

LGSS Internal Audit

Internal Audit Briefing Note – Highways Infrastructure Asset Note in Whole of Government Accounts

Date: August 2015

Draft To: Eleanor Tod, Group Accountant (Capital)
Barry Wylie, Asset Planning Manager

Prepared by: Richard Wood, Principal Auditor

1. INTRODUCTION

Local Authorities will be required to provide for the first time a Highways Infrastructure Asset Note in the Whole of Government Accounts (WGA) 2015-16. Guidance relating to this is set out in the “Code of Practice on Transport Infrastructure Assets”.

The production of a 2014-15 Note will form the baseline for the 2015-16 Note. The Note consists of a spreadsheet of the elements of Gross Replacement Cost (GRC) and Depreciated Replacement cost (DRC) for the various Transport Infrastructure Assets of the Council. The Note will become part of the Statement of Accounts when the Code is fully implemented in 2016-17.

Internal Audit were requested to review the 2014-15 Note ahead of submission and in preparation for the incorporation into the Statement of Accounts.

2. AUDIT APPROACH

Internal Audit provided assurance over the 2014-15 Note submitted to by independently verifying figures on the spreadsheet with reference to:

- Underlying evidence supporting the figures.
- Compliance to section 5 of the “Whole of Government Accounts for Local Authorities (England) on completing the 2014-15 Data Collection Tool Pack”.

3. SUMMARY FINDINGS

We were able to agree all of figures on the Note back to suitable supporting evidence provided by both the Asset Planning Manager and the Group Accountant (Capital). **We can conclude that the 2014-15 Highways Infrastructure Note was developed on a sound basis.**

The following items were however noted:

A typographical error in the input of the carriageway width. This error understated unclassified urban carriageway by 0.02m. This was not however a material error when compared to the classification – but should be considered for correction at the time of the final submission.

The length of carriageway upon which depreciation is calculated is based upon the UK Pavement Management System (4,195km). This is less than the figure used to calculate the carriageway gross replacement cost drawn from the Insight system (4,405km). The Guidance does however allow the UKPMS figure to be utilised.

The following footway items were pending full verification:

- Underlying evidence supporting footway widths from the UKPMS had been provided as an average, but not fully evidencing the urban/rural split of widths.
- Footway length data supporting the Note for one of the categories (Hierarchy 4) was unable to be agreed back to supporting evidence as this had yet to be loaded on the UKPMS.

Verge widths for the Land asset classification were pending full confirmation back to underlying supporting evidence.

We understand that Street Lighting data is intended to be refreshed ahead of final submission to more accurately reflect the status of this class of assets.