

Serious Fraud Office

Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law			
<u>Section</u>	<u>Reason for change</u>		
<u>Changes related to movements in budgets</u>			
<u>Take up of DEL End-Year Flexibility</u>			
Subhead A1	To cover projected overspend on administration costs (of which £200,000 is non-cash costs). In budgetary terms, this is being transferred from the Revenue and Customs Prosecutions Office administration budget EYF entitlement.	2,000,000	
<u>DEL Reserve claims</u>			
Block-buster cases.			
Subhead A1	Administration costs.	4,670,000	
Subhead B2	Programme spending.	8,679,000	
<u>Transfers of budgetary cover to/from other government departments</u>			
Subhead A1	Reduction in spending to provide savings for a reallocation of Resource DEL budgetary cover to HM Procurator General and Treasury Solicitor's department for the running costs of the Attorney General's office.		-4,000
<u>Other changes</u>			
<u>Changes in operating appropriations-in-aid (fully offset by changes in spending)</u>			
Section A	Expected Proceeds of Crime income (subhead A5) allocated by the Home Office to cover additional administration spending (subhead A1).	300,000	-300,000
		<u>Total</u>	<u>15,649,000</u>
		Total change in resources for RfR1	15,345,000
		Total change in resources for Estimate	15,345,000

Introduction (*continued*)

Changes in Capital

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Changes related to movements in budgets</u>			
<u>Take up of DEL End-Year Flexibility</u>			
Subhead A7	To cover projected capital overspend.	1,700,000	
<u>DEL Reserve claims</u>			
Subhead A7	The Oil for Food Block-buster Reserve.	300,000	
		<u>Total</u>	<u>-</u>
Total change in capital for Estimate		2,000,000	2,000,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £17,145,000.
3. Symbols are explained in the Introduction to this booklet.

Serious Fraud Office

Part I

£

RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law	15,345,000
Total additional net resource requirement	15,345,000
Additional net cash requirement	17,145,000

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Serious Fraud Office on:

RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law

Administration, investigation, prosecution and associated non-cash items.

The Serious Fraud Office will account for this Estimate.

Part II: Changes proposed

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000
					New Net Provision
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law					
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR 1 - A Administration	25,169	6,966	300	6,666	31,835
RfR1 - B Investigations and Prosecutions	10,600	8,679	-	8,679	19,279
Total RfR 1		15,645	300	15,345	
Total Changes to RfRs		15,645	300	15,345	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	3,500	2,000	5,500
Non-Operating A in A	-	-	-
Net cash requirement	39,425	17,145	56,570

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law								
31,935	19,529	-	51,464	350	51,114	5,500	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration								
31,935	200	-	32,135	300	31,835	5,500	-	
B Investigations and Prosecutions								
-	19,329	-	19,329	50	19,279	-	-	
Total for Estimate:								
31,935	19,529	-	51,464	350	51,114	5,500	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	35,769	15,345	51,114
Voted capital items			
Capital	3,500	2,000	5,500
<i>Less:</i> Non-operating A in A	-	-	-
Total net voted capital	3,500	2,000	5,500
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-79	-	-79
Depreciation	-1,600	-200	-1,800
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-65	-	-65
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	930	-	930
Increase(-)/decrease (+) in creditors	930	-	930
Use of provisions	40	-	40
Total accruals to cash adjustments	156	-200	-44
Excess cash to be CFERd	-	-	-
Net Cash Requirement	39,425	17,145	56,570

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2007-08 provision
Net Administration Costs	
RfR1	31,635
Total Net Administration Costs	31,635
Net Programme Costs	
RfR1	19,479
Non-voted	-
Total Net Programme costs	19,479
Total Net Operating Cost	51,114
<i>of which:</i>	
Net Resource Requirement	51,114
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Resource Budget	51,114

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	51,114
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	51,114
<i>Adjustments to remove:</i>	
Gains/losses from sale of capital assets	-
Capital grants	-
European Union income related to capital grants	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget (Budget)	51,114
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	51,114
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	5,500
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget (Budget)	5,500
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	5,500
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1

Robert Wardle, Director of the Serious Fraud Office

Robert Wardle as the Accounting Officer of the Serious Fraud Office has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Serious Fraud Office.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000
	<u>2007-08</u>
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law	
Administration	300
<i>of which:</i>	
Funds obtained Recovery of Assets	300
Programme	50
<i>of which:</i>	
Regulatory licences, fines, penalties and taxes	50
Total RfR1	350 †
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: the recovery of income arising from costs awarded to the SFO in court; and the Recovered Assets Incentivisation Fund.</i>	
Total Operating A in A	350

Notes to the Estimate (continued)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	15,345	-	51,114	-	51,114
<i>of which: †</i>					
<i>Administration budget</i>	6,666	-	31,635	-	31,635
<i>Near-cash in RDEL</i>	15,145	-	49,170	40	49,210
Capital DEL ††	2,000	-	5,500	-	5,500
Less Depreciation †††	-200	-	-1,800	-	-1,800
Total DEL	17,145	-	54,814	-	54,814

† The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

£'000

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid

350

