



ANNUAL ACCOUNTS
FOR YEAR ENDED 31 MARCH 2009

AUDITED

October 2009

TAYSIDE COMMUNITY JUSTICE AUTHORITY
STATEMENT OF ACCOUNTS 2008/2009

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TAYSIDE COMMUNITY JUSTICE AUTHORITY

MEMBERS AND OFFICIALS

Community Justice Authorities (CJAs) are statutory bodies created by the Management of Offenders etc (Scotland) Act 2005. Most of the Act's provisions came into force on 3 April 2006, with the full range of functions from April 2007.

The Authority comprises 6 elected members: 2 each from Dundee City Council, Angus Council and Perth & Kinross Council. The under-noted elected members served on the Tayside Community Justice Authority during 2008/09 and the under-noted officers served as officials of the Authority during 2008/09.

Representing Dundee City Council

Bailie Helen Wright (Convener)
Bailie George Regan

Representing Angus Council

Councillor Margaret Thomson
Councillor Glennis Middleton (Vice Convener)

Representing Perth & Kinross Council

Councillor Willie Robertson
Councillor Ann Cowan

Secretary

Ms Patricia McIlquham LLB, Dundee City Council

Treasurer

Mrs Marjory M Stewart FCCA, CPFA, Dundee City Council

Contact Details

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TAYSIDE COMMUNITY JUSTICE AUTHORITY

CHIEF OFFICER'S REPORT

The eight Community Justice Authorities in Scotland were established under the Management of Offenders etc (Scotland) Act 2005, and began their first formal year of operation on 1 April 2007, following a 'shadow' year.

Tayside Community Justice Authority (CJA) is a strategic partnership focused on the reduction of reoffending within Tayside, and on contributing to a reduction in the fear of crime in local communities. The CJA is required, by legislation, to produce an Area Plan, with its focus on reducing reoffending.

The CJA is required to monitor the performance of agencies responsible for criminal justice services in carrying out agreed actions in the Area Plan, and to allocate resources provided by the Scottish Government to local authority criminal justice social work services.

The statutory partners of the CJA are:

- Angus Council, Dundee City Council and Perth and Kinross Council
- Scottish Prison Service
- Tayside Police
- NHS Tayside
- Scottish Court Service
- Crown Office and Procurator Fiscal Service
- Victim Support (Scotland)
- Apex Scotland
- NCH Scotland

Meetings are held quarterly, chaired by the Convener, Bailie Helen Wright. The press and members of the public can attend.

The CJA has three full-time staff, the Chief Officer, a Planning Officer and an Office Manager. The CJA receives an annual financial allocation from the Scottish Government in relation to its administration function, for salaries of the three staff, remuneration of elected members as per regulations, rental of accommodation, and office management.

Support functions of legal, finance, HR, and media services are provided by Dundee City Council in its role as host authority and this was formalised by a service level agreement in 2009.

From the outset the CJA made a firm commitment to build relationships with a range of agencies to address the management of offenders in Tayside, both in prison and in the community. Tayside CJA has developed as a forum where agencies can solve problems together and can share best practice, information and expertise.

Importantly, Tayside CJA supports areas of work which are already taking place within community planning environments, and are taking that work forward with partner agencies to deliver more integrated and effective services to manage offenders who live in Tayside – with the aim of reducing reoffending. Tayside CJA recognises the importance of planning and developing sustainable offender management services to meet longer term needs.

Tayside CJA produced an Area Plan for 2008-2011, containing a 58 point one year Action Plan for 2008-09. Both the overarching Area Plan and the one year Action Plan were formally agreed by all partners. One year Action Plans will be prepared to cover 2009-10 and 2010-11 respectively.

Tayside CJA have progressed, either in whole or in part, all of the actions in the 2008-09 Action Plan, which was based on the 23 outcomes referred to within the National Strategy for the Management of Offenders (NSMO). We can report that 40% of actions were achieved, and 34% were carried forward to 2009-10, with the remaining 26% addressed within other actions, or agreed as no longer required.

Actions can broaden in development in order to ensure that necessary and durable strategic links are in place across Tayside services, and the level of performance should be seen as an indication that positive outcomes are being pursued.

Strong links have been established with the three local Community Planning Partnerships and these relationships have been further developed in 2009, to meet shared responsibilities between the CJA performance framework, and the Single Outcome Agreements. The CJA has a place on one local authority Community Planning Partnership, and at Alcohol and Drug Partnerships, Domestic Abuse Forums, Youth Justice Forums, and Community Safety Partnerships across all three local authorities.

Since April 2007 the CJA has had responsibility for disbursing the annual grant allocation for criminal justice social work under Section 27 Social Work (Scotland) Act 1968. The disbursement of this grant is prescribed by ring-fenced funding in respect of statutory duties and project-related areas of work.

A Best Value Review, commissioned by the CJA, chaired by the Chief Officer, took place in 2007. Following exploration of alternative methods of grant allocation the CJA accepted the review's recommendation that the mechanism in use at that point, for the distribution of grant allocation, continued to be fit for purpose. This mechanism will be reviewed in 2010. A review of funding allocation mechanisms in relation to project-related areas of work (non-core) will take place later in 2009.

Scottish Government guidance in relation to financial arrangements is issued regularly, and is regularly reviewed by the Chief Officer along with the CJA's legal adviser and finance officer. This work will continue in 2009, and beyond. An external audit was carried out by Audit Scotland in 2008, and an Action Plan to address areas highlighted within the Audit was agreed by the CJA in December 2008.

All partner agencies have allocated resources to meet the identified priorities of the CJA, as outlined in the Area Plan and Action Plan.

Doreen Peat
Chief Officer
Tayside Community Justice Authority
29 October 2009

TAYSIDE COMMUNITY JUSTICE AUTHORITY

TREASURER'S REPORT

Introduction

This report is intended as a commentary on the Tayside Community Justice Authority's financial position, as presented within the Statement of Accounts for the financial year 2008/2009.

Accounting Policies (see pages 7 and 8)

The Statement of Accounting Policies sets out the basis upon which the Financial Statements have been prepared, and explains the accounting treatment of both general and specific items.

Statement of Responsibilities for the Statement of Accounts (see page 9)

This statement sets out the main financial responsibilities of the Tayside Community Justice Authority, the Chief Officer and Treasurer.

The Accounting Statements (see pages 10 to 17)

Income & Expenditure Account:

sets out the budgeted and actual income receivable and expenditure incurred in operating the Authority for the year. Both income and expenditure are measured using essentially the same accounting conventions (i.e. UK General Accepted Accounting Practice (UKGAAP)) that a large (but unlisted) company would use in preparing its financial statements.

Balance Sheet:

shows the overall financial position of the Authority as at 31 March 2009.

Cash Flow Statement:

details the inflows and outflows of cash arising from transactions.

Notes to the Core Financial Statements:

are intended to give the reader further information which is not separately detailed in the core financial statements.

Statement on the System of Internal Financial Control (see page 18)

This statement sets out the framework within which financial control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

Revenue Expenditure

The Authority received confirmation from the Scottish Government in January 2008 that the Section 27 Grant allocated to the Authority for 2008/2009 was £7,666,751. This grant allocation was reported to the Authority meeting on 19 March 2008. During 2008/09, the Authority received additional grant allocations, resulting in a final grant allocation of £8,076,940. The following table reconciles the original grant allocation reported to the Authority meeting on 19 March 2008 to the final grant allocation.

| | Budgeted Expenditure/(Income) £ |
|---|--|
| Original Grant Allocation | 7,666,751 |
| <u>Add</u> | |
| Structured Deferred Sentence | 88,020 |
| Home Detention Curfews | 24,012 |
| Social Enquiry Report Pilot & Set Up Costs | 41,025 |
| Young Offenders | 190,000 |
| Community Service | 23,343 |
| Evaluation of the Intensive Support Project | 22,500 |
| Intensive Supervision & Monitoring | 24,959 |
| <u>Less</u> | |
| Intensive Support Project Funding | (3,670) |
| Revised Grant Allocation (per Income & Expenditure Account) | <u>8,076,940</u> |

The Authority received confirmation from the Scottish Government in February 2008 that the Administration Grant allocated to the Authority for 2008/2009 was £219,880. This grant allocation was reported to the Authority meeting on 19 March 2008.

The following table details the final grant allocation (for both grants), the actual outturn position and the under/overspends.

| | Budgeted Expenditure/ (Income) £000 | Actual Expenditure/ (Income) £000 | Over/(Under) Spend £000 |
|--|--|--|--|
| Staff Costs | 147 | 148 | 1 |
| Property Costs | 27 | 26 | (1) |
| Supplies & Services | 21 | 20 | (1) |
| Transport Costs | 5 | 1 | (4) |
| Third Party Payments | - | 5 | 5 |
| Support Services Costs | 20 | 22 | 2 |
| Funds Distributed to Constituent Local Authorities | 8,077 | 8,068 | (9) |
| Gross Expenditure | <hr/> 8,297 | <hr/> 8,290 | <hr/> (7) |
| CJA Administration Grant | (220) | (222) | (2) |
| Section 27 Grant | (8,077) | (8,068) | 9 |
| Total Income | <hr/> (8,297) | <hr/> (8,290) | <hr/> 7 |
| Net (Surplus)/Deficit | <hr/> - | <hr/> - | <hr/> - |

The reasons for the main under/overspends are explained in the variance analysis below:

Transport Costs (Underspend £4,000)

Due to savings on staff travel and subsistence and car allowances.

Third Party Payments (Overspend £5,000)

Reflects the audit fee set by Audit Scotland for which there was no budget provision.

Funds Distributed to Constituent Local Authorities (Underspend £9,000)

This underspend is mainly due to the Social Enquiry Report Pilot Set Up costs being lower than anticipated.

CJA Administration Grant (Additional Income £2,000)

Reflects the additional income received from the Scottish Government to fund the audit fee.

Section 27 Grant (Reduced Income £9,000)

Reflects the reduced income received from the Scottish Government due to the lower than anticipated expenditure on the Social Enquiry Report Pilot Project.

Control of Revenue Expenditure

The control of the revenue expenditure of the Authority is an ongoing exercise which requires a positive contribution from the staff and members of the Authority and the Constituent Local Authorities to ensure that the Authority's financial objectives are achieved and that financial resources are fully utilised.

Capital Expenditure

During 2008/09, the Authority did not incur any capital expenditure.

General Reserve

The Authority does not have the power to hold reserves. Any balances are held as creditors.

Acknowledgements

During the 2008/09 financial year, the Authority's financial position has required strict budgetary control. I would like to thank the Authority's Chief Officer and the staff within the Constituent Local Authorities for their active support and co-operation in the effective management of the Authority's finances since the inception of the Tayside Community Justice Authority. Finally, I would conclude the report by thanking all staff who have contributed to the preparation of the Authority's Annual Accounts.

Marjory Stewart, FCCA, CPFA
Treasurer
Tayside Community Justice Authority
29 October 2009

TAYSIDE COMMUNITY JUSTICE AUTHORITY

STATEMENT OF ACCOUNTING POLICIES

General

The Financial Statements are intended to present a true and fair view of the financial position and transactions of the Tayside Community Justice Authority. They have thus been prepared in accordance with:

- The "Code of Practice on Local Authority Accounting in the United Kingdom 2008 - A Statement of Recommended Practice" (the SORP), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LA(S)AAC).
- The Best Value Accounting Code of Practice 2008.

The Financial Statements have also been prepared in accordance with the fundamental accounting principles and pervasive concepts identified in FRS 18 (Accounting Policies), i.e. relevance, reliability, comparability, understandability, materiality, accruals, going concern and primacy of legislative requirements.

Major Changes in Accounting Policy

The Authority adopts the accounting policies recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authorities (Scotland) Accounts Advisory Committee (LA(S)AAC). There have been no major changes in accounting policy since the 2007/08 accounts were prepared.

Impairment and Uncollectability of Financial Assets

Financial assets are reviewed for impairment in accordance with Financial Reporting Standard 26 (Financial Instruments: Measurement). Provisions are made for bad debts on items of income. The level of provision is based on experience and an assessment of the prospects of recovering the related debts.

Government Grants

Government grants are accounted for on an accruals basis and income has been credited to the Income and Expenditure Account.

Revenue Transactions

Revenue transactions are recorded in the accounts on an income and expenditure basis i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Authority as at 31 March 2009 have been brought to account. The recognition and measurement of income is in accordance with the Application Note to Financial Reporting Standard 5 concerning "Revenue Recognition".

Pension Costs

The Board participates in the Local Government Pension Scheme, which is a defined benefits scheme related to pay and service. The pension costs included in the accounts have not been determined in accordance with Financial Reporting Standard 17 (Retirement Benefits) on the grounds of materiality. The pension costs included in the accounts are the actual contributions paid to the Tayside Pension Fund.

Exceptional Items

Exceptional items are ones that are material in terms of the Authority's overall expenditure and are not expected to occur frequently or regularly. Exceptional items are shown separately in the Income and Expenditure Account if that degree of prominence is necessary in order to give a fair presentation of the accounts. Further details are provided in the Notes to the Core Financial Statements.

Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior years, arising from changes in accounting policies or the correction of fundamental errors. In accordance with Financial Reporting Standard 3 (Reporting Financial Performance) prior period adjustments are accounted for by restating the comparative figures for the preceding period in the statement of Accounts and Notes, and adjusting the opening balance of reserves for the cumulative effect.

TAYSIDE COMMUNITY JUSTICE AUTHORITY

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer,
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Chief Officer's responsibilities

The Chief Officer is required to:

- make arrangements for the propriety and regularity of the public finances (i.e. all funds falling within the stewardship of the Authority) of the Community Justice Authority for which she is answerable,
- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with the guidance issued by the Scottish Ministers.

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices set out in the CIPFA/LA(S)ACC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2009.

Marjory M Stewart FCCA, CPFA
Treasurer
Tayside Community Justice Authority
29 October 2009

Doreen Peat
Chief Officer
Tayside Community Justice Authority
29 October 2009

TAYSIDE COMMUNITY JUSTICE AUTHORITY

INCOME & EXPENDITURE ACCOUNT

| 2007/2008 Actual Net Expenditure/ (Income) £000 | | 2008/2009 Budgeted Net Expenditure/ (Income) £000 | 2008/2009 Actual Net Expenditure/ (Income) £000 |
|--|--|--|--|
| | Expenditure | | |
| 109 | Staff Costs | 147 | 148 |
| 25 | Property Costs | 27 | 26 |
| 29 | Supplies & Services | 21 | 20 |
| 2 | Transport Costs | 5 | 1 |
| 5 | Third Party Payments | - | 5 |
| 20 | Support Services Costs | 20 | 22 |
| 1,256 | Funds Distributed to: Angus Council | 1,376 | 1,373 |
| 5,410 | Dundee City Council | 5,416 | 5,410 |
| <u>1,259</u> | Perth & Kinross Council | <u>1,285</u> | <u>1,285</u> |
| 8,115 | Gross Expenditure | 8,297 | 8,290 |
| | Income | | |
| (190) | Scottish Government CJA Administration Grant | (220) | (222) |
| <u>(7,925)</u> | Scottish Government Section 27 Grant | <u>(8,077)</u> | <u>(8,068)</u> |
| <u>(8,115)</u> | Total Income | <u>(8,297)</u> | <u>(8,290)</u> |
| - | (Surplus)/Deficit for the Year | - | - |
| | | | |

TAYSIDE COMMUNITY JUSTICE AUTHORITY
BALANCE SHEET

| As at 31 March 2008 £000 | | As at 31 March 2009 £000 |
|---|---------------------------------|---|
| - | Tangible Fixed Assets | - |
| | Current Assets | |
| 77 | Sundry Debtors | 213 |
| <u>45</u> | Cash and Bank Balance | <u>49</u> |
| 122 | | 262 |
| | Less Current Liabilities | |
| (122) | Sundry Creditors | (262) |
| <u> </u> | | <u> </u> |
| <u> </u> <u> </u> | Total Net Assets | <u> </u> <u> </u> |

Marjory M Stewart FCCA, CPFA
Treasurer
Tayside Community Justice Authority
29 October 2009

Doreen Peat
Chief Officer
Tayside Community Justice Authority
29 October 2009

TAYSIDE COMMUNITY JUSTICE AUTHORITY

CASH FLOW STATEMENT

| 2007/2008 £000 | | 2008/2009 £000 | £000 |
|-------------------|--|-------------------|----------------|
| | Revenue Activities | | |
| | <i>Cash Outflows</i> | | |
| 109 | Cash Paid To and On Behalf of Employees | 148 | |
| <u>7,934</u> | Other Operating Cash Payments | <u>8,005</u> | |
| 8,043 | | | 8,153 |
| | <i>Cash Inflows</i> | | |
| (164) | Government Grant - CJA Administration | (225) | |
| <u>(7,884)</u> | Government Grant - S27 | <u>(7,932)</u> | |
| <u>(8,048)</u> | | | <u>(8,157)</u> |
| (5) | NET CASH (INFLOW) FROM REVENUE ACTIVITIES | | (4) |
| | Returns on Investments and Servicing of Finance | | |
| - | <i>Cash Outflows</i> | - | |
| <u>-</u> | <i>Cash Inflows</i> | <u>-</u> | |
| - | | | - |
| | Capital Activities | | |
| - | <i>Cash Outflows</i> | - | |
| <u>-</u> | <i>Cash Inflows</i> | <u>-</u> | |
| - | | | - |
| (5) | NET CASH OUTFLOW BEFORE FINANCING | | (4) |
| - | Management of Liquid Resources | | - |
| | Financing | | |
| - | <i>Cash Outflows</i> | - | |
| <u>-</u> | <i>Cash Inflows</i> | <u>-</u> | |
| <u>(5)</u> | Net (Increase)/Decrease in Cash | | <u>(4)</u> |

Further details relating to the Cash Flow Statement are provided in Note 15 on page 15

TAYSIDE COMMUNITY JUSTICE AUTHORITY
NOTES TO THE CORE FINANCIAL STATEMENT

1. ACQUIRED AND DISCONTINUED OPERATIONS

In 2008/2009 there were no acquired or discontinued operations (2007/2008 None).

2. EXCEPTIONAL AND EXTRAORDINARY ITEMS

In 2008/2009 there were no exceptional or extraordinary items (2007/2008 None).

3. PRIOR PERIOD ADJUSTMENTS

In 2008/2009 there were no prior period adjustments (2007/2008 None).

4. PUBLICITY ACCOUNT

During 2008/2009, the Authority incurred the expenditure shown below on publicity:

| 2007/2008 | | 2008/2009 |
|------------------|------------------------|------------------|
| £ | | £ |
| 3,067 | Employment Advertising | - |

5. PENSION COSTS

Dundee City Council administers the Tayside Superannuation Fund on behalf of various Scheduled and Admitted Bodies. The Authority is recognised as a Scheduled Body within the Superannuation Regulations and therefore its employees can be admitted to the Fund. In 2008/2009, the Tayside Community Justice Authority paid an employer's contribution of £21,205 (2007/2008 £11,415) into the Tayside Superannuation Fund which represents 18.9% of pensionable pay. The contribution rate was determined by the Fund's Actuary based on the triennial actuarial valuation at 31 March 2005 with the resultant revised contribution rates effective from 1 April 2006. The employer's contribution rate in 2008/2009 was 315% of the employee's contribution rate, which was 6%. Under Superannuation Regulations contribution rates are set to meet 100% of the overall liabilities of the Fund.

6. OFFICERS REMUNERATION

The following table shows the number of employees whose total remuneration fell within the specified banding:

| Number of Employees | Salary Banding | Number of Employees |
|----------------------------|-----------------------|----------------------------|
| 2007/08 | (£) | 2008/09 |
| 1 | 50,000 - 59,999 | 1 |

7. EXTERNAL AUDIT FEES

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Authority is required to submit statutory accounts for audit. The Auditor General for Scotland has decided that the auditor of the Authority will be Audit Scotland. The total fee payable to Audit Scotland in respect of the 2008/2009 financial year, for external audit services is £5,120 (2007/08 £5,000).

8. MEMBERS REMUNERATION AND EXPENSES

The total amount of members' remuneration paid, under the Management of Offenders etc (Scotland) Act 2005 (Members' Remuneration and Supplementary Provisions) Order 2008 SSI 2008/30 for the year to 31 March 2009, was £2,970 (2007/2008 £2,265).

9. RELATED PARTIES - TRANSACTIONS

Angus, Dundee City and Perth & Kinross Councils are considered to be related parties of the Tayside Community Justice Authority, in terms of the Accounting Code of Practice. During the 2008/2009 financial year, the Authority entered into a number of transactions with these three Councils as detailed below:

| 2007/2008 Payments to £000 | | 2008/2009 Payments to £000 |
|---|------------------------------------|---|
| | Angus Council | |
| <u>1,256</u> | Section 27 Grant | <u>1,373</u> |
| <u>1,256</u> | | <u>1,373</u> |
| | Dundee City Council | |
| 5,410 | Section 27 Grant | 5,410 |
| 17 | Property Rental | 19 |
| <u>20</u> | Central Support Services | <u>22</u> |
| <u>5,447</u> | | <u>5,451</u> |
| | Perth & Kinross Council | |
| <u>1,259</u> | Section 27 Grant | <u>1,285</u> |
| <u>1,259</u> | | <u>1,285</u> |

10. LEASE - DISCLOSURE BY LESSEES

Operating Leases

The Community Justice Authority occupied office premises in Dundee on an operating lease during 2008/09. Operating lease rental payments of £18,400 were payable by the Tayside Community Justice Authority in 2008/2009 (£17,450 in 2007/2008).

11. PENSION ASSETS AND LIABILITIES

Under Financial Reporting Standard 17 (Retirement Benefits), the Tayside Community Justice Authority is required to include figures in its Statement of Accounts relating to assets, liabilities, income and expenditure of the pension scheme for its employees.

Tayside Community Justice Authority has only three members of staff who participate in the Tayside Superannuation Fund. On the basis that the Authority's share of the assets and liabilities of the Tayside Superannuation Fund is unlikely to be material, a separate actuarial valuation for FRS 17 purposes has not been commissioned.

12. CONTINGENT ASSETS AND LIABILITIES

No contingent assets or liabilities existed at 31 March 2009 (31 March 2008 Nil).

13. BALANCES WITH RELATED PARTIES

Angus, Dundee City and Perth & Kinross Councils are considered to be related parties of the Tayside Community Justice Authority, in terms of the Accounting Code of Practice. The undernoted balance existed between the Authority and its related parties as at 31 March 2009.

| 31 March 2008 | | | 31 March 2009 | |
|---------------|---------------|------------------------------------|---------------|----------------|
| Due From | Due To | | Due From | Due To |
| £ | £ | | £ | £ |
| | | Angus Council | | |
| 4,338 | - | Section 27 Grant Retention | - | 34,320 |
| - | - | Supplies and Services | - | <u>2,970</u> |
| <u>4,338</u> | - | | - | <u>37,290</u> |
| | | Dundee City Council | | |
| - | 38,796 | Section 27 Grant Retention | - | 146,568 |
| - | 12,580 | Property Rental | - | 26,215 |
| - | - | Supplies and Services | - | <u>439</u> |
| - | <u>51,376</u> | | - | <u>173,222</u> |
| | | Perth & Kinross Council | | |
| - | <u>42,380</u> | Section 27 Grant Retention | - | <u>32,124</u> |
| - | <u>42,380</u> | | - | <u>32,124</u> |

14. EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2009 and 29 October 2009 that would have an impact on the 2008/2009 financial statements (2007/2008 None).

15. RECONCILIATION OF REVENUE ACCOUNT SURPLUS/DEFICIT TO NET CASH FLOW FROM REVENUE ACTIVITIES

| 2007/2008 | | 2008/2009 |
|-----------|---|-----------|
| £000 | | £000 |
| - | Surplus/(Deficit) for year per Income & Expenditure Account | - |

| | | |
|-----------|--|------------|
| - | Non Cash Transactions | - |
| | Items on an Accruals Basis | |
| (41) | Decrease/(Increase) in Debtors | (136) |
| <u>46</u> | (Decrease)/Increase in Creditors | <u>140</u> |
| 5 | | 4 |
| - | Items Classified Elsewhere in the Cash Flow Statement | - |
| - | | - |
| <u>5</u> | NET CASH INFLOW/(OUTFLOW) FROM REVENUE ACTIVITIES | <u>4</u> |

16. FINANCIAL INSTRUMENTS

The Authority does not have any Financial Instruments that require to be re-measured and disclosed under Financial Reporting Standards 25, 26 and 29.

17. ANNUAL FINANCIAL STATEMENT

The Authority is required to compile an Annual Financial Statement which highlights the total Section 27 grant allocation and expenditure. Each constituent Local Authority is required to submit an Annual Financial Statement to their respective External Auditors for audit and the Authority is required to submit a consolidated Annual Financial Statement to the Scottish Government.

The consolidated Annual Financial Statement shows all expenditure on Criminal Justice Social Work Services by the Constituent Local Authorities. This expenditure has been financed by Section 27 grant (£8,068,221 as shown in the Income and Expenditure Account on Page 10) and by the Constituent Local Authorities.

The consolidated Annual Financial Statement is as follows:

| ervice | 2008/09 Allocation (£) | Staff costs (£) | Other costs (£) | Total (£) |
|--|------------------------------|--------------------|--------------------|------------------|
| Core | | | | |
| Probation | 905,453 | 751,425 | 199,844 | 951,269 |
| Community Service | 1,275,284 | 1,055,139 | 273,539 | 1,328,678 |
| Social Enquiry Reports | 1,566,801 | 1,289,790 | 333,321 | 1,623,111 |
| Throughcare (Includes HDC) | 463,879 | 369,266 | 63,386 | 432,652 |
| Home Detention Curfew | 24,012 | 29,176 | 7,927 | 37,103 |
| Home Circumstance Reports | 30,371 | 24,062 | 6,658 | 30,720 |
| Supervised Attendance Orders | 262,231 | 162,838 | 107,993 | 270,831 |
| Mandatory SAOs | 117,942 | 98,056 | 25,143 | 123,199 |
| Diversion | 34,513 | 28,866 | 7,786 | 36,652 |
| Bail Services | 146,386 | 120,880 | 31,620 | 152,500 |
| Court Services | 368,470 | 305,942 | 80,320 | 386,262 |
| Total Core | 5,195,341 | 4,235,440 | 1,137,537 | 5,372,977 |
| Invoicing | | | | |
| Social Enquiry Report Pilot - Set Up Costs | 6,170 | - | 125 | 125 |
| Intensive Support Project Equipment (Invoices required) | 3,670 | - | 1,000 | 1,000 |
| Evaluation of the Intensive Support Project | 22,500 | - | 22,500 | 22,500 |
| Total | 32,340 | - | 23,625 | 23,625 |
| Non Core | | | | |
| Apex Employment Project | 118,156 | 1,500 | 123,434 | 124,934 |
| Arrest Referral | 76,245 | - | 76,245 | 76,245 |
| Arrest Referral - Drug Treatment | 150,000 | - | 150,000 | 150,000 |
| Community Sex Offenders Groupwork Programme (CSOGP) | 304,339 | 202,505 | 27,380 | 229,885 |
| Delivery of the National Training Programme | 60,000 | 53,297 | 2,580 | 55,877 |
| DTTO | 584,899 | 256,024 | 314,497 | 570,521 |
| Fergus Programme | 29,563 | 27,471 | 2,450 | 29,921 |
| Forensic Social Worker | 37,605 | 39,456 | - | 39,456 |
| Intensive Probation | 161,729 | - | 161,750 | 161,750 |
| Intensive Support Project (to end February 2009) | 194,518 | 124,615 | 50,525 | 175,140 |
| MAPPA - Co-ordinator and Administrator | 134,227 | 130,819 | 12,382 | 143,201 |
| Perth Drink Driving Project | 16,755 | 16,014 | - | 16,014 |
| Perth Enhanced Probation | 7,068 | 7,068 | - | 7,068 |
| Social Enquiry Report Pilot (funding from 1 January 2009) | 34,855 | 43,460 | - | 43,460 |
| Supported Accommodation | 599,471 | 546,988 | 201,749 | 748,737 |
| Intensive Supervision & Monitoring | 24,959 | 24,959 | - | 24,959 |
| Structured Deferred Sentence Pilot Scheme | 88,020 | 102,980 | 9,428 | 112,408 |
| Throughcare Addiction Services | 36,850 | 29,761 | 533 | 30,294 |
| Young Offenders | 190,000 | 17,570 | - | 17,570 |
| Total Non Core | 2,849,259 | 1,624,487 | 1,132,953 | 2,757,440 |
| Actual Overheads (restricted within 8% of the total allocation) | | | | 644,158 |
| Overall Total | 8,076,940 | 5,859,927 | 2,294,115 | 8,798,200 |

TAYSIDE COMMUNITY JUSTICE AUTHORITY

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the 2008/2009 Statement of Accounts for the Tayside Community Justice Authority (the Authority). We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by staff of the Authority and staff and senior officials within the Constituent Local Authorities (the Authorities). In particular, the system includes:

- comprehensive revenue budgeting systems;
- the preparation of regular monitoring reports which indicate actual and projected expenditure against budget;
- annual financial reports which indicate actual financial performance against budget
- clearly defined standing orders

The Section 27 grant is distributed to each Local Authority and each Local Authority operates their own financial system. The Authority's Administration grant operates under the control of Dundee City Council's financial systems. All of the Local Authorities' systems are subject to review by both the Local Authorities' internal audit service and the Local Authorities' external auditors.

In conclusion, we are not aware of any significant weaknesses or failures in the Authority's system of internal financial control that could have a material effect on the operations of the Authority.

Marjory M Stewart, FCCA CPFA
Treasurer
Tayside Community Justice Authority
29 October 2009

Doreen Peat
Chief Officer
Tayside Community Justice Authority
29 October 2009

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Tayside Community Justice Authority, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of Tayside Community Justice Authority for the year ended 31 March 2009 under the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder. These comprise the Income & Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the authority, Chief Officer and auditor

The community justice authority and Chief Officer are responsible for preparing the financial statements in accordance with the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder. The Chief Officer is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder. I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, I report to you if, in my opinion, the body has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Statement on the System of Internal Financial Control reflects the body's compliance with the Scottish Government's guidance, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information published with the financial statements and consider whether it is consistent with the audited financial statements. This other information comprises the Members and Officials, Chief Officer's report and Treasurer's report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the authority and Chief Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

Financial statements

In my opinion

- the financial statements give a true and fair view, in accordance with the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder, of the state of affairs of the body as at 31 March 2009 and of its net operating cost and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder.

Regularity

In my opinion in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Pearl Tate
Senior Audit Manager
Audit Scotland
Osborne House
1/5 Osborne Terrace
Edinburgh
EH12 5HG

29 October 2009