
Serious Fraud Office

Introduction

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

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

Increases

Other increases

1. DEL Reserve claim of £8,600,000 resources.
 - i. £2,200,000
Subhead A1
Extra administration costs spending for additional large cases
 - ii. £6,400,000
Subhead B2
Extra other current spending for additional large cases
2. As a result of these changes there is an increase in the net cash requirement of £8,400,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

| | |
|---|------------------|
| RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law | 8,600,000 |
|---|------------------|

| | |
|---|-----------|
| Total additional net resource requirement | 8,600,000 |
|---|-----------|

| | |
|--|------------------|
| Additional net cash requirement | 8,400,000 |
|--|------------------|

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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

£'000

| Resources | Present Net Provision | Change in Gross Provision | Change in A in A | Change in Net Provision | 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) | | | | | |
| RfR 1 - A Administration | 25,175 | 2,200 | - | 2,200 | 27,375 |
| RfR 1 - B Investigations and Prosecutions | 10,600 | 6,400 | - | 6,400 | 17,000 |
| Total RfR 1 | | 8,600 | - | 8,600 | |

£000

| | Present Provision | Change in Provision | New Provision |
|-----------------------------|-------------------|---------------------|---------------|
| Capital and Cash | | | |
| Total Capital Expenditure | 3,500 | - | 3,500 |
| Non-Operating A in A | - | - | - |
| Net cash requirement | 39,431 | 8,400 | 47,831 |

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 | | | | | | | | |
| 27,175 | 17,250 | - | 44,425 | 50 | 44,375 | 3,500 | - | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| A Administration | | | | | | | | |
| 27,175 | 200 | - | 27,375 | - | 27,375 | 3,500 | - | |
| B Investigations and Prosecutions | | | | | | | | |
| - | 17,050 | - | 17,050 | 50 | 17,000 | - | - | |
| Total for Estimate: | | | | | | | | |
| 27,175 | 17,250 | - | 44,425 | 50 | 44,375 | 3,500 | - | |

Part II: Resource to cash reconciliation

| | <u>Present</u> | <u>Increase (+)/ Decrease (-)</u> | <u>£'000</u> <u>Revised</u> |
|---|----------------|---------------------------------------|--------------------------------|
| Net total Resources | 35,775 | 8,600 | 44,375 |
| Voted capital items | | | |
| Capital expenditure | 3,500 | - | 3,500 |
| <i>Less:</i> non-operating A in A | - | - | - |
| Total net voted capital | 3,500 | - | 3,500 |
| Accruals to cash adjustment | | | |
| Adjustments to remove non-cash items: | | | |
| Cost of Capital charges | -79 | - | -79 |
| Depreciation | -1,600 | - | -1,600 |
| 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 | -200 | 730 |
| Use of provisions | 40 | - | 40 |
| Total accruals to cash adjustments | 156 | -200 | -44 |
| Excess cash to be CFERd | - | - | - |
| Net cash requirement | 39,431 | 8,400 | 47,831 |

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

| | | £'000 |
|---------------------------------------|---------------|----------------------|
| | | 2005-06 provision |
| Net Administration Costs | | |
| RfR 1 | <u>27,175</u> | |
| Total Net Administration Costs | | 27,175 |
| Net Programme Costs | | |
| RfR 1 | <u>17,200</u> | |
| Total Net Programme costs | | 17,200 |
| Total Net Operating Cost | | 44,375 |
| <i>of which:</i> | | |
| Net Resource Outturn | | 44,375 |
| CFERs | | - |
| Non-voted expenditure | | - |
| Resource Budget Outturn | | 44,375 |

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

| | £'000 |
|---|----------------------|
| | 2005-06 Provision |
| Net Resource Outturn (Estimates) | 44,375 |
| <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 (CFERS) in the OCS | - |
| Other adjustments | - |
| Net Operating Costs (Accounts) | 44,375 |
| <i>Adjustments to remove:</i> | |
| capital grants to local authorities | - |
| capital grants financed from the Capital Modernisation Fund | - |
| European Union income and related adjustments | - |
| 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 Outturn (Budget) | 44,375 |
| <i>of which:</i> | |
| Departmental Expenditure Limit (DEL) | 44,375 |
| Annually Managed Expenditure (AME) | - |

Reconciliation of capital expenditure between Estimates and Budgets

| | £'000 |
|---|----------------------|
| | 2005-06 Provision |
| Net Voted Capital Outturn (Estimates) | 3,500 |
| <i>Adjustments to remove:</i> | |
| gains/losses from sale of capital assets | - |
| <i>Adjustments to additionally include:</i> | |
| other Consolidated Fund Extra Receipts | - |
| capital spending by non departmental public bodies | - |
| capital grants to local authorities | - |
| capital grants financed by the Capital Modernisation Fund | - |
| local authority credit approvals | - |
| capital spending by levy funded bodies | - |
| unallocated capital provision | - |
| Other adjustments | - |
| Capital Budget Outturn (Budget) | 3,500 |
| <i>of which:</i> | |
| Departmental Expenditure Limits (DEL) | 3,500 |
| 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 Principal Accounting Officer (PAO) of the Serious Fraud Office has personal responsibility for the proper presentation of the Serious Fraud Office's resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Serious Fraud Office.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Serious Fraud Office's policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of appropriations in aid (A in A)

| | £'000 | |
|--|---------------------|----------------------------|
| | 2005-06 Provision | |
| | Operating A in A | Non operating A in A |
| RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law | | |
| Income received from award of legal costs | 50 | - |
| Total RfR 1 | 50 * | - |
| *Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income arising from costs awarded to the SFO in court. | | |
| Total A in A | 50 | - |
| <i>of which: Administration budgets</i> | - | - |

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Serious Fraud Office Departmental Expenditure Limit will change as follows:

| | Change | New DEL | | £'000 |
|---|--------------|---------------|-----------|---------------|
| | | Voted | Non-voted | Total |
| Resource | 8,600 | 44,375 | - | 44,375 |
| <i>of which : Administration Budget</i> | <i>2,200</i> | <i>27,175</i> | <i>-</i> | <i>27,175</i> |
| Capital | - | 3,500 | - | 3,500 |
| Depreciation* | - | -1,600 | - | -1,600 |
| Total | 8,600 | 46,275 | - | 46,275 |

**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 | 50 |
