

2007-2008 Final Accounts

Report by the Head of Finance

<p>This report details the final accounts of the Norwich Highways Agency Joint Committee for 2007-2008.</p>

1. Introduction

- 1.1 As part of the formal process of closing the Norwich Highways Agency Joint Committee's 2007-2008 accounts, members are required to approve the draft Statement of Accounts by 30th June.

2. Background

- 2.1 The Accounts and Audit Regulations issued by the Secretary of State set out the requirements for the preparation and publication of final accounts. These regulations include the requirement for the formal approval of the Norwich Highways Agency Joint Committee's Statement of Accounts.
- 2.2 The County Council's Head of Finance is satisfied that the Statement of Accounts has been prepared in accordance with both the current Code of Practice on Local Authority Accounting in Great Britain and the Best Value Accounting Code of Practice. The Statement is required to present fairly the Joint Committee's financial position at 31 March 2008 and also the income and expenditure for the financial year.
- 2.3 The Statement of Accounts will be available for public inspection during the four-week period running from 14th July to 8th August 2008.
- 2.4 The Audit Commission plan to start their detailed examination of the Statement of Accounts in August. They will only be able to formally conclude the audit, and issue their report and certificate if they have received a copy of the Statement of Accounts as approved by this Committee.
- 2.5 Any significant amendments to the 2006-07 and 2007-08 accounts will be notified to members of the Committee after the audit has been completed. At the same meeting the District Auditor should also present the Annual Governance Report.

- 2.6 The Accounts and Audit Regulations require that the 2007-2008 Statement of Accounts must be published by 30th September.

3. Statement of Accounts - Content

- 3.1 The content and the format of the Accounts is as prescribed in the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which has approval from the Accounting Standards Board as a Statement of Recommended Practice (SORP).

Explanatory Foreword

- 3.2 The purpose of the foreword is to offer interested parties an easily understandable guide to the most significant matters in the accounts.

Statement of Responsibilities

- 3.3 This statement sets out the respective responsibilities of the Norwich Highways Agency Joint Committee and the Head of Finance in relation to the production of the final accounts.

Annual Governance Statement

- 3.4 The Accounts and Audit Regulations require that an Annual Governance Statement, signed by the Chairman, Vice-Chairman and Chief Officer, is included in the Joint Committee's approved Accounts.
- 3.5 This statement is included on pages 11 to 20. It confirms that, during the 2007-2008 financial year, and up to the date the accounts are published, overall Corporate Governance arrangements and internal controls in the Joint Committee were in place and effective in terms of business as well as financial risk. It also confirms that areas where controls need to be developed or improved are known about and are being actioned.

Statement of Accounting Policies

- 3.6 This section summarises the accounting rules and conventions that have been used in preparing the accounts.

Income and Expenditure Account

- 3.7 The Income and Expenditure account shows, in the format required by the Accounting Code of Practice, the income and expenditure for the year, which resulted in an overall breakeven position.

Statement of Movement on the General Fund Balance

- 3.8 This statement is intended to show how the surplus/deficit on the income and expenditure account links with the raising of Council Tax. However, as the Norwich Highways Joint Agency Committee does not have tax raising powers it will only show any surplus/deficit on the income and expenditure account.

Statement of Total Recognised Gains and Losses

- 3.9 This statement brings together all the gains and losses of the Norwich Highways Agency Joint Committee for the year and shows the aggregate movement in its net worth. The statement is likely to only show any surplus/deficit on the income and expenditure account. If the Joint Committee had responsibility for fixed assets or pension arrangements, any valuation changes would be included in this statement.

Balance Sheet

- 3.10 The Balance Sheet statement sets out the financial position of the Joint Committee at 31st March 2008. The statement shows the net current assets employed by the Joint Committee. The Joint Committee does not hold any fixed assets or reserves.

Notes to the Core Financial Statements

- 3.11 The SORP requires that some specific notes have to be included in Statement of Accounts, for example disclosure of related parties transactions. In addition, other notes may be added in order that a reader of the accounts has sufficient information to have a good understanding of the Joint Committee's activities.

4. Next Steps

- 4.1 After approval of the accounts by this Committee, the Head of Finance will submit the Statement of Accounts to the District Auditor for auditing.
- 4.2 Subject to satisfactory progress on the audit of the accounts, any changes to the accounts together with the District Auditor's Annual Governance Report will be reported to the September Committee meeting.

5. Resource Implications

- 5.1 There are no finance, staff, property or IT implications arising from this report.

6. Other Implications

- 6.1 There are no legal, human rights, and communications implications arising from this report. The contents of this report do not directly impact on equality, in that it is not making proposals that will have an impact on equality of access or outcomes for diverse groups.

7. Risk Implications/Assessment

- 7.1 There are no risk implications arising from this report.

8. Section 17 Crime and Disorder Act

8.1 There are no implications of this report for the Crime and Disorder Act.

9. Alternative Options

9.1 There are no alternative options that the Norwich Highways Agency Joint Committee needs to consider.

10. Conclusion

10.1 This report and the accompanying Statement of Accounts detail the final position for 2007-2008.

11. Recommendation

11.1 **The Norwich Highways Agency Joint Committee is requested to consider and approve the Joint Committee's Statement of Accounts for 2007-2008.**

Officer Contact

If you have any questions about matters in this paper please get in touch with:

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If you need this statement in large print, audio, Braille, alternative format or in a different language please contact Hazel Eyre on 01603 222828 or textphone 0844 8008011, and we will do our best to help.



Norwich Highways Agency Joint Committee

Statement of Accounts 2007-08

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Introduction

This report presents the statutory financial statements of Norwich Highways Agency Joint Committee for the period from 1 April 2007 to 31 March 2008.

This statement of accounts has been prepared in accordance with the Accounts and Audit Regulations. The form and content of this report follows the guidance laid down in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2007: Statement of Recommended Practice (the SORP) as required by the Local Government and Housing Act 1989.

The document is divided into three main sections:

- ◆ An overview of the Norwich Highways Agency Joint Committee
- ◆ The detailed accounts including the External Auditor's opinion
- ◆ Glossary of Financial Terms

The Norwich Highways Agency Joint Committee's statement of accounts is a statutory document produced to inform stakeholders of the activities of the Joint Committee. Publication of the accounts is an essential feature of public accountability, since the accounts provide the stewardship report on the use of funds raised from the public and business ratepayers.

Further information sources:

The Joint Committee's meetings, reports and minutes can be accessed via Norwich City Council's website at <http://www.norwich.gov.uk/> under Council meetings.

Overview of the Norwich Highways Agency Joint Committee

Norwich City Council and Norfolk County Council have established a Norwich Highways Agency Joint Committee to exercise a range of highways and transportation and associated functions of Norfolk County Council.

Norwich City Council and Norfolk County Council employ all the staff working for the Joint Committee, and process all financial transactions through their bank accounts. However, within the Accounts and Audit Regulations, the Norwich Highways Agency Joint Committee is a separate statutory body.

Terms of Reference

The overall responsibilities of the Norwich Highways Agency Joint Committee are:

- ♦ To oversee the operation of the highways and traffic functions delegated to Norwich City Council by Norfolk County Council
- ♦ To exercise certain functions delegated by the County Council direct to the Joint Committee
- ♦ To advise the County Council on various highways and traffic matters in Norwich.

Joint Committee Structure

Norwich Highways Agency Joint Committee has 10 members. Norwich City Council appoints five members (2 voting members) and Norfolk County Council also appoints five members (2 voting members). The Chairman is a County Council member and the Vice-Chairman is a Norwich City Council member.

The rules of Norwich City Council apply to the conduct and proceedings of the Joint Committee. Joint Committee meetings are held in public in accordance with Local Government legislation.

Staff

The number of people directly employed by Norwich City Council on behalf of the Norwich Highways Agency Joint Committee as at 31 March 2008 was 37.09 full time equivalents (FTE) (38.9 at 31 March 2007). These figures include permanent, temporary, sessional and supply staff.

Explanatory Foreword

The Norwich Highways Agency Joint Committee's statement of accounts for the 2007-08 financial year is set out on the following pages. Where possible, information on the accounts is presented as simply and clearly as possible. However, due to the technical nature of the accounts, the use of accounting terms is required in certain cases. A glossary of the meaning of these terms is provided at the end of this document to help the reader's understanding.

The Main Accounting Statements

The accounts are set out in accordance with the SORP, which defines the content and layout of the accounts.

In addition to the financial statements, the accounts also include a statement of the accounting policies, explanatory notes to the main accounting statements to inform the reader, and a glossary of financial terms. The accounting policies explain the main principles used in producing the figures in the accounts. Many of the accounting principles are specified by the SORP and this ensures that the accounts of local authorities (including Joint Committees) across the country are prepared on a consistent and comparable basis.

The main financial statements comprise:

- ♦ The Income and Expenditure Account – this shows the Norwich Highways Agency Joint Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months.
- ♦ Statement of the Movement on the General Fund Balance – this reconciles the surplus/deficit on the Income and Expenditure account with the movement on the General Fund for setting the Council tax. The Norwich Highways Agency Joint Committee does not have tax raising powers and will therefore show no movement on the General Fund balance.
- ♦ Statement of Total Recognised Gains and Losses – this brings together all of the recognised gains and losses of the Norwich Highways Agency Joint Committee.
- ♦ The Balance Sheet – this statement shows the financial position of the Norwich Highways Agency Joint Committee at 31 March 2008.

Changes to the Accounts

There are a number of changes introduced into the SORP 2007. The main changes are in relation to the Capital Accounting Reserves, which have no direct impact on the joint committee's accounts, and the reporting of financial instruments. A financial instrument is any contract that gives rise to a financial asset in one organisation and a financial liability in another. A new accounting policy has been introduced (see page 22) which details how financial instruments should be presented. Following a review of the Joint Committee's financial instruments, there is no change required to the way in which the Joint Committee's accounts are presented.

Overview

The Norwich Highways Agency Joint Committee's expenditure is funded by income raised from fees and charges and contributions from Norwich City Council and Norfolk County Council.

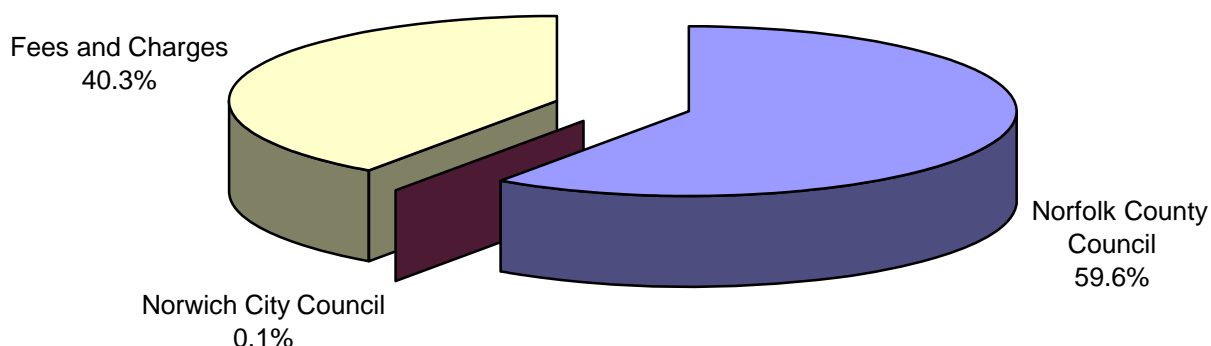
The Joint Committee's actual revenue expenditure in 2007-08 was £4,073,202. (£3,627,857 in 2006-07)

The Norwich Highways Agency Joint Committee does not own any fixed assets. However, it does incur capital expenditure costs on behalf of Norfolk County Council, which are then reimbursed by this Council.

Actual capital expenditure in 2007-08 was £3,533,485. (£3,869,032 in 2006-07)

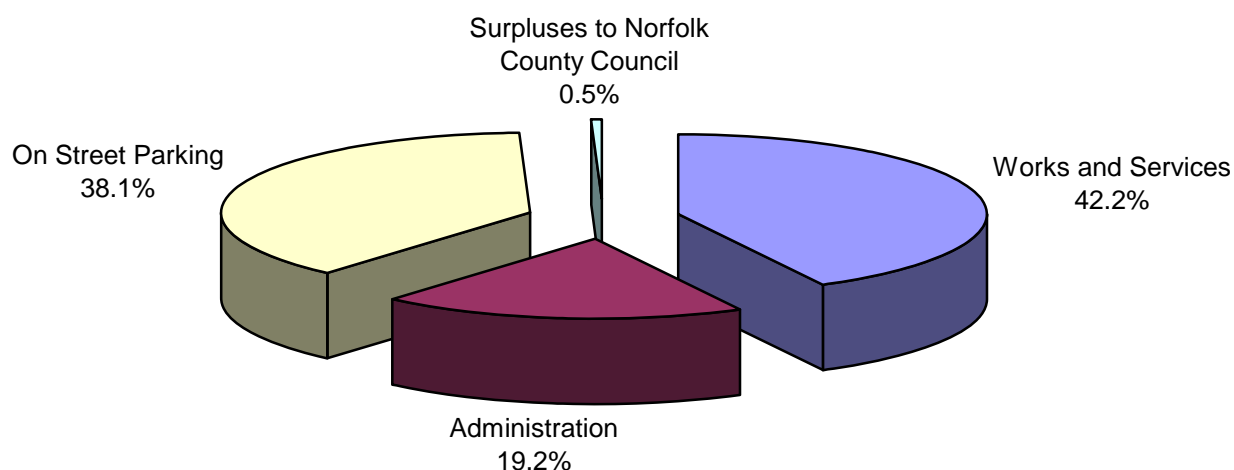
Where does the money come from?

The chart shows all sources of income for the Norwich Highways Agency Joint Committee, including monies raised from fees and charges as included in the Income and Expenditure Account. When these sources of income are taken into account, the proportion of expenditure funded by Norwich City Council is 0.1%, Norfolk County Council is 59.6% and 40.3% is generated from other fees and charges.



The spending for 2007-08 was on the following services:

Spending against the cash limited budget has been monitored regularly throughout the year, and reports have been received at each of the Joint Committee's meetings.



Accounting Policies

The accounting policies adopted by the Joint Committee comply with the relevant recommended accounting practice, except where stated. The Joint Committee's policies are fully explained on pages 21 to 24.

In line with the new local authority reporting requirements the following changes have been made:

- ◆ A policy on Financial Instruments has been introduced

Pension Contributions

Actual pension contributions in respect of employees delivering the Joint Committee's activities have been charged to the income and expenditure account. The statutory requirements of Financial Reporting Standard 17 in respect of these staff have been complied with in the accounts of Norwich City Council or Norfolk County Council as appropriate. The underlying commitment that Norwich City Council and Norfolk County Council have in the long term to pay retirement benefits to their respective employees has been incorporated within each Council's Statement of Accounts.

Further Information

Interested members of the public have a statutory right to inspect the accounts before the audit is completed. This has been advertised in the local press. The authority complies with the Freedom of Information Act 2005 requirements in responding to queries from the general public.

Further information about the financial statements and accounts is available from the Head of Finance, P. D. Brittain, Norfolk County Council, County Hall, Martineau Lane, Norwich, NR1 2DW.

Statement of Responsibilities

The Joint Committee's Responsibilities

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Joint Committee has agreed that this officer is Norfolk County Council's Head of Finance (hereafter referred to as the Head of Finance).
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Head of Finance's Responsibilities

The Head of Finance is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this Statement of Accounts, the Head of Finance has:

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

The Head of Finance has also:

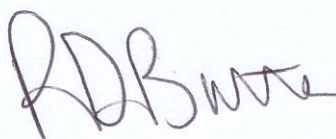
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by the Head of Finance

I certify that the Statement of Accounts set out on pages 21 to 31 present fairly the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31 March 2008.

Date: 18 June 2008

Signature:

A handwritten signature in blue ink, appearing to read 'P D Brittain', is written over a light blue rectangular background.

P. D. Brittain,
Head of Finance

Certification of Committee Resolution

In accordance with the requirements of Regulation 10 of the Accounts and Audit Regulations I confirm that the Statement of Accounts was approved by a resolution of the Norwich Highways Agency Joint Committee on 26 June 2008.

Date: 26 June 2008

Signature:

Mr A D Adams,
Chairman of Norwich Highways Agency
Joint Committee

Independent Auditors' Report To the Members of Norwich Highways Agency Joint Committee

Wording for this to be inserted – possibly 4 pages including the 'conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources'.

Annual Governance Statement for Norwich Highways Agency Joint Committee

Scope of responsibility

The Norwich Joint Highways Agency Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Norwich Joint Highways Agency Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Norwich Joint Highways Agency Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The City Council has since 1 April 1974, acted as agent of the County Council for various highways and traffic functions. Norwich Joint Highways Agency Agreement was established under the Local Government Act 1972, the Local Government Act 2000, and the Highways Act 1980. The current Agency Agreement is dated 4th July 2006. This is confirmed within "Joint Arrangements", Article 11 to the Norwich City Council constitution with a similar reference in the County's constitution.

The Joint Committee consists of two Norfolk County and two Norwich City Councillors. It is advised and supported by three Norfolk County and three Norwich City Advisory Councillors.

Norwich City Council is the lead authority, and the Joint Committee's activities are undertaken through the offices of the City Council. Norwich City Council's Statement on Internal Control is in its Statement of Accounts publication. The draft programme of works is drawn up by Norwich City Council, and has to be approved by Norfolk County. A "Description of Joint Arrangements" is given in Appendix 18 of the Norwich City Council constitution, with a similar reference in the County's constitution.

The Joint Committee's Terms of Reference and specification of Functions are also contained within Appendix 18 of the Norwich City Council constitution.

Norwich City Council is in the process of approving a Code of Corporate Governance and this Annual Governance Statement demonstrates how the principles have been fulfilled. The new code will be consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

[A copy of the existing Code is on their website at www.norwich.gov.uk or can be obtained from [...].] This statement explains how the authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values by which the Committee and through it the Highways Agency Agreement is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and 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 the Committee's 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 governance framework has been in place at Norwich Joint Highways Agency Committee for the year ended 31 March 2008 and up to the date of approval of the statement of accounts.

The key elements of the systems and processes that comprise the Committee's governance arrangements include arrangements for:	
<ul style="list-style-type: none"> Identifying and communicating the Committee's vision of its purpose and intended outcomes for citizens and service users. 	<p>The Norwich Area Transport Strategy NATS Plan links to Government guidance and the draft Regional Spatial Strategy. It:</p> <p>Recognises the Norwich Area as a centre where growth will be focused.</p> <p>Supports the Norwich Area as a sustainable community, complementing development by</p> <ul style="list-style-type: none"> measures to provide a high quality urban experience. Supports Norwich's role as a Regional Interchange Centre Promotes travel choice <p>The City Council and County Council each have Corporate Plans. The Plans are available electronically on the City Council and Norfolk County Council's websites.</p>

- measures to provide a high quality urban experience.

- Supports Norwich's role as a Regional Interchange Centre

- Promotes travel choice

The City Council and County Council each have Corporate Plans. The Plans are available electronically on the City Council and Norfolk County Council's websites.

<ul style="list-style-type: none"> • Reviewing the authority's vision and its implications for the authority's governance arrangements. 	<p>The Norwich Area Transport Strategy was reviewed in 2004 and sets out a transportation strategy for Norwich until 2012.</p> <p>The City Council reviewed its Corporate Plan in March 2008.</p> <p>To ensure Norfolk County Council is always working in the best interests of the people of Norfolk it reviews its vision and the County Council Plan annually.</p> <p>Agendas and minutes for all County Council meetings, including The Norfolk Norwich Joint Highways Agency Committee, are accessible on the Norwich City Council and Norfolk County Council websites.</p>
<ul style="list-style-type: none"> • Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources. 	<p>The Committee measures the performance against the Highways Agency Agreement.</p> <p>Performance monitoring is reported to the Committee at its bi-monthly meetings.</p> <p>In order to measure the quality of services we provide in trying to achieve our objectives, the City Council and County Council produces performance indicators. Each objective in each Council's Plan has an expected outcome for people in Norfolk, and each of these has one or more associated Performance Indicators from the new National Indicator Set (NIS). Using the NIS is a useful way of seeing if we have improved and to compare Norfolk County Council to other councils providing the same or similar services.</p> <p>Current year performance for Norwich City and for Norfolk County Council are published on their websites.</p>
<ul style="list-style-type: none"> • Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. 	<p>The Committee's terms of reference appear at Appendix 18 of the City Council's Constitution. The Highways Agency Agreement also sets out the arrangements. A service level agreement is being prepared.</p> <p>Norwich City Council has a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these efficient, transparent and accountable to local people. The law requires us to have some of</p>

	<p>these processes, whilst others are a matter for the Council to choose. The Constitution is reviewed by the Constitution Working Party led by the Head of Legal and Democratic Services.</p> <p>The Constitution can be found on the City Council website.</p>
<ul style="list-style-type: none"> Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff. 	<p>Norwich City Council's Constitution includes codes of conduct for both members and staff. Our Corporate HR department produces a HR Practises Manual in which there is also a code of conduct for staff.</p> <p>The Constitution can be found on Norwich City's website.</p>
<ul style="list-style-type: none"> Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks. 	<p>The Highways Agency Agreement sets out the arrangements for the function, which is hosted by the City Council.</p> <p>Norwich City Council produces both Financial Procedures and Financial Regulations. The Financial Regulations form part of the Constitution and are required to be reviewed annually to ensure they incorporate the latest changes. The Head of Legal and Democratic Services is responsible for updating the Financial Regulations and the accompanying procedures and then taking them to the Executive for approval.</p> <p>The Standing Orders, Scheme of Delegation and Financial Regulations were all reviewed during 2007-08.</p>
<ul style="list-style-type: none"> Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities. 	<p>Norwich City set up an Audit Committee in June 2007. That committee receives reports, which would include work undertaken on functions supporting the Highways Agency agreement.</p> <p>Norfolk County Council set up an Audit Committee in October 2005.</p> <p>The main purposes of both Audit committees is to provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management throughout the council and to review the effectiveness of the system of internal control.</p> <p>The Audit Committees receive reports on the</p>

	<p>adequacy of risk management and internal control and the scope includes Norfolk Norwich Joint Highways Agency Committee functions.</p> <p>The minutes and agendas from its quarterly meetings are available to everyone on Norfolk County Council's website. There is also general information on the website about the Audit Committee, including which councillors sit on the committee.</p> <p>A summary of internal audit work relating to the Committee is being reported to the June meeting in 2008.</p> <p>Agendas and minutes for the Norfolk Norwich Joint Highways Agency Committee, are accessible on Norwich City Council's website and are available for everyone to look at.</p>
<ul style="list-style-type: none"> Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. 	<p>The Head of Legal and Democratic Services is given the duty of being the Monitoring Officer for Norwich City Council. This means that they are responsible for ensuring compliance with relevant laws and regulations. A protocol covering the role and functions of a Monitoring Officer is contained within the Constitution.</p> <p>The Constitution is available on the City Council's website.</p>
<ul style="list-style-type: none"> Whistle-blowing and for receiving and investigating complaints from the public. 	<p>Whenever a member of the public contacts the Council to either complain or praise the council the contact will be dealt with in accordance with our Complaints & Compliments Policy and procedures. Both of these are available on the City Council website.</p> <p>Norwich City Council and Norfolk County Council operates an Anti Fraud & Corruption Strategy which is linked to our Whistle blowing policy. These are internal policies which all staff are expected to follow.</p>

<ul style="list-style-type: none"> Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training. 	<p>The Chairman and Vice Chairman attend 'Business Meetings' to monitor the performance of the Highways Agency Agreement.</p> <p>Members of the Committee have received reports for information on the introduction of this Annual Governance Statement.</p> <p>Council members have generic induction training when they are appointed.</p> <p>Within the council there is a Democratic Services Officer who is part of the Democratic Services team.</p> <p>It is their job to look after the pastoral needs of the County Councillors, arranging training, keeping an updated register of interests, and also a hospitality register. They arrange travel and conference attendance and also deal and resolve IT queries for Members.</p>
<ul style="list-style-type: none"> Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation 	<p>The Norwich Area Transport Strategy Plan sets out the aims and objectives and includes consultation.</p> <p>Norwich City Council publishes its 'Citizen' magazine monthly.</p> <p>Norfolk County Council publish several magazines for members of the public. Your Norfolk magazine is delivered to every household in Norfolk whereas Norfolk Matters magazine is specifically for members, partners and stakeholders. Both are available electronically on our website.</p> <p>Each Council's website contains a variety of useful information, including latest news, and allows users to sign up for email updates. Users can access online services such as the Norfolk Consultation Finder. This is a website dedicated to current consultations and also members of the public to easily participate in the council's activities.</p>

<ul style="list-style-type: none"> • Incorporating good governance arrangements in respect of partnerships and other group working as identified by the audit commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements. 	<p>Beyond the City and County Council there are no direct partnerships that the Committee has entered into.</p> <p>Norwich City Council operates within a range of partnerships - the key ones are the City of Norwich Partnership (the local strategic partnership), and the Norfolk County Strategic Partnership which is administered by Norfolk County Council. The City of Norwich Partnership (CoNP) has been developed with strong leadership by the council and its role, structure and effectiveness was reviewed during 2006/07 using the Aspire 2 Perform toolkit. New arrangements have now been introduced: it has a governance framework and terms of reference, and an improvement plan for partnership arrangements has been developed.</p> <p>In line with this review of CoNP, the council has introduced a partnership governance policy to identify all partnerships it is involved in and ensure effective governance arrangements are in place, relating to processes, procedures and policies which address accountability, probity and audit. Responsibility for advising and implementing this policy at officer level lies with the council's partnership manager and the portfolio holder for finance & policy is the member champion for partnership working.</p>
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Review of effectiveness

The Norwich Joint Highways Agency Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework:	
The Authority & the Executive	
<ul style="list-style-type: none"> Statutory roles of Council's Monitoring Officer and Section 151 Officer to ensure internal control procedures are efficient and effective and are being complied with on a routine basis to ensure legality and sound financial standing. Risk Management policies and procedures are in place to ensure that the risks facing the authority in achieving its objectives are evaluated, regularly reviewed and mitigation strategies developed. These arrangements are approved and reviewed by Cabinet following advice from the Chief Executive and all Chief Officers. Provision of effective, efficient and responsive systems of financial management. Delivery of services by trained, skilled and experienced personnel. Performance monitoring processes are in place to measure progress against objectives and to provide for remedial action where appropriate. 	<ul style="list-style-type: none"> The Committee has, where appropriate, received the full range of professional officer advice to enable them to carry out their functions effectively and in compliance with statutory requirements. The Committee have a risk register. The embedding of risk management in to business activity is continuing. Strong action is being taken throughout the Council to ensure Risk management is fully embedded. An embedding risk management plan has been reported to the County Council's Audit Committee and is being implemented. Corporate and departmental risk registers, including the Highways Agency work, are in place and being used as a management tool. Insurance policies and funds are in place and are regularly reviewed at least annually to ensure the Council is adequately safeguarded. The financial management of the function is administered through the Highways Agency Agreement. The Business meetings monitor the results. The City Council operates an Appraisal scheme and the service is managed by experienced and qualified officers. Regular reports on Performance Indicators are presented to the Chief Officers and the Business meetings.
The Audit Committee/Overview and Scrutiny Committee/Risk Management Committee	

<ul style="list-style-type: none"> The audit and scrutiny function is carried out and developed through the Cabinet Scrutiny Committee, the Audit Committee. 	<ul style="list-style-type: none"> The Cabinet Scrutiny Committee, the Audit Committee have continued to carry out reviews across a wide range of topics.
The Standards Committee	
<ul style="list-style-type: none"> The role of the Standards Committee is to promote and maintain high standards of conduct by councillors and co-opted members. 	<ul style="list-style-type: none"> The Committee met during 2007-8. Its business included the revised Code of Conduct.
Internal Audit	
<ul style="list-style-type: none"> Internal Audit provide independent and objective assurances across the whole range of the authority's financial and non-financial activities 	<ul style="list-style-type: none"> A report of internal audit work regarding the Highways Agency is being reported to the Committee in June 2008. The External Auditor is able to place reliance on the work of the City Council's Internal Audit team and, at the County Norfolk Audit Services, and has assessed that Internal Audit provides an effective service overall. The audit teams are continuing to develop their work programme such that resources are allocated based on a systematic assessment of all areas of risk facing the Council in carrying out its functions.
Other explicit review/assurance mechanisms	
<ul style="list-style-type: none"> External Audit provide a further source of assurance by reviewing and reporting upon the Council's internal control processes and any other matters relevant to their statutory functions and codes of practice. Codes of practice are issued by external bodies in respect of Council services and processes, with which the Council is expected to comply. 	<ul style="list-style-type: none"> The Audit Commission has not yet issued an Annual Audit and Inspection Letter or Governance Report for the Committee for 2006-07. When these reports are available they will be reported to the Committee. The City and County Council has adopted the CIPFA Treasury Management in Public Services Code from November 2002. The Council has implemented the Accounts and Audit Regulations 2003 and is implementing the amendments made in the 2006 regulations. The City's Internal Audit Team and NAS have implemented the CIPFA Code of Practice for Internal Audit in Local

<ul style="list-style-type: none"> • Reviews by external agencies and inspectorates, which would encompass most major services, and other specific external evaluations, for example, the Local Government Ombudsman and Health & Safety inspectorates. 	<p>Government in the United Kingdom 2003 and are implementing the 2006 code.</p> <ul style="list-style-type: none"> • The Department for Transport has an interest in the CIVITAS programme.
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We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

The action plans for all the Significant issues raised in the 2006-07 Statement on Internal Control have been completed, except for strengthening of financial management for the Committee. A financial management improvement plan is being developed with a completion target of 31 August 2008.

The Service Level Agreement, recommended in the internal audit report on the Highways Agency Agreement issued during 2007-08, that will support the Highways Agency Agreement is being drafted.

Signed: Leading Member

.....

Vice Chairman

.....

and Chief Officer

.....

Statement of Accounting Policies

The accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice (the SORP), the Best Value Accounting Code of Practice and guidance notes issued by CIPFA on the application of Statements of Standard Accounting Practice and Financial Reporting Standards (SSAP's and FRS's). They comply therefore with "proper accounting practice" under the terms of the Local Government and Housing Act 1989.

The accounts are prepared under the historical cost convention, except where specifically noted below.

1. Accounting Concepts

Relevance

The objective of the financial statements is to provide information about an Authority's financial performance and position that is useful for assessing the stewardship of public funds and for making economic decisions.

Reliability

Financial information is reliable if it can be depended on to represent faithfully what it either purports to represent or what it can be reasonably expected to represent and is free from deliberate, systematic or material error.

Comparability

The information in the accounts is more useful if it can be compared with information for some other period or point in time. This depends upon consistency in the application of the accounting policies, unless it can be shown that a new policy would introduce improved accounting practices.

Understandability

The accounting principles on which the SORP is based include accounting concepts, treatments and terminology which require reasonable knowledge of accounting and local government, and reasonable diligence in reading the financial statements if they are to be properly understood. However all reasonable efforts have been taken in the preparation of the financial statements to ensure they are as easy to understand as possible.

Materiality

Strict compliance with the SORP, both as to disclosure and accounting principles, is not necessary where the amounts involved are not material to the fair presentation of the financial position and transactions of the authority and to the understanding of the Statement of Accounts by a reader.

Accruals

This requires the non-cash effects of transactions (debtors and creditors) to be reflected in the financial statements for the accounting period in which those effects are experienced and not in the period in which any cash is received or paid.

Going Concern

A local authority's Statement of Accounts should be prepared on a going concern basis, that is, the accounts should be prepared on the assumption that the authority will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of the operation.

Primacy of Legislative Requirements

Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that law prescribes treatments the accounting principles outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

2. Accruals of income and expenditure

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

- ◆ Fees and charges due from customers are accounted for as income at the date Norwich Highways Joint Agency Committee provides the relevant goods or services.
- ◆ Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet.
- ◆ Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- ◆ Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- ◆ Income and expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure.

3. Financial Instruments

Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments

Loans and Receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Available for Sale Assets

Available for Sale Assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Income and Expenditure Account for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Income and Expenditure Account when it becomes receivable by the Council.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

4. Fixed Assets and Charges to Revenue for Fixed Assets

Norwich Highways Agency Joint Committee does not own any fixed assets. Whilst the Joint Committee has the use of land, buildings, vehicles, plant and equipment, ownership remains with Norfolk County Council or Norwich City Council. The relevant authority finances enhancements and major repairs to those assets, and an annual charge is made to the Joint Committee in respect of the use of the asset. This charge represents the cost of depreciation and any impairment losses. The charge then forms part of the contribution from the relevant authority (i.e. Norfolk County Council or Norwich City Council), which is included within the net cost of services and has the effect of reversing it. The only exception to this is the depreciation charge for decriminalised car parking, which is not reversed and is paid to Norwich City Council.

5. Government Grants and Other Contributions (Revenue)

Whether paid on account, by instalments or arrears, Government grants and third party contributions and donations are recognised as income at the date that Norwich Highways Agency Joint Committee satisfies the conditions of entitlement to the grant/contribution and there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred.

6. Overheads and Support Services

Overheads and support service costs are recharged from Norfolk County Council and Norwich City Council. These are calculated in accordance with the principles of the CIPFA Best Value Accounting Code of Practice and on an equitable basis.

The Norwich Highways Agency Joint Committee also receives a charge from Norfolk County Council and Norwich City Council for costs relating to Corporate and Democratic Core. These costs are in relation to Joint Committee's status as a democratic organisation.

Non-distributed costs are the cost of discretionary benefits awarded to employees retiring early. Any awarded by Norwich Highways Agency Joint Committee will be included as part of the net cost of services.

7. Retirement Benefits

Staff undertaking Norwich Highways Agency Joint Committee's activities are employees of either Norwich City Council or Norfolk County Council. Employees of both Councils undertaking Joint Committee activities are eligible for membership of the Local Government Pension Scheme, which is a final salary defined benefit scheme.

Both Councils' Local Government Pension Scheme employer contributions in respect of staff employed on Norwich Highways Agency Joint Committee activities are included in the Joint Committee's net cost of service.

The requirements of Financial Reporting Standard No. 17 – Retirement Benefits (FRS 17) relating to staff carrying out the Joint Committee's activities are fully reflected in the accounts of Norwich City Council and Norfolk County Council as appropriate. Those accounts reflect the underlying commitment that Norwich City Council and Norfolk County Council have in the long term to pay retirement benefits to their respective employees and to make up any shortfall in attributable net assets in the pension fund.

8. Stocks

Stocks are included in the balance sheet at the lower of cost and net realisable value.

9. Value Added Tax (VAT)

All VAT collected is payable to HM Revenue and Customs and the income and expenditure excludes any amounts related to VAT, except where the VAT is irrecoverable. Irrecoverable VAT is included in the service revenue accounts as part of Net Cost of Services.

Income and Expenditure Account

2006-07 £000's		2007-08 £000's
(1,622)	Income	(1,640)
(1,622)	Total Income	(1,640)
927	Employee Expenditure	1,045
2,701	Non-Employee Expenditure	3,029
3,628	Total Expenditure	4,074
<hr/> 2,006	Net Cost of Services	<hr/> 2,434
<hr/> 2,006	Net Operating Expenditure	<hr/> 2,434
(1,831)	Contribution from Norfolk County Council	(2,430)
(175)	Contribution from Norwich City Council	(4)
<hr/> 0	(Surplus)/Deficit for the Year	<hr/> 0

Statement of Movement on the General Fund Balance

The Income and Expenditure Account shows the Norwich Highways Agency Joint Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

The Joint Committee does not have tax raising powers and therefore the General Fund Balance is zero.

2006-07		2007-08
£000s		£000s
0	(Surplus)/Deficit for the year on the Income and Expenditure Account	0
0	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	0
0	Decrease in General Fund Balance for the Year	0
0	General Fund Balance brought forward	0
0	General Fund Balance carried forward	0

Note of reconciling items for the Statement of Movement on the General Fund Balance

2006-07		2007-08
£000s		£000s
0	Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year	0
0		0
0	Net additional amount required to be credited to the General Fund balance for the year	0

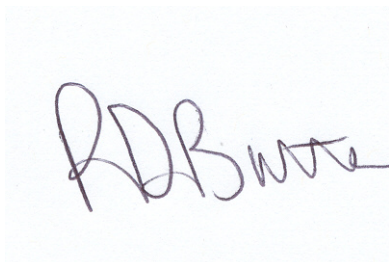
Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of Norwich Highways Agency Joint Committee for the year and shows the aggregate increase in its net worth.

2006-07 £000s		2007-08 £000s
0	(Surplus)/Deficit for the year on the Income and Expenditure Account	0
0	Other (gains)/losses	0
<hr/> 0 <hr/>	Total recognised (gains)/losses for the year	<hr/> 0 <hr/>

Balance Sheet

31 March 2007		Note		31 March 2008	
£000s				£000s	£000s
		Fixed Assets			
0		None			0
		Current Assets			
275	9	Debtors		989	
275		Total Assets			989
		Current Liabilities			
(275)	9	Creditors			(989)
0		Total assets less current liabilities			0
0		Long Term Liabilities			0
0		Total Assets less liabilities			0



P. D. Brittain

Head of Finance (Norfolk County Council)

Date: 18 June 2008

Notes To The Core Financial Statements

1. Publicity

Section 5 of the Local Government Act 1986 requires Norwich Highways Agency Joint Committee to maintain a separate account of expenditure on publicity. In 2007-08 Norwich Highways Agency Joint Committee spent £34,531 (£20,160 in 2006-07) on publicity. A breakdown of the publicity expenditure between staff recruitment and other advertising and public relations activities was unavailable.

2. Overheads and Support Services

Non-employee expenditure, within the Income and Expenditure Account, includes a charge for Overheads and Support Services that are provided by central departments of Norwich City Council and Norfolk County Council to Norwich Highways Agency Joint Committee. There is also a charge for costs relating to Corporate and Democratic Core. Information on these charges is available within Norwich City Council and Norfolk County Council's Statements of Accounts.

3. Audit Costs

Norwich Highways Agency Joint Committee incurred fees relating to external audit and inspection, the amount for 2007-08 was unavailable.

4. Objective Analysis of Expenditure

	Highways / Traffic	On Street Parking	Section 74, Street Closure Notices & Licences	Skips & Scaffolding Licences & Permits	Total 2007-08	Total 2006-07
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Works and Services	1,717	0	0	0	1,717	1,374
Administration	521	0	252	12	785	692
On Street Parking	0	1,551	0	0	1,551	1,431
Surpluses to be paid to Norfolk County Council	0	21	0	0	21	131
TOTAL	2,238	1,572	252	12	4,074	3,628

Administration costs includes corporate and democratic core costs of £20,399 in 2007-08 (£16,977 in 2006-07).

5. Norwich City Council and Norfolk County Council Contributions

Norfolk County Council made a contribution to Norwich Highways Agency Joint Committee for revenue expenditure of £2,430,067 in 2007-08 (£1,830,988 in 2006-07).

Norwich City Council made a contribution to Norwich Highways Agency Joint Committee for revenue expenditure of £3,532 in 2007-08 (£174,713 in 2006-07), which results in Norwich Highways Agency Joint Committee having neither a surplus nor a deficit.

6. Members Allowances and Employee Emoluments

Norwich Highways Agency Joint Committee does not pay members' allowances directly. Norwich City Council and Norfolk County Council pay these. The Chair of Norwich Highways Agency Joint Committee is entitled to a Special Responsibility Allowance, which is paid by Norfolk County Council. This amount paid by the County Council in 2007-08 in respect of this allowance was £4,990 (£4,959 in 2006-07)

The SORP requires disclosure of employees' whose remuneration, excluding pension contributions, exceeds £50,000. In 2007-08 there was 1 (none in 2006-07).

7. Related Party Transactions

Norwich Highways Agency Joint Committee is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence Norwich Highways Agency Joint Committee or to be controlled or influenced by Norwich Highways Agency Joint Committee. Disclosure of these transactions allows readers to assess the extent to which Norwich Highways Agency Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with Norwich Highways Agency Joint Committee. These include:

Norfolk County Council and Norwich City Council – material transactions with both Councils are disclosed elsewhere in the accounts.

Members of Norwich Highways Agency Joint Committee – have direct control over the committee's financial and operating policies. The Norwich Highways Agency Joint Committee wrote to all members requesting details of any related party transactions. There are no disclosures.

Officers – Norwich Highways Agency Joint Committee wrote to all Chief Officers requesting details of any related party transactions. There are no disclosures.

8. Retirement Benefits

Staff employed by Norwich City Council and Norfolk County Council in undertaking the Joint Committee's activities can participate in the Local Government Pension Scheme, a defined benefit statutory scheme, administered by Norfolk County Council. This is a funded scheme, meaning that the Councils and staff pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Fund's Actuary based on triennial actuarial valuations determines employer's contribution rates. The review carried out by the Fund's Actuary at 31 March 2004 applies to the financial years 2005-06 to 2007-08. The latest review carried out by the Actuary was at 31 March 2007 and this applies to the financial years 2008-09 to 2010-11. Under Pension Fund Regulations contribution rates are set to meet the overall liabilities of the Fund.

In 2007-08 Norwich Highways Agency Joint Committee's expenditure includes employer's contribution of £121,827, representing 18.3% of employees pensionable pay. This has been paid into the Norfolk Pension Fund.

9. Debtors and Creditors

The Norwich Highways Agency Joint Committee does not operate its own bank account. However the debtors total includes a debtor of £583,535 to reflect cash due from either Norwich City Council or Norfolk County Council.

Norwich Highways Agency Joint Committee pay any surplus monies from decriminalised car parking arrangements, fees and charges under the New Road and Street Works Act 1991, and income from statutory licences and similar activities to Norfolk County Council. At the 31st March 2008, £162,375 is due to be paid in 2008-09 (£162,295 at the 31st March 2007).

The considerable increase in creditors for 2007-08 in comparison to 2006-07 is due to a creditor of £530,181. This creditor relates to unpaid claims from Norwich City Council for expenditure in February and March, the claims were paid in April.

10. Financing of Capital Expenditure

All capital expenditure is included in Norfolk County Council's accounts and details of financing are included in notes to Norfolk County Council's core financial statements. However, as the Norwich Highways Agency Joint Committee oversees the capital works undertaken by Norwich City Council on behalf of the County Council, the capital expenditure and reimbursement are shown as a note within these accounts.

In 2007-08 the City Council has spent £3,543,621 on capital structural maintenance and capital improvements (£3,869,032 in 2006-07), which has been financed from the County Council paying £3,533,485 in 2007-08 and from monies brought forward from 2006-07.

At 31st March 2008, Norwich City Council held monies for capital work that was not completed totalling £308,369. This is due to be refunded back to Norfolk County Council. There are some additional capital schemes started before 2007-08 that are due to be closed, any balances left on these projects are also due to be refunded to Norfolk County Council.

Glossary of Terms

ACCRUAL ACCOUNTING

The inclusion of income and expenditure in the accounts for the period in which they are earned or incurred, rather than the period in which the cash is received or bills paid.

AMORTISATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of an intangible fixed asset.

AMORTISED COST

This is cost that has been adjusted for amortisation.

ASSET

An item owned by Norwich Highways Agency Joint Committee, or that they have use of to support their activities, which has a value, for example cash.

BUDGET

The statement of Norwich Highways Agency Joint Committee expressed in financial terms usually for the current forthcoming financial year.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset which lasts normally for more than one year or expenditure which adds to the life or value of an existing fixed asset.

CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional accountancy institute that sets the standards for the public sector. CIPFA publishes the Accounting Codes of Practice for local government.

CORPORATE & DEMOCRATIC CORE (CDC)

Corporate and Democratic Core represents costs associated with democratic representation and management and corporate management. Democratic representation and management includes all aspects of Members' activities. Corporate management concerns the cost of the infrastructure that allows services to be provided and the cost of providing information that is required for public accountability. Such costs form part of total service expenditure, but are excluded from the costs of any particular service.

CREDITORS

Amounts owed by Norwich Highways Agency Joint Committee for goods and services provided for which payment has not been made at the end of the financial year.

DEBTORS

Sums of money due to Norwich Highways Agency Joint Committee but not received at the end of the financial year.

DEFICIT

Arises when expenditure exceeds income or when expenditure exceeds available budget.

DEPRECIATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of fixed asset.

FAIR VALUE

The price at which we could buy or sell an asset in a transaction with another organisation, less any grants we receive towards buying or using that asset.

FINANCIAL ASSET

A right to future economic benefits.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset in one organisation and a financial liability in another.

FINANCIAL LIABILITY

An obligation to transfer economic benefits.

GOVERNMENT GRANTS DEFERRED ACCOUNT

When a government grant or other contribution is received in respect of the acquisition of a fixed asset it is recorded in a government grants deferred account. The grant is subsequently charged to the revenue account over the life of the asset to match the depreciation charge and this is reflected in Norfolk County Council's contribution.

IMPAIRMENT

Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage or a deterioration in the quality of the service provided by the, or by a general fall in prices of that particular asset or type of asset.

MARKET PRICE

This is the price at which another organisation is prepared to buy or sell an asset.

NON-DISTRIBUTED COSTS

These are specific overheads relating to unused assets and certain pension costs for employees' service in previous years. These are not allocated to service departments because they do not relate to the in-year cost of providing the service.

OUTTURN

The actual amount spent in the financial year.

RESERVES

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

REVENUE EXPENDITURE AND INCOME

Day to Day expenses, mainly salaries and wages, and general running expenses. Charges for goods and services.

SORP

The Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice (the SORP) aims to achieve consistent financial reporting between all English local authorities. It is based in generally accepted accounting standards and practices.

SURPLUS

Arises when income exceeds expenditure or when expenditure is less than available budget.

VALUE ADDED TAX (VAT)

A tax on consumer expenditure which is collected on business transactions at each stage in the supply, but which is ultimately borne the final customer.

VARIATION

The difference between budgeted expenditure and actual outturn, also referred to as an over or under spend