



**ANNUAL ACCOUNTS**  
**FOR YEAR ENDED 31 MARCH 2008**

**AUDITED**

**October 2008**

**TAYSIDE COMMUNITY JUSTICE AUTHORITY**

**STATEMENT OF ACCOUNTS 2007/2008**

**CONTENTS**

	<b><u>Page No</u></b>
Members and Officials 2007/2008	1
Chief Officers Report	2
Treasurer's Report	4
Statement of Accounting Policies	7
Statement of Responsibilities for the Statement of Accounts	9
<i>Core Financial Statements:</i>	
- Income and Expenditure Account	10
- Balance Sheet	11
- Cash Flow Statement	12
Notes to the Core Financial Statements	13
Statement on the System of Internal Financial Control	18
Independent Auditor's Report	19

# TAYSIDE COMMUNITY JUSTICE AUTHORITY

## MEMBERS AND OFFICIALS

Community Justice Authorities (CJAs) are new 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 Angus Council, Dundee City Council and Perth & Kinross Council. At the Tayside Community Justice Authority meeting on 20 June 2007, the under-noted elected members were appointed to serve on the Authority. At this Authority meeting, it was also agreed that the under-noted officers would serve as officials of the Authority.

### 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

Mr David K Dorward CPFA, Dundee City Council (up to 19 March 2008)  
Mrs Marjory M Stewart FCCA, CPFA, Dundee City Council (from 20 March 2008)

### Contact Details

#### Chief Officer

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Overgate  
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#### Secretary

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Support Services Department  
21 City Square  
DUNDEE  
01382 434202  
[patricia.mcilquham@dundeecity.gov.uk](mailto:patricia.mcilquham@dundeecity.gov.uk)

#### Treasurer

C/o Dundee City Council  
Finance Department  
28 Crichton Street  
DUNDEE  
01382 433555  
[marjory.stewart@dundeecity.gov.uk](mailto:marjory.stewart@dundeecity.gov.uk)

# 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. It is required, through 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.

Support functions of legal, finance and media services are paid for by the CJA, and provided by Dundee City Council in its role as host authority, and this will be formalised by a service level agreement in 2008.

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 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 2007-2008, which contained a 38 point Action Plan agreed by all partners, and this formed the basis of partnership activity for that year.

Tayside CJA have progressed, either in whole or in part, all of the actions in that first Action Plan, which was based on the 23 outcomes referred to within the National Strategy for the Management of Offenders (NSMO). Those areas where work requires to be completed will be rolled forward in 2008-2009.

Over the last year work has progressed on a National Performance Framework for CJAs which is based on 14 key outcomes of the NSMO, and this framework will be used to report on CJA performance as of April 2009, in the manner outlined above.

Strong links have been established with the three local Community Planning Partnerships and these relationships will be further developed in 2008, to meet shared responsibilities between the CJA performance frameworks, and the Single Outcome Agreements.

The CJA itself receives an annual financial allocation 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.

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 current mechanism for the distribution of grant allocation continued to be fit for purpose.

Professional legal and finance services are provided by Dundee City Council. The Chief Officer has regular scheduled meetings with the Finance Officer to review accounts in relation to both the grant allocation, and the CJA administration budget.

Scottish Government guidance in these matters is issued regularly, and is regularly reviewed by the CJA's legal adviser and finance officer, with the Chief Officer. This work will continue in 2008, and beyond. An external audit is being carried out by Audit Scotland.

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  
31 October 2008

# 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 2007/2008.

### **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 2008.

#### *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 February 2007 that the Section 27 Grant allocated to the Authority for 2007/2008 was £7,801,161. In early March 2007, the Authority received additional grant allocations for the Deferred Sentence Pilot Project and the Community Reparation Orders Project. The total of these three grant allocations was reported to the Authority meeting on 21 March 2007. During 2007/08, the Scottish Government issued revised grant allocations to the Authority resulting in a final grant allocation of £8,046,448.

The Authority received confirmation from the Scottish Government in March 2007 that the Administration Grant allocated to the Authority for 2007/2008 was £195,000. This grant allocation was reported to the Authority meeting on 20 June 2007.

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

	Revised Budget £000	Actual Expenditure/ (Income) £000	Variance £000
Staff Costs	138	109	(29)
Property Costs	16	25	9
Supplies & Services	14	29	15
Transport Costs	6	2	(4)
Third Party Payments	-	5	5
Support Services Costs	21	20	(1)
Funds distributed to Constituent Local Authorities	8,046	7,925	(121)
<b>Gross Expenditure</b>	<b>8,241</b>	<b>8,115</b>	<b>(126)</b>
CJA Administration Grant	(195)	(190)	5
Section 27 Grant	(8,046)	(7,925)	121
<b>Net (Surplus)/Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

*Staff Costs (Underspend £29,000)*

Due to delays in recruiting the CJA Planning Officer and Office Manager posts.

*Property Costs (Overspend £9,000)*

Due to the leasing of additional accommodation.

*Supplies and Services (Overspend £15,000)*

Due to the purchase of computer equipment and the commissioning of a training and development audit.

*Third Party Payments (Overspend £5,000)*

Reflects the audit fee set by Audit Scotland.

*Funds Distributed to Constituent Local Authorities (Underspend £121,000)*

Reflects the underspends in Non-Core Projects which finished in 2007/08 (resulting in projects being wound down during the year) and new delays in setting up new projects in 2007/08.

*CJA Administration Grant (Reduced Income £5,000)*

Reflects the reduced income received from the Scottish Government due to a reduction in the expenditure of the CJA.

*Section 27 Grant (Reduced Income £121,000)*

Reflects the reduced income received from the Scottish Government due to a reduction in Non-Core Projects expenditure.

**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 2007/08, 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 2007/08 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  
31 October 2008

# TAYSIDE COMMUNITY JUSTICE AUTHORITY

## STATEMENT OF ACCOUNTING POLICIES

### **General**

The Financial Statements are intended to "present fairly" 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 2007 - 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 2007.

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). The 2007 SORP contains two significant changes in accounting policy but these changes do not impact on the Authority.

### **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 2008 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.

**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 he/she 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 fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2008.

Marjory M Stewart FCCA, CPFA  
Treasurer  
Tayside Community Justice Authority  
31 October 2008

Doreen Peat  
Chief Officer  
Tayside Community Justice Authority  
31 October 2008

**TAYSIDE COMMUNITY JUSTICE AUTHORITY**

**INCOME & EXPENDITURE ACCOUNT**

2006/2007 Actual Net Expenditure/ (Income) £000		2007/2008 Budgeted Net Expenditure/ (Income) £000	2007/2008 Actual Net Expenditure/ (Income) £000
	<b>Expenditure</b>		
70	Staff Costs	138	109
11	Property Costs	16	25
49	Supplies & Services	14	29
1	Transport Costs	6	2
-	Third Party Payments	-	5
19	Support Services Costs	21	20
1,255	Funds Distributed to: Angus Council	1,294	1,256
4,855	Dundee City Council	5,505	5,410
<u>1,228</u>	Perth & Kinross Council	<u>1,247</u>	<u>1,259</u>
<b>7,488</b>	<b>Gross Expenditure</b>	<b>8,241</b>	<b>8,115</b>
	<b>Income</b>		
(150)	Scottish Government CJA Administration Grant	(195)	(190)
<u>(7,338)</u>	Scottish Government Section 27 Grant	<u>(8,046)</u>	<u>(7,925)</u>
<b>-</b>	<b>(Surplus)/Deficit for the Year</b>	<b>-</b>	<b>-</b>

TAYSIDE COMMUNITY JUSTICE AUTHORITY

BALANCE SHEET

As at 31 March 2007 £000		As at 31 March 2008 £000
-	<b>Tangible Fixed Assets</b>	-
	<b>Current Assets</b>	
36	Sundry Debtors	77
<u>40</u>	Cash and Bank Balance	<u>45</u>
76		122
	<b>Less Current Liabilities</b>	
(76)	Sundry Creditors	(122)
<u>      </u>		<u>      </u>
<u>      </u>	<b>Total Net Assets</b>	<u>      </u>

Marjory M Stewart FCCA, CPFA  
Treasurer  
Tayside Community Justice Authority  
31 October 2008

Doreen Peat  
Chief Officer  
Tayside Community Justice Authority  
31 October 2008

**TAYSIDE COMMUNITY JUSTICE AUTHORITY**

**CASH FLOW STATEMENT**

2006/2007 £000		2007/2008 £000      £000	
	<b>Revenue Activities</b>		
	<i>Cash Outflows</i>		
70	Cash Paid To and On Behalf of Employees	109	
<u>7,383</u>	Other Operating Cash Payments	<u>7,934</u>	<u>8,043</u>
7,453			
	<i>Cash Inflows</i>		
(190)	Government Grant - CJA Administration	(164)	
<u>(7,303)</u>	Government Grant - S27	<u>(7,884)</u>	
<u>(7,493)</u>			(8,048)
(40)	<b>NET CASH (INFLOW) FROM REVENUE ACTIVITIES</b>		(5)
	<b>Returns on Investments and Servicing of Finance</b>		
-	<i>Cash Outflows</i>	-	
<u>-</u>	<i>Cash Inflows</i>	<u>-</u>	-
-			
	<b>Capital Activities</b>		
-	<i>Cash Outflows</i>	-	
<u>-</u>	<i>Cash Inflows</i>	<u>-</u>	-
-			
(40)	<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(5)
-	<b>Management of Liquid Resources</b>		-
	<b>Financing</b>		
-	<i>Cash Outflows</i>	-	
-	<i>Cash Inflows</i>	<u>-</u>	
<u>(40)</u>	<b>Net (Increase)/Decrease in Cash</b>		<u>(5)</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 2007/2008 there were no acquired or discontinued operations (2006/2007 None).

**2. EXCEPTIONAL AND EXTRAORDINARY ITEMS**

In 2007/2008 there were no exceptional or extraordinary items (2006/2007 None).

**3. PRIOR PERIOD ADJUSTMENTS**

In 2007/2008 there were no prior period adjustments (2006/2007 None).

**4. PUBLICITY ACCOUNT**

During 2007/2008, the Authority incurred the expenditure shown below on publicity:

<b>2006/2007</b>		<b>2007/2008</b>
£		£
-	Employment Advertising	3,067

**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 2007/2008, the Tayside Community Justice Authority paid an employer's contribution of £11,415 (2006/2007 £6,184) into the Tayside Superannuation Fund which represents 17.7% 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 2007/2008 was 295% of the employee's contribution rate, which is 6% for APTC staff. 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:

<b>Number of Employees 2006/07</b>	<b>Salary Banding (£)</b>	<b>Number of Employees 2007/08</b>
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 2006/2007 (CJA Administration budget only) and the 2007/2008 financial year, for external audit services is £5,000.

## 8. MEMBERS ALLOWANCES

The total amount of members' allowances 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 2008, was £2,265 (2006/2007 None).

## 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 2007/2008 financial year, the Authority entered into a number of transactions with these three Councils as detailed below:

<b>2006/2007 Payments to £000</b>		<b>2007/2008 Payments to £000</b>
	<b>Angus Council</b>	
<u>1,255</u>	Section 27 Grant	<u>1,256</u>
<u>1,255</u>		<u>1,256</u>
	<b>Dundee City Council</b>	
4,855	Section 27 Grant	5,410
10	Property Rental	17
<u>19</u>	Central Support Services	<u>20</u>
<u>4,884</u>		<u>5,447</u>
	<b>Perth &amp; Kinross Council</b>	
<u>1,228</u>	Section 27 Grant	<u>1,259</u>
<u>1,228</u>		<u>1,259</u>

## 10. LEASE - DISCLOSURE BY LESSEES

### *Operating Leases*

Operating lease rental payments of £17,450 were payable by the Tayside Community Justice Authority in 2007/2008 (£9,843 in 2006/2007).

## 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 2008 (31 March 2007 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 SORP. The undernoted balance existed between the Authority and its related parties as at 31 March 2008.

31 March 2007			31 March 2008	
Due From £	Due To £		Due From £	Due To £
		<b>Angus Council</b>		
<u>4,295</u>	<u>-</u>	Section 27 Grant Retention	<u>4,338</u>	<u>-</u>
<u>4,295</u>	<u>-</u>		<u>4,338</u>	<u>-</u>
		<b>Dundee City Council</b>		
-	14,282	Section 27 Grant Retention	-	38,796
<u>-</u>	<u>-</u>	Property Rental	<u>-</u>	<u>12,580</u>
<u>-</u>	<u>14,282</u>		<u>-</u>	<u>51,376</u>
		<b>Perth &amp; Kinross Council</b>		
<u>-</u>	<u>25,848</u>	Section 27 Grant Retention	<u>-</u>	<u>42,380</u>
<u>-</u>	<u>25,848</u>		<u>-</u>	<u>42,380</u>

## 14. EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2008 and 31 October 2008 that would have an impact on the 2007/2008 financial statements (2006/2007 None).

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

2006/2007 £000		2007/2008 £000
-	Surplus/(Deficit) for year per Income & Expenditure Account	-
-	<b>Non Cash Transactions</b>	-
	<b>Items on an Accruals Basis</b>	
(36)	Decrease/(Increase) in Debtors	(41)
<u>76</u>	(Decrease)/Increase in Creditors	<u>46</u>
<u>40</u>		5
-	<b>Items Classified Elsewhere in the Cash Flow Statement</b>	-
<u>40</u>	<b>NET CASH INFLOW/(OUTFLOW) FROM REVENUE ACTIVITIES</b>	<u>5</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 (£7,925,000 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:

Service	2007/08 Allocation (£)	Staff costs (£)	Other costs (£)	Total (£)
<b>Core</b>				
Probation	933,293	750,922	197,874	948,796
Community Service	1,265,377	1,015,094	263,241	1,278,335
Social Enquiry Reports	1,561,045	1,201,876	314,913	1,516,789
Throughcare (Includes HDC)	462,793	359,623	65,962	425,585
Home Circumstance Reports	29,336	22,053	6,449	28,502
Supervised Attendance Orders	313,045	210,737	103,886	314,623
Mandatory SAOs	78,628	49,894	29,684	79,578
Diversion	72,765	59,189	15,570	74,759
Bail Services	103,464	82,741	21,678	104,419
Court Services	368,367	296,854	77,310	374,164
AGREED VIREMENT	26,800	-	-	-
<b>Total Core</b>	<b>5,214,913</b>	<b>4,048,983</b>	<b>1,096,567</b>	<b>5,145,550</b>
<b>Capital</b>				
Intensive Support Project Equipment (Invoices required)	4,000	-	-	-
VISOR Phase 2	270	-	-	-
<b>Total</b>	<b>4,270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Core</b>				
Supported Accommodation	688,371	522,639	139,216	661,855
DTTO	584,899	225,915	320,033	545,948
Community Sex Offenders Groupwork Programme (CSOGP)	304,339	192,123	16,021	208,144
Forensic Social Worker	37,605	36,094	-	36,094
Arrest Referral	69,701	-	95,245	95,245
Arrest Referral - Drug Treatment	150,000	-	150,000	150,000
Throughcare Addiction Services	36,850	28,107	2,220	30,327
Throughcare - Supervision of Sex Offenders	17,326	15,162	451	15,613
Intensive Support Project	207,518	105,723	54,611	160,334
MAPPA	134,227	98,739	10,853	109,592
Delivery of the National Training Programme for Criminal Justice Social Work Services	30,000	-	-	-
<b>Support Programmes</b>				
<b>Angus</b>				
Fergus Programme	29,563	29,404	2,530	31,934
Deferred Sentence Pilot (to 31 March 2008)	88,020	53,290	4,550	57,840
<b>Dundee City</b>				
Apex Employment Project	118,156	5,578	128,879	134,457
Intensive Probation (NCH)	161,729	-	161,729	161,729
Community Reparation Orders Pilot - to December 2007 ends in December	165,394	87,352	2,193	89,545
AGREED VIREMENT	-26,800	-	-	-
<b>Perth &amp; Kinross</b>				
Perth Drink Driving Project	16,755	16,755	-	16,755
Perth Enhanced Probation	7,068	7,068	-	7,068
Arrest Referral Scheme	6,544	-	-	-
<b>Total Non Core</b>	<b>2,827,265</b>	<b>1,423,949</b>	<b>1,088,531</b>	<b>2,512,480</b>
<b>Actual Overheads (restricted within 8% of the total allocation)</b>				<b>603,428</b>
<b>Overall Total</b>	<b>8,046,448</b>	<b>5,472,932</b>	<b>2,185,098</b>	<b>8,261,458</b>

## TAYSIDE COMMUNITY JUSTICE AUTHORITY

### STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the 2007/2008 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 Authorities' systems are subject to review by both the Authorities' internal audit service and the 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  
31 October 2008

Doreen Peat  
Chief Officer  
Tayside Community Justice Authority  
31 October 2008

## **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<sup>st</sup> March 2008 under the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder. These comprise the Income and 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 Accountable Officer's Responsibilities.

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 2008 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

**31 October 2008**