

***LANARKSHIRE
COMMUNITY JUSTICE AUTHORITY***

ANNUAL REPORT & ACCOUNTS

2009-2010

LANARKSHIRE COMMUNITY JUSTICE AUTHORITY

ANNUAL REPORT & ACCOUNTS 2009-2010

INDEX

Page	Content
1	Explanatory Foreword
2	Introduction by the Convenor of Lanarkshire Community Justice Authority
3	Financial Statement by the Chief Officer
4	Income & Expenditure Account 2009/2010
5	Statement of Movement on the General Fund
6	Statement of Recognised Gains and Losses
7	Balance Sheet
8	Cash Flow Statement
9 -17	Notes to the Financial Statements
18,19	Statement of Accounting Policies
20	Statement of Responsibilities for the Statement of Accounts
21	Statement on the System of Internal Financial Control
22 - 24	Independent Auditor's Report
25	Annual Return Statement

EXPLANATORY FOREWORD

Financial Statements

The purpose of the Annual Report and Accounts is to demonstrate stewardship of the public monies which fund the work of the Authority.

The financial statements are as noted below:

- *Income and Expenditure Account – summary of resources generated and consumed by the Authority in the year ended 31 March 2010*
- *Balance Sheet – summary position of the Authority as at 31 March 2010*
- *Statement of Movement on General Fund balance – reconciliation showing how the balance of income versus expenditure in the year linked in with statutory requirements for a balanced budget at financial year end.*
- *Statement of Recognised Gains and Losses – demonstration of how the movement in net worth in the Balance Sheet is identified to the Income and Expenditure Account balance and to other unrealised gains and losses.*
- *Cash Flow Statement– reconciliation of cash flows in the year ended 31 March 2010.*

Financial Position

The Income and Expenditure Account and its accompanying notes and statements summarise the costs and sources of funding in carrying out the Authority's activities.

For 2009/10, the Revenue Expenditure results for the Authority is a bottom line Net Operating Deficit of £0.009m. (Page 4) This is negated by accounting entries which leave the Authority with a balance Income and Expenditure Account at the end of the financial year.

To comply with the Financial Reporting Standard 17 – Retirement Benefits, the Authority's Financial Statement disclose certain information concerning assets and liabilities related to pension schemes for its employees. This is fully explained in Note 2 to the Financial Statements.

The Statement of Accounting Policies has been included which details the policies implemented when compiling and presenting the Income and Expenditure Account, Balance Sheet and related statements. The accounting policies are those recommended by the Code of Practice on Local Authority Accounting in Great Britain.

The Statement of Responsibilities for the Statement of Accounts advises that the Chief Officer to the Authority is responsible for the proper administration of the Authority's financial affairs. Full details of the Chief Officer's responsibilities are included in this statement.

INTRODUCTION BY THE CONVENOR OF LANARKSHIRE COMMUNITY JUSTICE AUTHORITY

Community Justice Authorities (CJAs) are independent statutory bodies established by the Management of Offenders Etc (Scotland) Act 2005. CJAs have a range of planning, monitoring and reporting functions aligned to their key tasks, reducing re-offending and improving the management of offenders. CJAs contribute to the creation of a safer Scotland by working together with partners across the criminal justice system to create an Area Plan detailing how these tasks will be achieved. In pursuit of these objectives the authority is required to allocate resources provided by Scottish Ministers to local authority Criminal Justice Social Work Services.

The CJAs themselves are made up of elected members from each of the constituent local authorities.

As Convenor of the Lanarkshire Community Justice Authority I would like to express my sincere thanks to the members of staff of North Lanarkshire Council, South Lanarkshire Council, the Scottish Prison Service, Strathclyde Police and our valued partners in the voluntary and statutory sector whose commitment to reducing re-offending and contributing to safer communities continues to be a highlight of our work within Lanarkshire CJA.

Brian McCaig
Convenor - Lanarkshire Community Justice Authority
25 October 2010

FINANCIAL STATEMENT BY THE CHIEF OFFICER

Lanarkshire Community Justice Authority covers the local authority areas of North Lanarkshire and South Lanarkshire. The National Strategy for the Management of Offenders stipulates that:

CJAs will have the responsibility for allocating resources to local Criminal Justice Social Work services. In doing so CJAs will be required to match resources against priorities described in the CJA Area Plan.

The Authority took up its range of duties on 1 April 2007 and presents its third set of annual accounts.

For the reporting period 2009/10 resources were allocated to the CJA by the Scottish Government complete with details of how the funding formula allocated the grant across the two constituent local authorities. Some of the achievements of our partners this year included:

Consolidation of the Multi Agency Public Protection Arrangements (MAPPA) which facilitates effective public protection as all partners operate under an Information Sharing Protocol and the MAPPA Memorandum of Understanding.

The continuing development of Scotland's first community facing prison at Addiewell which serves the people of Lanarkshire and at any one time holds approximately 540 prisoners from our geographical area.

As Chief Officer I have enjoyed the support of staff within both Councils and would take this opportunity to commend Community Justice Social Work Services some of which resulted in recognition through national awards.

Financial Performance

In the year to 31 March 2010, the Lanarkshire Community Justice Authority returned a bottom line Net Operating Deficit of £0.009m. This is negated by accounting entries which leave the Authority with a balanced Income and Expenditure Account at the end of the financial year.

Tony McNulty
Chief Officer – Lanarkshire Community Justice Authority
25 October 2010

Income & Expenditure Account for year ended 31 March 2010

2008/2009 Actual £000		2009/2010 Actual £000	notes
149	Employee Costs	141	1,2,4
10	Property Costs	10	
3	Supplies and Services	4	
8	Administration Costs	20	
7	Payment to Other Bodies	7	5
10,719	Payments to Contractors	11,948	
1	Financing Charges	1	
<hr/>			
10,897	Total Expenditure	12,131	
(10,902)	Income	(12,133)	
<hr/>			
(5)	Net Cost / (Return) of Service	(2)	
(4)	Return on Pension Assets	(16)	2
3	Interest Cost on Pensions	27	2
<hr/>			
(6)	Net Operating Expenditure Deficit / (Surplus)	9	

Statement of Movement on the General Fund Balance

2008/09 £000		2009/10 £000	notes
	(6) Deficit / Surplus for the Year on Income & Expenditure Account	9	
	6 Net additional amount required by statute and non-statutory proper practices to be debited or (credited) to the General Fund Balance for the year	(9)	
0	(Increase) / Decrease in Cumulative Underspend / General Fund Balance for the year ended 31 March 2010	9	
0	General Fund Balance Brought Forward	0	
0	General Fund Balance Carried Forward	0	

Statement of Total Recognised Gains & Losses

This statement brings together all the gains and losses of the Authority for the year and shows the aggregate increase in its net worth. In addition to the deficit reflected in the Income & Expenditure Account, it reflects the re-measurement of the net liability to cover the cost of retirement benefits.

2008/09		2009/10
£000		£000
(6)	Deficit/(Surplus) on the Income & Expenditure Account	9
<u>145</u>	<u>Actuarial (gains)/losses on Pension Fund Assets & Liabilities</u>	<u>191</u>
<u>139</u>	Total recognised (gains)/losses for the year	<u>200</u>

Balance Sheet as at 31 March 2010

2008/2009 £000		2009/2010 £000	notes
	<u>Long Term Assets</u>		
0	Pension Asset	0	2
	<u>Current Assets</u>		
484	Debtors	641	7
<hr/>		<hr/>	
484	<u>Total Assets</u>	641	
	<u>Current Liabilities</u>		
(484)	Creditors and Accruals	(641)	8
<hr/>	Total Current Liabilities	<hr/>	
		(641)	
0	Total Assets less Current Liabilities	0	
	<u>Long Term Liabilities</u>		
(135)	Pension Liability	(335)	2
<hr/>		<hr/>	
(135)	Total Assets less Liabilities	(335)	
	Financed by :		
(135)	Pension Reserve	(335)	
<hr/>		<hr/>	
(135)		(335)	

The unaudited accounts were issued on 22 September 2010 and the audited accounts were authorised for issue on 25 October 2010.

Tony McNulty
Chief Officer
25 October 2010

Cash Flow Statement 2009/2010

2008/2009 £000		notes	2009/2010 £000
Revenue Activities			
Cash Outflows			
149	Cash paid to and on behalf of employees		141
10,753	Other operating cash payments		11,992
10,902	Total Cash Outflows		12,133
Cash Inflows			
10,902	Cash received for goods and services		12,133
10,902	Total Cash Inflows		12,133
0	Net Cash Inflow/(Outflow) from Revenue Activities	9	0
Returns on Investment and Servicing of Finance			
Cash Outflows			
0	Interest Paid		0
0	Total Cash Outflows		0
Cash Inflows			
0	Interest Received		0
0	Total Cash Inflows		0
0	Net Cash Inflow(Outflow) from Servicing of Finance		0
Capital Activities			
Cash Outflows			
0	Total Cash Outflows		0
Cash Inflows			
0	Total Cash Inflows		0
0	Net Cash Outflow from Capital Activities		0
0	Net Cash Inflow Before Financing		0
Management of Liquid Resources			
0	Net increase in short term deposits		0
0	Net increase decrease in other liquid assets		0
0	Net Cash (Outflow) from the Management of Liquid Resources	10	0
Financing			
Cash Outflows			
0	Total Cash Outflows		0
Cash Inflows			
0	Total Cash Inflows		0
0	Net Cash Outflow from Financing		0
0	Net (Decrease)/Increase in Cash		0

Notes to the Financial Statements

1 Officers Remuneration

The following schedule details the number of employees who received emoluments over £50,000 (including any benefits detailed on form P11D) in bands of £10,000.

Banding	No. of Employees 2009/2010	No. of Employees 2008/2009
£60,000 - £69,999	1	1

2 Employee Pension Scheme

In accordance with Financial Reporting Standard No 17 – Retirement Benefits (FRS 17) the Authority is required to disclose certain information concerning assets and liabilities related to pension schemes for its employees.

The Authority is required to follow UK GAAP in accounting for pension costs. FRS 17 is therefore incorporated into the statement of recommended practice.

The assets and liabilities of the Authority are provided for by the Authority's Actuary (Hymans and Robertson). Future rates of employer contributions to the Scheme are also dictated by the Actuary and contained within Actuarial Valuation Reports.

Under the direction of the Accounting Code Of Practice (ACOP) the Authority is required to disclose additional information in relation to Pension Costs as set out below.

Participation in Pensions Schemes

As part of the terms and conditions of employment of its Officers and other employees, the Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make payments that needs to be disclosed at the time that the employees earn their future entitlement.

The cost of providing pensions for employees is charged to the Income and Expenditure Account in accordance with the statutory requirements governing the particular pension scheme to which the Authority contributes.

The Authority participates in the Local Government Pension Scheme (Strathclyde Pension Fund) for civilian employees, administered by Glasgow City Council – this is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions Relating to Retirement Benefits

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	Local Government 2009/10 £000	PensionScheme 2008/09 £000
Income and Expenditure Account		
Net Current Services:		
• current service costs	12	14
• past service costs	5	-
Net Operating Expenditure:		
• interest cost	27	3
• expected return on scheme assets	(16)	(4)
Net charge to the Income and Expenditure Account	28	13
Statement of Movement on the General Fund Balance:		
• reversal of net charges made for retirement benefits in accordance with FRS17	28	13
Actual amounts charged against the General Fund Balance for pensions in the year:		
• employers' contributions payable to the scheme	(19)	(19)

In addition to the recognised gains and losses included in the Income and Expenditure Account, actuarial losses of (£0.191m), (2008/09:(£0.145m)) were included in the Statement of Recognised Gains and Losses. The cumulative amount of actuarial losses recognised in the Statement of Recognised Gains and Losses is (£0.335m), (2008/09:(£0.132m)).

Assets and liabilities in relation to retirement benefits

Recognition of present value of the scheme liabilities:

	LocalGovernment 2009/10 £000	PensionScheme 2008/09 £000
1 April	373	39
Current service cost	12	14
Interest cost	27	3
Contribution by scheme participants	9	6
Actuarial gains and losses	270	312
Benefits paid	(2)	(1)
Past service costs	5	-
31 March	694	373

Reconciliation of the fair value of the scheme assets:

	Local Government 2009/10 £000	Pension Scheme 2008/09 £000
1 April	238	43
Expected rate of return	16	4
Actuarial gains and losses	79	167
Employer contributions	19	19
Contributions by scheme participants	9	6
Benefits paid	(2)	(1)
31 March	359	238

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was (£0.094m), (2008/09: £0.012m).

Scheme history

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Present value of liabilities:				
Local Government Pension Scheme	20	(39)	(373)	(694)
Fair value of assets in the Local Government Pension Scheme	(27)	43	238	359
Surplus / (deficit) in the scheme:				
Local Government Pension Scheme	(7)	4	(135)	(335)

On the grounds of materiality and consistency with the accounts of other authorities, no restatement has taken place for 2006/07 and 2007/08.

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £0.335m has a substantial impact on the net worth of the authority as recorded in the balance sheet, resulting in a negative overall balance of £0.335m.

However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy:

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2011 is £0.020m.

Basis of Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using projected method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Strathclyde Pension Fund being based on the latest full valuation of the scheme as at 31 March 2008

The principal assumptions used by the actuary have been:

	Local Government 2009/10	Pension Scheme 2008/09
Long-term expected rate of return on assets in the scheme:		
• Equity Investments	7.8%	7.0%
• Bonds	5.0%	5.4%
• Property	5.8%	4.9%
• Cash	4.8%	4.0%
Mortality assumptions:		
Longevity at 65 for current pensioners		
• Men	20.6 years	20.3 years
• Women	23.9 years	23.2 years
Longevity at 65 for future pensioners		
• Men	22.6 years	21.7 years
• Women	25.0 years	24.6 years
Rate of inflation	3.8%	3.1%
Rate of increase in salaries	5.3%	4.6%
Expected return on assets	7.2%	6.5%
Rate of discounting scheme liabilities	5.5%	6.9%
Take up option to convert annual pension into retirement lump sum	50%	50%

The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	Local Government 2009/10	Pension Scheme 2008/09
	%	%
Equity Investments	77	73
Bonds	13	16
Property	7	8
Cash	3	3
	<hr/> 100	<hr/> 100

History of Experience Gains and Losses

The actuarial losses identified as movements on the Pensions Reserve in 2009/10 can be measured as a percentage of assets or liabilities at 31 March 2010:

	2009/10	2008/09
	%	%
Differences between the expected and actual return on assets	22.0	70.2
Experience gains and losses on liabilities	-	93.0

3 Related Party Transactions

During the year, transactions with related parties arose as follows:

	2009/2010 £000	2008/2009 £000
Central Government Revenue Grants		
Section 27 Grant Income	11,912	10,695
Administration Grant Income	205	207
Payments to Related Bodies		
North Lanarkshire Council	6,545	5,902
South Lanarkshire Council	5,388	4,802

4 Members Allowances & Expenses

Members' allowances and expenses of £7,830 were paid.

Convenor's Allowances and Expenses include National Insurance Contributions payable by the Authority. These are analysed as follows:

	2009/2010 £000	2008/2009 £000
Allowances & Expenses	8	9
	8	9

5 Payments to Other Bodies

	2009/10 £000	2008/09 £000
Auditors Remuneration (see note 5a)	5	5
Valuation Fees for Pension Fund	2	2
	7	7

5a Auditors Remuneration

In financial year 2009/10 £5,000 was the agreed remuneration to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Practice. This charge is made up of the agreed fee for the year (£4,500) and the fixed element (£500).

6 **Note of Reconciling Items for the Statement of Movement on the General Fund Balance**

£000		£000	£000
	Amounts included in the Income & Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance / Cumulative Underspend for the year		
	Net Charges made for Retirement Benefits in Accordance with FRS17	(28)	(28)
(13)		(28)	(28)
(13)			
	Amounts not included in the Income & Expenditure Account but required to be included by Statute when determining the Movement on the General Fund Balance / Cumulative Underspend		
	Employer's Contributions payable to the Strathclyde Pension Fund and retirement benefits payable to actual pensioners	19	19
19		19	19
19			
	Net Additional Amount required to be debited or (credited) to the General Fund Balance / Cumulative Underspend for the year		
6			(9)
6			(9)

7 **Debtors**

The debtors figure comprises :-

	2009/2010	2008/2009
	£000	£000
Due from Scottish Government	641	229
Revenue Advances from South Lanarkshire Council	-	255
	641	484

8 **Creditors**

The Creditors figure is analysed as follows :-

	2009/2010	2008/2009
	£000	£000
Due to Scottish Government	0	3
Due to North Lanarkshire Council	191	326
Due to South Lanarkshire Council	116	149
Accruals	8	6
Revenue Advances from South Lanarkshire Council	326	-
	641	484

9 **Reconciliation of Revenue Account to Revenue Activities Cash Flow**

	2009/10	2008/09
	£000	£000
Surplus/(Deficit) for the Year	0	0
Items on an Accruals Basis		
Increase/(Decrease) in Debtors	157	(427)
(Increase)/Decrease in Creditors	(157)	427
Net Cash Flow from Revenue Activities	0	0

10 **Reconciliation of Movements in Liquid Assets**

	Opening Balance	Closing Balance	Movement in Liquid Assets
	01/04/2009	31/03/2010	
	£000	£000	£000
Investments	0	0	0

11 **Reconciliation of Movement in Cash to Movement in Net Debt**

The net cash movement of the Lanarkshire Community Justice Authority is nil.

12 **Date of Signing of Annual Accounts**

The accounts were authorised by the Chief Officer of Lanarkshire Community Justice Authority on 25 October 2010.

13 **Post Balance Sheet Events**

There were no events that occurred between 1 April 2010 and 25 October 2010 that would have an impact on the 2009/2010 financial statements. The later date is the date on which the accounts were authorised by the Chief Officer to the Lanarkshire Community Justice Authority.

Statement of Accounting Policies

(a) **General**

The general policies adopted in compiling and presenting the Accounts are those recommended by the Code of Practice on Local Authority in Great Britain issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). There are no significant departures from those recommendations.

(b) **Debtors and Creditors**

Accruals basis

The income and expenditure account is compiled on an accruals basis. Where goods have been sold but the income not received by end 31 March 2010 or goods have been received but not paid for by end March 2010, then the income and expenditure account has been amended to reflect the outstanding amounts.

(i) Debtors

All specific and material sums payable to the Authority have been brought into account.

(ii) Creditors

All salaries and wages earned up to 31st March 2010 are included in the Accounts irrespective of when actual payments were made.

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31st March 2010, together with specific accruals in respect of further material items.

(iii) Pension Costs

The Authority participates, through South Lanarkshire Council, in the Local Government Superannuation Scheme, which is managed by Glasgow City Council.

The cost of providing pensions for employees is charged to the revenue account in accordance with the statutory requirements governing the particular pension scheme to which the Authority contributes.

The requirements of FRS 17 have been fully applied in the current year, including recognition of the net liability and a pensions reserve in the Balance Sheet and entries in the Consolidated Revenue Account for movements in the liability relating to the scheme.

In assessing liabilities for retirement benefits for the 2009/10 Statement of Accounts, discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme was used. The Actuary has advised that a rate of 6.9% per annum is appropriate.

(c) Grants

Grants from central government which are of a revenue nature are credited to the income and expenditure account in the period to which the funding applies.

(d) Borrowing Facilities

The Authority is a separate legal entity and has South Lanarkshire Council as its lead authority. The loans' fund of South Lanarkshire Council acts as banker to the Authority and consequently lends or borrows according to the required cash flow and activities of the Authority.

(e) Members allowances and expenses

The Authority makes payments to and on behalf of members in respect allowances and expenses necessarily incurred by them in the performance of their duties.

Statement of Responsibilities for the Statement of Accounts

The Lanarkshire Community Justice Authority's responsibilities

The Lanarkshire Community Justice 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 Chief Officer
- 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 responsible for the preparation of the Authority's statement of accounts in accordance with proper accounting practices set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the "Code of Practice").

In preparing this statement of accounts, the Chief Officer has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Chief Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

This statement of accounts presents the true and fair financial position of the authority at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

Tony McNulty
Chief Officer – Lanarkshire Community Justice Authority
25 October 2010

Statement on The System of Internal Financial Control

1. The statement is given in respect of the Statement of Accounts for Lanarkshire Community Justice Authority. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. 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 managers within the Authority. In particular, the system includes:
 - Appropriate budgeting systems
 - Regular reviews of periodic and annual financial reports which indicated financial performance against the forecasts
 - Setting targets to measure financial and other performance
 - The preparation of regular financial reports which indicate actual expenditure against the forecasts; and
 - As appropriate, formal project management disciplines.
4. My review of the effectiveness of the system of internal financial control is informed by:
 - The work of managers within the Authority;
 - The external auditors in their annual audit letter and other reports.
5. It is my view that the systems for internal control were reasonably effective during 2009/10.

Tony McNulty
Chief Officer – Lanarkshire Community Justice Authority
25 October 2010

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

We have audited the financial statements of Lanarkshire Community Justice Authority for the year ended 31 March 2010 under the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder. These comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, the Statement of Total Recognised Gains and Losses, the Balance Sheet, 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 Practice approved by the Auditor General for Scotland, we 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 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.

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

We report our 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 the regulations made thereunder. We also report if 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, we also report if, in our opinion, the Authority has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the Statement on the System of Financial Control reflects the Authority's compliance with the Scottish Government's guidance, and we report if, in our opinion it does not. We are not required to consider, whether the statement covers all risk and controls or form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

We read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword to the Accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our 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 Practice approved by the Auditor General for Scotland. Our audit includes examination, on a test basis, of evidence relevant to the amounts and 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 Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Financial Statements

In our opinion

- the financial statements give a fair and true view, in accordance with the Management of Offenders etc. (Scotland) Act 2005 and regulations made thereunder, of the state of affairs of the Authority as at 31 March 2010 and of its net operating cost and cash flow 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.

**PricewaterhouseCoopers LLP
141 Bothwell Street
GLASGOW
G2 7EQ**

25 October 2010

Note: The maintenance and integrity of the South Lanarkshire Council website is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**Lanarkshire Criminal Justice Authority Social Work Services
Annual Financial Statement 2009/10**

Service	2009/10 Allocation	Staff Costs	Other Costs	Actual Overheads (restricted to 8%)	Total
Probation	£1,398,988	£1,146,359	£116,583	£101,035	£1,363,977
Community Service	£2,409,474	£1,864,615	£509,233	£189,908	£2,563,756
Social Enquiry Reports	£1,751,364	£1,518,386	£130,477	£131,909	£1,780,772
Throughcare (Includes HDC)	£1,219,776	£1,005,673	£114,551	£89,618	£1,209,842
Home Detention Curfew	£40,800	£28,259	£3,807	£2,565	£34,631
Supervised Attendance Orders	£283,111	£240,185	£24,231	£21,153	£285,569
Diversion	£178,448	£112,991	£45,858	£12,708	£171,557
Bail Services	£179,650	£76,674	£7,737	£6,753	£91,164
Court Services	£428,786	£345,662	£40,714	£30,910	£417,286
Total Core	£7,890,396	£6,338,804	£993,191	£586,560	£7,918,555
Invoicing					
Community Service Workshops	£249,934	£0	£249,934	£0	£249,934
Community Justice Central Project 2008/09 Admin Costs	£7,078	£0	£0	£0	£0
Intensive Support Packages	£304,390	£0	£321,955	£25,757	£347,712
Total	£561,402	£0	£571,889	£25,757	£597,645
Non Core					
Centrally Initiated Funding					
Arrest Referral	£125,599	£0	£125,599	£10,048	£135,647
Delivery of the National Training Programme for Criminal Justice Social Work Services	£60,000	£46,230	£20,191	£5,314	£71,735
Fiscal Work Order Pilots (from June 2008)	£50,000	£32,624	£1,927	£2,764	£37,315
MAPPA – Co-ordinator and Administrator	£134,227	£148,383	£9,909	£12,663	£170,955
Throughcare Addiction Services	£34,250	£26,434	£3,561	£2,400	£32,395
Youth Court Pilot	£1,587,060	£950,308	£427,841	£110,252	£1,488,401
Funding for Non-Centrally Initiated Areas of Work					
DTTO	£594,500	£336,276	£223,399	£44,774	£604,449
Mediation and Reparation Project	£139,277	£0	£129,684	£10,375	£140,059
New Service Development Funding	£190,000	£16,726	£180,160	£10,991	£207,877
Programme Delivery	£311,890	£278,553	£4,532	£22,647	£305,732
Social Enquiry Reports Pilot (to June 2009)	£19,083	£12,892	£0	£1,031	£13,923
Substance Related Offending	£94,598	£70,262	£1,763	£5,762	£77,787
Supported Accommodation	£110,948	£26,861	£33,676	£4,843	£65,380
Young People at Risk	£82,775	£27,534	£32,803	£4,827	£65,164
Caledonian Self Evaluation	£15,000	£0	£0	£0	£0
Total Non Core	£3,549,207	£1,973,083	£1,195,045	£248,690	£3,416,818
Overall Total	£12,001,006	£8,311,887	£2,760,125	£861,007	£11,933,018