

# Foreword

This Code, first published in 2010, provides guidance on the development and use of financial information to support asset management, financial management and reporting of the local Highways Network Asset. This third edition has been updated to reflect changes to the *Code of Practice on Local Authority Accounting in the United Kingdom 2016/17* made by the CIPFA/LASAAC Local Authority Accounting Board. The changes will see local authority Highways Network Assets valued in accordance with this Code from 1 April 2016. This will represent the largest change to local authority financial reporting since the introduction of IFRS.

The format of the Code has been revised so that in the new version the paragraphs in bold purple font provide the principles to be applied in order to meet the financial reporting requirements of the *Code of Practice on Local Authority Accounting*. The grey shaded paragraphs represent key asset management principles. The paragraphs in bold purple font and the grey shaded paragraphs together form the Code.

This Code was originally prepared at the request of the UK government and implements a key recommendation from the CIPFA review of local authority transport assets, which reported in 2008. Since its introduction, this Code has been used to provide data to HM Treasury as part of the Whole of Government Accounts data collection exercise. It has been updated in collaboration with the Highways Asset Management Financial Information Group (HAMFIG), whose work is supported by a number of government-funded research projects. Its update was overseen by the Project Implementation Steering Group (PISG) which includes representatives from national and local government and audit bodies in England, Scotland and Wales.

CIPFA would like to thank all those who have contributed to the update of this Code, particularly the members of PISG and HAMFIG, who are listed in the acknowledgements. We believe that the updated Code provides an excellent basis for further developing the management and reporting of one of the UK public sector's most important assets.



**Ian Carruthers**  
Chair, CIPFA Standards

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