

## **NATIONAL PARKING ADJUDICATION SERVICE JOINT COMMITTEE**

### **REPORT FOR RESOLUTION**

**DATE:** 26<sup>th</sup> June 2007  
**AGENDA ITEM:** Number 7  
**SUBJECT:** Final Revenue and Capital Accounts 2006/07  
**JOINT REPORT OF:** The Lead Officer

---

#### **PURPOSE OF REPORT**

To present to the Committee Final Accounts for the year 2006/2007

#### **RECOMMENDATIONS**

It is recommended that the Joint Committee:

- [i] Receive and approve the 2006/2007 Account for the NPASJC as prepared by the Lead Authority and detailed in the appendix.
- [ii] Agree to carry forward the excess of income over expenditure in the 2006/2007 Revenue Account to the 2007/2008 Revenue Account.
- [iii] Note the Auditor's report in relation to 2006/07 will be submitted to the committee in due course.

#### **CONTACT OFFICERS**

Louise Hutchinson NPAS Headquarters, Barlow House, Minshull Street,  
Manchester.

Tel: 0161 242 5270

#### **BACKGROUND DOCUMENTS**

Minutes of the NPASJC meeting 30<sup>th</sup> June 2005.

Minutes of the NPASJC Executive Sub-committee meeting 29<sup>th</sup> January 2007

## **1.0 INTRODUCTION**

- 1.1 The adjudication service is operated on a self-financing basis with income obtained from charges made to NPASJC member authorities.
- 1.2 At the meeting of Executive Sub-Committee held on 31st January 2006 it was agreed to: [i] adopt the Revenue Budget estimates for 2006/2007; [ii] adopt a zero capital budget for year 2006/7.
- 1.3 At the meeting of the Executive Sub-Committee held on 31<sup>st</sup> January 2006 the Lead Officer was given authorisation in consultation with the Chair, Vice Chair and Assistant Chair to incur expenditure against the revenue budget in excess of the £2,315,226 set by the Committee should the need arise, provided such expenditure is within the total income for the year.
- 1.4 This report provides details of the 2006/2007 final accounts for approval by the Joint Committee.

## **2.0 REVENUE ACCOUNTS**

- 2.1 The accounts for 2005/2006 have been recorded and prepared under the NPASJC structure in accordance with the requirements of the Accounts and Audit Regulations 2003. These regulations were amended by further regulations made from 1<sup>st</sup> April 2006.
- 2.2 During 2006/2007 the service received income of £2,005,250 and incurred expenditure of £1,972,632 (excluding adjustments relating to pension and depreciation disclosures) producing a revenue contribution to reserves of £32,618 for the year. The combined surpluses as at 31st March 2007 amount to £579,462.
- 2.3 Income for the year, (excluding pensions interest cost and expected return on pension assets) was £309,976 lower than budget. Income is mainly based on the number of penalty charge notices (PCNs) that are issued by each participating council. The number of PCNs issued by the councils was less than predicted. Additional income of £10,418 was available to the NPASJC through the provision of adjudication services to the Bus Lane Adjudication Services Joint Committee. A reduction in the variable cost elements of the service together with a rescheduling of planned development resulted in expenditure of £342,594 lower than budget.

## **3.0 CAPITAL EXPENDITURE**

- 3.1 All depreciation has now been charged. The committee adopted a zero capital budget for 2006/07.

## **4.0 OTHER STATEMENTS**

- 4.1 A number of other statements are included in the accounts to satisfy Regulations. These include a Statement of the Movement of Reserves, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash Flow Statement.
- 4.2 Notes to the accounts and a statement of the accounting principles used in their preparation are also attached in the Appendix.
- 4.3 The Joint Committee is recommended to receive and approve the Accounts as shown in the Appendix.

## **5.0 SYSTEM OF INTERNAL CONTROL**

- 5.1 The Accounts and Audit Regulations require the publication of a System of Internal Control (SIC) with the financial statements. This represents the end result of the review of internal control, including the process of risk management that should be embedded throughout the activities of the Joint Committee. As such, the production of the SIC should not be conducted as an 'add-on' end of year activity. The SIC should explain the nature of control, and any material changes in control, exercised through the whole of the accounting period.
- 5.2 Although published with the financial statements, the SIC is a broad reflection of the whole governance of the Joint Committee. For 2006/07 the Statement of Internal Control reflects the analysis and recommendations which relate to the Statement of Internal Control as a result of the 2006/07 Internal Audit programme.
- 5.3 At the meeting held on 30<sup>th</sup> June 2005 the committee agreed to delegate to the Lead Officer in consultation with the Treasurer, Chair and Deputy Chair of the Committee the adoption of a SIC.
- 5.4 There is also a requirement under the regulations for joint committees to undertake regular reviews of the effectiveness of the SIC. Following an Audit Commission recommendation, all participating local authorities have submitted an annual certification of PCNs issued for the years 2004/05 and 2005/06. NPAS is in the process of collecting certificates from local authorities for 2006//07. Following a recommendation from Internal Audit, this certificate will include details of local authority internal audit arrangements for parking services. Further recommendations from the Audit Commission have resulted in NPAS reviewing its approach to its asset register and commencing work on the production of a risk register.

## 6.0 AUDITOR'S REPORT

- 6.1 In previous years it has usually been possible to provide the committee with the outcome of the Audit Commission's audit report. The Accounts and Audit regulations require a number of steps and stages to be undertaken in respect of the joint committee's accounts, each of which has a defined time scale. These requirements have been further amended by regulations that came into effect on 1<sup>st</sup> April 2006.
- 6.2 The regulations require the committee to adopt the accounts before the auditor produces his report. In turn there has to be a public notice for the rights of electors to inspect the accounts and this inspection period has to be 20 working days and can only commence after the committee has adopted the accounts. The auditor is now required to provide an annual governance report and also a value for money report.
- 6.3 After consultation with the Audit Commission a programme in respect of the accounts for the financial year 2006/7 has been agreed that meets these requirements and is set out below.

Stage	2006/07
Accounts prepared and certified by the Treasurer.	By 30 <sup>th</sup> June – NPASJC meeting 26/6/07
Accounts submitted to NPASJC for approval.	By 30 <sup>th</sup> June – NPASJC meetings 26/6/07
Advertisement of Public Notice for Exercise of Public Rights for electors to inspect the accounts.	15 <sup>th</sup> June 2007
Period for exercise of rights of inspection.	From 2 <sup>nd</sup> July to 31 <sup>st</sup> July 2007
Date after which the Auditor may be questioned about or make objections to the accounts.	31 <sup>st</sup> July 2007
Receive the Auditor's annual audit letter	By 31 <sup>st</sup> August 2006
Publish the Accounts and Auditor's letter	By 30 <sup>th</sup> September 2007
Report any key matters arising from the audit to Executive sub-committee.	January 2008 meeting or if necessary another date to be arranged.

- 6.4 In advance of the formal procedure the Audit Commission agreed to commence their audit, and have worked closely with officers to ensure that

any matters arising are reflected in the accounts submitted for approval.

**Report ends here photocopy of the actual signed copy to be used**