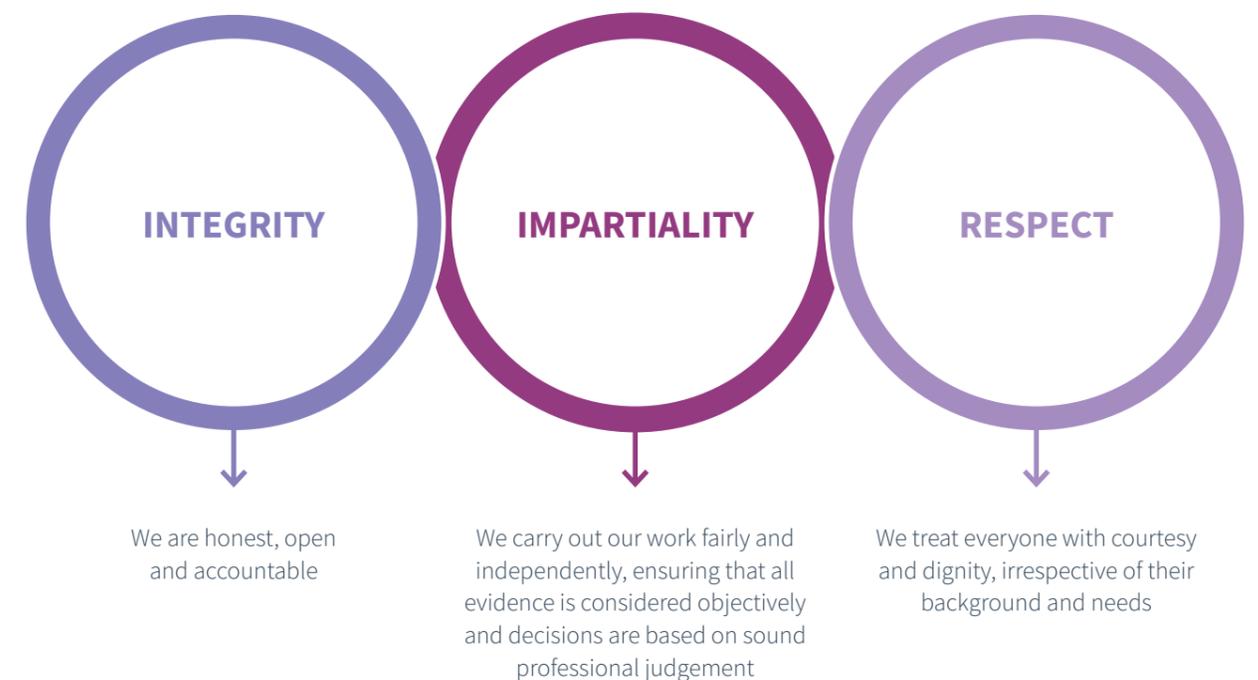
The purpose of the Complaint Handling Review (CHR) process is to determine whether or not the complaint was handled to a reasonable standard by the police.

We cannot review:

- Complaints which have not been considered and adjudicated upon by Police Scotland.
- 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.

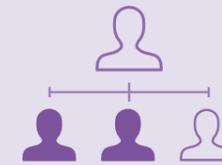
VALUES



Independent and effective investigations and reviews



A Snapshot of **Our Year**



FORMER HER MAJESTY'S CHIEF INSPECTOR OF THE INSPECTORATE OF PROSECUTION IN SCOTLAND

MICHELLE MACLEOD

TOOK UP HER ROLE AS POLICE INVESTIGATIONS & REVIEW COMMISSIONER



460 REFERRALS

FROM POLICING BODIES IN SCOTLAND RESULTING IN

30 INVESTIGATIONS

46 INVESTIGATIONS
instructed by COPFS, including a

↑ 28%

increase of referrals to investigate criminal allegations made against police officers

REFERRALS REGARDING SERIOUS INJURIES FOLLOWING POLICE CONTACT INCREASED

113

104

242
CHRS WERE COMPLETED



PIRC WELCOMED FOUR ADDITIONAL TRAINEES FROM NON-POLICING BACKGROUNDS



VOLUME OF COMPLAINTS HANDLED TO A REASONABLE STANDARD



62%

44%

THE HIGHEST SINCE THE INCEPTION OF PS

Staff attendance well above the Scottish average at

98.2%

£1,160



WAS RAISED BY OUR GENEROUS STAFF FOR OUR NOMINATED CHARITY CHAS

BACKLOG OF REVIEW CASES ALMOST HALVED FROM **121 → 69**

41

MEDIA RELEASES

3

YEAR STRATEGIC PLAN

2

LEARNING POINTS



ANNUAL BUSINESS PLAN

PIRC Investigations

This year, Police Scotland and other policing bodies made 460 referrals to our Investigation Team resulting in 30 investigations; 28 from Police Scotland and 2 from British Transport Police, the same number as in 2018/2019.

In addition, there were 46 COPFS instructed investigations; 32 related to criminal allegations, an increase of 28% over the previous year, and 14 were into the circumstances of a death. The increase in criminal investigations suggests that we are beginning to see a gradual shift towards serious matters being referred to us for thorough independent scrutiny, rather than being investigated internally by the police.

We also noted:

- An increase of 21% in police deployment of firearms to counter threats to public and officer safety. Meanwhile, the overall use of firearms declined by 40% and Taser use was down by 32%.
- Deaths in police custody or death following police contact showed a reduction from 19 to 16 deaths.
- The number of referrals of serious injury following police contact increased from 104 to 113. This increase is largely due to the number of people injuring themselves through jumping from windows etc. whilst trying to escape arrest or evade the police.
- We published 18 investigation reports.

“Over the course of the year, our Investigation team has focused on identifying learning and improvement that can assist Scotland’s policing bodies in live situations. This has helped enhance service delivery, improve public and officer safety and increase public confidence in our police.”

John McSporrان,
Head of Investigations



INVESTIGATIONS BY TYPE

DEATH FOLLOWING POLICE CONTACT		DEATH IN CUSTODY		CONVENTIONAL FIREARMS		CS/PAVA SPRAY	
2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
13	15	3	4	1	2	4	4
TASER		SERIOUS INJURY FOLLOWING POLICE CONTACT		CRIMINAL INVESTIGATIONS		OTHER	
2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
2	7	21	13	32	21	0	1

[See page 19 for detailed performance report.](#)

CASE STUDIES

Serious injury following car crash on the Isle of Lewis

Police officers in Stornoway initiated a vehicle pursuit in November 2019 after they saw a car being driven dangerously at high speed in the town centre.

As a notifiable, serious incident following police contact, PIRC investigated the matter.

We found that:

After a short chase the officers stopped the pursuit as they considered the driving to be so reckless that it posed a risk to the public. They then followed, more slowly, in the general direction of the car and after about 10 miles found it had crashed into a cottage. The vehicle was on fire, trapping one of the men inside and the fire had spread to the property.

- The men were solely responsible for the accident.
- The police officers were correct in their decision to stop the pursuit.
- The officers demonstrated sound judgement, bravery and professionalism and are commended for their actions.

The officers rescued the man from the burning car and the 61-year-old occupant of the cottage and her dog. While awaiting Ambulance and Fire Service colleagues, the officers provided immediate first aid to the three men who had been badly injured.

Use of Taser, Ayrshire

In October 2019, police officers were sent to a house in Ayrshire to arrest a man for the abduction and assault of two women. On arrival, concerned that another woman may be in danger, the officers forced entry and were confronted by the man who became violent and threatened to stab and kill the officers.

The man was Tasered when he appeared to grab an item from a kitchen drawer and run at the officers. As he fell to the ground he dislocated his elbow. The man was arrested and taken to hospital for treatment.

As with all uses of Taser, the incident was investigated by the PIRC.

We found that:

- Officers were justified in using emergency powers to force entry to the house.
- The man’s injuries were a result of him falling to the ground after the Taser was discharged.
- The use of Taser in the circumstances was necessary, proportionate and justified.

Serious injury in police custody, Glasgow

In November 2019, police officers in Glasgow arrested a man who shortly before had seriously assaulted another person. Checks of police systems showed that the man had recorded warning signals for violence, suicide and that he had previously concealed bladed weapons and self-harmed while in police custody.

The police Custody Sergeant correctly instructed that the man be subject to a strip search to ensure he was not concealing any weapons. However, the search did not include a visual inspection of the inside of his mouth.

The man was then placed in an police cell under constant monitoring via CCTV, during which he was seen to cut himself on his neck and legs. He was taken to hospital for treatment. It was later discovered that the man had concealed a Stanley blade inside his mouth which he had used to cut himself.

The PIRC investigation identified a learning point and recommended to Police Scotland that they examine their existing strip search guidance to consider whether requesting a visual examination of a person’s mouth should be specifically included in their procedures.

PIRC Reviews

Police Scotland’s handling of complaints has markedly improved this year. The Review Team saw a significant increase in the number of complaints handled reasonably, from 44% in the previous year to 62%. This is the highest annual percentage of complaints found to be handled reasonably since the inception of the single Police Scotland force seven years ago.

Productivity within the review team has been high throughout the year, with our review officers almost halving a backlog of 121 pending applications to 69. This is a considerable achievement against a backdrop of 278 new applications for review in 2019-20, an increase of 7% on the previous year.

In total, 242 Complaint Handling Reviews were issued, an impressive 76% increase on the previous year.

Reconsideration directions

These are used in cases where significant complaint handling failings have been identified during a review. In 2019-20 the number of reconsideration directions we issued fell by 25% (from 53 to 39). This mirrors the overall improvement in how policing bodies are handling complaints.

Development and improvement

The Review team has prioritised positive stakeholder engagement, emphasising learning and development as the key focus of the complaint handling process. This approach is central to increasing public confidence, improving service delivery and promoting a culture that values complaints. We made 303 recommendations to policing bodies this year and identified 74 organisational and individual learning/ improvement opportunities arising from our Complaint Handling Review (CHR) reports.

“The Review Team has been at the forefront in setting up the National Complaint Handling Development Group, whose main purpose is to improve collaboration and communication with our partners and identify training opportunities and areas for development within the police complaints process. Among other projects with our key stakeholders, PSD and SPA, the group oversaw the rollout of a new, streamlined Front Line Resolution process that supports both the complainer and the organisation handling the complaints.”



Ilya Zharov, Head of Reviews

CASE STUDIES

Guidance reviewed after dog bite complaint

The applicant was walking past a dog which was secured by a lead to a fence on a public footpath outside a hospital. When the animal approached her she responded by putting out her hand and the dog bit it. The applicant suffered severe injury and required surgery. When the applicant explained the circumstances to the police, she was told that no further action would be taken.

The applicant complained that the police had carried out insufficient investigation in relation to the incident. Police Scotland did not uphold the complaint and concluded that the incident was not a police matter as the relevant legislation did not apply.

In our review, we noted that Police Scotland’s complaint enquiry had established that the dog had tried to bite someone else shortly before it bit the applicant.

We found that the police had misinterpreted the relevant legal provisions, and we concluded that the complaint had not been handled to a reasonable standard.

We recommended that Police Scotland revisit the complaint and reassess whether the incident should have been recorded as a crime and investigated. We also identified a learning point in respect of the Scottish Crime Recording Standard (SCRS) containing contradictory guidance to officers on how to deal with similar incidents.

In responding to our findings, Police Scotland upheld the complaint, acknowledged that insufficient investigation had been carried out and apologised to the applicant. The police have since amended the guidance on handling dog bite incidents and have amended SCRS guidance accordingly.

Good complaint handling over neighbour dispute

The applicant and her neighbour were involved in a lengthy dispute which saw both parties reporting each other to Police Scotland regarding various issues. The applicant made a number of complaints about how the police had dealt with matters, including complaints of incivility, bias, poor service and a lack of professionalism.

On reviewing the complaints, we concluded that Police Scotland had handled all of them to a reasonable standard. We found that the police had carried out

thorough enquiries and that their response was robust, supported by the evidence available. The response demonstrated that officers had, in fact, provided assistance to the applicant in an attempt to resolve the dispute and established that the parties were treated fairly.

Our review highlighted the good complaint handling demonstrated through the comprehensive statements provided by the subject officers and the detailed contact log kept by the complaint enquiry officer.

PERFORMANCE

242

CHRs issued by review team, in comparison to

137

last year

Recommendations Implemented



2019/20

2018/19

Recommendations Accepted



2019/20

2018/19

[See page 20 for detailed performance report.](#)

Corporate **Services**

The value of our people and our commitment to them has been a key focus this year with an emphasis on staff development and retention.

We increased our number of trainee investigators from four to eight, all of whom are undertaking a unique programme of multi-disciplinary training, which is a combination of academic, university-based teaching and practical learning in-house. The latter strongly reflects our commitment to embedding transferrable skills within the organisation and encouraging staff development by sharing knowledge.

This blended approach to upskilling our trainee investigators has been commented on favourably by a range of external partners and stakeholders.

We comply with equality legislation and are committed to promoting equality and diversity. We consider the impact of our policies on individuals, groups, and communities and policies are reviewed at least twice a year. As part of this regular review process Equality Impact Assessments are also updated to ensure a fair and equal process for all protected groups.

Training

We have streamlined the training process and introduced a dedicated training contact within each department. Our training co-ordinator meets regularly with managers and staff to identify learning needs and share opportunities across PIRC. We have recently undertaken a rolling programme of mandatory training inputs including raising awareness of our responsibilities under FOISA and the DPA and of unconscious bias.

Wellbeing

PIRC is committed to the health and wellbeing of all our people. To support employee wellness, we launched a 'WorkWell' campaign, introducing a mix of activities and awareness sessions highlighting the importance of good physical and mental health. Our initial focus has been on promoting mental health awareness and the appointment of the organisation's first mental health first aiders has been well received. Other elements of this campaign are in progress as we work towards our Healthy Working Lives Bronze Award.

Green shoots

We have received ideas and suggestions from some of our people on how we can improve our impact on the environment. We have established a group to consider environmental issues and several initiatives are underway to reduce waste and improve energy efficiency within PIRC. Among other measures, we have made changes to how we recycle our waste, removed the use of paper coffee cups and switched off large electrical appliances overnight.

Giving a little

Each year, we vote for a charity to support. This year we chose CHAS- Children's Hospices Across Scotland. Our fundraising efforts included a whisky trail, sweet and savoury bake sale, a geeky t-shirt day, festive fundraisers and our big PIRC breakfast. Along with a number of donations from current and former staff we proudly raised £1,160 for a very worthwhile cause.

It's good to talk

Communication is central to our work at PIRC. As the organisation grows we have improved how we engage with our colleagues to support them in their roles and highlight issues that they have told us that are important to them. We encourage contributions from across the organisation to our quarterly newsletter.

Externally, we have expanded our social media reach to give the public a better understanding of who we are and what we do, while continuing to publish reports in the wider media highlighting the work of the Investigation and Review teams. We also produce a bi-annual best practice bulletin, Learning Point, aimed at sharing best practice and service improvements with the police in Scotland.

“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 - 98.2% this year, a 1.3% improvement on 2018-19. There is no better demonstration of our people's dedication to providing the best service possible.”

Sharon Smit, *Head of HR and Corporate Services*



PERFORMANCE

39 Data Protection (DPA) requests, handling 94% within the statutory timescales of one calendar month; an increase of 26% in comparison to 31 in 2018-19

↑ 26%

57 Freedom of Information (FOISA) requests, responding to 100% within the statutory timescale of 20 working days; an increase of 50% on previous year (38 requests)

↑ 50%

An increase overall of 39% in the volume of information requests received by PIRC

↑ 39%

21 complaints made to the organisation (no increase on last year)

21

[See page 21 for detailed performance report.](#)

PIRC Annual **Accounts 2019-20**



Statement by Director of Operations

Overview

The Police Investigations & Review Commissioner (PIRC) has continued to carry out her statutory functions during a challenging period of high demand for the services of the PIRC. The organisation, while maintaining independence, has encouraged collaborative working with stakeholders and, while continuing to scrutinise the actions of the police during our investigations and Complaint Handling Reviews, we have focussed this year on promoting learning and continuous improvement to enhance police service delivery to the public which will in turn lead to increased public confidence in policing.

All of our Strategic Objectives for 2019-20 have been achieved. I will comment further on this under the Performance Analysis section of my report.

In June 2019 Dame Elish published her interim report in relation to her Independent Review of Complaints Handling, Investigations and Misconduct Issues in Relation to Policing. The report highlighted that more could be done to realise the PIRC vision of promoting continuous improvement through adopting a more positive approach, rather than being overly punitive and fault finding as perceived by some of our stakeholders. We have witnessed real improvements in our working relationships with the key policing organisations and partners since the interim report was published which we hope will be reported when the final report is published later in the year.

The interim report highlighted a lack of audit activity carried out by PIRC in recent years, which has principally been due to a lack of staff resilience within our Review Team. In November 2019 we submitted a business case to the Scottish Government requesting an increase in our budget to recruit additional staff to our Review Team to provide us with an audit capability and to provide resilience to the team as a whole. This request for additional funding in this regard was successful with an additional £322,000 being added to our budget for 2020-21.

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 2019-20 we continued to monitor our risks with our capability and capacity to meet the demand for our services remaining as the highest risk. Streamlining of our processes, particularly in our Investigations arena, has seen a more efficient and proportionate use of resources enabling us to cope with the increase in demand. Less staff turnover within our Review Team has also seen a substantial increase in output of CHRs.

As the year came to a close we faced a new and developing risk in relation to COVID-19 and the challenge of ensuring the safety of our staff and business continuity through effective home working. Early indications are that this will be achievable through the planning and preparation that we have put in place.

As highlighted earlier, the final report from Dame Elish will be published later in 2020 and we anticipate that its recommendations may lead to a further increase in demand for our services, potentially increasing our involvement in relation to the investigation of criminal allegations against those serving with the police. Should that materialise, we will require to submit a business case requesting a substantial budgetary increase to allow us to adequately resource such an increase in investigations. We appreciate that this will come at a time of great financial pressure on the Scottish Government to finance NDPB's while meeting the costs associated with COVID-19.

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 2019-22 are as follows:

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

Our three Strategic Objectives have been achieved for 2019-20.

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. We did miss specific KPI's around training as a result of a training provider no longer being available and training scheduled for March 2020 being delayed to the Covid-19 lockdown. We didn't achieve our 3% efficiency savings for the year due to increased financial pressure being brought about through increased salary and pension costs.

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

Strategic Objective 1		
To carry out thorough and timely investigations of incidents involving the police.		
MEASURE	YEAR END FIGURE	ANNUAL BENCH MARK
Category C investigations completed and reports submitted within 3 months	86%	80%
Category B investigations completed and reports submitted within 4 months	80%	80%
Category A investigations completed and reports submitted within 6 months	85%	80%
Investigations reports contain all relevant evidence	100%	100%
Assessments to be completed within 5 working days of receipt of requested documentation	100%	90%
All investigation decisions are fully recorded together with the rationale for each decision	100%	100%
A comprehensive Training Needs Analysis of the Investigation Team is completed by June 2019	✓	✓
Trainee Investigators receive necessary and appropriate training throughout their traineeships	✓	✓
Presentations delivered to stakeholders and other relevant agencies	64	30
Provide content for 2 Learning Point bulletins during the financial year	✓	✓

Strategic Objective 2

To carry out thorough and timely reviews of the way police handle complaints made about them and improve the quality of police complaint handling.

MEASURE	YEAR END FIGURE	ANNUAL BENCH MARK
Reduction in overall timescales for Complaint Handling Review process	8.7 months	8.9 months
Reduction in the backlog of applications for Complaint Handling Reviews	69	121
Number of upheld challenges to material accuracy of CHR reports does not exceed 5%	0%	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	Nil	100%
Meet monthly with Police Scotland's Professional Standards Department	17	12
Deliver PIRC presentations on complaint handling procedures to policing bodies and/or other relevant agencies	5	3
Provide content for 2 Learning Point bulletins during the year	✓	✓

Strategic Objective 3

To carry out our functions with a high level of efficiency, governance and accountability.

MEASURE	YEAR END FIGURE	ANNUAL BENCH MARK
Publish the PIRC's 2019-22 Strategic Plan in April every 3rd year; submit draft of annual Business Plan to the Scottish Government within a month of notification of annual budget allocation	✓	✓
Risk Register reviewed monthly at HODG	✓	✓
Staff to be trained annually on Corporate Governance procedures	X	✓
Positive audit outcomes and 100% implementation of any audit recommendations which will be reviewed quarterly	100%	100%
Respond to 95% of complaints about PIRC within standard of service timescales	93.5%	95%
Complete 95% of FOISA and Subject Access requests within statutory timescales	98%	95%
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%
95% of invoices paid within 10 days	98.9%	95%
Publish the Annual Reports and Accounts by December 2019	✓	✓
Achieve at least 3 % annual efficiency savings	1.64%	3%
Monthly Recruitment statistics given to HODG	✓	✓
Corporate Induction provided to all staff within 5 days of joining the PIRC	100%	100%
Corporate training plan updated bi-annually depending on planned budget and staff appraisal training requirements	✓	✓
All staff appraisals completed by April 2019, with objectives being set for 2019-20 during April 2019	100%	100%
All policies are compliant with legislation and are updated within 3 months of their review dates	100%	100%
To conduct an annual staff survey and produce an action plan for staff linked to outcomes	✓	✓
Publish CHR reports and updates for recommendations and reconsideration directions timeously	✓	✓
Publish reports timeously once all outstanding proceedings have been concluded	✓	✓
Edit, design and publish two editions of Learning Point	✓	✓
Prepare quarterly editions of our internal newsletter PIRC Press	✓	✓
Deliver annual Staff Development Day for staff from all three teams	✓	✓
Deliver quarterly breakfast meetings for staff from all three teams	X	✓

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 2019-20 our allocated Grant in Aid (GIA) was £4,374k, however due to spend, we drew down £4,394k. This was spent as follows:

	2019-20	2018-19
Staffing costs	3,683,000	3,227,000
Other operating costs	697,000	676,000
Capital	0	0
Depreciation	164,000	100,000
Total:	4,544,000	4,003,000

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 2019-20 performance against this target was 98.9%.

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.
- Over the past year we have run a number of campaigns to highlight and raise awareness to reduce our waste, recycle and improve our energy efficiency:
 - Big switch off
 - Paperless meetings
 - Recycling more

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 four 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 £9.30. This rate is significantly higher than the statutory minimum for over 25s of £8.21 per hour introduced in April 2019.

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.



Alan Buchanan

ACCOUNTABLE OFFICER



Accountability Report

Corporate governance report

This section contains the Director's report, the statement of the Accountable Officer's responsibilities and the governance statement.

The Director's report

The organisation comprises an Executive Team of the Commissioner, Michelle Macleod and the Director of Operations and Accountable Officer Alan Buchanan. Michelle Macleod took up her position as Commissioner on 17 August 2019 at the conclusion of the previous Commissioner Kate Frame's tenure.

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 our website: <https://pirc.scot/media/5164/register-of-interests-feb-20.pdf>. 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 2019/20.

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 (FRoM) 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 FRoM 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 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 2020 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 develops and monitors the plans and agrees 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 three times during the year. The scheduled July 2019 meeting was cancelled due to the transitional period between Kate Frame leaving and Michelle Macleod taking up her post. 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
Staff Expenses	Reasonable Assurance
Records Management	Substantial Assurance
Complaints Handling	Substantial Assurance

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

The auditors also followed up on recommendations falling out of previous audits.

They concluded that we had made good progress with these.

All actions are tracked and once completed are reported to the Audit and Accountability Committee for sign off at the quarterly meetings.

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 here:

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 2020 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 Policy 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 2019-20 and was confirmed after the round of pay negotiations.

The PIRC also takes account of the Public Sector Pay Policy for Senior Appointments.

In line with SG pay policy guidance there were no performance or other form of bonus payments made in 2019-20.



Staff Resources

Breakdown of staff resources as at 31 March 2020 by gender

	All	Male	Female
Commissioner	1	-	1
Directors	1	1	-
Senior Managers (Other)	3	2	1
Other Staff:	63	34	29
Other appointments:			
Fixed term appointments	10	3	7
Secondees (Inward)	-	-	-
Secondees (Outward)	-	-	-
Agency staff	-	-	-
Total	78	40	38

Remuneration and pensions benefits (subject to audit)

Kate Frame, Commissioner (Left PIRC 16.08.19)

	Total Remuneration 2019-20	Total Remuneration 2018-19
Salary	£40,000 - £45,000	£90,000 - £100,000
Pension Benefit	£13,000	£108,000
Total	£53,000 - £58,000	£198,000 - £208,000

Michelle MacLeod, Commissioner (Started 17.08.19)

	Total Remuneration 2019-20	Total Remuneration 2018-19
Salary	£55,000 - £60,000	N/A
Pension Benefit	£84,000	N/A
Total	£139,000 - £144,000	N/A

Alan Buchanan, Director of Operations

	Total Remuneration 2019-20	Total Remuneration 2018-19
Salary	£70,000 - £75,000	£70,000 - £75,000
Pension Benefit	£29,000	£27,000
Total	£99,000 - £104,000	£97,000 - £102,000

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 2020 & related lump sum £'000	Real increase in pension & related lump sum at age 60 £'000	CETV at 31 March 2019 £'000	CETV at 31 March 2020 £'000	Real Value of CETV increase over year £'000
Kate Frame (left PIRC 16.08.19)	135 - 140	0 - 2.5	1,081	1,105	13
Michelle MacLeod (started 17.08.19)	80 - 85	7.5 - 10	562	644	72
Alan Buchanan	0 - 5	0 - 2.5	25	49	17

Fair pay disclosure (subject to audit)

	2019-20	2018-19
Median total remuneration of all PIRC staff	£37,963	£31,693
Pay multiple between mid-point of Highest paid member of staff banding and median total remuneration of all staff	2.46	2.96
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 2019-20 were £722k (2018-19: £504k) and were on average 20% of pay (2018-19: 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 2020 PIRC has recorded 365 days of sickness absence and an average of 4.7 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 2020 was 98.2%.

Expenditure on consultancy and off payroll matters (subject to audit)

PIRC spend as follows:

	2019-20	2018-19
Consultancy :	£0	£0
Off Payroll:	£0	£25,210

Equal opportunities and diversity

The PIRC is fully committed to equality and inclusion in the workplace and across our operation. This is reflected in both our working practices and our policies which are all equality impact assessed. 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 diversity and inclusion in December 2019. All new recruits receive training during initial induction.

Staff costs (subject to audit)

				2019-20	2018-19
				£'000	£'000
	Permanent	Fixed Term	Agency	Total	Total
Wages and salaries	2,453	228	0	2,681	2,473
Social security costs	254	21		275	247
Other pension costs	662	61		723	504
Staff on secondment costs				-	-
Commissioner fees and expenses				4	3
Total administration staff costs				3,683	3,227

Staff numbers

Average numbers of employees during the year (FTE)	2019-20	2018-19
Commissioner	1	1
Other staff (permanent and temporary appointments)	71	67
Total	72	68

Early exit package (subject to audit)

There has been no voluntary termination payment during the financial year 2019/20.

Number of arrangements

	2019/20	2018/19
< £10,000	0	0
£10,000 – £25,000	0	0
£25,000 – £50,000	0	1
£50,000 – £100,000	0	0
Total number of arrangements	0	1

Trade Union facility time

Approximately 52.3 hours were spent on trade union facility time.



Alan Buchanan

ACCOUNTABLE OFFICER
Date: 26 October 2020

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 2020 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 2019/20 Government Financial Reporting Manual (the 2019/20 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 2019/20 FReM.
- 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 4 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.
- 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.
- 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.
- The financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records.
- 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

(for and on behalf of Azets Audit Services)

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 27 October 2020

The Financial **Statements**

STATEMENT OF COMPREHENSIVE NET EXPENDITURE Year ending 31 March 2020

		2019-20	2018-19
	Note	£'000s	£'000s
ADMINISTRATIVE COSTS			
Staff costs	2	3,683	3,227
Other admin costs	3,4	697	676
Depreciation / Amortisation	5,6	164	100
NET OPERATING COST		4,544	4,003

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

		31 March 2020	31 March 2019 Restated
	Note	£'000s	£'000s
NON-CURRENT ASSETS			
Property, plant and equipment	5	301	457
Intangibles	6	15	23
TOTAL NON-CURRENT ASSETS		316	480
CURRENT ASSETS			
Trade and other receivables	7	71	82
Cash and cash equivalents	8	477	429
Total current assets		548	511
TOTAL ASSETS		864	991
CURRENT LIABILITIES			
Trade and other payables	9	348	328
Total current liabilities		348	328
TOTAL ASSETS LESS CURRENT LIABILITIES		516	663
NON-CURRENT LIABILITIES			
Other Financial liabilities	9	32	32
Total non-current liabilities		32	32
TOTAL ASSETS LESS TOTAL LIABILITIES		484	631
TAXPAYERS EQUITY			
General Fund	SOCTE	484	631
TOTAL TAXPAYERS EQUITY		484	631



Alan Buchanan

ACCOUNTABLE OFFICER
Date: 26 October 2020

POLICE INVESTIGATIONS & REVIEW COMMISSIONER
Hamilton House, Caird Park, Hamilton
ML3 0QA Scotland

STATEMENT OF CASH FLOWS
Year ending 31 March 2020

		2019-20	2018-19
	Note	£'000s	£'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating cost	SOCNE	(4,544)	(4,003)
Adjustments for non-cash transactions:			
* Depreciation	5,6	164	100
* Notional costs	4	3	3
Movements in working capital			
* (Increase)/Decrease in trade and other receivables	7	11	(29)
* Increase/(Decrease) in trade and other payables	9	20	(8)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(4,346)	(3,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(0)	(185)
NET CASH FLOW FROM INVESTING ACTIVITIES		(0)	(185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in deferred lease payments	9	(0)	(0)
Funding	SOCTE	4,394	4,162
NET CASH FLOW FROM INVESTING ACTIVITIES		4,394	4,162
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		48	40
Cash and cash equivalents at beginning of period	8	429	389
Cash and cash equivalents at end of period	8	477	429
NET CHANGE IN CASH AND CASH EQUIVALENT BALANCES	8	48	40

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
Year ending 31 March 2020

		General Fund
	Note	£'000s
Balance at 1 April 2019		631
Non-cash charges – notional costs	4	3
Net operating cost for the year	SOCNE	(4,544)
Net funding		4,394
BALANCE AT 31 MARCH 2020		484
Balance at 1 April 2018		
Non-cash charges – notional costs	4	469
Net operating cost for the year	SOCNE	3
Net funding		(4,003)
Balance at 31 March 2019		631

NOTES TO THE ACCOUNTS
Year ending 31 March 2020

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.
- 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) Intangible assets

Intangible assets are measured initially at cost. Licence costs which meet the criteria for recognition as software licences are capitalised and are stated at cost less accumulated amortisation. Amortisation is provided to write off the cost of the intangible fixed assets below:

The estimated useful lives range as follows:
Software licences 5 years

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

(e) 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.

(f) 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.

(g) Operating leases

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

(h) Provisions

Provisions are made for obligations which are of an uncertain amount or time at the balance sheet date. During financial year 2019-20, the PIRC made no provisions.

(i) Value added tax

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

(j) Receivables

All material amounts due as at 31 March 2020 have been brought into the account irrespective of when actual payments were received.

(k) Payables

All material amounts outstanding as at 31 March 2020 have been brought into account irrespective of when actual payments were made.

(l) 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.

(m) 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.

(n) Disclosure of new accounting standards

Due to the recent pandemic the effective date of IFRS 16 in the public sector has been deferred from 1st April 2020 to 1st April 2021. Under IFRS 16 the premise lease will be capitalised and held as an asset on the Statement of Financial Position (SoFP) in 2021/22 alongside the recently capitalised lease incentives and dilapidations provision. There will also be a lease liability on the SoFP which represent the obligation to make lease payments. Depreciation will be charged on the asset and interest will be charged on the lease liability, cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7. Due to the prior capitalisation of initial lease costs, the right of use asset and liability will each be £82,544 at 1st April 2021. Although the overall expense over the lifetime of the lease will be the same due to timing differences and the implicit interest rate a £699 greater expense will occur in 2021-22.

(o) Salaries

The increase in salary costs reflects the uplift to our GIA of £1,068k for 2018/19 being fully utilised. There has also been an increase to employer pension contributions of 6% for which we were given £120k of additional GIA. The cost to PIRC however was circa £150k which we have funded through vacancy management.

2. Staff costs

An average of 77 staff were on PIRC payroll during 2019/20 at a cost of £3,683k (for full details see Remuneration and Staffing Report).

3. Other operating costs

	2019-20	2018-19
	£'000	£'000
Accommodation including Rent & Rates	191	189
Maintenance and Cleaning	26	44
Office Equipment	11	37
Research and Consultancy	-	-
IT	188	145
Travel and Subsistence	111	99
Legal Fees	21	13
Training and Conference costs	28	36
Telephones	20	25
Electricity	15	10
Printing and Publications	29	29
External audit fee	13	12
Internal audit fee	12	12
Recruitment	2	4
Stationery	3	4
Catering & Hospitality	1	2
Other Office costs	23	10
Furniture & Fittings	-	-
Childcare Vouchers	-	2
Total other operating costs	694	673

4. Notional costs

	2019-20	2018-19
	£'000	£'000
Internal Accountancy Fees	3	3
Total	3	3

5. Property, plant and equipment

	Buildings	Fixtures & Fittings	Plant & Machinery	Information Technology	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2019 restated	481	458	22	189	1,150
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2020	481	458	22	189	1,150
DEPRECIATION					
At 1 April 2019 restated	315	199	22	157	693
Charge for year	32	113	-	11	156
Disposals	-	-	-	-	-
At 31 March 2020	347	312	22	168	849
NBV at 31 March 2020	134	146	-	21	301
NBV at 31 March 2019 restated	166	259	-	32	457
ANALYSIS OF ASSET FINANCING:					
Owned	134	146	-	21	301
Finance leased	-	-	-	-	-
NBV at 31 March 2020	134	146	-	21	301

Prior year

	Buildings	Fixtures & Fittings	Plant & Machinery	Information Technology	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2018 restated	481	298	22	164	965
Additions	-	160	-	25	185
Disposals	-	-	-	-	-
At 31 March 2019 restated	481	458	22	189	1,150
DEPRECIATION	Depreciation				
At 1 April 2018 restated	283	150	22	146	601
Charge for year restated	32	49	-	11	92
Disposals	-	-	-	-	-
At 31 March 2019 restated	315	199	22	157	693
NBV at 31 March 2019 restated	166	259	-	32	457
NBV at 31 March 2018 restated	198	148	-	18	364
ANALYSIS OF ASSET FINANCING:					
Owned	166	259	-	32	457
Finance leased	-	-	-	-	-
NBV at 31 March 2019	166	259	-	32	457



6. Intangibles

	Software Licences	Total
	£'000	£'000
COST		
At 1 April 2019 restated	38	38
Additions	-	-
Disposals	-	-
At 31 March 2020	38	38
AMORTISATION		
At 1 April 2019 restated	15	15
Charge for year	8	8
Disposals	-	-
At 31 March 2020	23	23
NBV at 31 March 2020	15	15
NBV at 31 March 2019 restated	23	23
ANALYSIS OF ASSET FINANCING:		
Owned	15	15
Finance leased	-	-
NBV at 31 March 2020	15	15

Prior year

	Software Licences	Total
	£'000	£'000
COST		
At 1 April 2018 restated	38	38
Additions	-	-
Disposals	-	-
Transfers to Assets		
At 31 March 2019 restated	38	38
AMORTISATION		
At 1 April 2018 restated	7	7
Charge for year restated	8	8
Disposals	-	-
At 31 March 2019 restated	15	15
NBV at 31 March 2019 restated	23	23
NBV at 31 March 2018 (Restated)	31	31
ANALYSIS OF ASSET FINANCING:		
Owned	23	23
Finance leased	-	-
NBV at 31 March 2019 restated	23	23



7. Trade receivables and other current assets

	2019-20	2018-19
	£'000	£'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Prepayments and accrued income	71	82
Total receivable within 1 year	71	82

8. Cash and cash equivalents

	2019-20	2018-19
	£'000	£'000
Balance at 1 April	429	389
Net change in cash and cash equivalent balances	48	40
Balance at 31 March	477	429

9. Trade payables and other current liabilities

	2019-20	2018-19
	£'000	£'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Trade payables	-	-
Other payables	348	328
Total due within one year	348	328
AMOUNTS FALLING AFTER MORE THAN ONE YEAR:		
Deferred lease payments	32	32
Total	32	32

10. 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.

11. Related party transactions

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

12. Capital commitments and contingent liabilities

There were no contracted capital commitments or contingent liabilities.

13. Commitments under leases

Obligations under operating leases comprise:

	31 March 2020	31 March 2019
	£'000	£'000
BUILDINGS:		
Not later than one year	73	61
Later than one year and not later than five years	167	182
Later than five years	-	-

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

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

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

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

PSD – Professional Standards Division, Police Scotland

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

SOP – Standard Operating Procedure

SPA – Scottish Police Authority



Police Investigations & Review Commissioner

The Police Investigations & Review Commissioner (2020)

The Commissioner's Annual Report presents highlights of the PIRC's achievements for the financial year 2019 - 20 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

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