

Annual Governance Report

July 2006



# Annual governance report

**Worthing Borough Council**

**Audit 2005/06**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

### **Status of our reports to the Authority**

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

### **Copies of this report**

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

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## Purpose of this report

- 1 We are required by the Audit Commission's statutory Code of Audit Practice for Local Government bodies (the Code) to issue a report to those charged with governance summarising the conclusions from our audit work. For the purposes of this report, the Authority's General Purposes Committee is considered to fulfil the role of those charged with governance and references to the General Purposes Committee should be read as such.
- 2 We are also required by professional auditing standards to report to the General Purposes Committee certain matters before we give our opinion on the financial statements. The section of this report covering the financial statements fulfils this requirement.
- 3 This is our annual governance report covering the audit of the Council for the year ended 31 March 2006 and is presented by the District Auditor.
- 4 The principal purposes of the report are:
  - to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the General Purposes Committee;
  - to share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
  - to provide the General Purposes Committee with recommendations for improvement arising from the audit process.
- 5 The Audit Commission has circulated to all audited bodies a Statement of Responsibilities of Auditors and Audited Bodies that summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement.

## Scope of the report

- 6 In undertaking our audit, we comply with the statutory requirements of the Audit Commission Act 1998 and the Code. Auditors' responsibilities are to review and report on, to the extent required by the relevant legislation and the requirements of the Code:
  - the Council's financial statements; and
  - whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 7 Our risk assessment and planned response to the key audit risks was summarised in our audit and inspection plan. A summary of our responsibilities and audit approach is included in Appendix 1. The annual governance report summarises the significant findings, conclusions and recommendations arising from our audit work.

- 8** We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 2. Appendix 3 provides information about the fee charged for our audit and Appendix 4 sets out the requirements in respect of independence and objectivity.

## Key messages

### Financial statements

- 9 Our work on the financial statements is now substantially complete. The financial statements have been prepared to a high standard and we anticipate being able to issue an unqualified opinion by 29 September 2006. A draft report is attached at the first part of Appendix 5.

### Use of resources

- 10 Our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources is substantially complete. We anticipate being able to issue an unqualified conclusion on the use of resources by 29 September 2006. A draft report is attached at the second part of Appendix 5.

## Financial statements

- 11 We are required to give an opinion on whether the Council's financial statements present fairly the financial position of the Council as at 31 March 2006 and its income and expenditure for the year then ended.

## Status of the audit

- 12 Our work on the financial statements is now substantially complete.

## Matters to be reported to the General Purposes Committee

- 13 We have the following matters to draw to the General Purposes Committee's attention.

### Expected modifications to the auditor's report

- 14 On the basis of our audit work we propose to issue an unqualified audit report. A draft audit report is attached at Appendix 5.

### Uncorrected misstatements

- 15 All misstatements in the draft financial statements identified by our audit work have been adjusted for by management apart from those misstatements that are 'clearly trivial' (as defined in professional auditing standards).

### Adjusted misstatements

- 16 To assist you in fulfilling your governance responsibilities, we are required to consider reporting adjusted misstatements to you where these are material. Although a small number of adjustments to the draft financial statements were made as a result of the audit none was material. There are therefore no specific adjusted misstatements that we wish to draw to your attention.

## **Qualitative aspects of accounting practices and financial reporting**

- 17 Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, comprehensibility and materiality of the information provided by the financial statements. We wish to report the following matters to you.

### **Quality of accounts and supporting working papers**

- 18 The accounts were produced to a high standard and were supported by comprehensive working papers that provided a clear audit trail from the accounts to underlying evidence.

### **Entries relating to the pension fund**

- 19 The financial statements for the Council include entries relating to the pension fund deficit. These transactions are significant in value but have no net effect on the consolidated revenue account. They are derived from a report to the Council by the Council's actuary.
- 20 We have not re-performed the work of the actuary but, as required by professional auditing standards, we have relied on the work of the auditor of the West Sussex Pension Fund accounts to satisfy ourselves that it is appropriate to use the work of the Council's actuary to help us assess whether the entries relating to the pension fund deficit are reasonable.
- 21 As part of this work the auditor of the West Sussex Pension Fund compared the total scheme assets in the West Sussex Pension Fund accounts to the value of the scheme's assets used by the actuary in its calculations.
- 22 There is a difference between these two amounts of £48m. The auditor of West Sussex Pension Fund accounts has estimated that £33m of this difference was because the actuarial valuation was based on data at 31 December with an estimate of performance to 31 March. The Fund's investments actually performed better than assumed by the actuary, causing the difference. If the £48m difference is allocated to the members of the scheme based on each member's share of assets at 31 March 2006, the difference for Worthing Borough Council would be £2.0m. We are satisfied, however, that because of the nature and magnitude of transactions relating to the pension fund, this difference would be unlikely to influence the decisions of users of the accounts.



## Material weaknesses in internal control identified during the audit

- 23 Our audit identified no material weaknesses in systems of accounting and financial control which we should report to you. However, our audit did identify some opportunities to improve significant aspects of internal control which we wish to draw to your attention.

### IT environment

- 24 Our review of the IT control environment identified security weaknesses in the Councils systems. These included a lack of a business continuity strategy, weaknesses in controls over access rights and documenting and making changes to systems. At the time of the review, the Council had just appointed an ICT Services Manager who is beginning to address some of the issues raised.

### Service level agreements

- 25 The Council's payroll services are provided by Midland HR and Payroll Solutions but officers were only able to provide us with an unsigned draft service level agreement. Detailed service level agreements provide a framework for the Authority to hold the providers of services to account.

### Declarations by members

- 26 Twelve councillors failed to provide officers with returns detailing whether they had any conflicts of interest or other relationships that should be disclosed in the financial statements.

### **Recommendations**

- R1 Agree a detailed project plan to address weaknesses in IT security including issues such as access, documentation of systems and change management controls and adopt a business continuity plan.*
- R2 Finalise and keep a signed copy of the service level agreement for the payroll service provided by Midland HR and Payroll Solutions.*
- R3 Obtain declarations of interest and other relationships that should be disclosed from all members.*

- 27 We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.

## Matters specifically required by other auditing standards

- 28 Other auditing standards require us to communicate with you in other specific circumstances including:
- where we suspect or detect fraud;
  - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
  - non-compliance with legislative or regulatory requirements and related authorities.

There are no such matters that we wish to bring to your attention.

## Any other matters of governance interest

- 29 Finally, we are required to report any other matters that we believe to be of governance interest. We report these matters in Table 1 below.

**Table 1 Other matters of governance interest**

There two other matters that we would like to bring to the attention of those charged with governance

Area	Auditor responsibility	Impact
Statement of internal control (SIC)	The auditor reviews the SIC for compliance with the requirements of proper practice as specified by CIPFA and consistency with other information from the audit of the financial statements.	We are satisfied that the SIC complies with proper practice and is consistent with other information from the audit of the financial statements.
Whole of Government Accounts' consolidation pack	The auditor is responsible for issuing a report on the consistency of the Council's consolidation pack with the statutory financial statements.	We will work closely with officers to complete this work in advance of the nationally set deadline of 6 October 2006.

## Letter of representation

- 30 We obtain written representations from management as an acknowledgement of its responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. The text of the required letter of representation is included at Appendix 6.

## Next steps

- 31 We are drawing these matters to the General Purposes Committee's attention so that:
- you can consider them before the financial statements are approved and certified;
  - the representation letter can be signed on behalf of the Authority and those charged with governance before we issue our opinion on the financial statements.

## Use of resources

### Value for money conclusion

- 32** The Code requires us to issue a conclusion on whether we are satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of your resources (the value for money conclusion). In meeting this responsibility, we will review evidence that is relevant to the Council's corporate performance management and financial management arrangements. Our work in reaching the value for money conclusion is integrated with our work on the use of resources assessment. The use of resources assessment is a qualitative assessment of the effectiveness of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The five areas we make assessments on are; financial statements, financial management, financial standing, internal control and value for money.
- 33** We have completed our work in relation to the use of resources, except for the detailed testing of outturn for a small sample of 2005/06 performance indicators. Subject to completion of that testing we anticipate being able to issue an unqualified conclusion on the use of resources by 29 September 2006. There are no other matters which we wish to draw to the attention of the General Purposes Committee.

## Use of auditors' statutory powers

- 34 Auditors are required to consider the exercise of certain statutory powers during the course of the audit, as summarised in Table 2 below.

**Table 2 Use of statutory powers**

<b>Issue</b>	<b>Auditor responsibility</b>	<b>Impact</b>
Section 8 reports	Section 8 of the Act requires that auditors should consider whether, in the public interest, they should report on any matter that comes to their attention in the course of the audit so that it may be considered by the body concerned or brought to the attention of the public.	There have been no section 8 reports in respect of the financial year 2005/2006.
Section 11 recommendations	To consider whether a written recommendation should be made to the audited body requiring it to be considered and responded to publicly.	There have been no s11 recommendations.
Best value	To consider whether to recommend that the Audit Commission should carry out a best value inspection of the Authority under section 10 of the Local Government Act 1999 and/or that the Secretary of State should give a direction under section 15 of that Act.	Our work in respect of the Authority's 2005/2006 Best Value Performance Plan (BVPP) was reported in the 2005 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

## Closing remarks

- 35 This report has been discussed and agreed with senior officers on 13 September. A copy of the memorandum will be presented at the General Purposes Committee on 26 September 2006.
- 36 The report makes a number of recommendations. An action plan is included at Appendix 7, which includes responses from management and indicative target dates for the implementation of recommendations.
- 37 The Council has taken a positive and constructive approach to our audit and I would like to take this opportunity to express my appreciation for the Council's assistance and co-operation.

**Chris Westwood**  
**District Auditor**

September 2006

# Appendix 1 – Audit responsibilities and approach

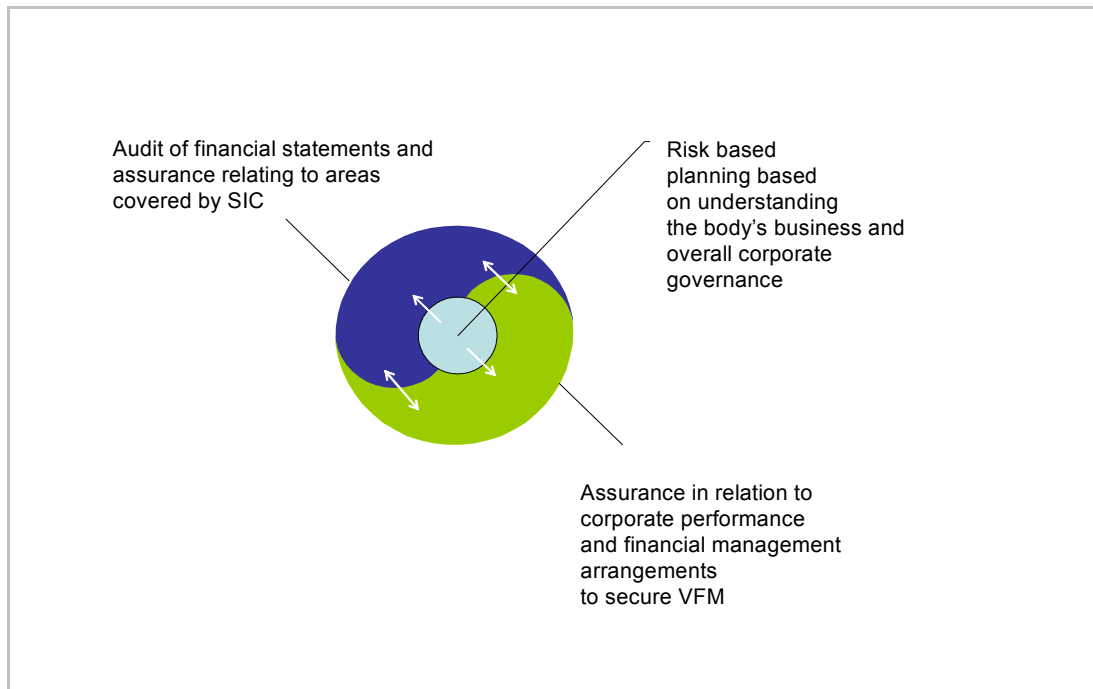
## Audit objectives

- 1 Our objective as your appointed auditor is to plan and carry out an audit that meets the requirements of the Code of Audit Practice. We adopt a risk-based approach to planning our audit, and our audit work has focused on the significant risks that are relevant to our audit responsibilities.

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### Figure 1 Code of Audit Practice

Code of practice responsibilities



## **Approach to the audit of the financial statements**

- 2 In our approach to auditing the financial statements, we adopt a concept of materiality. Material errors are those which might be misleading to a reader of the financial statements. We seek, in planning and conducting our audit of the accounts, to provide reasonable assurance that your financial statements are free of material misstatement. In planning our work we considered the arrangements of the Authority which had most impact on our opinion. These included:
  - the standard of the overall control environment and internal controls;
  - reliance on internal audit;
  - the likelihood of material misstatement occurring from of material information systems; or a material error failing to be detected by internal controls;
  - any changes in financial reporting requirements; and
  - the effectiveness of procedures for producing the financial statements and supporting material.
- 3 The results of the above feed into our risk assessment which determines the level and type of testing undertaken on each element of the financial statements.

## **Approach to audit of arrangements to secure value for money**

- 4 The scope of these arrangements is defined in paragraph 20 of the Code as comprising:
  - corporate performance management; and
  - financial management arrangements.
- 5 Our conclusion is informed and limited by reference to relevant criteria covering specific aspects of audited bodies' arrangements, specified by the Code.



- 6 In planning audit work in relation to the arrangements for securing economy, efficiency and effectiveness in the use of resources, considered and assessed relevant significant business risk. Significance is defined by the Code as 'a matter of professional judgment and includes both quantitative and qualitative aspects of the risk'.
- 7 The potential sources of assurance when reaching the value for money conclusion include:
  - the Council's whole system of internal control as reported in its statement on internal control;
  - results from statutory inspections or the work of other regulators, for example, corporate assessments, service assessments (whether by the Commission or other regulators);
  - work specified by the Audit Commission, for example, the use of resources assessments, and data quality work;
  - links to the financial statements' audit, including review of internal audit, the SIC and budgetary control arrangements; and
  - other work necessary to discharge our responsibilities.

## Appendix 2 – Audit reports issued

**Table 3**

<b>Planned output</b>	<b>Planned date of issue</b>	<b>Actual date of issue</b>	<b>Addressee</b>
Audit and inspection plan	April 2005	April 2005	Senior Management Team Members of the cabinet
Annual governance report	September 2006	September 2006	General Purposes Committee
Opinion on financial statements	September 2006	TBA	Members of Worthing Borough Council
Value for money conclusion	September 2006	TBA	Members of Worthing Borough Council
Use of resources assessments	February 2006	February 2006	Senior Management Team
BVPP report	December 2005	December 2005	Members of Worthing Borough Council

## Appendix 3 – Fee information

**Table 4**

<b>Fee estimate</b>	<b>Plan 2005/06 (£)</b>	<b>Actual 2005/06 (£)</b>
Audit		
Accounts*	70,400	to be agreed
Use of resources	24,500	24,500
Total audit fees*	94,900	to be agreed
Voluntary improvement work	0	0

\* This year we have incurred additional costs to meet the requirements of international auditing standards which became applicable to the audit of the Council's accounts for the first time on 2005/06. We are currently assessing these costs and will agree with the Director of Resources the additional fee to be charged.

\*\* The outturn on inspection and grant certification fees will be reported in the Relationship Manager Letter

## **Appendix 4 – The Audit Commission’s requirements in respect of independence and objectivity**

- 1 We are required by the standard to communicate following matters to the General Purposes Committee:
  - the principal threats, if any to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
  - any safeguards adopted and the reasons why they are considered to be effective;
  - any independent partner review;
  - the overall assessment of threats and safeguards; and
  - information about the general policies and processes for maintaining objectivity and independence.
- 2 We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.

## **Appendix 5 – Independent auditor’s report to Worthing Borough Council**

### **Independent auditor’s report to the Members of Worthing Borough Council**

#### **Opinion on the financial statements**

I have audited the financial statements of Worthing Borough Council for the year ended 31st March 2006 under the Audit Commission Act 1998. These comprise the Consolidated Revenue Account, the Balance Sheet, the Collection Fund, the Cashflow Statement, the Statement of Total Movement in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Worthing Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

#### **Respective responsibilities of the Chief Finance Officer and auditors**

The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority in the United Kingdom 2005 are set out in the Statement of Accountable Officer’s Responsibilities.

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 financial statements present fairly the financial position of the Authority and its income and expenditure for the year, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005:

I review whether the statement on internal control reflects compliance with CIPFA’s guidance: The Statement on Internal Control in Local Government: Meeting the requirements of the Accounts and Audit Regulations 2003 (published April 2004). I report if it does not comply with proper practices specified by CIPFA 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 statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the explanatory foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority’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 financial statements 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 financial statements.

### **Opinion**

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.

Chris Westwood, District Auditor and Relationship Manager  
Audit Commission, 44-45 West Street, Chichester, West Sussex PO19 1RP  
September 2006

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

### **Authority’s Responsibilities**

The Authority 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 to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority’s assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

### **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 principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority’s best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

### **Conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in July 2005, in all significant respects, Worthing Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006.

### **Best Value Performance Plan**

I issued my statutory report on the audit of the authority's best value performance plan for the financial year 2005/06 on 19 December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

### **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.

Chris Westwood, District Auditor and Relationship Manager  
Audit Commission, 44-45 West Street, Chichester, West Sussex PO19 1RP  
September 2006



## **Appendix 6 – Letter of representation**

To: Chris Westwood, District Auditor and Relationship Manager,  
Audit Commission, 44-45 West Street, Chichester, West Sussex PO19 1RP

September 2006

### **Worthing Borough Council - Audit for the year ended 31st March 2006**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Worthing Borough Council the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31st March 2006.

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements which give a true and fair view and for making accurate representations to you.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

#### **Supporting records**

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council meetings, have been made available to you.

#### **Actuarial assumptions**

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have taken the view that there is insufficiently reliable evidence to assume a level of take-up of the change in the pension scheme. We are satisfied that this assumption is appropriate and that it is appropriate that the valuation of the Council's retirement benefit liabilities as at 31 March 2006 does not include any allowance for this change to the pension scheme.

#### **Impairment of fixed assets**

I am satisfied that a full review of impairment of fixed assets under FRS 11 is not required and that I am not aware of any material issues with regard to impairment of fixed assets.

## **Related party transactions**

I confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

## **Contingent liabilities**

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements; and,
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements;
- no financial guarantees have been given to third parties.

## **Law, regulations and codes of practice**

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

In all material respects, the expenditure and income disclosed in the financial statements has been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Irregularities**

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements;
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

### **Post balance sheet events**

Since the date of approval of the financial statements by the General Purposes Committee, other than the sale of Shoreham Airport, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Worthing Borough Council

Signed

Chief Finance Officer

Chair of General Purposes Committee

Date

## Appendix 7 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	Internal control issues					
9	R1 Agree a detailed project plan to address weaknesses in IT security including issues such as access, documentation of systems and change management controls and adopt a business continuity plan.	2	ICT Strategy Group	Yes	Agreed	31 March 2007
9	R2 Finalise and keep a signed copy of the service level agreement for the payroll service provided by Midland HR and Payroll Solutions.	2	Joint Strategic Head of HR	Yes	Agreed	31 Dec 2006
9	R3 Obtain declarations of interest and other relationships that should be disclosed from all members.	2	Assistant Director (Financial Services)	Yes	Agreed	30 June 2007

