

Anglia Revenues Partnership
**Statement of
Accounts**
2008/2009



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Foreword by the Treasurer

What we are

The Anglia Revenues and Benefits Partnership (ARP) is a Joint Committee established in accordance with section 101 Local Government Act 1972. It was formed in accordance with an agreement signed on the 6 August 2003 between Breckland Council and Forest Heath District Council and had effect for the financial year commencing 1 April 2003. A modified agreement was entered into in April 2007 whereby East Cambridgeshire District Council joined the partnership. Breckland Council are the host authority charged with administering the financial arrangements of the joint committee.

What we do

ARP administers the revenue and benefits services of Breckland, Forest Heath and East Cambridgeshire District Councils. The revenue services including council tax collection and payment of council tax benefits and housing benefits remain the responsibility of the principal councils.

ARP is widely accepted as an exemplar of the opportunities and benefits of public sector partnership working. Its achievements have been nationally recognised and have contributed to the award of Beacon status to Breckland Council in respect to partnering. ARP demonstrates the real progress that can be made towards meeting the aspirations of both the local government modernisation agenda, and the customer at a local level, by placing quality and high performance at the centre of the delivery of Council services.

ARP has achieved its original goals of providing high quality Revenues and Benefits services at a reasonable cost to its host authorities and is now seeking to expand the opportunity of sharing its quality culture with other local authorities.

The high quality and performance that the ARP offers has been achieved through truly innovative thinking and innovative service delivery that is built upon a strong quality culture that filters through the management, policies, governance and service delivery of the partnership. The public – public partnership methodology offers real opportunities to drive down prices in service delivery between like minded local authorities with significant commercial advantages that do not exist in the private sector market. ARP was the first service delivery partnership for Revenues services in the country, and remains one of only a handful of partnerships operating in this way. With strong commitment on a political level from members and at senior officer and management level the three authorities are well set to further drive up performance and customer standards to be the highest in the country.

What we spent and how that compares with budget and the previous year

The principal activities of ARP are to administer national non-domestic rate collection, council tax collection and benefits systems for the councils. It has demonstrated its ability to do that at progressively lower costs and at excellent performance levels.

The tables below show the spending of ARP in 2008/09 compared to budget and the actual for the previous financial period.

Transactions on behalf of Forest Heath

	Actual 2007/08	Budget 2008/09	Actual 2008/09	Variance (Over)/Under
NNDR	72,356	74,692	59,591	15,101
Council Tax	223,961	254,238	235,360	18,878
Benefits	631,004	658,358	679,611	(21,253)
Level 8	0	0	0	0
Exceptional Items	0	0	0	0
TOTAL	927,321	987,288	974,562	12,726

Transactions on behalf of Breckland

	Actual 2007/08	Budget 2008/09	Actual 2008/09	Variance (Over)/Under
NNDR	140,456	144,991	124,901	20,090
Council Tax	434,748	493,520	466,200	27,320
Benefits	1,311,468	1,277,988	1,217,983	60,005
Level 8	0	0	0	0
Exceptional Items	25,617	0	0	0
TOTAL	1,912,289	1,916,499	1,809,084	107,415

Fixed Fee payment on behalf of Cambridgeshire

	Actual 2007/08	Budget 2008/09	Actual 2008/09	Variance (Over)/Under
Fixed Fee	1,082,467	1,125,865	1,116,891	8,974
Other	25,617	0	0	0
TOTAL	1,108,084	1,125,865	1,116,891	8,974

The overall cost of the partnership sees a slight decrease against the previous financial period.

What does the statement of accounts comprise?

The ARP Joint Committee's accounts, which follow, include:

- A Statement of Responsibilities for the accounts outlining the Joint Committee's and the Treasurer's responsibilities
- A Governance Statement
- A Statement of Accounting Policies
- The Revenue Account showing expenditure and income
- Statement of Movement on the General Fund Balance
- The Balance Sheet, setting out the financial position of the Joint Committee at the period end.
- Statement of Total Recognised Gains and Losses
- A Cash Flow Statement summarising the inflows and outflows of cash arising from transactions with third parties

Statement of Responsibilities

The Joint Committees 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 responsibility for the administration of these affairs. This officer is the Treasurer to the Joint Committee.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statements of Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Committees statement of accounts which is required to present fairly the financial position of the Joint Committee at the accounting date and its income and expenditure for the period ending 31 March 2009.

In preparing this statement of account, the Treasurer has

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- Complied with the Code of Practice

The Treasurer has also

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

Governance Statement for the period ending 31 March 2009

1. Scope of Responsibility

ARP 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 Joint Committee relies to substantial part on the control environment in place at Breckland Council.

The Joint Committee manages ARP and 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 Joint Committee believe in the principles of corporate governance, which are openness and inclusivity, integrity and accountability.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the partnership is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the partnership 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 designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. A key part of the system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committees policies, aims and objectives. Through this process, the Joint Committee evaluates the likelihood of those risks being realised and the impact should they be realised, and manages them efficiently, effectively and economically.

The governance framework has been in place at the Joint Committee for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

3. The Governance Framework

Under section 101 (5) of the Local Government Act 1972 the three local authorities have entered into an agreement to deliver the revenue and benefits services and their related functions through a Joint Committee. The Joint Committee approves the policies and strategies and the officers on the Operational Board ensure that the objectives therein are achieved, with regular reports to Members and more frequent liaison with the Chair.

The Joint Committee has its own partnership agreement and terms of reference, so decisions are taken within an agreed framework. Other standing orders, codes of conduct etc which are not separately approved by the Joint Committee, follow those of the host authority, Breckland Council.

The Joint Committee receives performance reports at each meeting. These reports show how performance achieved compares to targets set by the authorities. Additionally the partnership management report performance in accordance with the authorities' own individual performance frameworks.

The Chief Financial Officer of Breckland Council is Treasurer to the Joint Committee and as such, Section 151 Officer. The Treasurer is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper accounting records and accounts and for maintaining an effective system of internal financial control.

4. Review of Effectiveness

The Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control, this is supported by the governance arrangements within the partner authorities. The review of effectiveness is informed by the work of the managers within the partnership who have responsibility for the development and maintenance of the governance environment, the internal auditors report to the respective councils, and also by comments made by the external auditors and other review agencies and inspectorates.

5. Governance Issues

A review of the partnership’s management arrangements carried out by internal audit during April 2009 did not identify any significant governance issues. The Audit Commission’s Annual Governance Report, compiled during the audit of the financial statements identified issues concerning the timing of the approval of the accounts and material adjustments made during the audit. A timetable has been prepared to ensure that the accounts will be prepared to meet the statutory deadline. The statements will also be prepared consistently with the 2008/09 audited accounts (taking into consideration any regulation changes) to reduce the likelihood of material errors.

Chair of the Anglia Revenue and Benefits Partnership Joint Committee

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Strategic Manager of the Anglia Revenue and Benefits Partnership Joint Committee

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15th December 2009

Statement of Accounting Policies

1. General

The Chartered Institute of Public Finance and Accountancy (CIPFA) provide legally binding accounting guidance for both the joint committee and local authority (the Code of Practice on Local Authority in the United Kingdom: A Statement of Recommended Practice). The accounts comply with this standard.

2. Accounting for Assets

Assets have been provided to ARP by Breckland and Forest Heath District Council. These assets are owned by the Council that provided them. Assets acquired since the commencement of ARP are jointly owned by the councils.

3. Leasing and accommodation

There are no assets which are currently leased. The office premises used for ARP are owned by Breckland and are made available to ARP subject to an annually agreed charge.

4. Debtors and Creditors

All transactions have been recorded on an income and expenditure basis. ARP does not have a designated bank account and its payments and income are dealt with through Breckland's bank account.

5. Pensions

The Joint Committee does not employ any employees. The costs of ARP include recharges from Breckland Council and Forest Heath District Council in respect of their staff used on the delivery of services provided by ARP on behalf of the two Councils.

6. Support Services

The joint committee is charged support service costs as determined by both Breckland Council and Forest Heath District Council. The amounts of the charges are based on the internal arrangements of each Council and in accord with the partnership agreement.

7. Basis of Preparation

No separate accounting records are kept by ARP. The accounts have been prepared from the records maintained by Breckland and Forest Heath District Councils. Expenditure and income has been extracted from the financial systems operated by the councils. The Cash flow statement has been determined based on the council's financial systems.

8. Reserves

The Joint Committee does not maintain reserves. Partner authorities maintain earmarked reserves separately. These are used to fund specific projects within the partnership. Contributions are recognised when calculating each partner's share of the overall partnership costs.

Core Accounting Statements

Anglia Revenue and Benefits Partnership Joint Committee

Income and Expenditure Account for the Period Ending 31 March 2009

Description	2007/08	2008/09	Notes
	Restated £	£	
Employee related expenditure	2,846,592	3,200,575	
Premises related expenditure	149,921	172,282	
Transport related expenditure	86,429	80,389	
Supplies & Services expenditure	873,611	908,660	1
Support Services	471,940	507,518	3
Income	(720,958)	(780,246)	4
	3,707,535	4,089,178	
Level 8 expenditure	0	0	
Exceptional Items	25,617	0	
Net expenditure for the year	3,733,152	4,089,178	
Apportionment of net expenditure:			5
Breckland Council	1,912,289	1,809,084	
Forest Heath District Council	927,321	974,562	
East Cambridgeshire Council	1,108,084	1,116,891	
	3,947,694	3,900,537	
(Surplus)/Deficit for the year	(214,542)	188,641	

Statement of Movement on the General Fund Balance

(Surplus)/Deficit for the year on the Income & Expenditure Account	(214,542)	188,641	
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	214,542	(188,641)	16
Increase in General Fund Balance for the year	0	0	
General Fund Balance brought forward	0	0	
General Fund balance carried forward	0	0	

Anglia Revenue and Benefits Partnership Joint Committee

Balance Sheet as at 31 March 2009

Description	31 March 2008	31 March 2009	Notes
	Restated £	£	
Tangible and Intangible Fixed Assets	0	0	
Current Assets			
- Amount due from Breckland Council	32,711	77,741	
- Amount due from Forest Heath District Council	2,938	0	
- Amount due from East Cambridgeshire Council	0	0	
Funding for Reserves	214,542	25,900	
Debtors	104,358	2,221	
	354,549	105,862	
Current Liabilities			
- Amount due to Breckland Council	(107,296)	(994)	
- Amount due to Forest Heath District Council	(32,711)	(78,968)	
- Amount due to East Cambridgeshire Council	0	0	
Creditors	0	0	
	(140,007)	(79,962)	
Total Assets less Liabilities	214,542	25,900	
Financed By			
Reserves	(214,542)	(25,900)	15
Total net worth	(214,542)	(25,900)	

Treasurer's Certificate

I certify that the accounts set out above presents fairly the financial position of the Anglia Revenue and Benefits Partnership Joint Committee at 31 March 2009.

Chief Financial Officer, Treasurer to the Joint Committee

15th December 2009

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Anglia Revenue and Benefits Partnership Joint Committee

Statement of Total Recognised Gains and Losses

	2007/08	2008/09
	Restated	
	£	£
Deficit/(Surplus) on the Income and Expenditure Account for the Year	(214,542)	188,642
Total recognised (gains)/losses for the year	(214,542)	188,642

Anglia Revenue and Benefits Partnership Joint Committee

Chair's Signature on behalf of the Joint Committee

I confirm that these accounts were approved by the Anglia Revenue and Benefits Partnership Joint Committee at a meeting held on 11th March 2010

Chair of the Anglia Revenue and Benefits Partnership Joint Committee

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Anglia Revenue and Benefits Partnership Joint Committee

Cash Flow Statement for the Period Ending 31 March 2009

Description	2007/08 £	2008/09 £	Notes 13
Employee related expenditure	2,846,592	3,200,575	
Other operating payments	1,637,290	1,668,849	
Cash outflow for the year	4,483,882	4,869,424	
Cash received for goods & services	(304,726)	(882,383)	
Contribution from participating Council's	(4,052,052)	(3,900,537)	
Increase/(Decrease) in sundry creditors	(29,772)	0	
(Increase)/Decrease in sundry debtors	(97,332)	102,137	
Contribution from Reserves	0	(188,641)	
Cash inflow for the year	(4,483,882)	(4,869,424)	
Financing activities			
Cash outflows	0	0	
Cash inflows	0	0	
Capital activities			
Cash outflows	0	0	
Cash inflows	0	0	
	0	0	
Net increase/decrease in cash & cash equivalents	0	0	

Notes to the Core Accounting Statements:

Revenue account notes

1. Supplies and services

These are outgoings in respect of services provided to ARP. Major components of expenditure are attributable to computer support costs, magistrate's court costs, legal fees, and postages.

2. Transactions under the Local Authority (Goods and Services) Act 1970

The joint committee undertakes the revenue and benefits services that have been delegated to it by the member authorities. The authorities provide services to the joint committee under the powers contained in the Local Authority (Goods and Services) Act 1970. The amounts of these services are shown on the face of the revenue account. Income from services provided to other public bodies excluding those under the Joint Committee arrangement in 2008/09 were £250 (2007/08 £nil).

3. Support services

These are costs in respect of services provided by Breckland Council and Forest Heath District Council to ARP. These charges relate to services such as computer, finance, human resources, printing, legal and central administration.

4. Income

Income largely relates to sums received in respect of summons. However, other amounts are received from a variety of sources including transactions with ARPT.

5. Apportionment of net expenditure

The agreement between foundation members of the joint committee determines the apportionment of expenditure between them.

6. Value Added Tax (VAT)

Income and expenditure is shown in the accounts net of VAT.

7. Transactions with Related Parties

The majority of the financial transactions are incurred for the benefit of Breckland Council, Forest Heath District Council and East Cambridgeshire District Council who are the principal related parties of ARP. No material transactions took place with Members and Chief Officers during 2008/09.

8. Members' allowances

No members' allowances are charged to the ARP accounts.

9. Officers remuneration

The number of employees with total remuneration greater than £50,000 is shown in the table below (2007/08-none). All earnings and expenses chargeable to UK Income Tax are included in the remuneration band. Pension contributions are excluded.

Band	2008-09	2007-08
	Number of Employees	Number of Employees
£60,000 to £69,999	1	0
£70,000 to £79,999	1	0

10. Audit Costs

The Joint Committee have accrued £20,000 for external audit fees in 2008/09 (£10,000 relating to 2007/08).

11. Pensions

The Joint Committee has no employees and the workforces used to fulfil the responsibilities of ARP are employees of Breckland Council and Forest Heath District Council.

Balance sheet notes

12. Tangible and Intangible fixed assets

The tangible and intangible fixed assets are largely owned by Breckland Council and Forest Heath District Council. The net book values of assets at 31 March 2009 employed by ARP as recorded in books of the Breckland Council were £80,483 (2007/08 £288,477)

Cash Flow Statement notes

13. Notes to the Cash Flow Statement

ARP does not have its own bank account and all its income and expenditure is dealt with through the host authority's accounts. The principal reasons for the cash flow differing from the Revenue Account are timing differences in respect of payments received on behalf of Breckland Council.

Prior Year Adjustments

14. Notes to the Prior Year Adjustments

Comparative figures in the Balance Sheet & Income & Expenditure have been restated to reflect the change in accounting policy for movement on the reserve.

Reserves

15. Notes to the Reserves

Reserves balance of £25,900 is held within Breckland and is used to fund approved projects within the partnership.

Reconciling Items for the Statement of Movement on the General Fund Balance

16. Notes to the General Fund

The Statement of Movement on the General Fund Balance summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance. The table below details the reconciling items for the statement, showing the income and expenditure items that are required to be reversed out of the general fund (in accordance with regulations), so as not to have an impact on the council tax.

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	2007-08 £	2008-2009 £
Net transfer to/(from) earmarked reserves	214,542	(188,641)
	214,542	(188,641)
Net additional amount required to be debited/(credited) to the General Fund Balance for the year	214,542	(188,641)

Independent auditor's report to Members of Anglia Revenues and Benefits Partnership Joint Committee

Opinion on the financial statements

I have audited the Joint Committee accounting statements and related notes of Anglia Revenues and Benefits Partnership Joint Committee for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Anglia Revenues and Benefits Partnership Joint Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Treasurer and auditor

The Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Joint Committee and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Joint Committee's corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Joint Committee in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Joint Committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the Joint Committee financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008,

the financial position of the Joint Committee as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Joint Committee's Responsibilities

The Joint Committee is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Joint Committee has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Joint Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice. In so doing, I was unable to obtain sufficient appropriate evidence that Anglia Revenues and Benefits Partnership Joint Committee had approved its financial statements by the statutory deadline of 30 June 2009. My audit also identified that the financial statements presented for audit were not free from material error.

Having regard to relevant criteria specified by the Audit Commission for other local government bodies, published by the Audit Commission in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Anglia Revenues and Benefits Partnership Joint Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009 except that it did not put in place adequate arrangements for:

- timely and reliable financial reporting that meets the needs of internal users, stakeholders and local people.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Rob Murray

Officer of the Audit Commission

Audit Commission
Regus House
1010 Cambourne Business Park
Cambourne
Cambridge
CB23 6DP

March 2010

Glossary

Accruals

Provision made at the year-end to bring into account outstanding debtors, creditors, etc, in order to show income and expenditure as it is earned or incurred.

Budget

An expression mainly in financial terms of the Joint Committee's policy for a specified period. It includes physical, staff and statistical data.

Capital Expenditure

Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets such as land, buildings, vehicles and equipment.

Creditors

Amounts owed by the Joint Committee but not paid at the date of the balance sheet.

Debtors

Amounts owed to the Joint Committee but unpaid at the balance sheet date.

Financial Reporting Standards (FRS's)

Accounting standards approved by the Accounting Standards Board: these are superseding the Statements of Standard Accounting Practice.

Leasing

A method of acquiring capital assets by which a rental charge is paid for a specified period.

Outturn

The actual level of income and expenditure in a financial year.

Post Balance Sheet Events

A statement of the financial implications of an event taking place after the Balance Sheet date, which has a material effect on the Joint Committee's financial position.

Revenue Expenditure

Recurring expenditure, principally on pay, running costs of buildings and equipment.

TUPE Regulations

Statutory regulations relating to the 'Transfer of Undertakings Protection of Employment'. These regulations set out the principles when transferring staff between different entities.