



***Joint Strategic
Committee
Statement of
Accounts
2013/2014***

JOINT STRATEGIC COMMITTEE

STATEMENT OF ACCOUNTS

for the year ended 31st March, 2014

C O N T E N T S

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EXPLANATORY FOREWORD

INTRODUCTION

This is an explanatory foreword to the Statement of Accounts for the year ended 31 March 2014.

The accounts shown on the following pages have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) supported by the International Financial Reporting Standards (IFRS) and are in respect of the financial year ended 31 March 2014.

Changes to the CIPFA Code of Practice for 2013/14 relevant to this authority include:-

- revisions to post-employment benefits;
- amendment to the presentation of financial statements
- Enhancement to the guidance where uncertainty was identified in the areas of Property, Plant and Equipment, non-current assets, leases, grants, financial instruments

The significant Accounting Policies are included as Note 1 to these accounts.

As a result of the 2011 Accounts and Audit Regulations, there is no longer the requirement to include the Governance Statement as part of the Statement of Accounts. Once approved, the Governance Statement will be published at the end of this document.

The Statements are listed and explained in the next section.

EXPLANATION OF ACCOUNTING STATEMENTS

The Statement of Accounts consists of:

Page No:

Statement of Responsibilities

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This statement sets out the respective responsibilities of the Joint Strategic Committee (JSC) and the Chief Finance Officer in respect of the JSC's accounts. This statement confirms that the accounts give a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the given financial year.

Movement in Reserves Statement

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This statement shows the movement in the year on the different reserves held by the JSC, analysed into 'usable reserves' and 'unusable reserves'.

Comprehensive Income and Expenditure Statement

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This statement provides a summary of the resources generated and consumed by the JSC in the year that have contributed to the changes in resources shown in the Movement in Reserves Statement (MiRS). It demonstrates how the net cost for the year has been financed from Adur District Council and Worthing Borough Council.

EXPLANATORY FOREWORD

EXPLANATION OF ACCOUNTING STATEMENTS

The Balance Sheet	10
This statement summarises the JSC's assets and liabilities as at 31st March 2014 in its top half. The bottom half of the statement sets out the reserves split into the 2 categories of 'usable' and 'unusable' Reserves.	
The Cash Flow Statement	11
This statement summarises the flows of cash and cash equivalents of the JSC that have taken place over the financial year.	
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WORKING IN PARTNERSHIP

Government initiatives have placed great emphasis on partnership working for future service delivery to help meet the changing needs of customers and the cost savings authorities need to find. To achieve this goal Adur District and Worthing Borough Councils embarked on an innovative partnership arrangement.

The shared single officer structure, which was introduced in April 2008, now includes all of the services that were intended to operate as shared Adur & Worthing services with a net cost of services of £24.7m. The shared services are managed via a Joint Committee. This Joint Committee has to meet all the accounting requirements of a public sector body. For accounting purposes the following key processes apply:-

- The Joint Strategic Committee has a separate budget and statement of accounts.
- As each service moves across to the Joint Strategic Committee their respective budgets and spend are pooled.
- The joint budgets/expenditure are recharged back to Adur and Worthing Councils.

A separate statement of accounts is required to be produced for the Joint Strategic Committee for Adur and Worthing Councils. A copy is available on request from the Executive Head (Financial Services) Financial Services, Town Hall, Chapel Road, Worthing, BN11 1HB.

COUNCIL PRIORITIES

The harmonised high level corporate priorities for Adur and Worthing Councils, which also apply to the Joint Strategic Committee, were updated in April 2013.

The 4 current corporate priorities, jointly agreed by Adur and Worthing Councils, are:-

- Supporting and improving the local economy;
- Protecting front line services
- A mixed economy of partnership working
- Ensure value for money and low Council Tax

Budget and resource allocation is targeted towards improving services in each of these areas.

EXPLANATORY FOREWORD

MEDIUM TERM FINANCIAL PLAN (MTFP) INCLUDING CURRENT ISSUES AND FUTURE PLANS

The most recent budget strategy for this council has been compiled in the context of the Government's Comprehensive Spending Review and the 2014/15 local government settlement. Both councils agreed a budget strategy to meet this challenge through 3 major work streams – major service reviews, efficiency reviews and base budget reviews. As a result significant savings were identified as part of the 2014/15 budget round.

The JSC budget strategy has taken account of risks such as:

- income generated by both Councils may be affected by the recession;
- withdrawal of funding by partners, potentially losing funding for key priorities;
- the inflation allowance in non-pay budgets may be insufficient, resulting in higher than expected costs

Both of the partnership Councils have a working balance and other earmarked reserves to help mitigate these risks.

Further details around the MTFPs for both councils are contained in the "*Outline Forecast 2015/16 To 2019/20 And Budget Strategy*", which was reported to 22nd July 2014 Joint Strategic Committee.

The link for this report is <http://www.adur-worthing.gov.uk/media/media,125630,en.pdf>

A new Chief Executive took up his role in September 2013. His approach to the challenges facing the 2 councils is set out in the document "*Catching The Wave*". The link for this document is <http://www.adur-worthing.gov.uk/media/media,125629,en.pdf>

The Chief Executive set up 5 work streams:

- (i) Structures
- (ii) Operating Systems
- (iii) Communications
- (iv) Partnership
- (v) Organisational Development

Key areas for early attention include:

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming adaptive councils

An update on *Catching The Wave* is contained in, agenda item 5, the 22 July 2014 report to the Joint Strategic Committee, "*Catching the Wave*" – A progress update on organisational change".

The link for this document is <http://www.adur-worthing.gov.uk/media/media,125629,en.pdf>

EXPLANATORY FOREWORD

MEDIUM TERM FINANCIAL PLAN (MTFP) INCLUDING CURRENT ISSUES AND FUTURE PLANS

FINANCIAL OVERVIEW

A comprehensive summary of the financial performance of the Partnership authorities – Adur District Council, Worthing Borough Council and the JSC – is contained in the 24th June 2014 JSC report “Revenue and Capital Outturn for Joint, Adur and Worthing 2013/14”. This is available on the joint Adur District Council and Worthing Borough Council website www.adur-worthing.gov.uk.

The financial activities of the JSC can be categorised as either Revenue or Capital:

- Revenue spending represents the net cost of consuming supplies and providing services delivered by the JSC in its day-to-day business during the year.
- Capital spending results in an asset, which will provide benefit to the JSC over a number of years.

SUMMARY OF REVENUE SPEND

A more detailed summary of the JSC financial results for 2013/14 is given on the following pages but a brief outline of what we planned to spend and what we actually spent is given below.

The financial outturn for the General Fund shows that the JSC has again contained expenditure within the original budget levels despite facing a range of additional costs that were not part of the original budget. The current economic recession has impacted on income streams for the JSC. In 2013/14 the JSC reported an underspend of £453,386 against a budget of £20,686,780. The major variations are explained in more detail in the 24th June 2014 Joint Strategic Committee report “Revenue and Capital Outturn for Joint, Adur and Worthing 2013/14”. <http://www.adur-worthing.gov.uk/media/media,124885,en.pdf>. This report is freely available on the joint Adur District Council and Worthing Borough Council website www.adur-worthing.gov.uk.

Overall therefore the JSC has had a generally successful year from a financial perspective, maintaining and improving services and delivering on major capital investments whilst containing spend within approved budgets and being able to maintain reserves.

EXPLANATORY FOREWORD

SUMMARY OF REVENUE SPEND

How the money was spent and how services were funded

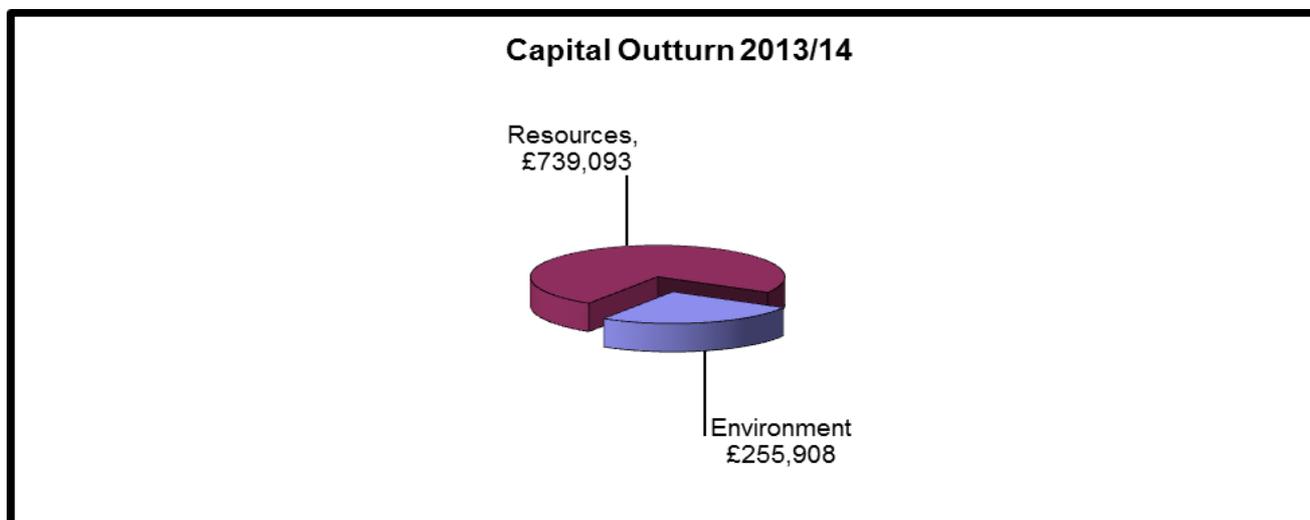
SUMMARY FINAL REVENUE OUTTURN			
SERVICE BLOCK	CURRENT ESTIMATE 2013/14	OUTTURN 2013/14	UNDER/ OVERSPEND
	£000s	£000s	£000s
Financial Services	3,373	3,459	86
Technical Services	5,626	5,617	(9)
Leisure & Cultural Services	-	-	-
Planning Regeneration & Wellbeing	3,570	3,454	(116)
Recycling and Waste Management	4,522	3,943	(579)
Customer Services	1,687	1,631	(56)
Corporate & Cultural	2,203	2,278	75
Housing Health & Community Safety	3,203	2,990	(213)
Chief Executive & Corporate Strategy	1,073	1,219	146
Adur Homes	110	91	(19)
TOTAL SERVICES	25,368	24,682	(685)
ALLOCATION OF COSTS			
Recharged to other joint services	(4,681)	(4,449)	232
	20,687	20,233	(453)
Grants Reserves	-	(52)	(52)
Adur District Council	(8,128)	(7,851)	277
Worthing Borough Council	(12,558)	(12,330)	229
	(20,687)	20,233	(453)

SUMMARY OF CAPITAL SPEND

Capital spending either maintains or creates new assets or is expenditure that is capital under statute that will contribute to the Council's aims and objectives over more than one year. The Council plans and budgets for capital expenditure by means of a three-year 'rolling' Capital Programme.

EXPLANATORY FOREWORD

SUMMARY OF CAPITAL SPEND



Capital expenditure in the Joint Committee relates to joint assets and is funded by Worthing and Adur Councils as show below:

				2013/14
				£'000
		Adur District Council		431
		Worthing Borough Council		564
		TOTAL		995

“The Council’s assets have been increased. The size of the capital programme, the funding and the capital outturn is explained in more detail in the 24th June 2014 Joint Strategic Committee report “Revenue and Capital Outturn for Joint, Adur and Worthing 2013/14”. <http://www.adur-worthing.gov.uk/media/media,124885,en.pdf>. This report is freely available on the joint Adur District Council and Worthing Borough Council website www.adur-worthing.gov.uk.

POST EMPLOYMENT BENEFITS

Prior to 2013/14 staff paid through the Joint Strategic Committee were included within the Adur District and Worthing Borough Councils IAS19 report on pension liabilities from the Council’s Actuary. To improve how pension costs are shown within the accounts, a separate IAS19 report was commissioned for the Joint Strategic Committee. Within the Adur District Council accounts, who acted as the employing Council, Note 48 reflects the bulk transfer of staff that took place, (for IAS19 purposes), to the Adur/Worthing Joint Committee at the close of business on 31 March 2013. The information to reflect this change to the Joint Strategic Committee accounts, and therefore compile the relevant note to the Joint Strategic Committee accounts, was not supplied in time for the production of these accounts

EXPLANATORY FOREWORD

ACHIEVEMENTS IN 2013/14

The Revenue and Capital transactions recorded in these statements supported all the Councils' activities and objectives in 2013/14. Substantial achievements were made in the following areas:

New ways of working - The Councils embarked on an accommodation project with the aim of reducing down the number of large buildings that are owned and managed. The project will save the Councils over £250,000 per year once it is completed. The Council has successfully relocated its staff into two buildings and will be in a position to dispose of the Civic Centre once the extension to the Shoreham Centre has been completed. The rationalisation of the accommodation has also enable the Councils to provide updated space to the local Citizen Advice Bureaux and other voluntary groups

City Deal - The City Deal was signed by both Councils. This innovative collaboration will promote economic regeneration in both Adur and Worthing as part of the greater Brighton area.

The Think Family Initiative - The Council has been working in partnership with West Sussex County Council to support the most vulnerable families in our communities, aiming to improve life prospects, especially for children, and reduce pressure on public services.

Grounds Maintenance Service - The previously separate services for Adur and Worthing councils came together in 2013/14. While 2013/14 was a year of amalgamation, 2014/15 will see the development of the service and the delivery of substantial savings.

Waste Management Service - The service continues to deliver a high quality service year on year whilst reducing the cost to the tax payer. In particular, the garden waste bin service continues to be very popular and the number of residents using this service grows every year.

SUMMARY

This is a challenging time for Local Government. Both the partnership Councils have faced a considerable reduction in central Government funding and have a strong desire to limit the increases to Council Tax.

The overall under spend for the JSC is most welcome at this time to help the Councils manage the impact of the financial climate which it is currently grappling with, to build capacity to manage budget reductions over the next year and fund future service developments.

The outturn position will inform the development of the 2015/16 budget. The intention is to build in recurring under spends into the 2015/16 budget where possible and so avoid the need for unnecessary service reductions.

FURTHER INFORMATION

Further information on the Joint Strategic Committee's accounts is available from the Section 151 Chief Financial Officer based at the Town Hall, Chapel Road, Worthing, or by accessing the joint Adur and Worthing Councils website, www.adur-worthing.gov.uk.

Information on joint policies and plans for the Adur Worthing partnership, and especially their joint Key Priorities are obtainable on application to the Head of Productivity and Innovation in the Town Hall, Chapel Road, Worthing or by accessing the joint Adur and Worthing Councils' website, www.adur-worthing.gov.uk

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

The Joint Governance and Audit Committee's Responsibilities:

- (a) 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 the Joint Strategic Committee in the financial year 2013/14 that officer was the Chief Financial Officer.
- (b) To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- (c) To approve the Statement of Accounts by 30th September, 2014.

The Chief Financial Officer and Section 151 Officer's Responsibilities:

The Chief Financial Officer is responsible for the preparation of the Joint Strategic Committee's Statement of Accounts which is required to give a true and fair view of the financial position of the Joint Strategic Committee.

In preparing the statement of accounts the Chief Financial Officer is to select accounting policies and apply them consistently, make judgements and estimates that are reasonable prudent, and ensure that the Statement of Accounts complies with the Code of Practice on Local Authority Accounting.

The Chief Financial Officer also has to keep proper accounting records which are up to date and to take reasonable steps to prevent and detect fraud and other irregularities.

This Statement of Accounts is prepared and published in accordance with the Accounts and Audit Regulations 2011 and the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy.

This Statement of Accounts presents a true and fair view of the financial position of the Joint Strategic Committee at 31st March, 2014 and its income and expenditure for the year ended on that date.

SARAH GOBEY
Chief Financial Officer

Dated: 23rd September, 2014

Certificate of Approval by Joint Governance and Audit Committee

I confirm that these Accounts were approved by the Joint Governance and Audit Committee of Adur District Council and Worthing Borough Council on 23rd September, 2014.

ROD HOTTON
Chairman, Joint Governance and Audit Committee

Dated: 23rd September, 2014

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Committee services, more details of which are shown in Comprehensive Income and Expenditure Statement. The 'Net Increase /Decrease before transfers to earmarked reserves' line shows the net expenditure of the Joint Strategic Committee before any discretionary transfers to or from earmarked reserves undertaken by the Committee.

	Joint Strategic Committee Working Balance	Earmarked Grants & Contributions Reserves	Earmarked Transferred Asset Adjustment A/c Reserves	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Restated Balance at 31.03.12	-	317	5,692	6,009	(10,205)	(4,196)
Movement in Reserves during 2012/13						
Surplus or (deficit) on provision of services	929	-	-	929	-	929
Other Comprehensive Expenditure & Income		-		-	-	-
Total Comprehensive Expenditure and Income	929	-	-	929	-	929
Adjustments between accounting and funding basis under Regs	-	-	-	-	-	-
Net Increase/Decrease before Transfers to Earmarked Reserves	929	-	-	929	-	929
Transfers to/from Earmarked Res. (Note 7)	(929)	(50)	979	-	-	-
Increase/Decrease (movement) in Year	-	(50)	979	929	-	929
Balance at 31.03.13 c/fwd	-	267	6,671	6,938	(10,205)	(3,267)
Movement in Reserves during 2013/14						
Surplus or (deficit) on provision of services	(4,380)	-	-	(4,380)	-	(4,380)
Other Comprehensive Expenditure and Income	6,648	-	-	6,648	-	6,648
Total Comprehensive Expenditure and Income	2,268	-	-	2,268	-	2,268
Adjustments between accounting and funding basis under regs	(2,637)	-	-	(2,637)	2,637	-
Net Increase/Decrease before Transfers to Earmarked Reserves	(369)	-	-	(369)	2,637	2,268
Transfers to/from Earmarked Res. (Note 7)	369	(52)	(317)	-	-	-
Increase/Decrease in Year	-	(52)	(317)	(369)	2,637	2,268
Balance at 31.03.14 c/fwd	-	215	6,354	6,569	(7,568)	(999)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

	2013/14	2013/14		2013/14	2012/13	2012/13	2012/13
	Gross Expenditure	Gross Income	Note	Net Expenditure	Gross Expenditure	Gross Income	Net (Income) Expenditure
	£'000	£'000		£'000	£'000	£'000	£'000
NET EXPENDITURE ON SERVICES							
Central Services to the Public	736	-		736	662	-	662
Cultural and Related Services	1,434	(29)		1,405	651	-	651
Environmental and Regulatory Services	8,972	(1,975)		6,997	8,943	(1,901)	7,042
Planning Services	5,189	(1,434)		3,755	4,616	(1,279)	3,337
Highways and Transport Services	295	-		295	266	-	266
Housing Services	775	(113)		662	702	(68)	634
Adult Social Care	-	-		-	-	-	-
Corporate & Democratic Core	389	-		389	326	-	326
Non-Distributed Costs	82	-		82	-	-	-
Net Cost of General Fund Services	17,872	(3,551)		14,321	16,166	(3,248)	12,918
Holding Accounts	8,537	(191)		8,346	7,755	(133)	7,622
Net Cost of Services	26,409	(3,742)		22,667	23,921	(3,381)	20,540
Other Operating Expenditure			8	77			10
Financing and investment income and expenditure				2,784			-
Taxation and non-specific grant income			9	(967)			(2,314)
Funded by Adur District Council				(7,851)			(7,827)
Funded by Worthing Borough Council				(12,330)			(11,338)
(Surplus) or Deficit on Provision of Services				4,380			(929)
Remeasurments of the net defined pension benefit liability			10	(6,648)			-
Other				-			-
Other Comprehensive Income and Expenditure				(6,648)			-
Total Comprehensive Income and Expenditure				(2,268)			(929)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Committee.

	See Note No:	As at 31st March 2014	Restated As at 31st March 2013
		£'000	£'000
Long Term Assets:			
Property, Plant & Equipment	10	6,052	6,518
Investment Property		-	-
Intangible Assets	11	301	152
Assets Held for Sale		-	-
Long Term Investments		-	-
Long Term Debtors		-	-
Total Long Term Assets		6,353	6,670
Current Assets:			
Short Term Investments		-	-
Assets Held For Sale		-	-
Inventories	13	143	140
Short Term Debtors	14	927	752
Cash & Cash Equivalents	15	1,260	2,399
Total Current Assets		2,330	3,291
Current Liabilities:			
Cash & Cash Equivalents		-	-
Short Term Borrowing		-	-
Short Term Creditors	16	(1,728)	(2,705)
Provisions		-	-
Grants Receipt in Advance - Revenue	26	(386)	(318)
Total Current Liabilities		(2,114)	(3,023)
Long Term Liabilities:			
Long Term Creditors		-	-
Provisions		-	-
Long Term Borrowing		-	-
Pension Liability		(7,568)	(10,205)
Total Long Term Liabilities		(7,568)	(10,205)
Net Assets		(999)	(3,267)
Financed By Reserves:			
Usable Reserves	17	(6,569)	(6,938)
Unusable Reserve	18	7,568	10,205
Total Reserves		999	3,267

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Strategic Committee during the reporting period. The statement shows how the Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Strategic Committee are recharged to the constituent authorities and the recipients of services provided by the Committee. There are no financing or investing activities for the Joint Strategic Committee. Financing and Investing activities would normally represent the extent to which cashflow and outflows have been made for resources which are intended to contribute to the Committee's future service delivery.

See Note No:	2013/14	2012/13
	£'000	£'000
Net surplus or (deficit) on provision of services	(4,380)	929
Adjustments to net surplus or deficit on the provision of services for non cash movements	3,241	(2,379)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-	-
Net cash flows from Operating Activities	(1,139)	(1,450)
Net increase or decrease in cash and cash equivalents	(1,139)	(1,450)
Cash and cash equivalents at the beginning of the reporting period	2,399	3,849
Cash and cash equivalents at the end of the reporting period	1,260	2,399

PRIOR YEAR ADJUSTMENT

Prior to 2013/14 staff paid through the Joint Strategic Committee were included within the Adur District and Worthing Borough Councils IAS19 report on pension liabilities from the Council's Actuary. To show pension costs and liabilities within the Joint Strategic Committee accounts in accordance with IFRS , a separate IAS19 report was commissioned for the Joint Strategic Committee. Within the Adur District Council accounts, who acted as the employing Council, Note 31 reflects the bulk transfer of staff that took place, (for IAS19 purposes), to the Adur/Worthing Joint Committee at the close of business on 31 March 2013. Where this has restated the 2012/13 accounts the movements are shown below.

Balance Sheet	2012/13	Restated 2012/13
	£'000	£'000
Long Term Liabilities	-	(10,205)
Change in Net Assets		(10,205)
Unusable Reserves	-	10,205
Total Reserves		10,205

Movement In Reserves Statement	2012/13	Restated 2012/13
	£'000	£'000
Unusable Reserves	-	(10,250)
Net change due to Pensions Reserve as a result of the introduction of IAS19 pensions benefit accounting		(10,250)

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING POLICIES 2013/14

General

The accounts have been prepared in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA)/The Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Financial Accounting in the United Kingdom - 2013/14, which is based on International Financial Reporting Standards (IFRS).

The concepts and principles of International Accounting Standards Board Conceptual Framework for Financial Reporting (2010) have been applied and are outlined below.

The Statement of Accounts has been prepared with the overriding requirement that it is a 'true and fair' representation of the financial position, performance and cash flows of the Joint Strategic Committee.

The Joint Strategic Committee has endeavoured to ensure that within the restrictive definitions of the regulations the following objectives have been met:-

- To provide financial information about the reporting authority that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to it.
- To provide information about the authority's financial performance, financial position and cash flows that is useful to a wide range of users for assessing the stewardship of the management and for making economic decisions.
- To meet the common needs of most users focusing on the ability of the users to make economic decisions, the needs of public accountability and the stewardship of the authority's resources.

UNDERLYING ASSUMPTION TO THE STATEMENT OF ACCOUNTS

Accruals

The non-cash effects of transactions have been reflected in the statements for the financial year in which they occur, not when any cash is received or paid. The current de minimis is £250.

Going Concern

The accounts have been prepared on the assumption that the Joint Strategic Committee will continue to provide operational services for the foreseeable future.

FUNDAMENTAL QUALITATIVE CHARACTERISTICS OF FINANCIAL STATEMENTS

Relevance and faithful representation

The information in the accounts is useful in assessing the Joint Strategic Committee's stewardship of public funds and for making economic decisions. It is intended to be complete, neutral and free from error.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

FUNDAMENTAL QUALITATIVE CHARACTERISTICS OF FINANCIAL STATEMENTS

Materiality

An item is considered to be material where its omission or mis-statement could influence the decisions or assessments of users of the financial statements presented in the accounts. Materiality, therefore, is subjective and depends on the nature or size of the omission or mis-statement judged in the surrounding circumstances.

The Joint Strategic Committee has therefore exercised its professional judgement in considering the size and nature of any transaction, or set of transactions, brought into the financial statements. In so doing, the Joint Strategic Committee does not set fixed monetary limits or rules for materiality, but has taken a view upon what would provide a proper understanding of the Joint Strategic Committee's overall financial position. Where appropriate, such a view has been reached in consultation with the Joint Strategic Committee's auditors.

ENHANCED QUALITATIVE CHARACTERISTICS

Comparability

A consistent approach to accounting policies is used in preparing the accounts to ensure that they may be compared to previous years.

Verifiability

A faithful representation of the economic position.

Timeliness

The financial statements provide information to decision makers in time to be capable of influencing their decisions.

Understandability

Classifying, characterising and presenting information that is clear and concise. The financial statements are prepared for users who have a reasonable knowledge of business and economic activities.

Primacy of Legislative Requirements

The Joint Strategic Committee operates through the power of statute. Where legislation prescribes the express treatment of transactions, then the accounting concepts outlined above will be over-ruled.

Elements of financial statements

The elements directly related to the measurements of financial position in the Balance Sheet are assets, liabilities and reserves. The elements directly related to the measurement of the financial performance in the Comprehensive Income and Expenditure Statement are income and expenses.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

ENHANCED QUALITATIVE CHARACTERISTICS

Elements of financial statements

The Cash Flow Statement reflects elements in both the Comprehensive Income and Expenditure Statement and the Balance Sheet.

In assessing whether an item meets the definition of an asset, liability or reserve, consideration has been given to its underlying substance and economic reality and not merely its legal form.

INCOME AND EXPENDITURE

Revenue Recognition

Revenue recognition has been accounted for in accordance with IAS 18. Revenue is measured at fair value of the consideration received or receivable. Fair value is generally regarded as the amount for which an asset could be acquired, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The exception to this principle is financial assets. These are measured in accordance with the CIPFA Code's requirements for financial instruments.

When the Committee has an agency arrangement, the amounts collected on behalf of third parties are excluded from revenue.

COSTS OF SUPPORT SERVICES

The CIPFA Service Reporting Code (SRCOP) requires the costs of support services to be charged on a fair and transparent basis. The allocation bases used for the main costs are outlined below. The majority of services are allocated out on a time allocation basis with the exception of the following:

Admin Buildings	Headcount
Human Resources inc training	Headcount
Payroll	Headcount
ICT	Headcount
Customer Services	Number of calls multiplied by length of time per call
Cashiers	Number of transactions
Exchequer Services	Number of transactions
Insurance - Employees	Headcount
Insurance - Premises	Premises Valuation
Insurance - Vehicles	No of Vehicles

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

GRANTS AND CONTRIBUTIONS

Grants and other contributions in relation to revenue and capital expenditure are accounted for on an accruals basis and released to 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. The de minimis for grants and contributions is £5,000.

LEASES

Leases are accounted for under IAS 17 which requires them to be classified between finance leases and operating leases. IAS 17 defines a lease as “a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership”.

However, since the Joint Strategic Committee is not a legal entity, it is unable to enter into credit arrangements. Therefore, all leases are accounted for in the constituent authorities to which the lease obligations apply.

INTANGIBLE ASSETS

The following criteria need to be met before an asset is classified as an intangible asset.

1. The asset must be identifiable.
2. The asset must lack physical substance.
3. The asset is controlled by the Authority and benefit from future economic benefits. Intangible assets are measured at cost.
4. Intangible assets are amortised over their useful lives.

The Committee has no internally generated assets. Software licences are capitalised as intangible assets and amortised on a straight line basis over the expected life of the asset.

NON CURRENT ASSETS

Expenditure and Valuation principles

Expenditure on the acquisition, creation or enhancement of non-current assets is required to be capitalised on an accruals basis in the Balance Sheet, provided that the non-current asset yields benefits to the Joint Strategic Committee and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of non-current assets.

Non-current assets are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). Non-current assets are classified into the groupings required by the International Financial Reporting Standards (IFRS) code.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

NON CURRENT ASSETS

Expenditure and Valuation principles

The principal valuation bases used are:

- Property, Plant and Equipment assets are initially valued at cost and included in the balance sheet at market value. Where there is no open market value, assets are included in the balance sheet at depreciated replacement cost. Assets under construction are stated at depreciated historic cost value.
- Assets held for sale are included in the balance sheet if their carrying amount is going to be recovered principally through a sale transaction rather than through continued use. Donated assets are revalued at fair value.
- Assets reclassified as Held for Sale when the following criteria are met:
 - i) The asset is available for sale in its present condition subject to terms that are customary for sales of such assets.
 - ii) The sale must be highly probable.
 - iii) The appropriate level of management must be committed to a plan to sell the asset (or disposal group).
 - iv) The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification except where the sale is likely to proceed to a sale without significant changes to the plan of sale.

For 2013/14 the Joint Strategic Committee's asset values have been included in the accounts based on professional valuations. A *de minimis* value of £10,000 per capital contract or rolling programme has been applied to new vehicles, plant and equipment, and £10,000 for new land and buildings. Assets valued below these limits are not included, unless a revaluation is pending.

Disposals

Assets are disposed of in the year of sale and the profit or loss on disposal is charged to the Comprehensive Income and Expenditure Account.

Charges to Revenue for non-current Assets

Service revenue accounts, central support services, and trading accounts are charged with a depreciation charge, profit or loss on disposal and any impairment loss for most non-current assets used in the provision of services. The depreciation charge is credited out of the Comprehensive Income and Expenditure Statement via the Transferred Asset Adjustment Account on the Balance Sheet, so that there is no impact on the provision of Joint Strategic Committee services.

Asset lives are established by reference to the expected timespan over which the Council expects to get economic benefits from that asset. This could be a valuer or the officer using the asset.

The useful life of assets is determined as follows, excepting where there may be exceptional circumstances:

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

NON CURRENT ASSETS

Charges to Revenue for non-current Assets

Vehicles	10 years
Equipment	from over 1 to 25 years
Intangible Assets, Software	from over 1 to 7 years
Assets (Finance Leases)	Up to 10 years

Impairment

The value at which each category of assets is included in the balance sheet has been reviewed at the year-end, and where there is reason to believe that its value has reduced materially in the period due to impairment, the valuation has been adjusted accordingly.

Depreciation

Depreciation is charged to service revenue accounts for most non-current assets:

- newly acquired assets are depreciated from the first full year they become operational. Assets in the course of construction are not depreciated until they are brought into use
- assets disposed of are depreciated in the year of disposal
- depreciation is calculated using the straight-line method over the useful life of the asset
- assets acquired under Finance Leases are depreciated over the asset life, or the lease term if shorter.

Inventories

These include waste bins, cleaning materials, vehicle spares and fuel.

The Joint Strategic Committee has accounted for inventories in accordance with IAS2 and IPSAS 12.

CURRENT LIABILITIES

Provisions

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

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

DEBTORS AND CREDITORS

The revenue and capital accounts of the Joint Strategic Committee are maintained on an accruals basis in accordance with the Code. Sums due to or payable by the Joint Strategic Committee 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 for debtors and creditors are made on a best-estimate basis.

ACCOUNTING FOR FINANCIAL INSTRUMENTS

The Joint Strategic Committee recognises financial instruments in the accounts at the point when contractual obligations are made in regard to exchange of goods and services, rather than when receipts or payments pass from one party to another.

The accounting treatment of any particular financial instrument (i.e. how its carrying value is measured, and gains and losses recognised) depends on its classification on initial recognition. For this purpose, IFRS7 recognises two classes of financial liabilities and four classes of financial assets, being:

FINANCIAL LIABILITIES	FINANCIAL ASSETS
Amortised cost Fair value through profit or loss	Loans and receivables Available for sale Fair value through profit or loss Held to maturity

The Joint Strategic Committee's financial assets include trade receivables, (debtors) while its financial liabilities include trade and other payables (creditors). Both classes of financial instruments have been accounted for at amortised cost taken as the carrying amount on initial recognition (i.e. the transaction price), The Joint Strategic Committee does not operate bank accounts, or undertake borrowing or investments, which would otherwise give rise to further financial instruments disclosures..

The Code requires that each class of financial assets and financial liabilities be disclosed at "fair value" in a way that permits it to be compared with the carrying amount in the statement of accounts.

Fair value is taken as meaning the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arms-length transaction.

The fair value of trade receivables and trade and other payables is disclosed in Note 12.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents are defined as "short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value". As the Joint Strategic Committee does not hold cash or operate bank accounts, the cash and cash equivalents reported in the Balance Sheet and Note 15 are notional and reflect the movement of funds transacted on behalf of the Joint Strategic Committee by Adur District Council.

RESERVES

The Reserves in the Joint Strategic Committee Balance Sheet are analysed between usable and unusable reserves.

The Usable Reserves in the 2013/14 Joint Strategic Committee Balance Sheet comprise of two elements.

1. **The Grants and Contributions Reserve** is used where the grant or contribution has no conditions or conditions are met, the grant has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date.
2. **The Transferred Assets Adjustment Account**, provides a credit balance equal to the written down value of assets capitalised on the Balance Sheet and Note 17. This is used to finance the annual charge for depreciation included in the Comprehensive Income and Expenditure Statement.

The Joint Strategic Committee does not hold any other reserves. All income and expenditure is distributed to the constituent Councils at the year end.

VALUE ADDED TAX

VAT is included in the Comprehensive Income and Expenditure Account only to the extent that it is irrecoverable.

EMPLOYEE BENEFITS

Pension Costs

The pension costs in the Council's accounts show the attributable share of the assets and liabilities of West Sussex Local Government Pension Fund, which provides Council employees with defined benefits relating to pay and service. This accounting treatment complies fully with the requirements of IAS 19 and presentational revisions reflect the 2013/14 Code changes to the classification, recognition, measurement and disclosure requirements introduced by the June 2011 amendments to IAS 19.

Employees of Adur District Council are members of a pension scheme:

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Pension Costs

- The Local Government Pensions Scheme, administered by West Sussex County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the West Sussex County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on bonds.
- The assets of West Sussex County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return - credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Pension Costs

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve;
- contributions paid to the West Sussex County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Councils also have restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Termination Benefits

Termination benefits, such as redundancy payments, are payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept a voluntary redundancy offer in exchange for those benefits. They are often lump-sum payments, but also include enhancement of retirement benefits

The Code requires that a liability for a termination benefit is recognised at the earlier of the following dates:

when the authority can no longer withdraw the offer of those benefits, and
when the authority recognises costs for a restructuring that is within the scope of section 8.2 of the Code and IAS 37 (see Module 8, section B) and involves the payment of termination benefits.

Redundancy costs are recognised in the year in which the decision is made.

A contribution is made to some Reserve Account balances based upon the average rate of return on the Council's investments for the year.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Current Employee Benefits And Accumulated Absences

The Council reviews the cost of accumulated absences as required by the IFRS code of practice.

The review reveals that the level of this is not material and therefore has chosen not to accrue these costs.

Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

Adjusting Events - Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

Non-adjusting Events - Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably. Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

CONTINGENT LIABILITIES

Contingent liabilities are possible obligations arising from past events whose existence will only be confirmed by future events not wholly within the control of the Joint Strategic Committee. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts unless perceived as being remote.

PRIOR PERIOD ADJUSTMENTS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Committee's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

PRIOR PERIOD ADJUSTMENTS

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

NOTE 2: ACCOUNTING STANDARDS ISSUED, BUT HAVE NOT YET BEEN NOT ADOPTED

The Code of Practice on Local Council Accounting in the United Kingdom 2014/15 (the Code) has introduced several changes in accounting policies which will be required from 1 April 2014. If these had been adopted for the financial year 2013/14 there would be no material changes as detailed below.

A number of new and revised standards have been issued addressing the accounting for consolidation, involvements in joint arrangements and disclosure of involvements in other entities. These include:

- IFRS 10 Consolidated Financial Statements – This standard introduces a new definition of control, which is used to determine which entities are consolidated for the purposes of group accounts. The Council does not currently have any subsidiaries or associates.
- IFRS 11 Joint Arrangements – This standard addresses the accounting for a ‘joint arrangement’, which is defined as a contractual arrangement over which two or more parties have joint control. These are classified as either a joint venture or a joint operation. In addition proportionate consolidation can no longer be used for jointly controlled entities. The Council has no material joint venture arrangements.
- IFRS 12 Disclosures of Involvement with Other Entities – This is a consolidated disclosure standard requiring a range of disclosures about an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated ‘structured entities’. The Council does not currently have any of arrangements with other entities under IFRS12
- IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures – These statements have been amended to conform with the changes in IFRS 10, IFRS 11 and IFRS 12. There is therefore also no impact as a result of changes in IAS 27 and IAS 28.

NOTE 3: CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying accounting policies, the constituent authorities of the Joint Strategic Committee have had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts of the constituent authorities involve government funding. These critical judgement do not apply to the Joint Strategic Committee

NOTES TO THE ACCOUNTS

NOTE 4: ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Strategic Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty the final results could be different from the estimates contained within these accounts. As these items are re-assessed each year, they are subject to annual review and are updated within each year's accounts for the latest information.

The items in the Joint Strategic Committee's Balance Sheet at 31st March 2014 for which there is a risk of adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant & Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Committee will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>If the useful life of assets fell by one year there would be an increase in the depreciation charged in the C.I.E.S</p> <p>There would also be a corresponding decrease in the carrying amount of the assets.</p> <p>Depreciation is excluded when the movement in the general fund is determined.</p>
Arrears	At 31 st March 2014 the Committee had a net balance of debtors due of £927,000.	Arrears collection rates are reviewed each year and if collection rates were to deteriorate or improve this would require an appropriate adjustment to the bad debt provision.

NOTE 5: MATERIAL ITEMS OF INCOME AND EXPENSE

There are no material income and expense items to disclose that are not reported in the Comprehensive Income and Expenditure Statement.

NOTES TO THE ACCOUNTS

NOTE 6: EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period, 31st March 2014 and the date when the Statement of Accounts is authorised for issue, 23rd September 2014.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after 23rd September 2014, the date of authorisation for issue, are not reflected in the Statement of Accounts.

NOTE 7: TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2013/14.

Movement in Earmarked Reserves	Balance at 01.04.12	Decrease 2012/13	Increase 2012/13	Balance at 31.03.13	Decrease 2013/14	Increase 2013/14	Balance at 31.03.14
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants and Contributions	317	(91)	41	267	(89)	37	215
Transferred Assets Adjustment Account	5,692	(1,335)	2,314	6,671	(1,330)	1,013	6,354
Total Earmarked Reserves	6,009	(1,426)	2,355	6,938	(1,419)	1,050	6,569

The Grants and Contributions Reserve has been created to set aside various partnership grants for ongoing projects administered by joint services, in which Adur and Worthing Councils have an interest. The reserve is used where the grant or contribution has been recognised as income in the Comprehensive Income & Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the balance sheet date.

The Transferred Assets Adjustment Account, provides a credit balance equal to the written down value of assets capitalised on the Balance Sheet. This is used to finance the annual charge for depreciation included in the Comprehensive Income and Expenditure Statement.

NOTES TO THE ACCOUNTS

NOTE 8: OTHER OPERATING EXPENDITURE

Other Operating Expenditure	31-Mar-14	31-Mar-13
	£'000s	£'000s
De-recognition of non-current assets	77	10
TOTAL	77	10

NOTE 9: TAXATION AND NON-SPECIFIC GRANT INCOME

The table below details the value of the assets transferred to the Joint Strategic Committee funded by Adur District Council and Worthing Borough Council.

Taxation and Non-Specific Grant Income and Expenditure	2013/14	2012/13
	£'000	£'000
Capital grants & contributions	(967)	(2,314)
TOTAL	(967)	(2,314)

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

The operation of the Joint Services Account involves the use of some of the assets of Adur District Council and Worthing Borough Council, which are consolidated in the tables on the following pages.

NOTES TO THE ACCOUNTS

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Comparative Movement in 2013/14

Movements in 2013/2014	Vehicles, Furniture and Equipment	Surplus Assets	Assets Under Const- ruction	TOTAL
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2013	12,575	-	461	13,036
Assets derecognised as not included in Adur District Council's and Worthing Borough Council's joint services.	(63)	-		(63)
Assets transferred from Adur District Council and Worthing Borough Council	983	-	-	983
De-recognition - Other	(487)	-		(487)
Reclassifications between asset classes, including transfers to intangible assets	208	47	(452)	(197)
At 31 March 2014	13,216	47	9	13,272
Accumulated Depreciation & Impairment				
At 1 April 2013	(6,518)		-	(6,518)
Depreciation charge	(1,167)	(5)	-	(1,172)
Derecognition - Other	470	-	-	470
Transfer of depreciation from/to other asset classes	12	(12)		-
At 31 March 2014	(7,203)	(17)	-	(7,220)
Net Book Value at 31 March 2014	6,013	30	9	6,052
Net Book Value At 31 March 2013	6,057	-	461	6,518

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation.

* Vehicles, Plant and Equipment: 1 - 20 years

NOTES TO THE ACCOUNTS

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Capital Commitments

At 31st March 2014, the Joint Strategic Committee had not entered into any significant contracts for the construction or enhancement of Property, Plant and Equipment in 2014/15 and future years.

Comparative Movement in 2012/13

Movements in 2012/2013	Vehicles, Furniture and Equipment	Assets Under Const- ruction	TOTAL
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2012	10,947	9	10,956
Existing assets transferred from Adur District Council and Worthing Borough Council on creation of new joint services	437	-	437
Acquisitons transferred from Adur District Council and Worthing Borough Council	1,569	452	2,021
Derecognition - Other	(373)	-	(373)
Reclassifications between asset classes	(5)	-	(5)
At 31 March 2013	12,575	461	13,036
Accumulated Depreciation and Impairment			
At 1 April 2012	(5,320)	-	(5,320)
Depreciation transferred from Adur District Council and Worthing Borough Council	(285)	-	(285)
Depreciation charge	(1,276)	-	(1,276)
Derecognition - Other	363	-	363
At 31 March 2013	(6,518)	-	(6,518)
Net Book Value at 31 March 2013	6,057	461	6,518
Net Book Value at 31 March 2012	5,627	9	5,636

NOTE 11: INTANGIBLE ASSETS

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Joint Strategic Committee. The carrying amount of intangible assets is amortised on a straight-line basis.

NOTES TO THE ACCOUNTS

NOTE 11: INTANGIBLE ASSETS

The useful lives assigned to the software licences are between 1 and 7 years and the carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £34,676.25 was charged to the Comprehensive Income and Expenditure in 2013/14.

	2013/14	2012/13
	£'000	£'000
Balance at start of the year		
Gross carrying amounts	421	157
Accumulated amortisation	(269)	(103)
Net carrying amount at start of year	152	54
New assets transferred from Adur District Council and Worthing Borough Council	19	219
Acquisitions transferred from Adur District Council and Worthing Borough Council	12	40
Derecognition - Other	(162)	
Reclassification from equipment assets	197	5
Amortisation for the period	(35)	(49)
Amortisation written off	118	
Amortisation transferred from Adur District Council and Worthing Borough Council	-	(117)
Net carrying amount at end of year	301	152
Comprising		
Gross carrying amounts	486	421
Accumulated amortisation	(185)	(269)
	301	152

NOTE 12: FINANCIAL INSTRUMENTS

Financial Instruments - Fair Values of Assets and Liabilities

Financial Liabilities

The carrying amount of financial liabilities is compared to the fair value as follows:

Financial Liabilities	31st March 2014		31st March 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Borrowing	-	-	-	-
Trade and Other Payables	677	677	1,372	1,372
Total Liabilities	677	677	1,372	1,372

NOTES TO THE ACCOUNTS

NOTE 12: FINANCIAL INSTRUMENTS

Financial Instruments - Fair Values of Assets and Liabilities

Financial Liabilities

The Joint Strategic Committee does not transact any borrowings. Trade and Other Payables relates to trade creditors outstanding at the balance sheet date. There is no difference between the carrying amount and fair values as both of these values are disclosed at the billed or actual amount on initial recognition.

In accordance with the accounting code, the value of Trade and Other Payables shown in the balance sheet has been adjusted to exclude statutory and other non-trade debts and therefore differs from the value of creditors shown in Note 16.

Financial Assets

The carrying amount of Loans and Receivables is compared to the fair value as follows:

Loans and Receivables	31st March 2014		31st March 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Investments	-	-	-	-
Trade Receivables	735	735	720	720
Cash & Cash Equivalents	1,260	1,260	2,399	2,399
Loans and Receivables	1,995	1,995	3,119	3,119

The Joint Strategic Committee does not have any investments. Loans and Receivables comprise trade debtors outstanding at the balance sheet date, measured at amortised cost. This value has been adjusted to exclude inter-Council transactions with Worthing Borough Council (as it does not constitute a "trade" debtor) and therefore differs from the value of total debtors as shown in Note 14. The carrying amount and fair value are both taken to be the invoiced or actual amount on initial recognition. There is no impairment of financial assets during the year.

There are no gains or losses arising in respect of financial instruments during the year, resulting in no adjustment being necessary to the income and expenditure shown in the Comprehensive Income and Expenditure Statement.

Credit Risks

Nature and Extent of Risk Arising from Financial Instruments

As there are no investments or borrowings conducted through the Joint Account, the only risk attributable to it relates to Credit Risk, being the possibility that third parties may fail to pay amounts due to the Joint Strategic Committee. Hence, the amounts due are subject to regular review as part of debt management arrangements, resulting in appropriate recovery procedures being invoked where customers fall into arrears. Customers are not generally assessed for credit worthiness, financial position or past experience unless in connection with tendering for service contracts.

NOTES TO THE ACCOUNTS

NOTE 12: FINANCIAL INSTRUMENTS

Financial Instruments - Fair Values of Assets and Liabilities

Credit Risks

Nature and Extent of Risk Arising from Financial Instruments

The Accounting Code of Practice requires an analysis of the Joint Strategic Committee's potential maximum exposure to credit risk. However, the Joint Strategic Committee has no historical experience of default on amounts owed to it, and the ultimate risk resides with the constituent authorities on behalf of which the Joint Strategic Committee is acting as debt collector. Hence the carrying amount of trade receivables is unadjusted in the Joint Accounts, and the estimated maximum exposure to Default and Uncollectibility is zero.

Credit Risks Exposure

Credit Risk Exposure	Carrying Amount at 31-Mar-14	Historical Experience of Default	Historical Experience Adjusted for Market Conditions at 31-Mar-14	Estimated Maximum Exposure to Default and Uncollectibility at 31-Mar-14	Estimated Maximum Exposure at 31-Mar-13
	£'000	%	%	£'000	£'000
Customers	735	0.00%	0.00%	-	-
	735			-	-

The Joint Strategic Committee does not generally allow credit for customers, such that the total value of trade receivables attributable to customers at 31 March 2014 is past due for payment at the Balance Sheet date.

NOTE 13: INVENTORIES

	2013/14	2012/13
	£'000s	£'000s
Balance outstanding at start of year	140	118
Movement net of purchases/issues	3	(1)
Transfer of inventories from Adur District Council	-	23
Balance outstanding at year-end	143	140
Worthing Borough Council share of the inventories from the Joint Strategic Committee	89	85
Adur District Council share of the inventories from the Joint Strategic Committee	54	55

Inventories stock is mainly for the use of providing internal services. The split between the authorities is approximately Worthing 60% and Adur 40%.

NOTES TO THE ACCOUNTS

NOTE 14: DEBTORS

	31-Mar-14	31-Mar-13
	£'000s	£'000s
Amounts falling due in one year:		
Central government bodies	30	46
Other local authorities	733	428
NHS bodies	17	121
Public corporations and trading funds	-	103
Other entities and individuals	147	54
TOTAL PER BALANCE SHEET	927	752
Adjustment for inter Authority Recharges	(192)	(32)
Trade Receivables per Note 12	735	720

The value of total debtors is analysed by age as follows:

Overall Aged Debt Analysis	31-Mar-14	31-Mar-13
	£'000	£'000
Less than 1 Year	906	735
1-2 Years	7	17
2-3 years	14	-
Over 3 years	-	-
	927	752

NOTE 15: CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents attributable to the Joint Strategic Committee are transacted through the bank accounts of Adur District Council. These are held for the purpose of meeting short term commitments.

	31-Mar-14	31-Mar-13
	£'000	£'000
The balance is made up of the following elements:		
Cash attributable to the Joint Strategic Committee	1,260	2,399
Total Cash & Cash Equivalents	1,260	2,399

NOTES TO THE ACCOUNTS

NOTE 16: CREDITORS

	31-Mar-14	31-Mar-13
	£'000s	£'000s
Central government bodies	-	19
Other local authorities	560	1,035
NHS bodies	-	-
Public corporations and trading funds	11	17
Other entities and individuals	1,157	1,634
TOTAL	1,728	2,705

NOTE 17: USABLE RESERVES

Movements in the Joint Strategic Committee usable reserves are detailed in the Movement of Reserves Statement which can be found on page 8.

The Transferred Asset Adjustment Account contains the value of the assets transferred from Adur District Council and Worthing Borough Council that will be used in the delivery of Joint Service. The account is credited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Joint Comprehensive Income and Expenditure Statement.

NOTE 18: UNUSABLE RESERVES

The Joint Strategic Committee has no unusable reserves.

NOTES TO THE ACCOUNTS

NOTE 19: CASH FLOW STATEMENT - OPERATING ACTIVITIES

	Net Expenditure 2013/14	Net Expenditure 2012/13
	£'000s	£'000s
Income & Expenditure Account Surplus/(Deficit)	2,268	929
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Depreciation and Impairment	1,207	1,325
Amortisation Grants and Contributions	(967)	(2,314)
Revenue Movements on:		
Inventories	(3)	(22)
Debtors	(175)	(228)
Creditors	(909)	(1,150)
Provision	-	-
Exclude:		
Pension IAS 19 Adjustments	4,011	
(Profit) and loss on Fixed Assets	77	10
	3,241	(2,379)
Net Cash Flows From Operating Activities	5,509	(1,450)

NOTES TO THE ACCOUNTS

NOTE 20: AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The income and expenditure of the Joint Strategic Committee's service block directorates as recorded in the budget reports for the year 2013/14 is as follows on next page:

2013/14	Employee Expenses	Other Expenses	Support Services	Total Expenditure	Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Service Block						
Chief Executive & Corporate Strategy	1,102	51	67	1,220	(1)	1,219
Adur Homes	80	5	6	91	-	91
Corporate & Cultural Services	1,850	134	325	2,309	(31)	2,278
Customer Services	1,310	150	315	1,775	(144)	1,631
Financial Services	1,739	1,268	530	3,537	(78)	3,459
Housing Health & Community Safety	2,935	536	449	3,920	(930)	2,990
Planning Reg'ration & Wellbeing	3,079	570	472	4,121	(667)	3,454
Recycling & Waste Management	4,055	1,741	713	6,509	(2,566)	3,943
Technical Services	4,282	1,968	1,249	7,499	(1,882)	5,617
Net Service Block Expenditure	20,432	6,423	4,126	30,981	(6,299)	24,682
Grant Reserves						(52)
Support services and vehicle workshop costs recharged to other services						(4,449)
Adur District Council						(7,851)
Worthing Borough Council						(12,330)
Total spend 2013/14						-

RECONCILIATION OF SERVICE BLOCK INCOME AND EXPENDITURE TO COST OF SERVICES IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This reconciliation shows how the figures in the analysis of service block directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2013/14 £'000
Cost of Services in Service Analysis	24,682
Add: Services not included in main analysis	-
Add: Amounts not reported to management	(20,181)
Remove: Amounts reported to management not included in Comprehensive Income and Expenditure Statement	(6,769)
Net Cost of Services in Comprehensive Income & Expenditure Statement	(2,268)

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 20: AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

RECONCILIATION TO SUBJECTIVE ANALYSIS

This reconciliation shows how the figures in the analysis of income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2013/14	Service Analysis	Services not in Analysis	Not reported to management	Not included in Income & Expenditure	Allocation of Recharges	Net Cost of Services	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, charges & other service income	(4,823)	-	-	-	4,823	-	-	-
Surplus or deficit on associates and joint ventures	(125)	-	-	-	125	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Income from council tax	-	-	-	-	-	-	-	-
Government grants and contributions	(1,351)	-	-	-	1,403	52	-	52
Total Income	(6,299)	-	-	-	6,351	52	-	52
Employee expenses	20,432	-	-	(2,637)	(20,432)	(2,637)	-	(2,637)
Other service expenses	6,423	-	-	-	(6,423)	-	-	-
Support Service recharges	4,126	-	-	(4,449)	323	-	-	-
Depreciation, amortisation and impairment	-	-	-	1,207	-	1,207	-	1,207
Interest Payments	-	-	-	-	-	-	-	-
Precepts & Levies	-	-	-	-	-	-	-	-
Gain or Loss on Disposal of Fixed Assets	-	-	-	77	-	77	-	77
Other	-	-	-	(967)	-	(967)	-	(967)
Total operating expenses	30,981	-	-	(6,769)	(26,532)	(2,320)	-	(2,320)
Surplus or deficit on the provision of services	24,682	-	-	(6,769)	(20,181)	(2,268)	-	(2,268)

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 20: AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

RECONCILIATION TO SUBJECTIVE ANALYSIS

The income and expenditure of the Joint Strategic Committee's service block directorates as recorded in the budget reports for the year 2012/13 is as follows:

2012/13	Employee Expenses	Other Expenses	Support Services	Total Expenditure	Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Service Block						
Chief Executive	915	55	122	1,092	-	1,092
Adur Homes	91	1	17	109	-	109
Corporate Strategy & Cultural Services	1,679	107	462	2,248	(22)	2,226
Customer Services	4,997	1,852	1,467	8,316	(2,416)	5,900
Financial Services	1,615	1,216	719	3,550	(67)	3,483
Housing Health & Community Safety	2,849	461	363	3,673	(689)	2,984
Corporate and Cultural Services				-		-
Leisure & Cultural Services				-	-	-
Planning Regeneration & Wellbeing	2,985	734	455	4,174	(711)	3,463
Technical Services	3,087	1,542	960	5,589	(1,254)	4,335
Net Service Block Expenditure	18,218	5,968	4,565	28,751	(5,159)	23,592
Support services recharged to other services						(4,427)
Adur District Council						(7,827)
Worthing Borough Council						(11,338)
Total spend 2012/13						(0)

RECONCILIATION OF SERVICE BLOCK INCOME AND EXPENDITURE TO COST OF SERVICES IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This reconciliation shows how the figures in the analysis of service block directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2012/13 £'000
Cost of Services in Service Analysis	23,592
Add: Services not included in main analysis	-
Add: Amounts not reported to management	(19,115)
Remove: Amounts reported to management not included in Comprehensive Income and Expenditure Statement	(5,406)
Net Cost of Services in Comprehensive Income & Expenditure Statement	(929)

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 20: AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

RECONCILIATION OF SERVICE BLOCK INCOME AND EXPENDITURE TO COST OF SERVICES IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This reconciliation shows how the figures in the analysis of income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2012/13	Service Analysis	Services not in Analysis	Not reported to management	Not included in Income & Expenditure	Allocation of Recharges	Net Cost of Services	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, charges & other service income	(3,924)	-	-	-	3,924	-	-	-
Surplus or deficit on associates and joint ventures	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Income from council tax	-	-	-	-	-	-	-	-
Government grants and contributions	(1,236)	-	-	50	1,236	50	-	50
Total Income	(5,160)	-	-	50	5,160	50	-	50
Employee expenses	18,219	-	-	-	(18,219)	-	-	-
Other service expenses	5,965	-	-	-	(5,965)	-	-	-
Support Service recharges	4,568	-	-	(4,427)	(141)	-	-	-
Depreciation, amortisation and impairment	-	-	-	1,325	-	1,325	-	1,325
Interest Payments	-	-	-	-	-	-	-	-
Precepts & Levies	-	-	-	-	-	-	-	-
Gain or Loss on Disposal of Fixed Assets	-	-	-	10	-	10	-	10
Other	-	-	-	(2,314)	-	-	-	-
Total operating expenses	28,752	-	-	(5,406)	(24,325)	(979)	-	(979)
Surplus or deficit on the provision of services	23,592	-	-	(5,356)	(19,165)	(929)	-	(929)

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 21: TRADING OPERATIONS

The running costs for Trade Waste trading operations are held within the Joint Strategic Committee. Trading account disclosure notes showing Income and Expenditure are included in the Statement of Accounts for the constituent Councils.

NOTE 22: AGENCY SERVICES

The Joint Strategic Committee also has Agency Agreements with other Local Authorities for Treasury Management and Insurance Provision to provide Value for Money, relying on expertise within particular authorities. These Agency Agreements are deemed by the Joint Strategic Committee to be immaterial.

NOTE 23: JOINT BUDGET

Census ICT

Adur District Council and Worthing Borough Council are part of the CenSus Joint Committee partnership with Horsham District Council and Mid Sussex District Council for the delivery of ICT Services.

Census ICT	TOTAL
	£'000
Expenditure	
Salary costs	1,298
Transport costs	16
Supplies and Services	974
Total Operating Expenditure	2,288

	Mid Sussex District Council	Horsham District Council	Adur and Worthing	TOTAL
Proportional Share of Costs	694	569	1,025	2,288
Allocation of costs				
Adur District Council (40%)			410	
Worthing Borough Council (60%)			615	
			1,025	

NOTE 24: OFFICERS' REMUNERATION

The numbers of employees (including the Senior Officers who are also listed individually in the later tables) whose remuneration, excluding pension contributions, was £50,000 or more, in bands of £5,000 were:-

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 24: OFFICERS' REMUNERATION

Remuneration Bands	Number of Employees	
	2013/14	2012/13
£50,000 to £54,999*	7	4
£55,000 to £59,999*	3	6
£60,000 to £64,999	8	2
£65,000 to £69,999*	-	1
£70,000 to £74,999	4	8
£75,000 to £79,999*	3	2
£80,000 to £84,999	-	-
£85,000 to £89,999*	1	1
£90,000 to £94,999	1	2
£95,000 to £99,999	-	-
£100,000 to £104,999	-	1
£105,000 to £109,999	-	-
£115,000 to £119,999	-	-
£120,000 to £124,999*	1	
£125,000 to £129,999	-	-
£130,000 to £134,999	-	-
£135,000 to £139,999	-	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £155,000	1	
£195,000 to £200,000	1	
	30	27

* These include redundancy payments relating to 2013/14 and 2012/13. Please see the Exit Packages table at the end of this note and Note 29 Termination Benefits for further details of these payments.

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

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

Note 1: There were 2 Members of staff whose salary was more than £150,000 in 2013/14 and none for 2012/13.

Remuneration Disclosures for Senior Officers whose salary is less than £150,000 but equal to more than £50,000 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 and included in the support service allocations to the authorities.

There were no bonuses paid to these staff in either 2013/14 or 2012/13.

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but more than £50,000 per year - See Note 2 above								
Postholder (Title)	Salary (including Fees and Allowance)	Expense Allowance	Compensation for Loss of Office	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions	Net Cost borne by Worthing B.C.	Net Cost borne by Adur D.C. Employing Authority
Chief Executive								
2013/14	98,653	1,019	0	99,672	18,407	118,079	59,040	59,040
2012/13	103,250	748	0	103,998	18,275	122,273	61,137	61,137
Strategic Director 1								
2013/14	91,721	368	0	92,089	16,235	108,324	54,162	54,162
2012/13	90,813	0	0	90,813	16,074	106,887	53,443	53,443
Strategic Director 2								
Andrew Gardiner								
2013/14	95,454	589	100,265	196,308	16,235	212,543	106,271	106,271
2012/13	90,972	562	0	91,534	16,074	107,608	53,804	53,804

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 24 OFFICERS' REMUNERATION

Postholder (Title)	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.	Net Cost borne by Adur D.C. Employing Authority
Executive Head of Financial Services								
2013/14	71,885	117		72,002	12,669	84,671	50,803	33,868
2012/13	71,546	300		71,846	12,543	84,389	50,633	33,756
Executive Head of Planning, Reg'ation & Wellbeing								
2013/14	71,575	101		71,676	12,669	84,345	50,607	33,738
2012/13	70,866	2,016		72,882	12,543	85,425	51,255	34,170
Executive Head of Corporate & Cultural Services								
2013/14	72,437	261		72,698	12,673	85,371	51,223	34,148
2012/13	70,891			70,891	12,548	83,439	50,063	33,376
Executive Head of Customer Services, Waste & Recycling								
2013/14	74,434	4		74,438	12,932	87,370	52,422	34,948
2012/13	70,916	212		71,128	12,877	84,005	50,403	33,602

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 24 OFFICERS' REMUNERATION

Postholder (Title)	Salary (including Fees and Allowance)	Expense Allowance	Benefit in Kind e.g. Car Allowances	Comp- ensation for Loss of Office	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions	Net Cost borne by Worthing B.C.	Net Cost borne by Adur D.C. Employing Authority
Executive Head of Housing, Health & Community Safety Paul Spedding									
2013/14	73,787	1,082	0	79,698	154,567	12,682	167,249	100,350	66,900
2012/13	71,109	423	0	0	71,532	12,557	84,088	50,453	33,635
Executive Head of Adur Homes									
2013/14	38,111	171	0	0	38,282	6,714	44,996	0	44,996
2012/13	71,084	212	0	0	71,296	12,552	83,848	0	83,848
Executive Head of Technical Services									
2013/14	63,107	1,040	0	0	64,147	7,876	72,023	43,214	28,809
2012/13	71,078	294	1,359	0	72,731	12,726	85,457	51,274	34,183

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 24: OFFICERS' REMUNERATION

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out below:

{a}	{b}		{c}		{d}		{e}	
	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
							£	£
£0 - £20,000	3	5	-	2	3	7	26,284	43,016
£20,000 - £40,000	-	-	-	4	-	4	-	123,965
£40,000 - £60,000	-	-	-	-	-	-	-	-
£60,000 - £80,000	-	-	-	2	-	2	-	139,763
£80,000 - £100,000	-	-	-	-	-	-	-	-
£100,000 - £150,000	-	-	-	1	-	1	-	100,265
Total	3	5	0	9	3	14	26,284	407,009

These redundancy costs are shared between the Authorities in proportion to the service allocation. The total 2013/14 cost of exit packages for Adur are £181,647 and Worthing are £225,362.

NOTE 25: EXTERNAL AUDIT COSTS

The Joint Strategic Committee incurred the following fees (all payable to the Audit Commission) relating to external audit.

Adur and Worthing Joint Committee	2013/14	2012/13
	£'000s	£'000s
Fees payable to Audit Commission with regard to external audit services carried out by the appointed auditor for the year	25	23
TOTAL	25	23

NOTE 26: GRANT INCOME

The Joint Strategic Committee has credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2013/14.

	2013/14	2012/13
	£'000s	£'000s
Credited to Taxation and Non specific Grant Income		
None	-	-
	-	-

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 26: GRANT INCOME

	2013/14	2012/13
	£'000s	£'000s
Credited to Services - Revenue Grants		
Active Sussex - Inclusive Physical Activity Projects	1	-
British Heart Foundation - Hearty Lives	36	10
Crime & Disorder Partnership - Sport Unlimited	-	1
Crime & Disorder Partnership - Street Art	-	2
D J Workshops - Diversionary Football	3	1
Extended Activities	1	-
NHS West Sussex - Inspiring Healthier Families (Child Weight)	16	5
NR W Hider Sussex Games	-	4
Primary Care Trust - Community Planning Fund	-	2
Sanctuary House - Anti-social Behaviour Project	117	136
Street Scene	2	7
West Sussex PCT - Child Obesity	-	1
West Sussex PCT - Adur & Worthing MEND (Mental Exercise)	-	4
West Sussex PCT - Wellbeing Hub Core	201	191
West Sussex PCT - Physical Activity Co-ordinator	16	30
West Sussex PCT - Wellbeing Hubs projects	307	357
WSCC Think Family - Family Intervention Project	547	340
WSCC reimbursement of salary	-	9
WSCC - Area Based Grant (Community Safety Unit Grant)	23	80
WSCC, SEEDA, Arun & Chichester Councils - Coastal West Sussex	53	101
TOTAL	1,323	1,281

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 26: GRANT INCOME

	2013/14	2012/13
	£'000s	£'000s
Capital Grants Receipts in Advance		
None		
Revenue Grants Receipts in Advance		
Community Wellbeing Core: Mental Health	12	-
Joint Community Safety Project Safer Communities Partnership	129	129
Joint Community Safety Project SSCF Grant	44	44
Joint Family Intervention Project: Think Family Health	13	14
Joint Community Safety Project: SCP Initiatives	40	40
Joint Family Intervention Project: Think Family	51	53
Joint Community Safety Project: WSCC Funding	18	9
Wellbeing Hubs	10	-
Wellbeing Hubs Physical Activity Co-ordinator	6	-
Wellbeing Hubs Healthy Life Management	12	13
Wellbeing Hubs Alcohol Misuse	30	-
Wellbeing Hubs other projects	7	11
DEFRA Inspire Grant	14	-
Health & Safety Workplace Project	-	5
TOTAL	386	318

The Joint Strategic Committee has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver if the conditions are not met. The balances at the end of the year are shown above.

NOTE 27: RELATED PARTIES

The Joint Strategic Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Committee or to be controlled or influenced by the Committee. Disclosure of these transactions allows readers to assess the extent to which the Committee 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 Committee.

Central government has effective control over the general operations of the 2 partnership Councils, including those delivered via the Joint Strategic Committee. The government is responsible for providing the statutory framework, within which the Councils operate, provides the majority of their funding in the form of grants and prescribes the terms of many of the transactions that the Councils have with other parties (e.g. housing benefits). Details of the transactions with government departments are set out in the Government Income notes of the constituent Councils authorities accounts.

Members of the Councils have direct control over the Councils' financial and operating policies. Details of all Members' transactions are recorded in the Register of Members' Interests, open to public inspection at the Town Hall during office hours.

During 2013/14, there was one service commissioned from a company in which a Worthing Member has an interest as a Director, the amount paid was £13,160. All contracts were entered into in full compliance with the Council's standing orders.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 28: 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 Strategic Committee and the services provided by each individual Council. Below is an analysis of the spend associated with these services. The recharges within the Joint Strategic Committee are shown separately.

Support Service	2013/14	2012/13
	£'000	£'000
Financial Services	3,432	3,511
Technical Services	4,270	3,843
Planning Regeneration & Wellbeing	104	127
Customer Services	1,627	1,467
Corporate & Cultural Services	1,894	1,823
Housing Health & Community Safety	361	262
Corporate Centre	1,068	907
Leisure & Cultural Services	-	-
Adur Homes	91	109
Less : Recharges within the Joint Committee	(4,501)	(4,427)
Support costs charged to the constituent councils	8,346	7,622

NOTE 29: TERMINATION BENEFITS

	Adur	Worthing	Total
	£	£	£
Redundancy costs	181,647	225,362	407,009
Enhanced Pension Benefits	114,797	195,353	310,150
Total termination benefit 2013/14	296,444	420,714	717,158
Termination benefits 2012/13	129,061	357,082	486,143

Of this total £407,009 is payable in the form of compensation for loss of office and £310,150 is the 2013/14 cost of enhanced pension benefits which normally spread over 5 years. This cost also relates to enhanced pensions from previous year terminations.

NOTE 30: NATURE & EXTENT OF RISK

Please refer to Note 12 for an explanation of the nature and extent of risks arising from financial instruments.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Participation in Pension Plans

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by West Sussex County Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Transactions Relating to Post-employment Benefits

Comprehensive Income & Expenditure Statement	Local Government Pension Scheme
	2013/14
	£'000s
Cost of services	
Current service cost	(3,468)
Past service cost	-
(gain)/loss from settlements	(82)
Financing & Investment Income & Expenditure	
Net Interest cost	(2,784)
Total post employment benefit charged to the surplus or deficit on the provision of services	(6,334)
Other post employment benefit charged to the CI&E Statement	
<i>Remeasurement of the net defined benefit liability comprising:</i>	
Return on plan assets (excluding the amount included in the net interest expense)	2,656
Actuarial gains and losses arising on changes in demographic assumptions	2,260
Actuarial gains and losses arising on changes in financial assumptions	1,732
Other (if applicable)	
Total remeasurements recognised in the other comprehensive income	6,648
Total post-employment benefits charged to the CI&E statement	314

Movement in Reserves Statement	2013/14
	£'000s
Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code	(1,355)
Actual amounts charged against the General Fund balance for pensions in the year:	
Employer's contributions payable to the scheme	(2,323)
Retirement benefits payable to pensioners	1,288

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

Pensions Assest and Liabilities Recognised in the Balance Sheet	Local Government Pension Scheme	
	2013/14	2012/13
	£'000s	£'000s
Present value of the defined benefit obligation	(64,704)	(60,531)
Fair value of plan assets	57,136	50,326
Sub-total	(7,568)	(10,205)
Other movements in the liability (asset)		
Net liability arising from defined benefit obligation	(7,568)	(10,205)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	Local Government Pension Scheme	
	2013/14	2012/13
	£'000s	£'000s
Opening fair value of scheme assets	50,326	
Interest income	-	
Remeasurement gain / (loss):		
The return on plan assets, excluding the amount included in the net interest expense	2,656	
Actuarial Gains / (Losses)	2,260	
Contributions from employer	2,323	
Contributions from employees into the scheme	859	
Benefits paid	(1,288)	
Other		
Closing fair value of scheme assets	57,136	

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

Reconciliation of present value of the scheme liabilities (defined benefit obligation)	Funded Liabilities: LGPS	
	2013/14 £'000s	2012/13 £'000s
Opening Balance at 1 April	60,531	
Current service cost	3,468	
Interest cost	2,784	
Contributions from scheme members	859	
Remeasurement (gains) & losses:		
Actuarial gains / losses arising from changes in demographic assumptions	(1,732)	
Actuarial gains / losses arising from changes in financial assumptions	-	
Other experience	-	
Past service cost	-	
Losses/(Gains) on curtailment	82	
Liabilities assumed on a entity combinations	-	
Benefits paid	(1,288)	
Liabilities extinguished on settlements	-	
Closing balance at 31 March	64,704	

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

Reconciliation of present value of the scheme liabilities (defined benefit obligation)	Funded Liabilities: LGPS	
	2013/14 £'000s	2012/13 £'000s
Opening Balance at 1 April	60,531	
Current service cost	3,468	
Interest cost	2,784	
Contributions from scheme members	859	
Remeasurement (gains) & losses:		
Actuarial gains / losses arising from changes in demographic assumptions	(1,732)	
Actuarial gains / losses arising from changes in financial assumptions	-	
Other experience	-	
Past service cost	-	
Losses/(Gains) on curtailment	82	
Liabilities assumed on a entity combinations	-	
Benefits paid	(1,288)	
Liabilities extinguished on settlements	-	
Closing balance at 31 March	64,704	

Local Government Pension Scheme assets comprised (quoted prices are in active markets)	Fair value of scheme assets	
	2013/14 £'000s	2012/13 £'000s
Cash	1,143	503
Bonds	6,856	4,065
Equities	44,566	5,502
Property	4,571	4,026
Total assets	57,136	14,096

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

	Local Government Pension Scheme	
	2013/14	2012/13
Long-term expected rate of return on assets in the scheme:		
Equity investments	6.7%	5.7%
Bonds	3.7%	3.5%
Property	4.8%	3.9%
Cash	3.7%	3.0%
Mortality assumptions:		
<i>Longevity at 65 for current pensioners</i>		
Male	24.4	22.7
Female	25.8	24.2
<i>Longevity at 65 for future pensioners</i>		
Male	26.9	24.3
Female	28.5	26.4
Expected return on assets	6.1%	5.2%
Rate of increase in salaries	4.2%	5.1%
Rate of increase in pensions	2.9%	2.8%
Rate for discounting scheme liabilities	4.3%	4.5%

Change in assumptions at 31 March 2014	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	7,724
1 year increase in member life expectancy	3%	1,941
0.5% increase in Salary Increase Rate	5%	3,111
0.5% increase in the Pension Increase Rate	7%	4,429

Basis for Estimating Assets and Liabilities:

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions for longevity, for example, assume that life expectancy increase or decreases for men and women. In practise, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have been assessed on an actuarial basis using the projected unit credit method.

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Basis for Estimating Assets and Liabilities:

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March, 2014.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2013/14	2012/13
Mortality assumptions:		
<i>Longevity at 65 for current pensioners</i>		
Male	24.4	22.7
Female	25.8	24.2
<i>Longevity at 65 for future pensioners</i>		
Male	26.9	24.3
Female	28.5	26.4
Rate of inflation	2.8%	2.8%
Rate of increase in salaries	3.9%	5.1%
Rate of increase in pensions	2.6%	2.8%
Rate for discounting scheme liabilities	4.1%	4.5%

Change in assumptions at 31 March 2014	Approximate % Increase to Employer Liability	Approximate monetary amount
		£000
0.5% decrease in Real Discount Rate	12%	7,724
1 year increase in member life expectancy	3%	1,941
0.5% increase in the Salary Increase Rate	5%	3,111
0.5% increase in the Pension Increase Rate	7%	4,429

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions for longevity, for example, assume that life expectancy increase or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have been assessed on an actuarial basis

NOTES TO THE ACCOUNTS

NOTE 31: DEFINED BENEFIT PENSION PLANS

Basis for Estimating Assets and Liabilities:

using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

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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, which includes arrangements for the management of risk. With this in mind, Adur District Council has been appointed as accountable body and the governance arrangements and systems of internal control are consistent with those adopted by Adur District Council.

The 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 our website at www.adur-worthing.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 2011 in relation to the publication of a statement on internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council 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 Council's 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 Council for the financial year ended 31st March 2014 and up to the date of approval of the statement of accounts.

THE GOVERNANCE FRAMEWORK

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

- identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- reviewing the authority's vision and its implications for the authority's governance arrangements;
- translating the vision into objectives for the authority and its partnerships;

ANNUAL GOVERNANCE STATEMENT

THE GOVERNANCE FRAMEWORK

- measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources and value for money;
- 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 in respect of the authority and partnership arrangements;
- developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality;
- reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability;
- ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained;
- ensuring effective management of change and transformation;
- ensuring the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* (2010) and, where they do not, explain why and how they deliver the same impact;
- ensuring the authority's assurance arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010) and, where they do not, explain why and how they deliver the same impact;
- ensuring effective arrangements are in place for the discharge of the monitoring officer function;
- ensuring effective arrangements are in place for the discharge of the head of paid service function;
- 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;
- whistleblowing 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;

ANNUAL GOVERNANCE STATEMENT

THE GOVERNANCE FRAMEWORK

- establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- enhancing the accountability for service delivery and effectiveness of other public service providers;
- incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

The operation of this authority's governance framework is described in the section below.

THE OPERATION OF THE GOVERNANCE FRAMEWORK

The governance framework gives Managers/Directors/Members, in a number of ways, the confidence/evidence/ certainty that what needs to be done is being done. The chart below provides a high level overview of the Council's key responsibilities, how they are met and the means by which assurance is delivered.

WHAT WE NEED TO DO					
Focusing on the purpose of the Authority; deliver outcomes for the Community and create and implement a vision for the local area.	Working together to achieve a common purpose with clearly defined functions and roles	Promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour	Take informed and transparent decisions which are subject to effective scrutiny and managing risk	Develop the capacity and capability of members and officers to be effective	Engage with local people and other stakeholders to ensure robust public accountability.
HOW WE DO IT					
<ul style="list-style-type: none"> • Organisational goals • Service planning • Performance Management • Strategies 	<ul style="list-style-type: none"> • The Constitution • The Monitoring Officer • Section 151 Officer 	<ul style="list-style-type: none"> • Codes of conduct • Financial management and MTFP • Bribery Act 2010 policy guidance • Whistleblowing Policy • HR Policies and procedures 	<ul style="list-style-type: none"> • Freedom of information requests • Complaints procedure • Reports considered by legal and finance experts • Equality impact assessments • Corporate risk register 	<ul style="list-style-type: none"> • Robust interview and selection process • Training and development • Workforce planning • Succession planning • Performance development reviews 	<ul style="list-style-type: none"> • Community and engagement policy • Consultations • Terms of reference for partnerships

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

HOW WE KNOW WHAT NEEDS TO BE DONE IS BEING DONE
--

Joint Governance and Audit Committee function and self-assessment; Corporate Governance Group; Scrutiny Reviews; Review of progress made in addressing issues; Performance monitoring; Review of compliance with corporate governance controls; Review of accounts; Employee opinion surveys; Internal audits and external audits; Inspections and recommendations made by external agencies.
--

The following sections look at how the Council delivers governance principles in more detail:

1. **FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA**

Joint Corporate Priorities

The Councils have agreed a set of priorities which set out its aspirations for the town. These are detailed below:

Supporting and improving the local economy:

- 1) Promote and support projects and ideas that attract new and retain existing businesses, and generate investment in the area.
- 2) Enable new homes to be built to help meet the housing needs of our communities.
- 3) Support high quality developments.

Protecting front line services:

- 1) Provide and develop customer driven cost effective services.
- 2) Fulfil statutory obligations for delivery of front line services.
- 3) Adopt more sustainable ways of delivering services.

A mixed economy of Partnership working:

- 1) Work actively together in partnership to deliver cost effective services whilst retaining separate identities and seek to extend partnerships with others.
- 2) Work more closely with and commission our communities, the voluntary sector, public organisations, business and commercial sectors to:
 - Develop and deliver services.
 - Reduce crime, fear of crime, antisocial behaviour and support the Early and Family Intervention projects.
 - Deliver interventions that improve the health of our communities.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

Ensuring value for money and low Council Tax:

- 1) Keep council tax increases low.
- 2) Generate financial capital, increase income and seek external funding sources.
- 3) Drive continual improvement and efficiencies in services particularly in procurement and contract management.
- 4) Reduce costs through 'Digital by Default' - getting more transactions online to

Service planning and performance management

In order to secure these outcomes for residents and service users, the Council needs to respond to some tough challenges. Through partnership working and efficiency savings the Councils have made £9m of savings over the past five years and need to find a further £5.5m by 2018/19 in a climate of reducing funding from Central Government and rising demand for many of the Councils services. Many of the savings required are delivered through by the Joint Services. This means that it is important that, whilst we focus on achieving the organisational goal and aspirations, we continue to plan services in detail on an annual basis, focusing on challenges over the coming year but also considering the medium term horizon.

The Heads of Service are responsible for preparing service plans that include detail on: core business that must be delivered; plans for improvement, development and disinvestment; financial planning; arrangements for addressing key governance issues; key service risks and management/mitigation activity and arrangements for robust performance management within the service.

2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES.

The Constitution

The constitution sets out the how the Council operates; the roles and responsibilities of members, officers and the scrutiny and review functions; how decisions are made; and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Although there is no longer a statutory requirement, this Council continues with this arrangement internally and is in the process of updating the constitution to ensure it reflects current practice. As well as working together as a partnership between Adur District Council and Worthing Borough Council, members and officers continue to improve their working relations with other organisations, both locally and sub-nationally, to achieve a common purpose of improved efficiency and effectiveness.

The Monitoring Officer

The Monitoring Officer is a statutory function and ensures that the Council, its officers, and its elected members, maintain the highest standards of conduct in all they do. The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures. She is also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation of the Council's Constitution.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

Section 151 Officer

Whilst all Council Members and Officers have a general financial responsibility, the s151 of the Local Government Act 1972 specifies that one Officer in particular must be responsible for the financial administration of the organisation and that this Officer must be CCAB qualified. This is typically the highest ranking qualified finance officer and in this Council this is Sarah Gobey, who is also the Chief Financial Officer.

3. PROMOTING THE VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

Codes of conduct

Codes of Conduct exist for both staff and members.

All Councillors have to keep to a Code of Conduct to ensure that they maintain the high ethical standards the public expect from them. If a complainant reveals that a potential breach of this Code has taken place, Adur District Council or Worthing Borough Council may refer the allegations for investigation or decide to take other action.

On joining the Council, Officers are provided with a contract outlining the terms and conditions of their appointment. All staff must declare any financial interests, gifts or hospitality on a public register. Additionally, members are expected to declare any interests at the start of every meeting that they attend in accordance with Standing Orders. Members and officers are required to comply with approved policies.

Financial management

The Chief Financial Officer and s151 Officer is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. She advises on financial matters to both the Cabinet and full Council and is actively involved in ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The s151 Officer together with finance staff ensure that new policies or service proposals are costed, financially appraised, fully financed and identifies the key assumptions and financial risks that face the council.

Financial Regulations were revised in 2013/14 by the s151 Officer so that the Council can meet all of its responsibilities under various laws. They set the framework on how we manage our financial dealings and are part of our Constitution. They also set the financial standards that will ensure consistency of approach and the controls needed to minimise risks. The s151 Officer has a statutory duty to report any unlawful financial activity or failure to set or keep to a balanced budget. She also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

Anti-fraud, bribery and corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from Members and Officers regarding the administration of financial affairs.

The Councils have a Corporate Anti-Fraud Team which acts to minimise the risk of fraud, bribery, corruption and dishonesty and recommends procedures for dealing with actual or expected fraud.

Guidance and policies for staff on the Bribery Act 2010 and the Prevention of Money Laundering are found on the intranet.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all of its practices. The Council's Whistleblowing policy (revised in 2014) <http://awintranet/media/media,125134,en.pdf> sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling the matter.

Joint Governance and Audit Committee

As its name suggests, the Joint Governance and Audit Committee has the responsibility for receiving many reports that deal with issues that are key to good governance. The Committee undertakes the core functions of an Audit Committee identified in CIPFA's practical guidance. The group has an agreed set of terms of reference, which sets out their roles and responsibilities of its members.

4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK.

Transparency

The Councils and their decisions are open and accessible to the community, service users, partners and its staff. The Freedom of Information Act 2000 (Fol) gives anyone the right to ask for any information held by a public authority, which includes this Council, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

All reports requiring a decision are considered by appropriately qualified legal, and finance staff with expertise in the particular function area before they are progressed to the relevant Committee or group. This Council wants to ensure that equality considerations are embedded in the decision-making and applied to everything the Council does. To meet this responsibility, equality impact assessments are carried out on all major council services, functions, projects and policies in order to better understand whether they impact on people who are protected under the Equality Act 2010 in order to genuinely influence decision making.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

Risk management

All significant risks (defined as something that may result in failure in service delivery, significant financial loss, non-achievement of key objectives, damage to health, legal action or reputational damage) must be logged on a Corporate Risk Register, profiled (as high/medium/low), and mitigating measures/assurances must be put in place.

Effective scrutiny

The Council operates Joint Overview and Scrutiny Committee (JOSC) governed by its own terms of reference. It is important that JOSC acts effectively as one of their key tasks is to review and challenge the policy decisions that are taken by Cabinet or the Joint Strategic Committee. Topics that are chosen to be 'scrutinised' are looked at in depth by a cross party panel of Councillors. They assess how the Council is performing and see whether they are providing the best possible, cost effective service for people in the city. The JOSC's findings are reported to the Joint Strategic Committee or Cabinet and may result in changes to the way in which services are delivered.

Complaints

There is a clear and transparent complaints procedure for dealing with complaints. The Council operates a three-stage complaints procedure and promises to acknowledge complaints within 5 working days and respond fully within 10 working days for first-stage complaints, and 15 working days for second-stage complaints. If complainants remain dissatisfied they have the right to refer the matter to the Local Government Ombudsman.

5. DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE.

Recruitment and induction

The Council operates a robust interview and selection process to ensure that Officers are only appointed if they have the right levels of skills and experience to effectively fulfil their role. If working with children and/or vulnerable adults they will be subject to an enhanced criminal records check prior to appointment. New Officers receive induction which provides information about how the organisation works, policies and health and safety. Newly elected Councillors are required to attend an induction which includes information on: roles and responsibilities; political management and decision-making; financial management and processes; health and safety; information governance; and safeguarding.

Training and development

All Officers are required to complete a number of mandatory e-learning courses including health and safety, equalities and diversity, financial rules, and information governance. Officers and Members have access to a range of IS, technical, soft skills and job specific training courses. Compulsory training is provided for Members who sit on the following committees: Joint Governance and Audit Committee, Licensing Committee, and the Planning Committee. Other member-led training is available to Councillors through Democratic Services and Learning and Development. The package of support available gives Members the opportunity to build on existing skills and knowledge in order to carry out their roles effectively.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

Performance monitoring

All Officers receive regular one to ones with their Manager in order to monitor workload and performance and Managers are required to carry out a performance development review on an annual basis, which seeks to identify future training and development needs. Services consider workforce plans as part of the annual business planning process. Our service plans paint a picture of what we want to achieve; workforce planning helps to establish the nature of the workforce needed to deliver that vision, and produce a plan to fill the gaps. This helps to ensure we have the right people, with the right skills, in the right jobs, at the right time.

6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY.

Engagement and communication

It is recognised that people need information about what decisions are being taken locally, and how public money is being spent in order to hold the council to account for the services they provide. The views of customers are at the heart of the council's service delivery arrangements. The Councils have developed a Community and Engagement Policy, which reflects the council's ambition to enable and empower communities to shape the places within which they live and work, influence formal decision making and make informed choices around the services they receive.

To be effective this policy aims to inspire and support a genuine two-way dialogue with all sections of the community and other stakeholders. There are a number of ways people can get involved and connect with the council. Current consultations can be found on the Councils website at www.adur-worthing.gov.uk. Local people have the option to engage in a dialogue through: social media sites (including Facebook and twitter), petition schemes, neighbourhood forums, council meetings (open to the public), their local Councillor and through the citizens panel.

Consultations

The Councils keep a forward plan of planned consultations. Internally, a consultation toolkit has been developed to guide council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness, consultations are proactively promoted. A list of current consultations, as well as a list of past consultations explaining how the council has used public feedback is available on the council website.

Partnership working

In addition to the partnership between Adur and Worthing (<http://www.adur-worthing.gov.uk/about-the-councils/partnership-working/>), this Council is involved in a number of different partnerships, at different levels – each with their own set of terms of reference for effective joint working.

ANNUAL GOVERNANCE STATEMENT

REVIEW OF EFFECTIVENESS

The Joint Strategic 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 Council 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 relevant stakeholders, the external auditors and other review agencies and inspectorates.

The Head of Internal Audit's statement on the system of internal audit for this year stated that:

From the Internal Audit work undertaken in compliance with the PSIAS in 2013/14, it is the Head of Internal Auditors opinion that he can provide **Satisfactory Assurance** that the system of internal control in place at Adur District Council for the year ended 31 March 2014 accords with proper practice except for the significant control environment issues which can be found in Appendix 1 to the detailed report at <http://www.adur-worthing.gov.uk/media/media,124980,en.pdf> . The assurance can be further broken down between financial and non-financial systems, as follows:

Assurance – Financial Systems:

Our overall opinion is that internal controls within financial systems operating throughout the year are fundamentally sound.

Assurance – Non-Financial Systems:

Our overall opinion is that internal controls within operational systems operating throughout the year are fundamentally sound.

The Council 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, Cabinets, the Joint Governance and Audit Committee, the Joint Overview and Scrutiny Committee, the Standards Committee
- 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 Governance and Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SIGNIFICANT GOVERNANCE ISSUES

There are two significant governance issues either identified by red status on the Governance Action Plan or from the Internal Audit Annual Report;

- i) Procurement and contract management procedures and processes:
The Council identified the need to improve its future procurement and contract management arrangements following an in depth review of contact procedures and contract management arrangements. Actions are being taken to remedy the situation by way of:

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SIGNIFICANT GOVERNANCE ISSUES

- A programme of training on contract standing orders and contract management;
- A major review of contract management; and
- A corporate review of procurement.

ii) Lack of an ICT Disaster Recovery Plan.

The Council identified this as a key priority following an in-depth review of an IT failure. To address this, the Council has engaged consultants to support the production of a new ICT Disaster Recovery Plan

OTHER ISSUES

The Governance Action Plan has been updated to deal with any issues brought forward from the 2013 review together with any issues which have been identified during the current review.

The governance requirements in the Statement on the Role of the Chief Financial Officer in Public Services are that the Chief Financial Officer should be professionally qualified, report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to other members. The position within Adur and Worthing Councils does not wholly conform to the above statement. The Section 151 Officer does not report directly to the Chief Executive, but reports to one of the Directors in line with the reporting requirements for all Heads of Service. The Section 151 Officer is not a member of the Council's Corporate Leadership Team and does not have the same status as the other members, but has full access to the Chief Executive and the Corporate Leadership Team where necessary.

PROPOSED ACTION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. 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.

ANNUAL GOVERNANCE STATEMENT

PROPOSED ACTION

Signed: _____

Alex Bailey
Chief Executive of
Adur & Worthing Councils

Dated: _____

Signed: _____

Councillor Paul Yallop
Leader of the Council
Worthing Borough Council



Signed: _____

Councillor Neil Parkin
Leader of the Council
Adur District Council



Dated: _____

Dated: _____

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADUR AND WORTHING JOINT STRATEGIC COMMITTEE

OPINION ON THE AUTHORITY'S FINANCIAL STATEMENTS

We have audited the financial statements of the Adur and Worthing Joint Strategic Committee for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Accounting in the United Kingdom 2013/14.

This report is made solely to the members of the Adur and Worthing Joint Strategic Committee, as a body, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER AND AUDITOR

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. We read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADUR AND WORTHING JOINT STRATEGIC COMMITTEE

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the financial position of the Adur and Worthing Joint Strategic Committee as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

OPINION ON OTHER MATTERS

In our opinion, the information given in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE REPORT BY EXCEPTION

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 (updated as at December 2012);
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO CONCLUDE

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADUR AND WORTHING JOINT STRATEGIC COMMITTEE

OTHER MATTERS ON WHICH WE ARE REQUIRED TO CONCLUDE

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission in October 2013, we have considered the results of the following:

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work.

As a result, we have concluded that there are no matters to report.

CERTIFICATE

We certify that we have completed the audit of the accounts of Adur and Worthing Joint Strategic Committee in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

K.L. HANDY

*for and on behalf of Ernst & Young LLP, Appointed Auditor
Southampton*

29 September 2014

GLOSSARY OF ACCOUNTING TERMS

The following is a brief explanation of the technical terms used in this publication:-

ACCOUNTING PERIOD	The period of time covered by the accounts. The current year is 2013/14 which means the year commencing 1st April 2013 and ending 31st March 2014. The end of the accounting period is the date at which the balance sheet is drawn up.
ACCRUAL	An amount included in the accounts in respect of income or expenditure for which payment has not been received or made by the end of the accounting period. This is based on the concept that income or expenditure is recognised as it is earned or incurred, not simply when money is received or paid out.
ASSET	A resource that, as a result of a past event, is controlled and expected to give future benefits. It is not necessary to own an asset in order to control it, as assets may be acquired from other providers via credit arrangements such as leasing.
AMORTISED COST	The amount at which the financial asset or financial liability is measured. The measurement reflects the cost or transaction price at initial recognition, adjusted for principal payments and accrued interest at the balance sheet date. The measurement may also be adjusted by any difference between the initial amount and the maturity amount resulting from impairment or uncollectibility by applying the effective interest rate inherent over the term of the financial asset or liability.
BALANCE SHEET	A statement of the recorded assets, liabilities and other accounting balances at the end of an accounting period.
CAPITAL CHARGE	A charge to the revenue account to reflect the cost of fixed assets used in the provision of services. The charges themselves consist of depreciation, based upon the useful lives of depreciable assets.
CAPITAL EXPENDITURE	Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.
CAPITAL RECEIPTS	The proceeds from the sale of fixed assets.
CASH EQUIVALENTS	Short-term investments that are readily convertible, without penalty, to known amounts of cash and which are subject to an insignificant risk of changes in value.
CONSISTENCY	The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

GLOSSARY OF ACCOUNTING TERMS

CONTINGENT LIABILITY	A potential liability at the balance sheet date the outcome of which is not certain, but may be dependent on a future event. Where the potential liability is likely to be material, the fact that it exists will be disclosed as a note to the accounts.
CREDITORS	Amounts owing for work done, goods received or services rendered in an accounting period, for which payment has not yet been made.
CURRENT ASSETS/LIABILITIES	Assets or liabilities which are of a short term nature, that will be realised within a year, e.g. stocks, debtors and creditors.
DEBTORS	Amounts due to the Council which relate to the accounting period, but have not been received at the balance sheet date
DEPRECIATION	The loss in value of a fixed asset due to age, wear and tear, deterioration or obsolescence.
EXPENDITURE	The costs incurred relating to the accounting period irrespective of whether the amounts have been paid or not, i.e. on an accruals basis.
FAIR PRESENTATION	International Accounting Standard IAS 1 requirement that financial statements should not be misleading. To a large extent this means obeying the prevalent accounting standards, but the concept of fairness may transcend that, to include an assessment of the overall picture given by the financial statements.
FAIR VALUE	The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties at arm's length.
FINANCE LEASE	A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset from the provider (lessor) to the user (lessee). Although, strictly, the leased asset remains the property of the lessor, in substance the lessee may be considered to have acquired the asset and to have financed the acquisition by obtaining a loan from the lessor.
FINANCIAL INSTRUMENT	A contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.
IMPAIRMENT OF ASSETS	The objective is to ensure that assets are not carried in the Balance Sheet at more than their recoverable amount.

GLOSSARY OF ACCOUNTING TERMS

INFRASTRUCTURE ASSETS	Examples include roads, street lighting, footpaths, cycle tracks, street furniture and coastal defences
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)	Financial statements prepared in accordance with International Financial Reporting Standards (IFRS) should comply with all the IFRS requirements. The term IFRS includes all applicable IFRS, IFRIC, International Accounting Standards (IAS) and SIC Interpretations.
INVESTMENTS	Current asset investments that are readily disposable by the authority without disrupting its business.
INVESTMENT PROPERTIES	Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both.
LIQUID RESOURCES	Surplus funds which are temporarily invested for periods of up to one year. Long-term investments are intended to be held for use on a continuing basis in the activities of the authority.
NET BOOK VALUE	The amount at which fixed assets are included in the balance sheet, i.e. their historical or current value less the cumulative amounts provided for depreciation.
OPERATING LEASE	An operating lease is any lease which is not a finance lease. An operating lease has the character of a rental agreement with the lessor usually being responsible for repairs and maintenance of the assets.
POST BALANCE SHEET EVENTS	Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.
PROVISION	An amount put aside in the accounts for liabilities or losses which are certain or very likely to occur but uncertain as to the amounts involved or to the dates on which they will arise are not determined.
PRIOR YEAR ADJUSTMENT	This is an event whereby figures quoted in previous year's statements have been changed due to a change in accounting policy.
PRUDENCE	The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate realisation of which can be assessed with reasonable certainty.

GLOSSARY OF ACCOUNTING TERMS

REMUNERATION	Payment or compensation received for services or employment. This includes the base salary and any bonuses or other economic benefits that an employee or executive receives during employment.
RESERVES	Amounts set aside for purposes falling outside the definition of provisions. Reserves include earmarked reserves set aside for specific policy purposes, general contingencies and working balances.
SUBSTANCE OVER FORM	Financial information represents the substance of an economic phenomenon rather than merely representing its legal form.
TO DEBIT	An accounting entry which results in either an increase in assets or a decrease in liabilities or net worth.
TO CREDIT	An accounting entry which results in either a decrease in assets or an increase in liabilities or net worth.
TRUE AND FAIR VIEW	Financial statements shall give a true and fair presentation of the financial position, financial performance and cash flows of an authority.
VIREMENT	Transfer of resources from one budget head to another in order to accommodate variations in spending policies.

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