



South West Scotland  
Community  
Justice  
Authority

# **ANNUAL ACCOUNTS 2010-2011**

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## **SECTION ONE: INTRODUCTION BY COUNCILLOR PETER MCNAMARA**

### **(Convenor of South West Scotland Community Justice Authority)**



Community Justice Authorities (CJAs) are independent statutory bodies established by the Management of Offenders Etc (Scotland) Act 2005.

The purpose of Scotland's eight Community Justice Authorities (CJAs) is to work in partnership to reduce re-offending, and to contribute towards a safer and stronger Scotland.

CJAs are devolved public bodies with strategic planning, monitoring and reporting functions.

Each Authority is made up of a number of Elected Members, from the constituent local authority areas. South West Scotland CJA covers the local authority areas of Dumfries & Galloway, East Ayrshire, North Ayrshire and South Ayrshire, which together have a population of 515,050 people – around 10% of the population of Scotland. The area includes urban, rural, semi-rural and island communities, and some areas of significant multiple deprivation.

CJAs aim to reduce re-offending by working closely with partners across the criminal justice system. These partners include local authorities and the Scottish Prison Service (both known as 'duty to co-operate partners'), as well our 'statutory partners', including police, courts, procurators fiscal and the third sector.

Our collective efforts to reduce re-offending have been driven by our first three-year Area Plan, 2008-11, which ended on 31 March 2011. Scottish Ministers have identified the Community Justice Authority as the accountable body for allocating Section 27 Criminal Justice Social Work funding to local authorities, to support the delivery of the Area Plan. Our new Area Plan 2011-14 ('Working in partnership to reduce re-offending') came into force on 1 April 2011, and will guide our work over the next three years.

Whilst these annual accounts reflect the contribution of Section 27 funding towards delivering the Area Plan, we are aware that all partners' funding contributes to our shared aim of reducing re-offending. As a CJA, we will continue to work together and align our resources as far as possible to add value and improve outcomes for offenders, their families, victims and local communities.

Peter McNamara

Convenor of SWSCJA

25 October 2011

## SECTION TWO: EXPLANATORY FOREWORD BY THE CHIEF OFFICER



As noted in the Introduction, Community Justice Authorities are responsible for the effective financial management of Section 27 grant funding for local authority criminal justice social work services. This funding is provided under Section 27 of the Social Work (Scotland) Act 1968, and includes 'core' funding, for example for court and parole board reports, for the supervision of offenders on probation, community service or supervised attendance orders (all replaced by Community Payback Orders for offences committed after 1 February 2011); and 'non core' funding for other services and activities, such as the local implementation of national initiatives, or the development of specific local initiatives. These services are provided by local authorities, either alone or in partnership, or are commissioned to third sector organisations where appropriate.

The Management of Offenders etc (Scotland) Act 2005 gives each CJA the duty to determine the internal resource allocations across its constituent local authorities. This involves:

- Making arrangements for internal resource allocations;
- Monitoring how funds are spent;
- Satisfying the Scottish Government and its auditors that appropriate financial safeguards are in place.

The Finance and Accountability (Scotland) Act 2000 identifies the CJA Chief Officer as the 'accountable officer' in terms of responsibility for this budget.

The local authorities' Chief Social Work Officers are responsible for ensuring that the level of funding provided to them by the CJA is sufficient to enable them to deliver the required level of service and mix of service elements to achieve what is expected of them in the area plan.

The Scottish Government's allocation of Section 27 grant to CJAs is by formula, however the expectation is that resource allocations within the CJA area (i.e. between the constituent local authorities) should be informed by the 3 year Area Plan. Resources should be allocated in a way which supports the delivery of the Area Plan. As noted in the Introduction, this cannot be done in isolation from discussions with wider partners about the totality of resources contributing to the Plan.

## **SECTION TWO: EXPLANATORY FOREWORD BY THE CHIEF OFFICER**

In South West Scotland a formula is used to allocate core funding between the authorities on the basis of a two-year average workload. This aims to target resources to areas of most need. A flooring mechanism is used (2% in 2010/11) to minimise the negative impact on any single local authority.

A Memorandum of Understanding between the constituent local authorities and South West Scotland CJA sets out what will happen in the event of an underspend or overspend in either core or non-core budgets.

The CJA receives separate funding from the Scottish Government to cover its administration costs. This small annual grant covers costs for the three CJA staff members and related costs, office accommodation and other running costs for the CJA itself. This is also reported in these Annual Accounts.

### **Financial Performance**

In the year to 31 March 2011 the Section 4 (3) Community Justice Authority Administration Grant budget was £0.222m. The actual expenditure against this budget was £0.228m, a deficit of £0.006m. Cumulative surpluses brought forward amounted to £0.006m, therefore the closing position for the SWSCJA, as at 31 March 2011 was a breakeven.

Justina Murray  
Chief Officer  
25 October 2011

## **SECTION THREE: STATEMENT OF RESPONSIBILITY FOR THE ACCOUNTS**

### **Responsibilities of the Community Justice Authority**

- 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 Chief Officer.
- To manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

### **Responsibilities of the Chief Officer**

The Chief Officer is required:

- To make arrangements for the proper administration of the CJA's financial affairs;
- To safeguard the public funds for which he/she has charge, to ensure propriety and regularity in the handling of those public funds;
- To act in accordance with the terms of the Management Statement/Financial Memorandum and within the terms of the relevant guidance within the Scottish Public Finance Manual;
- To make arrangements for the proper disbursement of Section 27 Grant income across the four Local Authority members through the host authority;
- To seek assurance that the Section 27 grant is spent appropriately; and
- To prepare the authority's Statement of Accounts, which is required to 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.

## **SECTION FOUR: REMUNERATION REPORT**

### **Introduction**

The Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI No. 2011/64) amend the Local Authority Accounts (Scotland) Regulations 1985 (SI No 1985/267), and require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. The South West Scotland Community Justice Authority has chosen to comply with this new regulation given all other accounting policies are based on Local Authority Regulations.

The following remuneration report details South West Scotland Community Justice Authority's remuneration policy for its Chief Officer, Convenor and Vice-Convenor and details remuneration and pension benefits they receive.

### **Remuneration of CJA Conveners and Deputy Conveners**

The Management of Offenders etc. (Scotland) Act 2005 (Members' Remuneration and Supplementary Provisions) Order 2008 (SSI 2008/30) establishes a framework for the remuneration of CJA Conveners and Deputy Conveners.

Where a Convener or Deputy is not already in receipt of additional remuneration either as the convener or Deputy of a joint board, or as a senior councillor nominated by their parent authority, then a claim for remuneration can be made to the CJA. The financial burden, where it occurs, is to be met from the CJA administrative budget. The CJA will be responsible for payment of the additional allowance and not for any part of the basic grade councillor remuneration. These provisions came into force on 31 March 2008. The SWSCJA makes no payments to either the Convenor or Deputy Convenor under these terms.

### **Member allowances and expenses**

Article 3 of The Management of Offenders etc. (Scotland) Act 2005 (Members' Remuneration and Supplementary Provisions) Order 2008 (SSI 2008/30) enables CJA members to claim for allowances and expenses incurred in relation to CJA activities, governed by the framework set out in the Local Government Regulations 2007. This provision also came into force on 31 March 2008. The SWSCJA received no claims from any members in financial year 2010/11.

## SECTION FOUR: REMUNERATION REPORT

### Remuneration of Chief Officer

The salary of the Chief Officer is set via negotiations between the Chief Officer, on their appointment, and the Board of the Community Justice Authority. There are no nationally agreed pay scales. The Chief Officer's annual salary for financial year 2010/11 was £58,000 however details of the remuneration shown in table one below illustrates actual payments made. Prior year comparators are not disclosed as the current Chief Officer took up post 19 April 2010. The previous post-holder vacated the post 6 March 2010.

**TABLE ONE: REMUNERATION OF THE CHIEF OFFICER**

	<b>Salaries, Fees &amp; Allowances</b>	<b>Taxable Expenses</b>	<b>Total Remuneration 2010/11</b>
	£	£	£
<b>Justina Murray: Chief Officer</b>	55,100	0	55,100

### Pension Benefits

Pension benefits for the Chief Officer are provided through the Local Government Pension Scheme (LGPS). This is a final salary scheme for SWSCJA employees. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. The scheme's normal retirement age is 65. If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Scheme members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement,

## SECTION FOUR: REMUNERATION REPORT

without reduction on account of its payment at that age, without exercising any option to commute pension entitlement into a lump sum and without any adjustment for the effects of future inflation.

The pension figures shown in table two relate to the benefits that the Chief Officer has accrued as a consequence of total service to organisations who are members of the LGPS, and not just the current appointment.

**TABLE TWO: PENSION BENEFITS OF THE CHIEF OFFICER**

	<b>In-year Pension Contributions For year to 31 March 2011 £</b>		<b>Accrued Pension Benefits For year to 31 March 2011 £</b>
<b>Justina Murray: Chief Officer</b>	10,028	Pension	8,266
		Lump Sum	19,093

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members, based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees.

The tiers and member contribution rates for 2010/11 remain at the 2009/10 rates (due to negative increase in the cost of living index for 2010/11) and are as follows:

	<b>Contribution rate 2010/11</b>	<b>Contribution rate 2009/10</b>
<b>Whole time pay</b>		
On earnings up to and including £18,000	5.50%	5.50%
On earnings above £18,000 and up to £22,000	7.25%	7.25%
On earnings above £22,000 and up to £30,000	8.50%	8.50%
On earnings above £30,000 and up to £40,000	9.50%	9.50%
On earnings above £40,000	12.00%	12.00%

## SECTION FOUR: REMUNERATION REPORT

### General Disclosure by Pay Bands

The regulations require the Remuneration Report to provide information on the number of persons whose remuneration was £50,000 or above. This information is provided in bands of £5,000.

**TABLE THREE: GENERAL DISCLOSURE BY PAY BANDS**

Remuneration Band	Number of Employees	
	2010/11	2009/10
£50,000 - £54,999	-	-
£55,000 - £59,999	1	1

Justina Murray  
Chief Officer  
25 October 2011

## **SECTION FIVE: STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL**

This statement is given in respect of the Statement of Accounts for the South West Scotland Community Justice Authority. As Chief Officer it is my duty to ensure that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

Systems of internal financial control are 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 systems is undertaken by managers within the constituent authorities.

Systems 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.

In the production of these accounts I have relied upon the statements of internal financial control within the accounts for each of the constituent authorities. I also place reliance on any reports issued by the internal and external auditors within each of these authorities. I am satisfied that the systems of internal control are adequate.

Justina Murray  
Chief Officer  
25 October 2011

## SECTION SIX: MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year of the general reserve of the SWSCJA. The balance on the Comprehensive Income and Expenditure Statement is detailed here. The CJA are not permitted to hold any other reserves.

	<b>Useable Reserves £m</b>	<b>Unusable Reserves £m</b>	<b>Total Reserves £m</b>
<b>Balance as at 31 March 2009</b>	0.002	-	0.002
<b>Movement in reserves during 2009/10</b>			
Surplus or (deficit) on provision of services	0.004	-	0.004
<b>Total Comprehensive Income and Expenditure</b>	0.004	-	0.004
<b>Increase/(Decrease) in 2009/10</b>	0.004	-	0.004
<b>Balance at 31 March 2010 carried forward</b>	0.006	-	0.006
<b>Movement in reserves during 2010/11</b>			
Surplus or (deficit) on provision of services	(0.006)	-	(0.006)
<b>Total comprehensive income and expenditure</b>	(0.006)	-	(0.006)
<b>Increase/(Decrease) in 2010/11</b>	(0.006)	-	(0.006)
<b>Balance at 31 March 2011 brought forward</b>	0.006	-	0.006
<b>Balance at 31 March 2011 carried forward</b>	-	-	-

## SECTION SEVEN: COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost, in the year, of providing services in accordance with generally accepted accounting practices.

2009/10 As Restated Net Expenditure £000		2010/11  Net Expenditure £000
	<b>Expenditure:</b>	
256	Administration Expenses	228
	<b>Advances of Section 27 grant to:</b>	
2,482	Dumfries and Galloway Council	2,542
1,985	East Ayrshire Council	1,965
3,264	North Ayrshire Council	3,628
1,448	South Ayrshire Council	1,456
<hr/> <b>9,435</b>	<b>NET COST OF SERVICES</b>	<hr/> <b>9,819</b>
	<b>Operating income:</b>	
-	Interest and Investment Income	-
<hr/> <b>9,435</b>	<b>NET OPERATING EXPENDITURE</b>	<hr/> <b>9,819</b>
9,439	Government Grant	9,813
<hr/> <b>9,439</b>	<b>TOTAL INCOME FROM GOVERNMENT GRANTS</b>	<hr/> <b>9,813</b>
(4)	<b>INCOME &amp; EXPENDITURE (SURPLUS)/ DEFICIT FOR YEAR</b>	6
(2)	<b>BALANCE ON FUND BROUGHT FORWARD</b>	(6)
<hr/> <b>(6)</b>	<b>BALANCE AT 31 MARCH CARRIED FORWARD</b>	<hr/> <b>0</b>

## SECTION EIGHT: BALANCE SHEET

The Balance Sheet is a statement of the recorded assets and liabilities recognised by the SWSCJA at the end of the accounting period.

At 31 Mar 2010 Restated £000		At 31 Mar 2011 £000	Note
<b>CURRENT ASSETS</b>			
111	Cash held by NAC on behalf of the CJA	96	
<u>47</u>	Debtors	<u>237</u>	<b>5</b>
<u>158</u>		<u>333</u>	
<b>CURRENT LIABILITIES</b>			
<u>152</u>	Creditors	<u>333</u>	<b>6</b>
<u>(152)</u>		<u>(333)</u>	
<b>6</b>	<b>NET ASSETS</b>	<b>0</b>	
<u><b>6</b></u>	<b>TOTAL RESERVES</b>	<u><b>0</b></u>	

Justina Murray  
Chief Officer

The unaudited accounts were issued on 29 September 2011 and the accounts were authorized for issue on the 25 October 2011.

## SECTION NINE: CASH FLOW STATEMENT

The Cashflow Statement shows the changes in cash and cash equivalents of the SWSCJA during the reporting period.

2009/10 As Restated £000		2010/11  £000
(4)	Net (surplus) or deficit on the provision of services	6
151	Adjust net surplus or deficit on the provision of services for non cash movements	9
147	Net cash flows from Operating Activities	15
<b>147</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>15</b>
(258)	Net increase or decrease in cash and cash equivalents	(111)
<b>(111)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>(96)</b>

## **SECTION TEN: NOTES TO THE ACCOUNTS**

### **Note 1: Accounting Policies**

#### **A General Principals**

These accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom 2010/11' and the 'Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is historical cost.

#### **B First Time Adoption of International Financial Reporting Standards**

These financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11. The Code requires that for the first time, Local Authority accounts in 2010/11 should be prepared in accordance with International Financial Reporting Standards (except in instances where the Code allows departures) and the comparative figures for the 2009/10 Balance Sheet, as well as the 2009/10 Comprehensive Income and Expenditure Statement (CIES) should be restated from UK Generally Accepted Accounting Principles (UK GAAP) where required. For the SWSCJA the only change to the Balance Sheet is in relation to IAS 19 Employee Benefits. Under this accounting standard the SWSCJA are required to recognise a liability for all holiday pay entitlement that employees had accrued at the financial year end. This liability reflects the difference between the holiday entitlement earned at 31 March and the actual amount of holidays taken.

## SECTION TEN: NOTES TO THE ACCOUNTS

The reconciliation to IFRS from the previous UK GAAP accounts appears below:

	<b>SORP Balance Sheet at 31/03/2010</b>	<b>Adjustment IAS 19</b>	<b>IFRS Balance Sheet at 31/03/2010</b>
<b>CURRENT ASSETS</b>			
Cash held by NAC on behalf of the CJA	111		111
Debtors	47		47
<b>CURRENT LIABILITIES</b>			
Creditors	151	1	152
<b>NET ASSETS</b>	<b>7</b>	<b>(1)</b>	<b>6</b>
<b>TOTAL RESERVES</b>	<b>7</b>	<b>(1)</b>	<b>6</b>

### C Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. There is no de minimis level for recognition of such transactions.

### D Reserves

Community Justice Authorities are not permitted to retain surpluses, therefore do not hold reserves. Any immaterial balances on the accounts at the end of the financial year are invested in the North Ayrshire Council loans fund.

## **SECTION TEN: NOTES TO THE ACCOUNTS**

### **E VAT**

Income and expenditure received and paid to constituent local authorities is of a Section 27 nature, in accordance with the Social Work (Scotland) Act 1968 and therefore excludes any amounts related to VAT.

The administration expenses of the Community Justice Authority are not covered by the exceptions in S33 and S41 of the VAT Act 1994. These accounts therefore include VAT on these goods and services purchased.

### **F Capital Accounting**

A de-minimus level of £6,000 has been applied to items of a capital nature.

### **G Events after the Reporting Period**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period (31 March 2011) and the date when the Statement of Accounts presented to the external auditor (29 September 2011). Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect

No such events have been identified. Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## SECTION TEN: NOTES TO THE ACCOUNTS

### **Note 2: External Audit Costs**

The SWSCJA has incurred the following costs in relation to the audit of these accounts:

<b><u>2009/10</u></b>		<b><u>2010/11</u></b>
<b><u>£000</u></b>		<b><u>£000</u></b>
	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor	
5	for the year	5

### **Note 3: Pension Contributions**

The SWSCJA participates in the Local Government (Scotland) Superannuation Scheme, administered by Glasgow City Council through the Strathclyde Pension Fund. This is a funded defined benefits scheme, with both the employer and employee making contributions, intended to balance the pension liabilities with investment assets.

Under IAS 19 the SWSCJA must recognise the cost of retirement benefits in the net cost of services. As the CJA only employed three officers at 31 March 2011, it was considered neither material nor cost effective to incorporate these entries in these accounts.

Contributions by the SWSCJA during 2010/11 amounted to £0.021m (£0.020m 2009/10) representing 18.2% of pensionable pay (17.2% 2009/10).

## SECTION TEN: NOTES TO THE ACCOUNTS

### Note 4: Related Party Transactions

During 2010/11 transactions arose with related parties as follows:

<u>2009/10</u>		<u>2010/11</u>
<u>£000</u>		<u>£000</u>
	<b>Scottish Government Revenue Grants</b>	
9,200	Section 27 Grant Income	9,591
255	Administration Grant Income	222
	<b>Payments to Related Bodies</b>	
2,482	Dumfries & Galloway Council	2,542
1,985	East Ayrshire Council	1,965
3,264	North Ayrshire Council	3,628
1,448	South Ayrshire Council	1,456

### Note 5: Debtors

<u>2009/10</u>		<u>2010/11</u>
<u>£000</u>		<u>£000</u>
	<b>Restated</b>	
45	Section 27 Grant Income 2.5% Retention	235
2	Prepayment	2
<hr/>		<hr/>
<b>47</b>	<b>Total</b>	<b>237</b>

## SECTION TEN: NOTES TO THE ACCOUNTS

### Note 6: Creditors

<u>2009/10</u>		<u>2010/11</u>
<u>£000</u>		<u>£000</u>
<u>Restated</u>		
12	Dumfries & Galloway Council	64
10	East Ayrshire Council	47
16	North Ayrshire Council	88
7	South Ayrshire Council	36
20	Trade Creditors	8
2	Social Security and Pensions	5
85	Scottish Government	85
<hr/>		<hr/>
<b>152</b>	<b>Totals</b>	<b>333</b>

### Note 7: Post Balance Sheet Events

Events have been considered in the period between the date of the Balance Sheet and the date the Statement of Accounts was presented to the external auditor. This date fell on 29 September 2011 and is the date after which events will not have been recognised in the Statement of Accounts.

### Note 8: Consolidated Annual Financial Return for SWSCJA

The table below details expenditure for the whole of SWSCJA on Criminal Justice Services.

## SECTION TEN: NOTES TO THE ACCOUNTS

### South West Scotland CJA - Annual Financial Statement 2010/11

Service	Allocation	Staff Costs	Other Costs	Actual Overheads	Total
<b>Core</b>					
Probation	£1,200,921	£873,599	£232,148	£66,353	£1,172,100
Community Service	£2,522,852	£1,864,374	£576,020	£148,081	£2,588,475
Social Enquiry Reports	£1,208,820	£879,701	£210,273	£65,027	£1,155,001
Throughcare	£768,378	£615,669	£160,293	£47,360	£823,322
Home Detention Curfew	£51,301	£39,084	£11,181	£3,711	£53,976
SAO	£463,903	£255,719	£181,626	£29,678	£467,023
Diversion	£178,355	£161,308	£29,598	£8,924	£199,830
Bail	£163,823	£0	£139,661	£6,142	£145,803
Court Services	£340,708	£275,342	£52,165	£15,661	£343,168
<b>Total Core Services</b>	<b>£6,899,061</b>	<b>£4,964,796</b>	<b>£1,592,965</b>	<b>£390,937</b>	<b>£6,948,698</b>
<b>Invoicing</b>					
CPO Training	£9,026	£1,021	£8,005	£0	£9,026
Risk Matrix/SA07 Training	£2,481	£0	£2,067	£0	£2,067
Turnaround Evaluation	£24,500	£0	£24,500	£0	£24,500
Evaluation of Women's Mentoring Programme	£14,397	£0	£14,397	£0	£14,397
<b>Total Invoicing</b>	<b>£50,404</b>	<b>£1,021</b>	<b>£48,969</b>	<b>£0</b>	<b>£49,990</b>
<b>Centrally Initiated Funding – Non Core</b>					
Arrest Referral	£111,251	£0	£102,351	£5,441	£107,792
Caledonian	£165,536	£63,132	£41,437	£5,020	£109,589
Delivery of the National Training Programme	£59,968	£9,823	£46,622	£2,825	£59,270
MAPPA	£134,227	£135,822	£6,082	£7,109	£149,013
Throughcare Addiction Services	£58,100	£46,439	£5,829	£4,072	£56,340
<b>Non-Centrally Initiated Funding – Non</b>					
DTTO	£797,969	£399,033	£391,753	£38,667	£829,453
Employment Services	£44,762	£21,561	£7,120	£2,109	£30,790
Lease of premises	£15,006	£0	£15,006	£798	£15,804
New Service Development Funding	£188,800	£0	£188,736	£8,896	£197,632
Programme Delivery Team	£706,709	£310,643	£339,490	£32,548	£682,681
Social Enquiry Report Pilot - 2nd Round	£5,494	£4,279	£957	£240	£5,476
Structured Deferred Sentence	£101,988	£61,633	£26,348	£4,806	£92,787
Substance Related Offending	£59,123	£50,711	£6,420	£2,786	£59,917
Supported Accommodation	£121,607	£87,761	£21,354	£6,692	£115,807
Women Offenders	£100,000	£20,326	£63,268	£4,712	£88,306
<b>Total Non-Core Funding</b>	<b>£2,670,540</b>	<b>£1,211,163</b>	<b>£1,262,773</b>	<b>£126,721</b>	<b>£2,600,657</b>
<b>Overall Total</b>	<b>£9,620,005</b>	<b>£6,176,980</b>	<b>£2,904,707</b>	<b>£517,658</b>	<b>£9,599,345</b>

## SECTION TEN: NOTES TO THE ACCOUNTS

### Note 9: Reconciliation of Annual Financial Return to Income & Expenditure Account

	<u>2010/11</u>
	<u>£000</u>
Expenditure per Annual Financial Return	9,599
Less: Grant advanced by SWSCJA to:	
Dumfries and Galloway Council	2,542
East Ayrshire Council	1,965
North Ayrshire Council	3,628
South Ayrshire Council	<u>1,456</u>
	(9,591)
<b>Balance met by Constituent Local Authorities</b>	 <u>8</u>

## **SECTION ELEVEN: INDEPENDENT AUDITOR'S REPORT**

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

I have audited the financial statements of South West Scotland Community Justice Authority for the year ended 31 March 2011 under the Management of Offenders etc (Scotland) Act 2005. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes. 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 Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 (the 2010/11 Code).

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 accountable officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities set out on page 5, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and receipts. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and receipts.

## **SECTION ELEVEN: INDEPENDENT AUDITOR'S REPORT**

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and receipts in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on 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 by the Scottish Ministers of the state of the body's affairs as at 31 March 2011 and of its net operating cost 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 2010/11 Code; and
- have been prepared in accordance with the requirements of the Management of Offenders etc (Scotland) Act 2005 and regulations made thereunder by the Scottish Ministers.

### **Opinion on regularity**

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

## SECTION ELEVEN: INDEPENDENT AUDITOR'S REPORT

### Opinion on other prescribed matters

In my opinion the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Statement on the System of Internal Financial Control does not comply with the 2010/11 Code.

I have nothing to report in respect of these matters.

*Asif A Haseeb  
Senior Audit Manager  
Audit Scotland  
7th Floor  
Plaza Tower  
East Kilbride  
G74 1LW*

*25 October 2011*