



LANCASHIRE

Lancashire Probation Board

ANNUAL REPORT

2007-08

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Introduction

Aims of the National Probation Service

- Protect the Public
- Reduce Reoffending
- Proper Punishment of offenders
- Victim Awareness
- Rehabilitation of offenders

The key priorities for 2007/08:

- To Protect the Public by reducing the risk of harm by offenders managed in the community
- To Support the Courts in imposing suitable sentences for appropriate offences and implementing those sentences
- To Provide Firm and Fair Punishment by increasing compliance with community sentences and treating all offenders fairly
- To Help to Cut Crime through seamless offender management to reduce reoffending and by working with a range of partners
- To Contribute to Communities in Lancashire by increasing visible payback to the community and by supporting the victims of serious offences, and engaging local communities in the management and resettlement of offenders.

Part 1: Annual Report

A. OPERATIONAL REVIEW

Leadership

Overall Direction

The Board agreed a business plan for 2006-07 based on the key priorities of the National Offender Management Service and has met regularly to review progress against objectives. The Board has also held a number of review days during 2007-08 focussing on strategic direction, financial planning and sickness absence.

The senior management of the Service has also undertaken a fundamental review of the Board's finances in the light of predictions for funding for the next 3 years. It has set out a cost improvement programme in order to strengthen the financial position of the Service particularly in relation to 2009-10 and beyond. A number of briefing and review days for all managers of the Service have been held focussing on bringing about improvements in risk assessment and management, the implementation of offender management and the management of sickness absence. All managers have also been involved a preliminary event focussing on management development.

The Board is also preparing for the move to Trust status as a result of the passing of the Offender Management Act. The Board has indicated its commitment to move to Trust status from the beginning of the process setting out the advantages it believes may accrue. In order to assess areas for further improvement a preliminary self assessment was undertaken in August 2007. This was revised in January 2008 and submitted at the request of the National Offender Management Service along with all other probation areas in order to assist in the selection of second wave Trusts, decisions about which will be made in mid 2008.

Protecting the Public from harm

Lancashire Probation area has continued to have a strong commitment at senior management level to a range of multi agency forums including the Safeguarding Boards and the MAPPA Strategic Management Board. During the year the chairing of the Strategic Management Board for MAPPA transferred from the Police to the Probation Service. One of the key actions was the development of an action plan for further engaging "Duty to Cooperate" agencies such as Health and Education. The membership of the Strategic Management Board was also widened to include the Primary Care Trusts. Following the commitment to the establishment of a Performance and Quality Standards unit during 2006 the senior management group reiterated in 2007-08 its commitment to the continuation of the unit and increased its involvement in national standards for OASys and sentence planning.

Offender Management

The area has ensured that the implementation of offender management across the area is a top priority. The community element of offender management is now well embedded and there has been a strong commitment over the past year to implement end to end offender management for those in custody and on licence. Work in the prisons is a key element of Lancashire which has six prisons within the county. The Chief Officer meets regularly with the Area Manager for the Prison Service and individual governors and has kept the implementation of offender management under review. A senior manager from Lancashire also undertakes the lead role within the North West region in relation to offender management implementation.

Implementation of the Regional Reducing Reoffending Action Plan

Senior managers from Lancashire have undertaken lead roles in relation to a number of the Reducing Reoffending Action Plan pathways and is strongly committed to all seven of them. A Lancashire senior manager chairs the strategic group for the Probation Service in the North West region in relation to Education Training and Employment.

The area has also participated in the Lancashire Mentally Disordered Offenders action group, developing an action plan to address gaps in the provision of forensic mental health services. A close working relationship has been developed by the Health Service alongside other members of the local Criminal Justice Board.

Recognising the Importance of Diversity

Diversity issues have a high priority within Lancashire Probation area. A strong working relationship is developing with the black and minority ethnic communities across Lancashire and a very successful consultation event took place during the year by the Partnership and Commissioning unit. This was intended to develop a dialogue with voluntary sector groups from a variety of ethnic and faith groups. The area also hosted and chaired a Faith Alliance conference organised by the Regional Offender Manager which took place at the Gujarat Centre in Preston. The Chief Officer chairs the Regional Diversity Group on behalf of all Probation Services in the North West. The Group has implemented a regional approach to the monitoring of diversity in relation to operational practice. This covers the monitoring of age, gender, disability and ethnicity. It covers areas of practice including compliance, enforcement, accredited programmes, unpaid work completions, skills for life referrals, employment and DRR completions.

Effective Management

The area has a strong commitment to the development of regional cooperation and has been a member of the Regional Probation Board. The Chief Officer acts as the Secretary to the Regional Executive. A close working relationship has been developed between all five areas in the Region.

The area also has a strong commitment to the best value initiative and was involved in two regional wide exercises.

A review of management meetings of the area has been undertaken and there has been a review of our Information and IT department.

Policy and Strategy

Working with our Commissioner

The Lancashire Business Plan for 2007-08 took full account of the National and Regional priorities. The Service Level Agreements between the Probation Board and the Regional Offender Manager were fully implemented following the pilot year in 2006-07. The Senior Managers from the area met on a quarterly basis with the Commissioner with whom an effective working relationship has been established. At the end of the year the outcome of the Service Level Agreement process was that for interventions all the targets set by the Commissioner were achieved. All but two of the performance targets for offender management were achieved. Of these the successful completions target was a near miss. The OASys timeliness target was identified as an area for improvement. The Commissioner expressed a high level of satisfaction with performance against the Service Level Agreement during 2007-08.

Prioritising Court Work

Improving our working relationship with the Lancashire courts was given a high priority. Liaison arrangements established in 2006 for dialogue with the judiciary were fully implemented and a meeting took place during the year with the Area Judicial Forum. Of particular note this year was a number of evening stakeholder meetings across the county in which the Probation Service met with sentencers and court officials. This seems to have been received particularly positively.

Local Area Agreements

The area also identified a particular priority in working with the local authorities and other partners in relation to the local area agreements over the past year. A senior manager was identified to improve working relationships in this direction. Our contribution to the Safer and Stronger Communities element was strengthened with negotiations with Lancashire County and the two unitary authorities of Blackburn and Blackpool in order to seek agreement in relation to priority indicators in relation to reducing reoffending and prolific and persistent offenders.

Protecting the Public

Public Protection has remained uppermost in our priorities. In addition to maintaining the Probation Quality Standards Unit a new practice manual has been introduced, practice has been assessed against the DeMontford University modules within the context of the supervision and appraisal process. New MAPPA guidelines have also been introduced. The area was one of the first in the country to use ViSOR. This is a joint police, probation and prison service database in relation to violent and sex offenders.

Offender Management and Enforcement

The area has also implemented phases 2 and 3 of the Offender Management roll out involving prolific and persistent offenders and public protection sentence cases. Of

particular significance this year was the agreement on a long standing role boundary dispute. Agreement between management and unions has enabled Probation Service Officers to undertake offender management tasks in their own right and this is now being implemented in relation to tiers 1, 2 and 3. Tier 4, the highest risk cases, remain the responsibility of Probation Officers. Enforcement has also been given a high priority over the past year and there have been substantial improvements in performance in relation to the 'end to end enforcement' target. As a result the speeding up of the enforcement process through the courts has been achieved. Lancashire is now one of the highest performing areas in the country in relation to this. A revised community penalty breach protocol has been agreed with other stakeholders and implemented.

Areas of Improvement

During 2007-08 a number of improvement objectives were included in the Service Progress plan of the agreement with the Commissioner. These included the improvements to risk assessment, offender management and the diversity monitoring, previously referred to. A commitment was also made to seek opportunities to progress 'Through the Gate' developments. While the North West region was not successful in its test bed bid in relation to offender learning and skills it has continued to run 'Through the Gate' accredited programme initiatives at both Kirkham and Garth prisons. The area also reaffirmed its commitment to the Reducing Reoffending Action Plan taking a lead or key role in relation to accommodation, employment, training and education, physical and mental health and financial and social support. In relation to the latter the Service works closely with the Diocese Board for Social Responsibility in respect of the Grassroots Family Support Project and the establishment of a county wide forum for agencies involved with children and partners of offenders. The area has also been closely involved with the Supporting People initiative and a senior manager from Lancashire Probation area is the deputy chair of the group.

People Management

Modernising the Workforce

Our Human Resources and Training Strategy 2007-2008 was closely linked to the annual business plan and set out objectives in relation to managing people. 2007-2008 saw the resolution of the long outstanding issue of "Role Boundaries" with the trade unions. This introduced a new job role for Probation Service Officers as they take on a more enhanced role with direct responsibility for lower risk offenders.

The Service introduced a number of new staff policies including: Flexible working, to allow staff (whether covered by legislation or not) to apply to change their working week in order to support a work/life balance. In addition, new policies were introduced in relation to staff mobility, managing performance and appraisal.

In an attempt to keep our staff informed, we introduced a newsletter entitled "SMG update" which informs staff of the decisions taken by the Senior Management Group. The Board approved the introduction of a Staff Recognition Scheme, entitled Staff Thanks and Recognition Scheme (STARS) which will be launched in July 2008. This forms part of our commitment to improve internal communication with staff and will be a key focus for us in 2008.

Training and Development

The training plan ensured ongoing and continuous training and development opportunities for staff at all levels. Specific training has centred on Probation Service Officers in order for them to be confident and competent in their new role. In addition, training was carried out for operational staff on identifying Risk of Harm. Diversity training continued to be rolled out with disability awareness sessions delivered to all staff by DISC (Disability Information Service Centre) and Race issues training for all managers. Training in this area will be strengthened during 2008 for all staff on generic diversity issues. Managers underwent refresher training in dealing with sickness absence and are now also fully trained in carrying out stress risk assessments with staff.

The Service continues to offer NVQs for staff and in 2007/2008, with 20 awards obtained in various levels and subjects.

Change management sessions have also been introduced and these have been particularly welcomed by staff who have found the training to be beneficial and useful.

Sickness Absence

One of the priority objectives of the service is to reduce sickness absence which unfortunately still remains high at 14.9 days per person per annum. Whilst recognising the impact of continuous change on our staff, the service recognises the importance of reducing sickness absence to improve business efficiency and achieve targets. The service rolled out a new Attendance Recording and Monitoring System (ARMS) in 2007. We are confident that sickness absence is now being recorded in a systematic and consistent way and are hopeful that sickness absence will reduce in the forthcoming year.

Health and Safety

The service is committed to the Health, Safety and Welfare of all its employees. The Health and Safety Committee is well established with joint ownership between management and unions. Following a complete review of Health and Safety policies in previous years we have been focussing our attention on auditing how we are doing. We are particularly keen to improve compliance with home and lone working policies to ensure that our staff are safe. Training was carried out for Board members and senior management and this will be repeated for our middle managers in 2008.

We have been working closely with the Health and Safety Executive and carried out a Staff Survey which focussed predominately on health and well-being based upon the HSE stressors. We have been analysing the results and will hold focus groups with our staff to obtain further information. An action plan will be designed and implemented which will help shape our people management policies and practices.

Partnerships and Resources

Partnerships

Over the past 12 months, we have continued to work with a range of partners across the statutory, voluntary, faith and private sectors. We have hosted several events which were aimed at increasing our engagement with these groups including an event with victims and womens organisations, two events with Local Authorities, Registered social landlords and housing providers to launch the DISC Accommodation Placement Service and an event with private sector providers as part of the procurement process for a contract providing Waking Night Cover within our Approved Premises.

Recently we hosted an event with faith organisations in East Lancashire, aimed at increasing their awareness of the work of the probation service. This event was the culmination of a partnership project with the Ethnic Minority Development Association (EMDA), aimed at increasing our knowledge of the faith sector within Lancashire. The project generated a directory of over 350 faith based organisations in East Lancashire, and work to plan the next stage of the project is now underway.

During the year all existing partnership contracts were reviewed and two new contracts were awarded – an accommodation placement service and a contract to provide a night waking cover within our Approved Premises. Both contracts were let via an open and transparent procurement process, and are now delivering quality services for offenders and offender managers. Our arrangements with two of our longstanding partners, Coldwell Inn and NSPCC, came to an end in March 2008 following a change of direction for both ourselves and our partners.

We continue to develop close alliances with many of our partners who deliver services and support the RRDP pathways. This year has seen the development of a strong partnership with Lancaster and Morecambe College and CXL to deliver offender learning and employment opportunities and joint commissioning arrangements continue with Supporting People and the DAATs across Lancashire.

Resources Review

Revenue

The expenditure of the Lancashire Probation Board is planned and controlled through the annual budget process, and is determined by the level of funding received from the Ministry of Justice through the National Offender Management Service (NOMS). Expenditure on the day to day running costs of the service is determined through the revenue budget, and recorded in the Operating Cost Statement.

The Board's Net Operating Costs for the year were £23.486 million (2006/07 £21.041 million), an increase of 11.6% (2006/07 4.3%).

Staff costs have increased by £1.648 million (10.6%) during the year to £17.253 million (2006/07 increase of 6.6% to £15.605 million). The increase is mainly due to:-

- The costs of incremental progression (approx 3%) and an inflationary uplift in the salary scale (approx 2.3%)
- The effects of the actuarial pension cost adjustments (increase of £0.814 million)

Other Administration costs have increased by £0.836 million during the year, which is mainly attributable to the cost of buying out the essential car user scheme.

Operating income has reduced by £0.158 million in the year (2006/07 reduction of £0.396 million). The reduction reflects the completion of the Drug Support Worker initiative funded by the Drug Action Teams in the county although this has been offset to some extent by the introduction of new income sources such as the European Social Fund monies received in respect of our participation in the Offender Learning and Skills Service in the Community project.

Capital expenditure

During the year the Board has utilised the Vehicle and Capital Equipment allocation of £116,000 received from NOMs to purchase fixed assets. These purchases include two new minibuses to assist in the delivery of unpaid work, video conferencing equipment which is used to facilitate contact with offenders in prisons as well as for regional and national meetings, 2 new telephone systems and a database to assist in the work undertaken with victims.

Efficiency savings

A three year Cost Improvement Programme has been developed during 2007/08 in response to the stringent financial settlement announced in the government's Comprehensive Spending Review for 2008/11. The area has identified cost savings of over £0.900 million for 2008/09, of which a significant amount has already been realised; the largest cost saving arising from the buy out of the essential car user allowance in 2007/08.

As part of our commitment to demonstrate value for money further Best Value reviews have been undertaken during the year, both locally (in respect of our services to victims and unpaid work), and regionally (for approved premise and programme delivery). The recommendations arising from these reviews are now being implemented bringing about improvements in service delivery as well as reductions in cost.

The area has also commenced a process mapping exercise across all aspects of the business for both operations and support services. This will identify areas of good practice as well as areas for improvement and will focus on delivering the most efficient and effective service that we can within the funding available.

B. RESULTS

Achievements in 2007-2008

Lancashire Probation area achieved all of its main operational targets in 2007/08. Some targets, particularly the unpaid work completions, skills for life referrals, and contact with victims, were significantly exceeded.

The service also achieved a number of awards during the year. Programmes staff working with staff at HMP Kirkham were commended for their “through the gate” work with prisoners. Staff also received local Justice Awards in the areas of ‘Outstanding commitment to diversity’, long service, community engagement and contribution to working with offenders. In addition, one long-serving member of staff based in the Lancaster office received an MBE in the Queen’s New Year Honours in recognition for his services to the community through his work with offenders.

Customer Results

Ref	Target Description	Target for 2007/08	Lancashire Figures				
			2007/08	2006/07	2005/06	2004/05	2003/04
R&C 1	Victim Contact - % victims to be contacted within eight weeks of an offender receiving 12 months or more for a serious sexual or violent offence	85%	98% (Apr – Dec 07)*	89%	92%	92%	93%
R&S 12	Number of skills for Life referrals	1425	2312	2698	2249	1834	576
PT 9	Number of unemployed offenders gaining employment	No Target	835	628	Not Available	Not Available	Not Available
R&S 2	Number of offenders sustain employment for 4 weeks	356	572	509	205	Not Available	Not Available
R&S 16	% of offenders living in settled and suitable accommodation at the end of their order or licence.	70%	73%	Not Available	Not Available	Not Available	Not Available

*Victims figures work 3 months behind. Jan – March 08 figures will not be available until after 30th June08

People Results

Ref	Target Description	Target for 2007/08	Lancashire Figures				
			2007/08	2006/07	2005/06	2004/05	2003/04
	Race and Ethnic Monitoring of Offenders	95%	98%	99%	99%	99%	98%
	Average Sickness Absence	9 days	14.9	13.3	13.9	12.9	Not Available

Society Results

Number of Complaints:

During 2007-08 we received 27 complaints, of which 22 were informal and 5 formal. Of the 22 informal complaints, 3 withdrew their complaint and 4 proceeded through to formal.

Of the informal complaints 3 were partly upheld and apologies were given and accepted. Three of the formal complaints were partly upheld and apologies given. None appealed to the Board.

Measures of efforts taken to communicate with the local community to take full account of diversity

The area website www.probation-lancashire.org.uk is fully compliant with nationally recognised assistive technology accessibility endorsement. It provides online access for the public to:

- staff recruitment
- enquiries/suggestions on placements of offenders on Community Payback
- request information
- Race, gender and disability equality information
- details of Board meetings to promote public attendance

The Local Crime Community Sentencing Scheme is a collaboration between the Lancashire Probation and local magistrates. The project involves pairs of magistrates and probation staff going out into the community to give joint presentations to community groups to improve public confidence in community sentencing. In 2007-08, presentations were delivered to around 400 people through this scheme.

Service information leaflets for offenders and victims are available in many different languages to reflect the needs of minority communities across Lancashire.

Key Performance Results

Ref	Target Description	Target for 2007/08	Lancashire Figures				
			2007/08	2006/07	2005/06	2004/05	2003/04
RR1	Reduce the rate of re-offending whilst under the supervision of probation		End Sept 07 10.9%	10.9%	End March 06 12.4%	Not Available	Not Available
PP 1	90% of OASys assessments must be completed or updated within appropriate timescales of the commencement of the order or release into the community for all Tier 4 offenders.	90%	95%	93%	87%	Not Available	Not Available
OM1	90% of OASys assessments must be completed or updated within appropriate timescales of the commencement of the order or release into the community for all Tier 1 (where appropriate), Tier 2 and Tier 3 offenders.	90%	58%	Not Available	Not Available	Not Available	Not Available
RR2	90% of OASys assessments must be completed or updated within appropriate timescales of the commencement of the order or release into the community for all PPO offenders.	90%	94%	93%	87%	Not Available	Not Available
DoJ8	90% of PSRs to be completed within the required time	90%	99%*	88%	97%	80%	70%
DoJ13	To maintain at below 2% the proportion of UPW offender days which are lost because of stand-downs either on the day or notified in advance	>2%	1.6%	Not Available	Not Available	Not Available	Not Available
DoJ15	Number of successful completions of Unpaid Work against target	1372	1576	1423	1382	933	Not Available
DoJ6	Achieve an average of 35 working days from the relevant unacceptable failure to comply to resolution of cases; and to resolve 60% of breaches of community penalties within 25 working days of the relevant unacceptable failure to comply.	a) 35 days b) 60%	a) 42 days b) 54%	Not Available	Not Available	Not Available	Not Available

DoJ5	Initiate breach proceedings in accordance with national standards within 10 working days in 90% of cases	90%	97%	94%	90%	95%	86%
DoJ1	Compliance: the proportion of arranged appointments which the offender attends in the first 26 weeks	85%	89%	88%	Not Available	Not Available	Not Available
DoJ4	Compliance: the proportion of cases that reach the 6 months stage without requiring breach action	70%	76%	73%	80%	84%	66%
DoJ9	Compliance the proportion of orders and licences that terminate successfully	70%	65%	71%	72%	73%	74%
R&S6	75% of offenders are retained on DTTO/DRR for 12 weeks	75%	80%				
R&S7	Number of DTTO/DRR commencements against target	477	520	517	501	351	246
R&S18	Number of accredited programme completions against target, excluding sex offender treatment programme completions and domestic violence programme completions	440	489	504	424	452	381
R&S13	Number of sex offender treatment programme completions	41	45	42	31	31	Not Available
R&S20	Number of domestic violence programme completions	60	113	83	Not Available	Not Available	Not Available

C. WORKLOAD AND ACTIVITY STATISTICS

- Commencements by type of order/licence

	2007/08	2006/07	2005/06	2004/05	2003/4
CJA Community Order	5133	4305	2988		
CJA Suspended Sentence Order	1698	1209	310		
CPO	172	252	740	1488	1447
CPRO	24	60	281	552	455
CRO	46	135	815	2238	2355
DTTO		13	137	353	247
ALL COMMUNITY ORDERS	7073	5974	5271	4631	4504
Pre - Release Licence	1250	1156	1236	1160	1230
Post - Release Licence	1210	1068	1157	1210	1349
ALL COMMENCEMENTS	9533	8198	7664	7001	7083

- Caseload at 31.03.07 compared to 31.03.06 by type of order/licence

	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
	2007/08	2006/07	2005/06	2004/05	2003/4
CJA Community Order	3590	3385	2258		
CJA Suspended	1586	1088	272		

Sentence Order					
CPO	137	236	544	1154	1125
CPRO	46	128	444	850	677
CRO	97	293	891	2151	2213
DTTO	3	12	90	250	170
ALL COMMUNITY ORDERS	5459	5142	4499	4405	4185
Pre - Release Licence	1863	1856	1727	1612	1560
Post - Release Licence	1006	831		742	720
ALL CASELOAD	8328	7829	6226	6759	6465

- Court Reports produced by Type (FDR, SDR, etc.)

	2007/08	2006/07	2005/06	2004/05	2003/4
FDR	1823	1737	1908	1572	1108
SDR	4786	4976	4795	4607	5201
ORAL	384	15	19		
	6993	6728	6722	6179	6309

- Unpaid Work Hours ordered (incl CPO and CPRO)

	2007/08	2006/07	2005/06	2004/05	2003/4
CPO	16477	29601	83805	166695	164524
CPRO	1830	5075	24060	45074	37553
UPW Requirement (CJA)	319318	282672	148323	N/A	N/A
TOTAL	337625	317348	256188	211769	202077

- Reports produced by Unpaid Work Hours worked (incl CPO and CPRO)*

	2007/08	2006/07	2005/06	2004/05	2003/4
TOTAL	215159	195887	147474	125578	129878

* Breakdown figures for CPO and CPRO not available

- Victims: the total number contacted within 8 weeks of sentence

	2007/08	2006/07	2005/06	2004/05	2003/4
Total no of Victims	626	406	452	495	541
No contacted within 8 weeks	611	370	417	456	502
%	98%	91%	92%	92%	93%

2007/08 figures based on Apr – Dec 07, as Jan – March 08 figures will not be available until after 30th June 08

D Board Address and Membership

Lancashire Probation Board, Area HQ Office, 99 -101, Garstang Road, Preston, PR1 1LD

Board membership 2007-08:

Chief Officer
Bob Mathers

Chairman:

Roy Male CBE

Members appointed by the Home Secretary:

Mr R Barker JP

Mr D Booker

Mr S Evans

Mr A Harrison

Mr M Kothari

Mr V Patel (retired 7 March 2008)

Mr L Sewell.

Ms C Threlfall

Member appointed by the Lord Chancellor

His Honour Judge Woolman QC (appointed April 2007)

Lancashire Probation Board

STATEMENT OF ACCOUNTS

2007/08

ANNUAL REPORT for the year ended 31 March 2008

STATUTORY BACKGROUND

The National Probation Service for England and Wales was established by the Criminal Justice and Court Services Act 2000. Local probation boards were established in accordance with the police areas to implement the functions conferred on them through the Act. Each Board is a corporate body, which came into existence on 1 April 2001.

ACCOUNTS

Each Board is required under Schedule 1, paragraph 16(1) of the Act to make a report to the Secretary of State on the performance of its functions during each financial year, and prepare in respect of each financial year a statement of accounts.

Under Schedule 1, paragraph 16(2) of the Act, the Secretary of State has given direction as to:

- The information to be given in the report and the form in which it is to be given,
- The time by which the report is to be made, and
- The form and manner in which the report is to be published.

PRINCIPAL ACTIVITIES

Lancashire Probation Board covers the Lancashire police area, as defined in Schedule 1 of the Police Act 1996, serving a population of almost 1.5m. During the year, the Board employed some 553 full time staff (including secondees). The Board operates from 18 buildings and 2 approved premises across the area.

Each Board is to initially provide assistance to the courts in determining the appropriate sentences to pass, and making other decisions in respect of persons charged with or convicted of offences, and to assist in the supervision and rehabilitation of such persons.

The discharge of policies as established by the Ministry of Justice, are designed to ensure:

- The protection of the public;
- The reduction of re-offending;
- The proper punishment of offenders;
- Ensuring offenders' awareness of the effects of crime on the victims of crime and the public;

- The rehabilitation of offenders.

The Chief Officer (CO) is a statutory office holder appointed by the Secretary of State. The CO is the Accountable Officer for the Board and is accountable to the Director of Probation in his position as the Principal Accountable Officer (PAO) for the Probation Services. The PAO, in turn, is accountable to the Accounting Officer of the Ministry of Justice, who is directly accountable to Parliament for safeguarding public funds.

Pension Liabilities

Employees of the Board are members of the Local Government Pension Scheme. Details of pension arrangements are set out in Note 1 to the Accounts.

PUBLIC INTEREST

The Board operates a policy of equal opportunities, regardless of gender, race, disability or sexuality.

The Board observes the principles of the CBI "Prompt Payment" Code and aims to pay all approved invoices within 30 days. In 2007/08 71% of undisputed invoices were paid within 30 days (2006/07 67%).

MANAGEMENT

The operational management throughout the year was carried out by the Management Board, which consisted of the following members:

Chief Officer-Mr R Mathers, Chair-Mr R Male (appointed 1 April 2007) and as members, His Honour Judge A Woolman (appointed 1 April 2007), Mr V Patel (retired 7 March 2008), Mr D Booker, Mr A Harrison, Mr M Kothari, Mr L Sewell, Mrs C Threlfall (appointed 1 April 2007), Mr R Barker (appointed 1 April 2007) and Mr S Evans (appointed 1 April 2007).

The Remuneration Report contains information about the Management Board's remuneration.

Remuneration Report

- APPOINTMENTS

The Chair, the Chief Officer and other members of the Board were all appointed by the Secretary of State in line with the Commissioner for Public Appointments' "Guidance on Appointments to Public Bodies". The emoluments of these persons are paid for through Ministry of Justice funds.

The Lord Chancellor appointed His Honour Judge Andrew Woolman (from 1 April 2007) to the Board from among the judges of the Crown Court. The emoluments of these appointees are paid for from the Lord Chancellor's Department.

- **Remuneration**

Name	Role	2007/08		2006/07	
		Salary £000	Benefits In Kind (to nearest £100)	Salary £000	Benefits In Kind (to nearest £100)
Mr R Mathers	Chief Officer	80-85	None	70-75	None
Mr R Male	Chair	15-20	None	n/a	n/a
Mrs C Threlfall	Board member	0-5	None	n/a	n/a
Mr R Barker	Board member	0-5	None	n/a	n/a
Mr S Evans	Board member	0-5	None	n/a	n/a
Mr V Patel	Board member	0-5	None	0-5	None
Mr D Booker	Board member	0-5	None	0-5	None
Mr A Harrison	Board member	0-5	None	0-5	None
Mr M Kothari	Board member	0-5	None	0-5	None
Mr L Sewell	Board member	0-5	None	0-5	None
HH Judge A Woolman	Board Member	None	None	n/a	n/a

- **Pension Benefits**

Name	Total accrued pension at aged 65 at 31 March 2008 and related lump sum £000	Real increase in pension and related lump sum at age 65 £000	CETV at 31 March 2008 £000	CETV at 31 March 2007 £000	Real increase in CETV £000	Employer Contribution to partnership pension account (to nearest £100)
Mr R Mathers (Chief Officer)	35-37.5 plus lump sum of 107.5-110	0-2.5 plus lump sum of 5-7.5	682	626	27	14100

All Home Office appointed Board members receive non pensionable remuneration of £15.40 per hour from 1 April 2004, with the exception of the Chief Officer. Boards at

their discretion may pay a travelling allowance and any other relevant expenses incurred.

External Accountability

Under paragraphs 16-17 of Schedule 1 of the Criminal Justice and Court Services Act 2000, the Board is required to send to the Secretary of State a report on the discharge of its functions during the year and its audited accounts. The Annual Report and Accounts will comply with the specific accounts directions issued by the Secretary of State with the consent of HM Treasury.

The Audit Commission has appointed the District Auditor as the external auditor for the Lancashire Probation Board. The Auditor's Certificate and report is included at pages 11 to 14.

Post Balance Sheet Events

Material events after the balance sheet date are disclosed in Note 24 to the Accounts.

R MATHERS - CHIEF OFFICER AND
ACCOUNTABLE OFFICER FOR THE BOARD
24 JUNE 2008

M L MATTINSON -
TREASURER TO THE BOARD
24 JUNE 2008

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Schedule 1, paragraph 17(1) (b) of the Criminal Justice and Court Services Act 2000, the Secretary of State has directed the Board to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Board during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the affairs of the Board and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Secretary of State has appointed the Chief Officer as Accountable Officer of the Board. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for the keeping of proper records, and for safeguarding the Board's assets, are set out in the Accountable Officer's Memorandum issued by the Secretary of State, and published in Managing Public Money produced by H M Treasury. Under the terms of the Accountable Officers' Memorandum, the relationship between the Department's and Boards' Accountable Officers, together with their respective responsibilities, is set out in writing.

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL

Scope and responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Lancashire Probation Board's policies, aims and objectives whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

As Chief Officer for the Lancashire Probation Board I am accountable to Roger Hill, the Director of Probation for the National Offender Management Service (NOMS). The Business Plan sets out the aims, objectives and budget for the Lancashire Probation Board and is approved by the Regional Offender Manager (ROM) and NOMS. Financial out-turn and performance against annual targets is regularly monitored by both the ROM and NOMS.

The staff of the Lancashire area work within the framework of policies and financial regulations provided by NOMS enhanced by those developed locally and approved by the Board.

As the Chief Officer for Lancashire Probation Board I am involved in a number of significant inter-agency activities. These include the Criminal Justice Board, partnerships with the Police on the management of dangerous offenders, partnerships with the Prison Service in the resettlement of offenders and a series of inter-agency partnerships involving criminal justice agencies, the National Health Service and local authority services in relation to child protection, drug misuse, the administration of justice and the resettlement of offenders.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Lancashire Probation Board for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

Capacity to handle risk

The Board's risk management strategy underpins the risk management arrangements in place to successfully achieve the objectives of the service. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks through the following processes:

- As part of the business planning process the Senior Management Group consider the current risk register detailing the existing critical risks that face the organisation and identify those emerging from the new business plan objectives and priorities for the coming year. A summary risk register is compiled from this review and is included within the business plan itself.
- Responsibility for the ongoing assessment and management of risk is allocated to individual members of the senior management team (the Risk Owners) within their individual areas of expertise. The overall responsibility for risk management processes has been delegated to the Head of Finance/Treasurer to the Board
- The Senior Management Group formally reviews the risk register on a quarterly basis as part of their performance review cycle. The group ensures that those risks already identified are being well managed and identify and consider any emerging risks. Assessment of risk considers both probability of occurrence and the potential impact on the Lancashire Probation Board given the controls in place. The group receive individual reports from each of the Risk Owners on the steps being taken to manage the risks assigned to them together with a commentary on the action to be taken to minimise the risk further wherever possible. A colour coded traffic-light system is used to focus attention on the key risk areas.
- The risk register is reviewed at each Audit Committee meeting.
- Lancashire Probation Board continues to embed the risk management process across all aspects of our work. Each team in the organisation, both operational and support service, is required to include a Risk Register in their team plan for 2008/09 considering the risks specific to their own area of operation as well as those which link with, and impact on, the key organisational risks identified in the 2008/09 Business Plan.
- The Audit Committee receives regular reports from both the Internal Auditors and the External Auditors which provide an independent opinion on the adequacy and effectiveness of the Board's system of internal control, together with recommendations for improvement. The Audit Committee reviews progress against the recommendations made at each meeting.

- A methodology for the prioritisation of workload by staff is in place to ensure that the level of risk is minimised in the event of any shortfall in available resources.
- The reporting framework in place across the organisation ensures that all reports presented for consideration and approval at Board, Audit Committee or Senior Management Group meetings systematically consider:
 - Risk implications
 - Financial implications
 - Links to the Business Plan objectives

The risk and control framework

The key elements of the Board's risk and internal control environment include;

- Standing Orders, Terms of Reference for individual Committees and a Scheme of Delegation which establishes the overall arrangements for policy setting and decision making and the delegation of powers to Board and officers
- A clear business planning process which sets clear objectives and targets and reconciles policy priorities and targets with financial resources
- A system of regular monitoring and reporting of the area's performance against the business plan
- Established budget setting and budgetary management systems, ensuring the economical, effective and efficient use of resources and regular reporting of financial performance to officers and Board
- Financial Regulations and a supporting framework of financial procedures
- A structure of centrally monitored, devolved financial management that promotes management of the area's finances at the appropriate organisational level
- The risk management policy sets out the Board's commitment to systematic risk assessment and provides the framework to properly manage and control both business and operational risk
- Codes of conduct for members and officers that set out clear expectations for standards of behaviour
- Arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of effectiveness is informed by:

- the work of the Internal Auditors
- the senior managers within the Lancashire Probation Board who have responsibility for the development and maintenance of the internal control framework and,
- the comments made by the external auditors in their management letter and in their reports issued to the Board during the year.

Advice has been provided by the Board, the Audit Committee and the Senior

Management Group on the implications arising from the results of my review, the development and implementation of plans to address weaknesses identified and to ensure a system of continuous improvement is in place.

In maintaining and reviewing the effectiveness of the area's internal control environment, the following have been considered;

- Reports received by Audit Committee. The Audit Committee receives and discusses the plans, reports and recommendations of both the Internal and External auditors to ensure development of the internal control environment. During the year the Internal Auditor carried out 14 audits covering topics within the areas of corporate governance, financial systems, service delivery and national standards and support services.
- The Annual Internal Audit Assurance Report. This summarises the work of internal audit within the area during 2007/08 and presents an overall assessment of this. The assessment for 2007/08 reported that overall, the systems reviewed were found to be adequately controlled and that during the year the area had continued to develop risk management and business planning most effectively. The report noted that the way these systems are managed has helped the area to evade some of the significant challenges currently being experienced by fellow probation areas.
- Quarterly reviews of the risk register by Senior Management Group and the Audit Committee
- Quarterly performance monitoring reports presented to the Board
- Monthly performance 'Tracker' reports presented to and scrutinised by the Senior Management Group

- The reports produced from the Best Value reviews undertaken during the year both locally (Victims and Unpaid Work) and regionally (Approved Premises and Programmes).
- Regular reports on the development, implementation and monitoring of the area's cost improvement programme for 2008/2011.
- Monthly sickness absence monitoring reports extracted for the area's recently developed absence recording and monitoring system (ARMS)
- Review of the area's newly developed Business Continuity Plan
- The work completed to date on the business process mapping exercise of both operational and support service systems
- The Board has agreed several new strategies and policies, in conjunction with the senior management team, including;
 - Human Resources strategy 2007/08
 - Gender Equality Scheme
 - Capability policy
 - Staff Performance Management policy
 - Bullying and Harassment policy
 - Mobility policy
 - Flexible Working policy
 - Offender Management Inspection action plan
 - Workload Management strategy and operational priorities

Significant Internal Control issues

On the basis of the review of the sources of assurance set out in this statement, I am satisfied that Lancashire Probation Board has in place a satisfactory system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

As part of my review, I am required to identify and disclose any significant internal control issues; no such significant control issues have been identified.

However the system of internal control must be subject to continuous review and to ensure that it continues to meet the needs of the service and to operate effectively. We have identified a number of areas we wish to develop further, including:

- Review of the Board's standing orders and scheme of delegation
- Continuation and development of the cost improvement programme
- Continuation and development of the programme of best value and value for money reviews both at area and regional level
- Development and implementation of a procurement strategy

R MATHERS
 CHIEF OFFICER AND ACCOUNTABLE OFFICER FOR THE BOARD
 24 JUNE 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANCASHIRE PROBATION BOARD

Opinion on the financial statements

I have audited the financial statements of Lancashire Probation Board for the year ended 31 March 2008 under the Audit Commission Act 1998. These financial statements comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Members of the Board of Lancashire Probation Board in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the accountable officer and auditors

The Accountable Officer's responsibilities for preparing the financial statements in accordance with the Criminal Justice and Court Services Act 2000 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions 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 International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by the Criminal Justice and Courts Services Act 2000 and directions made thereunder by the Secretary of State. I report whether the financial statements and the part of the Remuneration Report to be audited has been properly prepared in accordance with the Criminal Justice And Court Services Act 2000 and directions made thereunder by the Secretary of State. I report to you whether, in my opinion, the information which comprises the financial review included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I review whether the Accountable Officer's statement on internal control reflects the Probation Board's compliance with HM Treasury's guidance on the Statement on Internal Control dated 22 December 2000. I report if it does not meet the requirements specified by HM Treasury or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accountable Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Probation Board's corporate governance procedures or its risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Foreword, the unaudited part of the Remuneration Report, the Chairman's Statement and the Operating and Financial Review. 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 Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Probation Board'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 other irregularity or error;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared;
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Criminal Justice and Court Services Act 2000 and directions made thereunder by the Secretary of State, of the state of the Probation Board's affairs as at 31 March 2008 and of its net operating costs, recognised gains and losses and cash flows for the year then ended;
- the financial statements and part of the Remuneration Report to be audited have been properly prepared in accordance with the Criminal Justice and

Court Services Act 2000 and directions made thereunder by the Secretary of State;

- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them; and
- information which comprises the financial review included in the Annual Report is consistent with the financial statements.

Clive Portman

Date:

District Auditor

2nd Floor Aspinall House, Aspinall Close, Middlebrook, Bolton

CONCLUSION ON ARRANGEMENTS FOR SECURING ECONOMY, EFFICIENCY AND EFFECTIVENESS IN THE USE OF RESOURCES

ACCOUNTABLE OFFICER'S RESPONSIBILITIES

The Accountable Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the probation board's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

AUDITOR'S RESPONSIBILITIES

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Probation Board for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for probation boards specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Probation Board has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Probation Board's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

CONCLUSION

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for probation boards specified by the Audit Commission and published in December 2006, I am satisfied that in all significant respects, Lancashire Probation Board made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2008.

CERTIFICATE

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Clive Portman

Date:

District Auditor

2nd Floor Aspinall House, Aspinall Close, Middlebrook, Bolton

ACCOUNTS OF LOCAL PROBATION BOARDS IN ENGLAND AND WALES

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE IN ACCORDANCE WITH PARAGRAPHS 16(2) AND 17(1) OF SCHEDULE 1 TO THE CRIMINAL JUSTICE AND COURT SERVICES ACT 2000

1. This direction applies to the Local Probation Boards listed in the attached Appendix 1.
2. The accounts shall be prepared so as:
 - To give a true and fair view of the state of affairs of the board as at the financial year-end and of the net resource outturn, recognised gains and losses and cash flows for the financial year and have been properly prepared in accordance with the Criminal Justice and Court Services Act 2000;
 - To provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
3. Each board shall prepare a statement of accounts for the financial year ended 31 March 2008 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual ("the FReM") issued by HM treasury and which is in force for the relevant financial year. In addition boards are required to comply with the National Probation Service Finance Manual which is in force for the relevant financial year. The statement of accounts shall be published within the report, which the board is required to make to the Secretary of State on the performance of its functions for the relevant financial year.
4. Compliance with the requirements of the FReM will in all but exceptional circumstances be necessary for the accounts to give a true and fair view. Any material departure from either the FReM or the NPS Finance manual should be discussed in the first instance with NOMS Finance.
5. A note setting out the relationship between the National Probation Service Finance Manual and the FReM is attached at Appendix 2.



John McGovern

On behalf of the Secretary of State for the Ministry of Justice

19 May 2008

Appendix 1

42 Probation Boards:

Avon & Somerset
Bedfordshire
Cambridgeshire
Cheshire
Cumbria
Derbyshire
Devon & Cornwall
Dorset
Durham
Dyfed-Powys
Essex
Gloucestershire
Greater Manchester
Gwent
Hampshire
Hertfordshire
Humberside
Kent
Lancashire
Leicestershire & Rutland
Lincolnshire
London
Merseyside
Norfolk
Northamptonshire
Northumbria
North Wales
North Yorkshire
Nottinghamshire
South Wales
South Yorkshire
Staffordshire
Suffolk
Surrey
Sussex
Teesside
Thames Valley
Warwickshire
West Mercia
West Midlands
West Yorkshire
Wiltshire

Appendix 2

APPLICATION OF THE GOVERNMENT FINANCIAL REPORTING MANUAL (FReM) ISSUED BY HM TREASURY TO THE ACCOUNTS OF LOCAL PROBATION BOARDS

The Ministry of Justice has issued advice on the preparation of local Probation Board accounts in a National Probation Service Finance Manual. This provides specific guidance on the application of the principles and disclosure requirements of the FReM to the circumstances of local Probation Boards, including the following agreed interpretations:

1. There is no requirement to prepare a Statement of Parliamentary Supply or a Statement of Net Operating Costs by Departmental Aims and Objectives.
2. Monies received as grant-in-aid should be treated as financing and not as income.
3. The salary and pension entitlements of key managers should be appropriately disclosed.
4. Items may be added to or deleted from the above list only with the agreement of HM Treasury.