

Worthing
BOROUGH COUNCIL

ADUR
DISTRICT COUNCIL



***Joint
Strategic
Committee
Statement of
Accounts
2009/2010***

**ADUR AND WORTHING
JOINT STRATEGIC COMMITTEE**

STATEMENT OF ACCOUNTS

for the year ended 31st March, 2010

C O N T E N T S

	PAGE
Explanatory Foreword	1- 4
Statement of Responsibilities	5
Statement of Accounting Policies	6 - 7
Income and Expenditure Account	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Core Financial Statements	11 - 18
Annual Governance Statement	19 - 21
Independent Auditor's Report to Adur and Worthing Joint Strategic Committee	22 - 24

Explanatory Foreword

1. Introduction

The purpose of the Statement of Accounts is to provide information on the ways the Adur and Worthing Councils Joint Service has utilised financial and other resources available to it in the provision of the services it provides to the residents of Adur and Worthing. The Statement of Accounts is required to be produced by law and sets out the various statutory accounting statements together with other relevant information.

This foreword gives a brief explanation of what is included within the Statement of Accounts, as well as providing a summary of the main financial results for 2009/10. In addition, an outline of the overall financial position of the Committee is given.

2. Explanation of Accounting Statements

In addition to the foreword, the Statement of Accounts consists of:

	Page No:
Statement of Responsibilities	5
This statement sets out the respective responsibilities of both Councils and the Executive Head of Financial Services in respect of the joint Councils accounts.	
Statement of Accounting Policies	6 – 7
This details the accounting policies that have been adopted in preparing the Statement of Accounts. The purpose of this statement is to enable a fuller understanding of the accounts and specifically to describe the policies that have been adopted for all material items.	
The Income & Expenditure Account	8
This account brings together the expenditure and income relating to all of the joint services for which the Councils are responsible and demonstrates how the net cost for the year has been financed from Adur District Council and Worthing Borough Council	
The Statement of Total Recognised Gains & Losses	8
The statement brings together all the gains and losses of the Joint Strategic Committee for the year and shows the aggregate increase in its net worth. In addition to the surplus/deficit generated on the Income and Expenditure Account.	
The Balance Sheet	9
This sets out the financial position of the joint services on the 31st March 2009. The Balance Sheet reflects the balances and reserves, and net current assets employed in all of its operations, together with summarised information on any fixed assets held.	
The Cashflow Statement	10
This summarises the Committee's cash transactions for the year.	
Notes to Core Financial Statements	11 - 18

Explanatory Foreword

2. ***Explanation of Accounting Statements*** (continued)

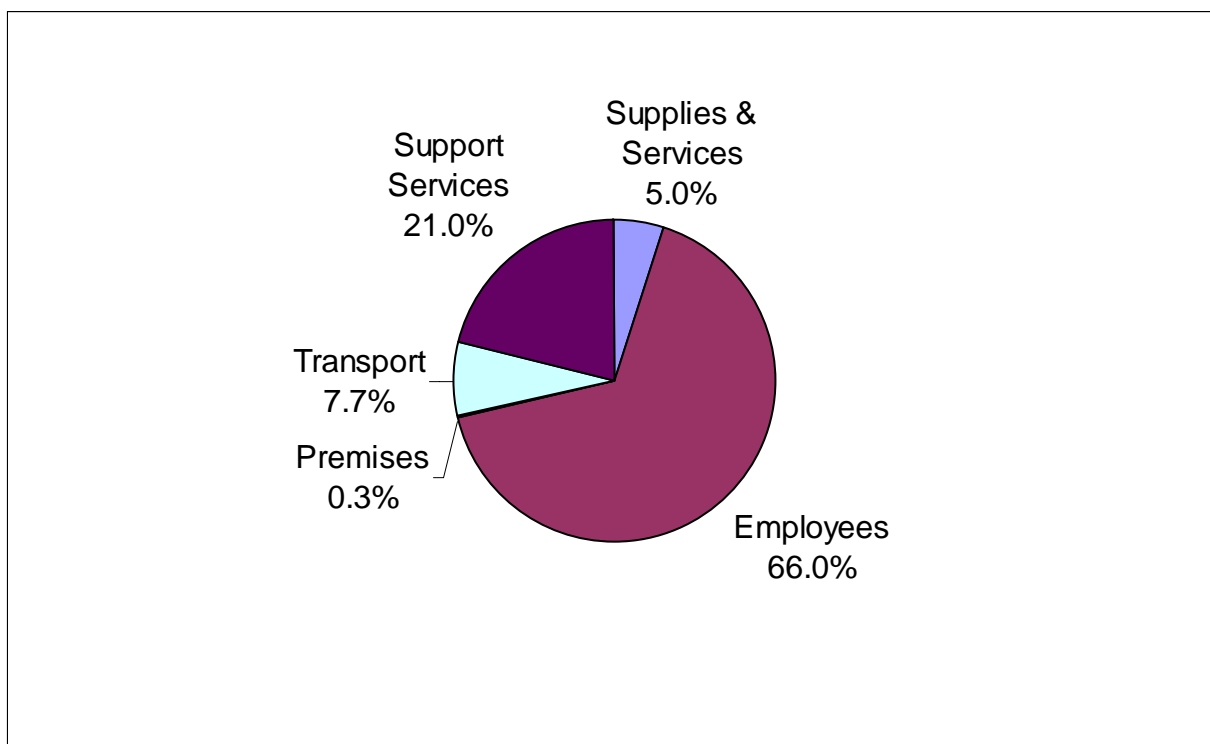
Also included is a Annual Governance Statements (pages 19 - 21), which has been completed under the Corporate Governance Requirements. This gives reasonable assurance that an effective system of internal control is maintained and operated in connection with the resources concerned.

3. ***Revenue Spending in 2009/10***

Revenue spending is the day-to-day expenditure incurred by the Councils to deliver its services. This expenditure is financed from a variety of sources including charges for services, rents, and partnership payments from the constituent authorities. Total revenue expenditure amounted to £14.3m.

The tables below give a breakdown of expenditure incurred and the sources of overall income.

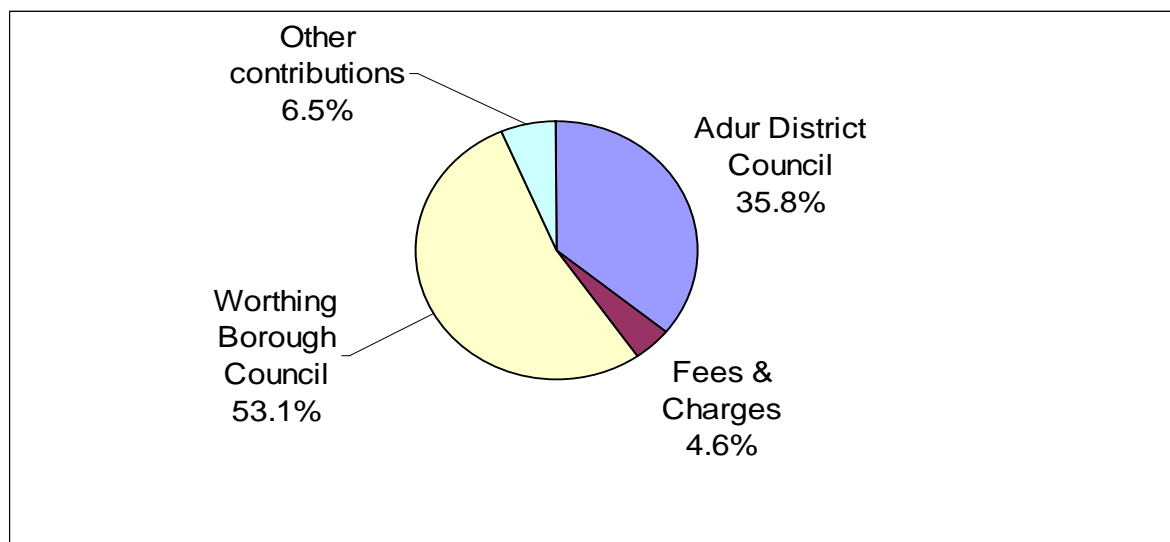
Expenditure by Type



Explanatory Foreword

3. ***Revenue Spending in 2009/10***

Sources of income



Net operating expenditure amounted to £14.3m. This was a decrease of £882,000 from the Estimate approved in January 2009 as adjusted by approved variations. The main reasons for the decrease are listed below:

	Under (/) Overspend £'000
Funding for an additional street sweeping machine	28
Increased Garden Waste Scheme income	(83)
Reduction in bulky waste income	12
Early lease termination of a vehicle no longer required	28
Savings on vehicle maintenance	(28)
Fuel saving	(41)
Reduction from 3 to 2 directors (net saving)	(85)
Pay award – less than budgeted	(106)
Salary savings on 2 posts due to IESE funding	(95)
Recycling salary saving	(31)
Reduced waste management support costs	(90)
Underspend on trade waste fuel & vehicles	(41)
Lower than anticipated street sweeping lease charges and transport costs.	(77)
Legal savings from in-house working and additional income, also efficiency savings achieved	(57)
Democratic services underspends, pay and grade outcome not implemented and additional income	(96)
Saving on post transferred to Worthing Customer Services	(23)
Underspend on Compliance Unit	(30)
Various underspends and additional income across all Joint Services	(67)
	(882)

Explanatory Foreword

4. *Current Issues and Future Plans*

Revenue Plans of Joint Services

Generally expenditure on services remains firmly under control with any increases over and above inflation being generated by statutory requirements or by unavoidable changes, e.g. the necessary replacement of the refuse and recycling vehicles. In addition it is expected that the budget of the Joint Strategic Committee will grow next year as the remainder of the services from the constituent authorities of Adur District Council and Worthing Borough Council are delivered jointly and so will fall under the revenue budget of this Committee.

In 2009/10 services charged to the Joint Strategic Committee included Street and Other Cleansing, Elections and Electoral Registration, Land Charges, Corporate Strategy, Financial Services, Legal & Democratic Services and Corporate & Public Safety, in addition to Directors, Executive Heads of Service, Trade Waste, Refuse and Recycling Services and the Chief Executive which had been included in 2008/09 accounts. The transfer of these services explains the significant differences between 2008/09 and 2009/10. The overall budgets that the Committee was responsible for rose from £5.3m to £14m.

The services under the remit of the Joint Strategic Committee will undergo a further expansion in 2010/11 to include amongst others, Community Wellbeing, Housing Strategy, Planning Services, and Technical Services.

The largest items of revenue growth to be incurred in 2010/11 are:

	£'000
Inclusion of new services within the remit of the Joint Strategic Committee	8,158
Net impact of inflation	280
Net impact of other changes	(90)

5. *Use of Resources*

The Joint Strategic Committee is not subject to a Use of Resources review. However, a value for money conclusion will be provided as part of the Annual Governance Report.

6. *Medium Term Financial Plan*

Cost of services are built into the constituent authorities Medium Term Financial Plans (MTFP).

7. *Further Information*

Further information on the joint services accounts is available from the Executive Head of Financial Services based at the Town Hall, Chapel Road, Worthing. Information on both Councils joint policies and plans and especially their joint Key Priorities can be found in the Best Value Performance Plan, obtainable on application to the Executive Head of Corporate Strategy in Town Hall, Chapel Road, Worthing or by accessing the Worthing Borough Councils website, www.worthing.gov.uk or the Adur District Council website, www.adur.gov.uk.

Statement of Responsibilities for the Statement of Accounts

The Committee's Responsibilities

The Committee is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this Committee, that Officer is the Executive Head of Financial Services and Section 151 Officer for Adur District Council and Worthing Borough Council.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Executive Head of Financial Services and Section 151 Officer's Responsibilities

The Executive Head of Financial Services and Section 151 Officer is responsible for the preparation of the Councils Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice").

In preparing this Statement of Accounts, the Executive Head of Financial Services and Section 151 Officer 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 Executive Head of Financial Services and Section 151 Officer has also:

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

Certification of Executive Head of Financial Services & Section 151 Officer

I hereby certify that the statement of accounts presents a true and fair view of the financial position of the Committee at the accounting date and its income and expenditure for the year ended 31st March, 2010.

SARAH GOBEY
Executive Head of Financial Services & Section 151 Officer

Dated: 28th September, 2010

Certificate of Approval by Joint Strategic Committee

I confirm that these Accounts were approved by the Joint Strategic Committee of Adur District and Worthing Borough Councils on 28th September, 2010.

NEIL PARKIN
Chairman Joint Strategic Committee

Dated: 28th September, 2010

Statement of Accounting Policies

1. *General*

The accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2009 and the Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Fundamental accounting policies and estimation techniques in line with the requirements detailed in Financial Reporting Standard FRS18 have been adopted.

2. *Income and Expenditure*

Revenue Accounts - the accounts have been prepared on an accruals basis in accordance with the Code of Practice, whereby income and expenditure are accounted for in the year in which they arise, by the creation of debtors and creditors, including estimates where appropriate.

3. *Costs of Support Services*

The Code of Practice requires the costs of support services to be charged on a fair and transparent basis. Both Councils use estimated time allocations with the exception of administrative building costs (floor area basis) and costs of professional technical staff engaged on capital works (actual time). There are no allocations to capital works currently from the Joint Strategic Committee. Overhead costs are dealt with in accordance with CIPFA's Best Value Accounting Code of Practice (BVACOP) and mostly charged to services with the exception of Holding Accounts for Support Services, which are mainly charged directly to each authority and not to the Joint Strategic Committee services. The only exception to this is the Executive Head for Waste Collection Services and his management and administrative team who charge to Waste Collection Services.

4. *Leases*

Rentals payable under operating leases are charged to service revenue accounts on an accruals basis.

5. *Government Grants and Contributions*

Government grants and other contributions in relation to revenue expenditure are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

6. *Current Assets*

Stocks - these include refuse and recycling bins. All stocks are valued in the Balance Sheet at latest inward prices. It is not considered material to the accounts to include stock at the lower of cost and net realisable value in accordance with Statement of Standard Accounting Practice No. 9.

Statement of Accounting Policies

7. *Provisions*

Provisions are made where an event has taken place that gives the joint services an obligation that probably requires settlement by a transfer of economic benefit but where the timing is uncertain. Provisions are charges to the revenue account when the Committee becomes aware of the obligation based on best estimate of the likely settlement. When payments are eventually made they are charged to the provision set up in the Balance Sheet.

8. *Debtors and Creditors*

The accounts of the joint services are maintained on an accruals basis in accordance with the SORP. Sums due to or payable by the joint services at the end of each financial year are brought into account (irrespective of whether cash has been received or payment has been made). Where actual costs are not available, accruals are made on a best-estimate basis. At the end of each financial year an estimate is made of doubtful debts – amounts due to the joint services, but unlikely to be received. The total value of these amounts, if required, are provided for and deducted from the debtors balance in the Balance Sheet.

9. *Value Added Tax*

VAT is included in the income and expenditure accounts only to the extent that it is irrecoverable.

10. *Basis of Preparation*

No separate accounting records are kept by the Joint Committee. As a result the accounts have been prepared from the records maintained by Adur District Council and Worthing Borough Council.

Income and Expenditure Account

This statement shows the gross expenditure, income and net expenditure for the joint services, appropriations to or from balances and reserves.

	Note	2009/10 Gross Expenditure £'000	2009/10 Gross Income £'000	2009/10 Net Expenditure £'000	2008/09 Net Expenditure £'000
EXPENDITURE					
Central Services to the Public		407	-	407	-
Cultural, Environmental, Regulatory and Planning Services		6,406	(1,457)	4,949	2,869
Corporate and Democratic Core		17	-	17	20
NET COST OF SERVICES		6,830	(1,457)	5,373	2,889
Holding Accounts	2			7,477	1,538
Net Operating Expenditure				12,850	4,427
Funded by:					
Adur District Council				(5,176)	(1,736)
Worthing Borough Council				(7,674)	(2,691)
(Surplus)/Deficit				-	-
Statement of movement on reserves					
Opening balance				-	-
(Surplus)/Deficit for the year				-	-
CLOSING BALANCE				-	-

Statement of Total Recognised Gains and Losses (STRGL)

This statement is intended to bring together all the gains and losses of the Committee for the year and shows the aggregate increase in its net worth. There are no recognised gains or losses for the Joint Strategic Committee.

Balance Sheet as at 31st March, 2010

This shows the financial position of the Joint Strategic Committee as a whole and summarises its assets and liabilities.

	Note	As at 31.03.2010		As at 31.03.2009	
		£'000	£'000	£'000	£'000
<u>Current Assets</u>					
Debtors & Prepayments	6	385		271	
Stocks	7	36		28	
Cash and Bank		1,497	1,918	802	1,101
<u>Less: Current Liabilities</u>					
Creditors and Receipts in Advance	8	(1,918)	(1,918)	(1,101)	(1,101)
Bank Overdraft		-	-	-	-
<u>Total Assets Less Current Liabilities</u>			-		-
<u>Long Term Liabilities</u>			-		-
<u>Total Assets Less Liabilities</u>			-		-
Financed by:					
Revenue Fund Balances			-		-
			-		-

Cash Flow Statement

This consolidated statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue purposes.

	2009/10		2008/09	
	£'000	£'000	£'000	£'000
<u>Revenue Activities</u>				
Cash Outflows:				
Cash paid to and on behalf of employees	9,526		3,580	
Cash paid to the suppliers of goods and services	634		-	
Government Grants	1		-	
Other operating cash payments	3,852	14,013	1,483	5,063
Cash Inflows:				
Government Grants	-		(9)	
Cash received for goods and services	(768)		(5,894)	
Other	(13,940)	(14,708)	-	(5,903)
(INCREASE)/DECREASE IN CASH		(695)		(840)

Notes to Core Financial Statements

1. **Officers' Emoluments**

The number of employees, in bands of £5,000, whose remuneration (excluding pension contributions) was £50,000 or more in the year to which the accounts relate, were as follows:

Remuneration Band	2009/10 No. of Employees	2008/09 No. of Employees
£50,000 - £54,999		
£55,000 - £59,999		
£60,000 - £64,999		
£65,000 - £69,999		
£70,000 - £74,999	9	10
£75,000 - £79,999		
£80,000 - £84,999		
£85,000 - £89,999		
£90,000 - £94,999	2	3
£95,000 - £99,999		
£100,000 - £104,999		
£105,000 - £109,999		
£110,000 - £114,999		
£115,000 - £119,999	1	1
to		
£145,000 - £149,999 *	1	
	13	14

* This officers remuneration includes redundancy payment of £74,981 as illustrated in the following note

For the purpose of this note remuneration means all amounts paid to or receivable by an employee during the year.

These emoluments relate to the employment of Senior Officers on behalf of both Adur District Council and Worthing Borough Council.

Remuneration Disclosures for Senior Officers whose salary is £150,000 or more per year

Note 1:

There were no members of staff whose salary was more than £150,000 in either 2009/10 or 2008/09.

Remuneration Disclosures for Senior Officers who salary is less than £150,000 but equal to more than £50,000 more per year

Note 2:

The Chief Executive, Strategic Directors and Executive Heads of Services are employed by Adur District Council and provide services to both Adur District Council and Worthing Borough Council as part of a formally agreed partnership arrangement where costs are shared. Adur District Council received £617,217 from Worthing Borough Council in 2009/10 for their share of employing these officers.

There were no bonuses paid to these staff in either 2008/09 or 2009/10.

7. Remuneration of Employees (continued)

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but equal to more than £50,000 more per year - See Note 2 above								
Postholder (Title and Name)	Salary (including Fees and Allowance)	Expense Allowance	Benefit in Kind e.g. Car Allowances	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions	Net Cost borne by Worthing B.C. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Chief Executive								
2009/10	115,510	98	1,269	116,877	18,713	135,589	67,795	67,795
2008/09	115,510	168	1,865	117,543	18,713	136,255	68,128	68,127
Strategic Director 1								
2009/10	90,813	159	-	90,972	14,712	105,684	52,842	52,842
2008/09	90,813	159	791	91,763	14,712	106,475	53,237	53,238
Strategic Director 2								
2009/10	90,863	120	916	91,899	14,720	106,618	53,309	53,309
2008/09	90,863	168	1,096	92,127	14,720	106,847	53,424	53,423
Strategic Director 3**								
2009/10	16,901	30	204	17,136	2,738	19,874	9,937	9,937
2008/09	90,813	162	717	91,692	14,712	106,404	53,202	53,202
** This post became vacant in the year and was subsequently deleted from the establishment								

Notes To The Core Financial Statements

7. Remuneration of Employees (continued)

Postholder (Title and Name)	Salary (including Fees and Allowance)	Expense Allowance	Benefit in Kind e.g. Car Allowances	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions	Net Cost borne by Worthing B.C. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Executive Head of Corporate Strategy								
2009/10	70,866	95	-	70,961	11,480	82,441	49,464	32,976
2008/09	70,866	162	-	71,028	11,480	82,508	49,305	33,033
Executive Head of Financial Services								
2009/10	70,866	-	-	70,866	11,480	82,346	49,408	32,939
2008/09	70,866	-	-	70,866	11,480	82,346	49,408	32,939
Executive Head of Planning, Regeneration & Wellbeing								
2009/10	70,866	250	517	71,633	11,480	83,113	49,868	33,245
2008/09	70,866	-	438	71,304	11,480	82,784	49,671	33,113
Executive Head of Legal & Democratic Services								
2009/10	70,891	-	60	70,951	11,484	82,435	49,461	32,974
2008/09	70,866	-	170	71,036	11,480	82,516	49,510	33,006
Executive Head of Leisure & Cultural Services								
2009/10	70,891	-	1,401	72,292	11,606	83,899	75,509	8,390
2008/09	70,891	-	985	71,876	11,571	83,447	75,102	8,345

Notes To The Core Financial Statements

7. Remuneration of Employees (continued)

Postholder (Title and Name)	Salary (including Fees and Allowance)	Expense Allowance	Benefit in Kind e.g. Car Allowances	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions	Net Cost borne by Worthing B.C. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Executive Head of Customer Services								
2009/10	70,916	-	1,260	72,176	11,641	83,817	50,290	33,527
2008/09	70,916	-	825	71,741	11,597	83,338	50,003	33,335
Executive Head of Housing, Health and Community Safety								
2009/10	70,955	168	818	71,941	11,495	83,436	50,061	33,374
2008/09	70,916	168	832	71,915	11,488	83,403	50,042	33,361
Executive Head of Adur Homes								
2009/10	70,916	168	96	71,179	11,488	82,668	8,267	74,401
2008/09	70,916	168	340	71,424	11,488	82,912	8,291	74,621
Executive Head of Technical Services								
2009/10	72,269	162	987	73,418	11,591	85,009	51,006	34,004
2008/09	72,706	162	496	73,364	11,558	84,992	50,953	33,969
Executive Head of Waste & Recycling								
2009/10 Compensation for loss of employment		74,981						
2009/10	70,891	168	613	146,653	11,484	158,137	94,882	63,255
2008/09	70,891	168	849	71,908	11,484	83,392	50,035	33,357

Notes to Core Financial Statements

2. Holding accounts

The joint strategic committee is responsible for most support services and other overhead costs on behalf of both Councils. These services support both the services of the Joint Committee and the services provided by each individual Council. Below is an analysis of the spend associated with these services:

Support Service	2009/10 Outturn
	£'000
Senior Officer Structure	1,652
Corporate Strategy	1,020
Financial Services	2,237
Legal and Democratic Services	1,433
Recycling and Waste Management	1,427
Corporate and Public Safety	156
Customer Services	965
Less : Recharges within the Joint Committee	(1,413)
Support costs charged to the constituent councils	7,477

3. Related Party Transactions

The Councils are required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Councils or to be controlled or influenced by the Councils. This includes disclosures related to the work of the Joint Strategic Committee, which is an inherent part of both Councils. Disclosure of these transactions allows readers to assess the extent to which the Councils might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Councils.

Central government has effective control over the general operations of the Councils, including those delivered via the Joint Strategic Committee - it is responsible for providing the statutory framework within which the Councils operate, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Councils has with other parties (e.g. housing benefits). Details of transactions with government departments are set out in a note relating to the Cash Flow Statement.

Members of the Councils have direct control over the Councils financial and operating policies. No members, or officers, declared any related party transactions in 2009/10 related to the work of the Joint Strategic Committee.

Notes to Core Financial Statements

4. **Disclosure of Audit Costs**

In 2009/10 the Joint Strategic Committee incurred the following Audit Commission fees relating to external audit and inspection:

	2009/10 £'000	2008/09 £'000
Audit – Code of Practice work e.g. accounts, performance review and financial controls	17	21
Inspection – e.g. Review of particular services	0	0
TOTAL	17	21

5. **Leasing**

Various vehicles, plant and office equipment are held on operating leases. Rentals paid in 2009/10 were £170,703 (£59,913 in 2008/09). This included leases of street sweeping equipment included under the remit of the Joint Strategic Committee for the first time.

The joint services were committed at 31st March, 2010 to contracting no new operating leases for vehicles, plant and equipment as all new purchases are now funded from prudential borrowing.

6. **Debtors**

Amounts falling due within one year:

	31.03.10 £000s	31.03.09 £000s
Government Departments	-	-
Sundry Debtors	370	271
Prepayments	15	-
	385	271

There is no provision for bad debts as the debts at the year-end as most of the debt relates to either the constituent authorities or West Sussex County Council or are debts that are less than a year old.

7. **Stocks**

The value of stocks at the year-end can be broken down as follows:

	31.03.10 £000s	31.03.09 £000s
Street Cleaning	9	-
Domestic Refuse	3	3
Recycling	23	20
Trade Refuse	1	5
	36	28

Street Cleansing stores were transferred to the remit of the Joint Committee in 2009/10.

Notes to Core Financial Statements

8. Creditors

Analysis of amounts due to be paid:

	31.03.10 £'000s	31.03.09 £000's
Government Departments	-	11
Sundry Creditors	1,918	1,090
	1,918	1,101

9. Reconciliation of net surplus on the Income and Expenditure Account to the revenue activities net cash flow. Shown in the Cash Flow Statement

	2009/10 £'000	2008/09 £'000
Revenue deficit/(surplus)		
Net (Surplus)/Deficit on Income and Expenditure Account	-	-
Adjust for:		
(Increase)/Reduction in Revenue Creditors	(817)	(841)
Increase/(Reduction) in Revenue Debtors	114	(27)
Increase/(Reduction) in Revenue Stock	8	28
Revenue activities net cash (inflow)/outflow	(695)	(840)

10. Reconciliation of the movement in cash to the movement in net debt

	2009/10 £000	2008/09 £000
Balances at beginning of year:		
Cash in hand/(overdrawn)	802	(38)
Less: Balances at end of the year:		
Cash (in hand) / overdrawn	(1,497)	(802)
Movement in Cash	(695)	(840)
(Decrease)/Increase in short-term investment	-	-
Movement in Net Funds	(695)	(840)

Notes to Core Financial Statements

9. **Analysis of Government Grants**

	2009/10 £'000	2008/09 £'000
Revenue Grants:		
DEFRA Waste Performance and Efficiency	(1)	-
	(1)	-

11. **Post Balance Sheet Events**

The accounts were authorised for issue on 29th June 2010 by the Joint Strategic Committee.

There are no post-balance sheet events.

Annual Governance Statement

1. *Scope Of Responsibility*

The Joint Strategic Committee 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 Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Committee 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. With this in mind, Adur District Council have been appointed as accountable body and the governance arrangements and systems of internal control are consistent with those adopted by Adur District Council.

Adur District Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on their website at www.adur.gov.uk or can be obtained from the Council. This statement explains how Adur District Council has complied with the code and also meets the requirements of regulation 4[2] of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit [Amendment] [England] Regulations 2006 in relation to the publication of a statement on internal control.

2. *The Purpose Of The Governance Framework*

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

The governance framework has been in place at the Committee for the year ended 31st March 2010 and up to the date of approval of the statement of accounts.

3. *The Governance Framework*

The key elements of the systems and processes that comprise the Committee's governance arrangements include arrangements for:

Annual Governance Statement

3. *The Governance Framework* (continued)

- identifying and communicating the Councils' vision of the Joint Strategic Committee's purpose and intended outcomes for citizens and service users
- reviewing the Councils' vision and its implications for the governance arrangements of the Joint Strategic Committee.
- measuring the quality of services for users, for ensuring they are delivered in accordance with the Committee's objectives and for ensuring that they represent the best use of resources
- defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication
- developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff
- reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks
- undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*
- ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- whistle-blowing and for receiving and investigating complaints from the public
- identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training
- establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation
- incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

4. *Review of Effectiveness*

The Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the two Councils who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Annual Governance Statement

4. *Review of Effectiveness* (continued)

The Committee has procedures in place to ensure the maintenance and review of the effectiveness of the governance framework, which includes reports to and reviews by the following:

- the Joint Strategic Committee, the Joint Overview and Scrutiny Committees, and the Standards Committee of each Council
- internal and external audit
- other explicit review/assurance mechanisms.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Joint Strategic Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. *Significant Governance Issues*

There are no significant governance issues identified.

6. *Other Issues*

The Governance Action Plan has been updated to deal with any issues brought forward from the 2009 review, together with any new issues which have been identified during the current review.

7. *Proposed Action*

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements and an action plan has been devised to enable the Committee to meet this objective. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: 29th June, 2010

Councillor Paul Yallop
Chairman of Joint Strategic Committee

Signed: _____ Date: 29th June, 2010

Ian Lowrie
Joint Chief Executive of
Adur and Worthing Councils

Independent Auditor's Report to Adur and Worthing Joint Strategic Committee

Opinion on the financial statements

I have audited the accounting statements and related notes of Adur and Worthing Joint Strategic Committee for the year ended 31 March 2010 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Balance Sheet, 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 the 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 published by the Audit Commission in April 2008.

Respective responsibilities of the Executive Head of Financial Services and auditors

The Executive Head of Financial Services' responsibilities for preparing the accounting statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the accounting 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 give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the 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 accounting 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 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.

Independent Auditor's Report to Adur and Worthing Joint Strategic Committee

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 Committee in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the 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 Committee's accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Committee as at 31 March 2010 and its income and expenditure for the year then ended.

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

Committee's Responsibilities

The 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 Committee 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 for local government bodies specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Committee has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

***Independent Auditor's Report
to Adur and Worthing Joint Strategic Committee***

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in January 2009 and the supporting guidance, I am satisfied that, in all significant respects, Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010.

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.

Helen Thompson,
District Auditor
Audit Commission,
Suite 2, Ground Floor
Bicentennial Building
Southern Gate
CHICHESTER
West Sussex PO19 8EZ
September 2010