

Adur &
Worthing
councils



***Joint Strategic
Committee
Statement of
Accounts
2014/2015***

JOINT STRATEGIC COMMITTEE

STATEMENT OF ACCOUNTS

for the year ended 31st March, 2015

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 2015.

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 2014/15 (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 2015.

Changes to the CIPFA Code of Practice for 2014/15

Unlike previous years there are no new requirements arising from the code which are relevant to the Joint Strategic Committee.

The CIPFA Guidance states, in general terms, that a number of areas have been revised “to take account of issues arising from practitioner queries raised through, for example, CIPFA’s Technical Enquiry Service.”

In more specific terms, updates, revisions and changes listed include:

- LAAP Bulletin 86 (Update) *Componentisation of Property, Plant and Equipment*
- The Carbon Reduction Commitment Energy Efficiency Scheme – Module 2 has been updated for the consequences of the accounting requirements for the second phase of the scheme, which commenced in April 2014 and runs until March 2019.
- Module 3 includes changes to section 3.4 of the Code on the presentation of financial statements to reflect the amendments to IAS 1 in respect of the new requirements for comparative information and clarification regarding the complete list of financial statements.
- Within Example Financial Statements, a new section C has been added to include CIPFA’s updated *How to Tell the Story*, which is intended to help CFOs and other senior staff present the financial statements to members and other key stakeholders

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

The Annual Governance Statement is included at the end of this document for information.

The Statements are listed and explained in the next section.

This will be the final set of formal accounts for the Joint Strategic Committee. From 2015-16 onwards there is no legal requirement to produce such a statement, although the Council will produce memorandum accounts for public information.

EXPLANATORY FOREWORD

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.

The Balance Sheet

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This statement summarises the JSC's assets and liabilities as at 31st March 2015 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

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This statement summarises the flows of cash and cash equivalents of the JSC that have taken place over the financial year.

Notes to the Accounts

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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 £25.1m. 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.

EXPLANATORY FOREWORD

WORKING IN PARTNERSHIP

- 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.

For 2014/15 a separate statement of accounts is required to be produced for the Joint Strategic Committee for Adur and Worthing Councils. However, from 2015/16 onwards there is no requirement to produce such a statement, although the Council will produce memorandum accounts for public information. A copy is available on request from the Chief Financial Officer, Town Hall, Chapel Road, Worthing, BN11 1HB.

COUNCIL PRIORITIES

The Councils have agreed three priorities which set out its aspirations for the town.

- **Supporting Wealth Generators**
- **Cultivating Enterprising Communities**
- **Becoming an adaptive Council**

Further details of how these priorities will be achieved are included in a programme of work called 'Surf's Up' which can be found on the internet: http://www.adur-worthing.gov.uk/media/media_134526.en.pdf

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 2015/16 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 2015/16 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.

EXPLANATORY FOREWORD

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

Further details around the MTFPs for both councils are contained in the “*Outline Forecast 2016/17 To 2020/21 And Budget Strategy*”, which was reported to 7th July 2015 Joint Strategic Committee.

The link for this report is: <http://www.adur-worthing.gov.uk/meetings-and-decisions/committees/joint/strategic/committee.133764.en.html>

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 7th July 2015 JSC report “Revenue Outturn for Joint, Adur and Worthing 2014/15”. 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 2014/15 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 2014/15 the JSC reported an underspend of just £10,461 against a budget of £21,653,000. The major variations are explained in more detail in the 7th July, 2015 Joint Strategic Committee report “Revenue and Capital Outturn for Joint, Adur and Worthing 2014/15”. <http://www.adur-worthing.gov.uk/meetings-and-decisions/committees/joint/strategic/committee.133764.en.html>. This report is freely available on the joint Adur District Council and Worthing Borough Council website www.adur-worthing.gov.uk.

The financial outturn for the General Fund shows that the JSC has again contained expenditure

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

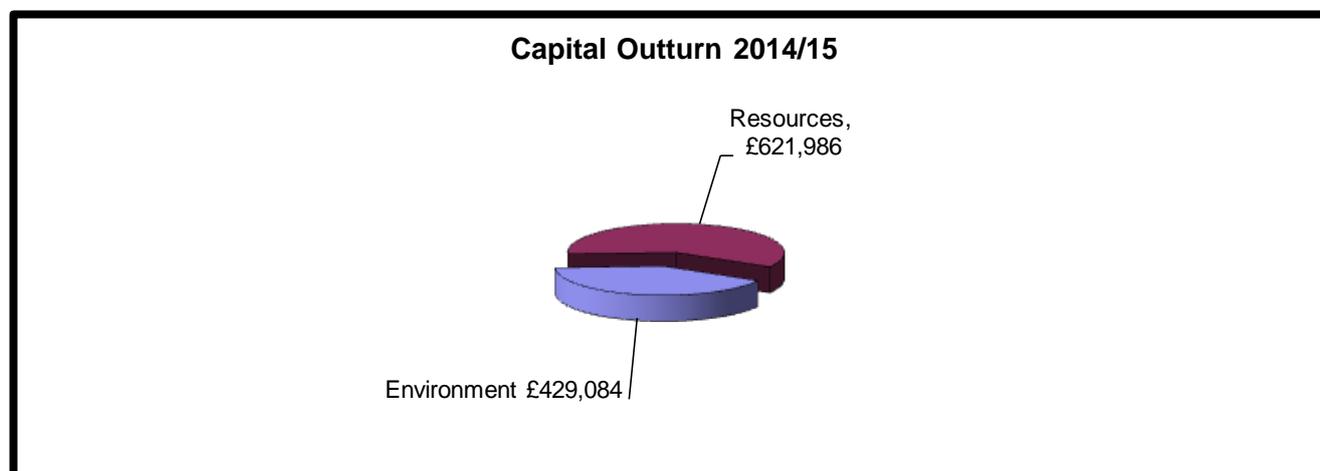
SUMMARY OF REVENUE SPEND

How the money was spent and how services were funded

SUMMARY FINAL REVENUE OUTTURN			
SERVICE BLOCK	CURRENT ESTIMATE 2014/15	OUTTURN 2014/15	UNDER/ OVERSPEND
	£000s	£000s	£000s
Chief Executive	873	856	(17)
Director for Communities	5,155	4,854	(301)
Director for Customer Services	5,985	5,773	(212)
Director for Digital & Resources	9,697	10,083	386
Director for the Economy	3,376	3,556	180
Grants Reserves	-	(47)	(47)
TOTAL SERVICES	25,086	25,075	(11)
ALLOCATION OF COSTS			
Recharged to other joint services	(3,432)	(3,432)	-
	21,654	21,643	(11)
Adur District Council	(8,662)	(8,805)	(143)
Worthing Borough Council	(12,992)	(12,838)	154
	(21,654)	(21,643)	(11)

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 Councils aims and objectives over more than one year. The Councils 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:

	2014/15
	£'000
Adur District Council	463
Worthing Borough Council	588
TOTAL	1,051

“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 7th July 2015 Joint Strategic Committee report “Capital and Projects Outturn for Joint, Adur and Worthing 2014/15”. <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 and these costs are now reflected in the accounts of the Joint Strategic Committee.

ACHIEVEMENTS IN 2014/15

The Revenue and Capital transactions recorded in these statements supported all the Councils’ activities and objectives in 2014/15 Substantial achievements were made in the following areas:

Rethinking Parks - The Councils were successful in their bid to the DCLG’s Transformation Challenge Award to fund a project to review how communities can be more engaged in the management and ownership of Parks. The project is being delivered in partnership with The Conservation Volunteers and in addition to engaging communities, will seek to achieve physical and mental health outcomes.

West Sussex Transit Site - In partnership with the County Council, District & Borough Councils, Sussex Police & the HCA, funding, planning permission and construction of a Gypsy & Traveller Transit Site took place in 2014/15 in readiness for the Site to open in April 2015. This initiative follows several years of dealing with Unauthorised Encampments that were both costly and had a negative impact on the community & the Councils’ reputation.

EXPLANATORY FOREWORD

ACHIEVEMENTS IN 2014/15

Think Family - Adur & Worthing Councils are one of the key lead agencies delivering the West Sussex version of the national Troubled Families project: Think Family. The first phase of Think Family ended in March 2015 with targets for intervention achieved and West Sussex emerging as one of the most successful programmes. Adur & Worthing Councils continue to be one of the lead delivery agencies for the new expanded Think Family 2 programme, and have led the way in West Sussex in delivering community based interventions through the Think Family neighbourhoods' initiative.

Digital Strategy - Adur and Worthing Councils have created a digital strategy and programme that is well underway, transforming staff productivity and mobility through Google for Work, and digitising the AWCS service as the first of many digital service transformations, improving the customer experience and delivering savings.

Customer Services – This joint service supports 160,000 residents, 700,000 households, and 7,000 businesses, as well as supporting the visitor economy and enquiries from customers outside our geographical boundaries. In 2014/15 it has focused on procurement of replacement omnichannel technologies and enterprise telephony, improved management information and knowledge. We will become more effective advocates for customers across the business. A Customer and Commercial Board has been established by the Director for Customer Services, which identifies new business and service efficiency opportunities.

SUMMARY

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

The outturn position will inform the development of the 2016/17 budget. The intention is to build in recurring under spends into the 2016/17 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 Communications 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, 2015

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 2014/15 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, 2015.

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, 2015 and its income and expenditure for the year ended on that date.

SARAH GOBEY
Chief Financial Officer

Dated: 29th September, 2015

Certificate of Approval by Joint Governance and Audit Committee

I confirm that these Accounts were approved by the Joint Governance Committee of Adur District Council and Worthing Borough Council on 29th September, 2015.

ROD HOTTON
Chairman, Joint Governance and Audit Committee

Dated: 29th September, 2015

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 & 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 & Contribu- tions Reserves	Earmarked Transferred Asset Adjustment A/c Reserves	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31.03.13	-	(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 & 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 (Note 7)	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 8)	(369)	52	317	-	-	-
Increase/Decrease (movement) in Year	-	52	317	369	(2,637)	(2,268)
Bal. at 31.03.14 c/fwd	-	(215)	(6,354)	(6,569)	7,568	999
Movement in Reserves during 2014/15						
Surplus or (deficit) on provision of services	4,246	-	-	4,246	-	4,246
Other Comprehensive Expenditure and Income	2,117	-	-	2,117	-	2,117
Total Comprehensive Expenditure and Income	6,363	-	-	6,363	-	6,363
Adjustments between accounting and funding basis under regs (Note7)	(5,937)	-	-	(5,937)	5,937	-
Net Increase/Decrease before Transfers to Earmarked Reserves	426	-	-	426	5,937	6,363
Transfers to/from Earmarked Res. (Note 8)	(426)	47	379	-	-	-
Inc./Dec. in Year	-	47	379	426	5,937	6,363
Bal. at 31.03.15 c/fwd	-	(168)	(5,975)	(6,143)	13,505	7,362

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

	2014/15	2014/15		2014/15	2013/14	2013/214	2013/14
	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	875	-		875	736	-	736
Cultural and Related Services	1,430	(54)		1,376	1,434	(29)	1,405
Environmental and Regulatory Services	8,471	(2,022)		6,449	8,972	(1,975)	6,997
Planning Services	5,266	(1,448)		3,818	5,189	(1,434)	3,755
Highways and Transport Services	277	-		277	295	-	295
Housing Services	584	(109)		475	775	(113)	662
Adult Social Care	-	-		-	-	-	-
Corporate & Democratic Core	342	-		342	389	-	389
Non-Distributed Costs	86	-		86	82	-	82
Net Cost of General Fund Services	17,331	(3,633)		13,698	17,872	(3,551)	14,321
Holding Accounts	10,675	(275)	30	10,400	8,537	(191)	8,346
Net Cost of Services	28,006	(3,908)		24,098	26,409	(3,742)	22,667
Other Operating Expenditure			9	23			77
Financing and investment income and expenditure			10	2,854			2,784
Taxation and non-specific grant income			11	(1,073)			(967)
Funded by Adur District Council				(8,700)			(7,851)
Funded by Worthing Borough Council				(12,956)			(12,330)
(Surplus) or Deficit on Provision of Services				4,246			4,380
Remeasurments of the net defined pension benefit liability			33	2,117			(6,648)
Other				-			-
Other Comprehensive Income and Expenditure				2,117			(6,648)
Total Comprehensive Income and Expenditure				6,363			(2,268)

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 2015	As at 31st March 2014
	£'000	£'000
Long Term Assets:		
Property, Plant & Equipment 12	5,582	6,052
Investment Property	-	-
Intangible Assets 13	392	301
Assets Held for Sale	-	-
Long Term Investments	-	-
Long Term Debtors	-	-
Total Long Term Assets	5,974	6,353
Current Assets:		
Short Term Investments	-	-
Assets Held For Sale	-	-
Inventories 15	157	143
Short Term Debtors 16	1,954	927
Cash & Cash Equivalents 17	1,476	1,260
Total Current Assets	3,587	2,330
Current Liabilities:		
Cash & Cash Equivalents	-	-
Short Term Borrowing	-	-
Short Term Creditors 18	(2,615)	(1,728)
Provisions	-	-
Grants Receipt in Advance - Revenue 28	(803)	(386)
Total Current Liabilities	(3,418)	(2,114)
Long Term Liabilities:		
Long Term Creditors	-	-
Provisions	-	-
Long Term Borrowing	-	-
Pension Liability 33	(13,505)	(7,568)
Total Long Term Liabilities	(13,505)	(7,568)
Net Assets	(7,362)	(999)
Financed By Reserves:		
Usable Reserves 19	(6,143)	(6,569)
Unusable Reserve 20	13,505	7,568
Total Reserves	7,362	999

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:	2014/15	2013/14
	£'000	£'000
Net surplus or (deficit) on provision of services	(4,246)	(4,380)
Adjustments to net surplus or deficit on the provision of services for non cash movements	4,462	3,241
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	216	(1,139)
	21	
Net increase or decrease in cash and cash equivalents	216	(1,139)
Cash and cash equivalents at the beginning of the reporting period	1,260	2,399
Cash and cash equivalents at the end of the reporting period	1,476	1,260
	17	

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING POLICIES 2014/15

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 – 2014/15, 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

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.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

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.

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 cost value.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

NON CURRENT ASSETS

Expenditure and Valuation principles

For 2014/15 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 gain 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:

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

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

NON CURRENT ASSETS

Depreciation

- 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.

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:

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

ACCOUNTING FOR FINANCIAL INSTRUMENTS

FINANCIAL LIABILITIES	FINANCIAL ASSETS
Amortised cost	Loans and receivables

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.

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 2014/15 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.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

RESERVES

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 2014/15 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:

- 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 which is assessed at the bid value as required by FRS17.
- The change in the net pensions liability is derived from two components:
 - Present Value of the defined benefit obligation which represents the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. This is calculated from several factors including:

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Pension Costs

- The 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;
 - The 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;
 - The 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;
 - Contributions by members made into the West Sussex County Council pension fund;
 - 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;
 - Estimate of benefits paid to pensioners.
- Fair value of plan assets which is calculated from several factors including:
- 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;
 - Contributions paid to the West Sussex County Council pension fund by members and the employer – cash paid as contributions to the pension fund in settlement of liabilities; not accounted for as an expense;
 - 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;
 - Estimate of benefits paid to pensioners.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Pension Costs

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.

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.

NOTES TO THE ACCOUNTS

NOTE 1: ACCOUNTING POLICIES

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.

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

NOTES TO THE ACCOUNTS

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

The Code of Practice on Local Council Accounting in the United Kingdom 2015/16 (the Code) has introduced several changes in accounting policies which will be required from 1 April 2015. If these had been adopted for the financial year 2014/15 there would be no material changes as detailed below:

- IFRS 13 Fair Value Measurement – This standard introduces a consistent definition of fair value. This standard may affect how some types of property, plant and equipment are valued. However the Joint Strategic Committee does not hold any significant assets that would be affected by the new valuation method.
- IFRIC 21 Levies – This standard provides guidance on the recognition of liabilities to pay levies imposed by Governments. The Joint Strategic Committee is unlikely to pay any such levy.

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 judgements do not apply to the Joint Strategic Committee.

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 2015 for which there is a risk of adjustment in the forthcoming financial year are as follows:

NOTES TO THE ACCOUNTS

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

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 2015 the Committee had a net balance of debtors due of £1,954,000.	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.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways.</p> <p>During 2014/15, the Council's actuaries advised that the net pension liability has increased by a net £6m. £5.6m increased as a result of estimates being corrected as a result of experience and an increase of £0.4m attributable to updating of the assumptions.</p>

NOTES TO THE ACCOUNTS

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.

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 2015 and the date when the Statement of Accounts is authorised for issue, 29th September 2015.

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 29th September 2015, the date of authorisation for issue, are not reflected in the Statement of Accounts.

NOTE 7: ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Strategic Committee in the year in accordance with proper accounting practice and to the resources that are specified by statutory provisions as being available to the Committee to meet future capital and revenue expenditure.

2014/15 USABLE RESERVES	Joint Strategic Committee Working Balance	Movement in Unusable Reserve
	£000	£000
Adjustments involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive income and Expenditure Statement (note 20)	8,674	(8,674)
Employers Pension Contributions and direct payments to pensioners payable in the year (note 20)	(2,737)	2,737
TOTAL ADJUSTMENTS 2014/15	5,937	(5,937)

NOTES TO THE ACCOUNTS

NOTE 7: ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2013/14 USABLE RESERVES COMPARATIVE FIGURES RESTATED	Joint Strategic Committee Working Balance	Movement in Unusable Reserve
	£000	£000
Adjustments involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive income and Expenditure Statement (note 20)	(314)	314
Employers Pension Contributions & direct payments to pensioners payable in year (note 20)	(2,323)	2,323
TOTAL ADJUSTMENTS 2013/2014	(2,637)	2,637

NOTE 8: 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 2014/15.

Movement in Earmarked Reserves	Balance at 01.04.13	Decrease 2013/14	Increase 2013/14	Balance at 31.03.14	Decrease 2014/15	Increase 2014/15	Balance at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants and Contributions	267	(89)	37	215	(47)	-	168
Transferred Assets Adjustment Account	6,671	(1,330)	1,013	6,354	(1,452)	1,073	5,975
Total Earmarked Reserves	6,938	(1,419)	1,050	6,569	(1,499)	1,073	6,143

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 9: OTHER OPERATING EXPENDITURE

Other Operating Expenditure	31-Mar-15	31-Mar-14
	£'000s	£'000s
De-recognition of non-current assets	23	77
TOTAL	23	77

NOTE 10: FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure	2014/15	2013/14
	£000	£000
Net interest on net defined benefit liability (asset)	2,854	2,784
TOTAL	2,854	2,784

NOTE 11: 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	2014/15	2013/14
	£'000	£'000
Capital grants & contributions	(1,073)	(967)
TOTAL	(1,073)	(967)

NOTE 12: 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 12: PROPERTY, PLANT AND EQUIPMENT

Comparative Movement in 2014/15

Movements in 2014/2015	Vehicles, Furniture and Equipment	Surplus Assets	Assets Under Const- ruction	TOTAL
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2014	13,216	47	9	13,272
Assets transferred from Adur District Council and Worthing Borough Council	919	-	-	919
De-recognition - Other	(474)	-	-	(474)
At 31 March 2015	13,661	47	9	13,717
Accumulated Depreciation & Impairment				
At 1 April 2014	(7,203)	(17)	-	(7,220)
Depreciation charge	(1,360)	(6)	-	(1,366)
Derecognition - Other	451	-	-	451
At 31 March 2015	(8,112)	(23)	-	(8,135)
Net Book Value at 31 March 2015	5,549	24	9	5,582
Net Book Value At 31 March 2014	6,013	30	9	6,052

Depreciation

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

* Vehicles, Plant and Equipment: 1 - 20 years

Capital Commitments

At 31st March 2015, the Joint Strategic Committee had not entered into any significant contracts.

NOTES TO THE ACCOUNTS

NOTE 12: 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

NOTES TO THE ACCOUNTS

NOTE 13: 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.

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 £63,610 was charged to the Comprehensive Income and Expenditure in 2014/15.

	2014/15	2013/14
	£'000	£'000
Balance at start of the year		
Gross carrying amounts	487	421
Accumulated amortisation	(186)	(269)
Net carrying amount at start of year	301	152
New assets transferred from Adur District Council and Worthing Borough Council	22	19
Acquisitions transferred from Adur District Council and Worthing Borough Council	132	12
Derecognition - Other	(3)	(162)
Reclassification from equipment assets	-	197
Amortisation for the period	(63)	(35)
Amortisation written off	3	118
Net carrying amount at end of year	392	301
Comprising		
Gross carrying amounts	638	487
Accumulated amortisation	(246)	(186)
	392	301

NOTE 14: 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:

NOTES TO THE ACCOUNTS

NOTE 14: FINANCIAL INSTRUMENTS

Financial Instruments - Fair Values of Assets and Liabilities

Financial Liabilities

Financial Liabilities	31st March 2015		31st March 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Borrowing	-	-	-	-
Trade and Other Payables	766	766	677	677
Total Liabilities	766	766	677	677

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 2015		31st March 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Investments	-	-	-	-
Trade Receivables	417	417	735	735
Cash & Cash Equivalents	1,476	1,476	1,260	1,260
Loans and Receivables	1,893	1,893	1,995	1,995

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.

NOTES TO THE ACCOUNTS

NOTE 14: FINANCIAL INSTRUMENTS

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.

The Accounting Code of Practice requires an analysis of the Joint Strategic Committee's potential maximum exposure to credit risk. However, 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-15	Historical Experience of Default	Historical Experience Adjusted for Market Conditions at 31-Mar-15	Estimated Maximum Exposure to Default and Uncollectibility at 31-Mar-15	Estimated Maximum Exposure at 31-Mar-14
	£'000	%	%	£'000	£'000
Customers	417	0.00%	0.00%	-	-
	417			-	-

The Joint Strategic Committee does not generally allow credit for customers, consequently the total value of trade receivables attributable to customers at 31 March 2015 that are past due for payment at the Balance Sheet date is nil.

NOTES TO THE ACCOUNTS

NOTE 15: INVENTORIES

	2014/15	2013/14
	£'000s	£'000s
Balance outstanding at start of year	143	140
Movement net of purchases/issues	14	3
Transfer of inventories from Adur District Council	-	-
Balance outstanding at year-end	157	143
Worthing Borough Council share of the inventories from the Joint Strategic Committee	95	89
Adur District Council share of the inventories from the Joint Strategic Committee	62	54

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

NOTE 16: DEBTORS

	31-Mar-15	31-Mar-14
	£'000s	£'000s
Amounts falling due in one year:		
Central government bodies	13	30
Other local authorities	1,707	733
NHS bodies	3	17
Public corporations and trading funds	-	-
Other entities and individuals	231	147
TOTAL PER BALANCE SHEET	1,954	927
Adjustment for inter Authority Recharges	(1,537)	(192)
Trade Receivables per Note 12	417	735

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

Overall Aged Debt Analysis	31-Mar-15	31-Mar-14
	£'000	£'000
Less than 1 Year	1,937	906
1-2 Years	-	7
2-3 years	4	14
Over 3 years	13	-
	1,954	927

NOTES TO THE ACCOUNTS

NOTE 17: 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-15	31-Mar-14
	£'000	£'000
Cash attributable to the Joint Strategic Committee	1,476	1,260
Total Cash & Cash Equivalents	1,476	1,260

NOTE 18: CREDITORS

	31-Mar-15	31-Mar-14
	£'000s	£'000s
Central government bodies	74	-
Other local authorities	1,220	560
NHS bodies	-	-
Public corporations and trading funds	30	11
Other entities and individuals	1,291	1,157
TOTAL AS PER BALANCE SHEET	2,615	1,728
Adjustment for amounts due to other public bodies	(1,294)	(560)
Adjustment for amounts due to individuals	(555)	(491)
Trade Payables as per Note 12	766	677

NOTE 19: USABLE RESERVES

Movements in the Joint Strategic Committee usable reserves are detailed in the Movement of Reserves Statement and Note 7.

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.

NOTES TO THE ACCOUNTS

NOTE 20: UNUSABLE RESERVES

31st March 2014	UNUSABLE RESERVES	31st March 2015
£'000s		£'000s
7,568	Pensions Reserve	13,505
7,568	TOTAL UNUSABLE RESERVES	13,505

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2014/15	2013/14
	£'000	£'000
Balance at 1 April	7,568	10,205
Actuarial gains or losses on pension assets and liabilities	2,117	(6,648)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	6,557	6,334
Employer's pension contributions and direct payments to pensioners payable in the year	(2,737)	(2,323)
Balance at 31 March	13,505	7,568

NOTES TO THE ACCOUNTS

NOTE 21: CASH FLOW STATEMENT - OPERATING ACTIVITIES

	Net Expenditure 2014/15	Net Expenditure 2013/14
	£'000s	£'000s
Income & Expenditure Account Surplus/(Deficit)	(4,246)	2,268
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Depreciation and Impairment	1,429	1,207
Amortisation Grants and Contributions	(1,073)	(967)
Revenue Movements on:		
Inventories	(14)	(3)
Debtors	(1,027)	(175)
Creditors	1,304	(909)
Provision	-	-
Exclude:		
Pension IAS 19 Adjustments	3,820	4,011
(Profit) and loss on Fixed Assets	23	77
	4,462	3,241
Net Cash Flows From Operating Activities	216	5,509

NOTES TO THE ACCOUNTS

NOTE 22: 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 2014/15 is as follows on next page:

2014/15	Employee Expenses	Other Expenses	Support Services	Total Expenditure	Income	Net Expenditure
Service Block	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive & Strategic Directors	750	42	65	857	(1)	856
Director for Communities	5,693	1,364	593	7,650	(2,796)	4,854
Director for Customer Services	5,730	2,402	735	8,867	(3,094)	5,773
Director for Digital & Resources	5,531	3,556	1,552	10,639	(556)	10,083
Director for the Economy	2,898	256	482	3,636	(80)	3,556
Net Service Block Expenditure	20,602	7,620	3,427	31,649	(6,527)	25,122
Grant Reserves						(47)
Support services and vehicle workshop costs recharged to other services						(3,432)
Adur District Council						(8,805)
Worthing Borough Council						(12,838)
Total spend 2014/15						-

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.

	2014/15 £'000
Cost of Services in Service Analysis	25,122
Add: Services not included in main analysis	-
Add: Amounts not reported to management	(21,643)
Remove: Amounts reported to management not included in Comprehensive Income and Expenditure Statement	2,884
Net Cost of Services in Comprehensive Income & Expenditure Statement	6,363

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 22: 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.

2014/15	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	(5,114)				5,114	-	-	-
Surplus or deficit on associates and joint ventures	-				-	-	-	-
Interest and investment income	-				-	-	-	-
Income from council tax	-				-	-	-	-
Government grants and contributions	(1,413)				1,460	47	-	47
Total Income	(6,527)	-	-	-	6,574	47	-	47
Employee expenses	20,602	-	-	5,937	(20,602)	5,937	-	5,937
Other service expenses	7,620				(7,620)	-		-
Support Service recharges	3,427			(3,432)	5	-		-
Depreciation, amortisation and impairment	-			1,429		1,429		1,429
Interest Payments	-					-		-
Precepts & Levies	-					-		-
Gain or Loss on Disposal of Fixed Assets	-			23		23		23
Other	-			(1,073)		(1,073)		(1,073)
Total operating expenses	31,649	-	-	2,884	(28,217)	6,316	-	6,316
Surplus or deficit on the provision of services	25,122	-	-	2,884	(21,643)	6,363	-	6,363

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 22: 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 2013/14 is as follows:

2013/14	Employee Expenses	Other Expenses	Support Services	Total Expenditure	Income	Net Expenditure
Service Block	£'000	£'000	£'000	£'000	£'000	£'000
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 Regeneration & 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)
						-

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 22: 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.

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 23: 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 24: 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 25: 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
<u>Expenditure</u>	
Salary costs	1,516
Transport costs	7
Supplies and Services	1,058
Total Operating Expenditure	2,581

	Mid Sussex District Council	Horsham District Council	Adur and Worthing	TOTAL
Proportional Share of Costs	768	639	1,174	2,581
Allocation of costs				
Adur District Council (40%)			470	
Worthing Borough Council (60%)			704	
			1,174	

NOTE 26: 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 26: OFFICERS' REMUNERATION

Remuneration Bands	Number of Employees	
	2014/15	2013/14
£50,000 to £54,999	4	7
£55,000 to £59,999*	4	3
£60,000 to £64,999*	10	8
£65,000 to £69,999	2	-
£70,000 to £74,999*	6	4
£75,000 to £79,999*	4	3
£80,000 to £84,999	1	-
£85,000 to £89,999	-	1
£90,000 to £94,999	1	1
£95,000 to £99,999	-	-
£100,000 to £104,999	-	-
£105,000 to £109,999*	2	-
£110,000 to £114,999	-	-
£115,000 to £119,999	-	-
£120,000 to £124,999	-	1
£125,000 to £129,999*	1	-
£130,000 to £134,999	-	-
£135,000 to £139,999*	1	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £154,999	-	1
£155,000 to £159,999*	1	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	-
£170,000 to £174,999	-	-
£175,000 to £179,999	-	-
£180,000 to £184,999	-	-
£185,000 to £189,999	-	-
£190,000 to £194,999	-	-
£195,000 to £200,000	-	1
	37	30

* These include redundancy payments relating to 2014/15. 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 was 1 member of staff whose salary was more than £150,000 in 2014/15 and 2 in 2013/14.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 26: OFFICERS' REMUNERATION

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, Directors and 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 2014/15 or 2013/14.

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but more than £50,000 per year - See Note 2 above								
Postholder	Salary, Fees and Allowances	Benefit in Expenses Allowances	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. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Chief Executive								
2014/15	104,283	1,429	-	105,712	19,501	125,213	62,607	62,606
2013/14	98,653	1,019	-	99,672	18,407	118,079	59,040	59,039
Director for Customer Services								
2014/15	71,831	415	-	72,246	13,462	85,708	51,425	34,283
2013/14	-	-	-	-	-	-	-	-
Director for Communities								
2014/15	92,307	(180)	-	92,127	17,290	109,417	54,709	54,708
2013/14	-	-	-	-	-	-	-	-
Director for Digital & Resources								
2014/15	83,403	153	-	83,556	15,625	99,181	59,509	39,672
2013/14	-	-	-	-	-	-	-	-
Director for the Economy								
2014/15	79,219	776	-	79,995	14,844	94,839	47,420	47,419
2013/14	-	-	-	-	-	-	-	-

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but more than £50,000 per year - See Note 2 above								
Postholder	Salary, Fees and Allowances	Benefit in Expenses Allowances	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. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Head of Growth								
2014/15	71,575	197	-	71,772	13,385	85,157	51,094	34,063
2013/14	-	-	-	-	-	-	-	-
Head of Wellbeing								
2014/15	59,803	612	-	60,415	11,297	71,712	43,027	28,685
2013/14	-	-	-	-	-	-	-	-
Head of Finance								
2014/15	71,575	310	-	71,885	13,385	85,270	51,162	34,108
2013/14	-	-	-	-	-	-	-	-
Head of Business and Technical Services								
2014/15	64,815	-	-	64,815	12,191	77,006	46,204	30,802
2013/14	-	-	-	-	-	-	-	-
Head of Legal								
2014/15	58,360	-	-	58,360	11,111	69,471	34,513	34,958
2013/14	-	-	-	-	-	-	-	-
Head of Environment								
2014/15	71,575	310	-	71,885	13,385	85,270	56,278	28,992
2013/14	-	-	-	-	-	-	-	-

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but more than £50,000 per year - See Note 2 above								
							Net Cost borne by Worthing B.C. and Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Postholder	Salary, Fees and Allowances	Benefit in Expenses Allowances	Compensation for Loss of Office	Total Remuneration excluding Pension Contributions	Pension Contribution - Employer Only	Total Remuneration including Pension Contributions		
Strategic Director 1								
2014/15	-	-	-	-	-	-	-	-
2013/14	91,721	368	-	92,089	16,235	108,324	54,162	54,162
Strategic Director 2								
Andrew Gardiner								
2014/15	-	-	-	-	-	-	-	-
2013/14	95,454	589	100,265	196,308	16,235	212,543	106,272	106,271
Executive Head of Financial Services								
2014/15	-	-	-	-	-	-	-	-
2013/14	71,885	117	-	72,002	12,669	84,671	50,803	33,868
Executive Head of Planning, Reg'ation & Wellbeing								
2014/15	-	-	-	-	-	-	-	-
2013/14	71,575	101	-	71,676	12,669	84,345	50,607	33,738
Executive Head of Corporate & Cultural Services								
2014/15	22,917	-	57,672	80,589	-	80,589	40,295	40,294
2013/14	72,437	261	-	72,698	12,673	85,371	51,223	34,148

Remuneration Disclosures for Senior Officers whose salary is less than £150,000, but more than £50,000 per year - See Note 2 above								
Postholder	Salary, Fees and Allowances	Benefit in Expenses Allowances	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. and paid to Adur D.C.	Net Cost borne by Adur D.C. Employing Authority
Executive Head of Customer Services, Waste and Recycling								
2014/15	-	-	-	-	-	-	-	-
2013/14	74,434	4	-	74,438	12,932	87,370	52,422	34,948
Executive Head of Housing, Health and Community Safety								
Paul Spedding								
2014/15	-	-	-	-	-	-	-	-
2013/14	73,787	1,082	79,698	154,567	12,682	167,249	100,349	66,900
Executive Head of Adur Homes								
2014/15	-	-	-	-	-	-	-	-
2013/14	38,111	171	-	38,282	6,714	44,996	-	44,996
Executive Head of Technical Services								
2014/15	-	-	-	-	-	-	-	-
2013/14	63,107	1,040	-	64,147	7,876	72,023	43,214	28,809
Head of Productivity & Innovation								
Kevin Masters								
2014/15	76,205	-	82,418	158,623	10,902	169,525	101,715	67,810
2013/14	-	-	-	-	-	-	-	-

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 26: 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}	
Exit package cost band (including special payments)	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	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
							£	£
£0 - £20,000	5	1	2	7	7	8	43,016	94,579
£20,000 - £40,000	-	-	4	9	4	9	123,965	291,031
£40,000 - £60,000	-	-	-	1	-	1	-	45,000
£60,000 - £80,000	-	-	2	2	2	2	139,763	129,337
£80,000 - £100,000	-	-	-	1	-	1	-	82,418
£100,000 - £150,000	-	-	1	-	1	-	100,265	-
Total	5	1	9	20	14	21	407,009	642,365

The exit package details are a memorandum note provided for completeness. Redundancy costs have not been accounted for in the JSC in 2014/15 but charged directly to the constituent authorities and shared between the Authorities in proportion to the service allocation. The total 2014/15 cost of exit packages for Adur are £234,605 and Worthing are £407,760.

NOTE 27: EXTERNAL AUDIT COSTS

The Joint Strategic Committee incurred the following fees relating to external audit.

Adur and Worthing Joint Committee	2014/15	2013/14
	£'000s	£'000s
Fees payable to Audit Commission with regard to external audit services carried out by the appointed auditor for the year	23	25
TOTAL	23	25

NOTE 28: GRANT INCOME

The Joint Strategic Committee has credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15.

	2014/15	2013/14
	£'000s	£'000s
Credited to Taxation and Non specific Grant Income		
None	-	-
	-	-

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 28: GRANT INCOME

	2014/15	2013/14
	£'000s	£'000s
Credited to Services - Revenue Grants		
Active Sussex - Inclusive Physical Activity Projects	1	1
British Heart Foundation - Hearty Lives	33	36
D J Workshops - Diversionary Football	-	3
Extended Activities	-	1
NHS West Sussex - Inspiring Healthier Families (Child Weight)	-	16
Sussex Police	3	-
Wellbeing Hubs other projects	6	-
Sanctuary House - Anti-social Behaviour Project	-	117
Street scene	-	2
West Sussex Public Health - Mens in Shed	40	-
West Sussex County Council - Community Budget Programme	20	-
West Sussex County Council - Wellbeing Hub Core	200	201
West Sussex County Council - Physical Activity Co-ordinator	30	16
West Sussex County Council - Wellbeing Hubs projects	314	307
WSCC Think Family - Family Intervention Project	338	547
WSCC - Think Family Neighbourhood	86	-
WSCC - Think Family Support Network	165	-
WSCC - Area Based Grant (Community Safety Unit Grant)	-	23
WSCC, SEEDA, Arun & Chichester Councils - Coastal West Sussex	28	53
WSCC - Backfill of Secondment	26	-
WSCC - Community Safety Grants	118	-
WSCC - Digital Hub funding	12	-
Various less than 5k grants	3	-
TOTAL	1,423	1,323

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 might require the monies or property to be returned to the giver. The balances at the end of the year were as follows:

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 28: GRANT INCOME

	2014/15	2013/14
	£'000s	£'000s
Capital Grants Receipts in Advance		
None		
Revenue Grants Receipts in Advance		
Community Wellbeing Core: Mental Health	12	12
Joint Community Safety Project Safer Communities Partnership	232	129
Think Family Support Network	165	-
Joint Community Safety Project SSCF Grant	44	44
Joint Family Intervention Project: Think Family Health	-	13
Joint Community Safety Project: SCP Initiatives	-	40
Joint Family Intervention Project: Think Family	62	51
Joint Community Safety Project: WSCC Funding	-	18
Wellbeing Hubs	19	10
Wellbeing Hubs Physical Activity Co-ordinator	11	6
Wellbeing Hubs Physical Activity Referral	5	-
Wellbeing Hubs Healthy Life Management	-	12
Wellbeing Hubs Alcohol Misuse	6	30
Wellbeing Hubs other projects	-	7
DEFRA Inspire Grant	-	14
WSCC, SEEDA, Arun & Chichester Councils - Coastal West Sussex	28	-
West Sussex Public Health - Mens in Shed	40	-
West Sussex County Council - Community Budget Programme	20	-
West Sussex County Council - Wellbeing Hub Core	12	-
British Heart Foundation - Hearty Lives	33	-
West Sussex County Council - Family based activity	39	-
WSCC - Think Family Neighbourhood	1	-
WSCC - Digital Hub funding	25	-
Work Place project	27	-
Various less than 5k grants	22	-
TOTAL	803	386

NOTE 29: 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 accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 29: RELATED PARTIES

Members:

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 2014/15, there were 2 different services commissioned from two companies in which 2 Worthing Members have an interest, as directors. The amounts paid were £3,771.94 to one company and £19,215 to the other. In addition, there was one Worthing Member who received £4,200 as a Worthing Homes Board Member and an organisation he supports received a one-off payment of £108 from the Community Chest. All contracts were entered into in full compliance with the Council's standing orders.

Officers:

There were no related party transactions declared by officers in 2014/15.

NOTE 30: 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	2014/15	Restated 2013/14
	£'000	£'000
Chief Executive	856	804
Communities	366	581
Customer Services	1,760	1,648
Digital & Resources	10,843	10,138
Economy	901	741
Less : Recharges within the Joint Committee	(4,326)	(5,566)
Support costs charged to the constituent councils	10,400	8,346

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 31: TERMINATION BENEFITS

	Adur	Worthing	Total
	£	£	£
Redundancy costs	234,605	407,760	642,365
Enhanced Pension Benefits	102,929	103,540	206,470
Total termination benefit 2014/15	337,534	511,300	848,835
Termination benefits 2013/14	296,444	420,714	717,158

This note is a memorandum note provided for completeness. Termination benefits have not been accounted for in the JSC in 2014/15 but charged directly to the constituent authorities.

Of this total £642,365 is payable in the form of compensation for loss of office and £206,470 is the 2014/15 cost of enhanced pension benefits which normally spread over 5 years. This cost also relates to enhanced pensions from previous year terminations.

NOTE 32: NATURE & EXTENT OF RISK

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

NOTE 33: 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 33: DEFINED BENEFIT PENSION PLANS

Transactions Relating to Post-employment Benefits

Comprehensive Income & Expenditure Statement	Local Government Pension Scheme	
	2014/15 £'000s	2013/14 £'000s
Cost of services		
Current service cost	(3,623)	(3,468)
Past service cost	-	-
(gain)/loss from settlements	(80)	(82)
Financing & Investment Income & Expenditure		
Net Interest cost	(2,854)	(2,784)
Total post employment benefit charged to the surplus or deficit on the provision of services	(6,557)	(6,334)
Other post employment benefit charged to the CI&E		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in the net interest expense)	3,559	2,656
Actuarial gains and losses arising on changes in demographic assumptions	5,278	2,260
Actuarial gains and losses arising on changes in financial assumptions	(10,954)	1,732
Total remeasurements recognised in the other comprehensive income	(2,117)	6,648
Total post-employment benefits charged to the CI&E statement	(8,674)	314

Movement in Reserves Statement	2014/15 £'000s	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	(261)	(1,355)
Actual amounts charged against the General Fund balance for pensions in the year:		
Employer's contributions payable to the scheme	(2,737)	(2,323)
Retirement benefits payable to pensioners	1,177	1,288

NOTES TO THE ACCOUNTS

NOTE 33: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

Pensions Assest and Liabilities Recognised in the Balance Sheet	Local Government Pension Scheme	
	2014/15 £'000s	2013/14 £'000s
Present value of the defined benefit obligation	(81,999)	(64,704)
Fair value of plan assets	68,494	57,136
Sub-total	(13,505)	(7,568)
Other movements in the liability (asset)		
Net liability arising from defined benefit obligation	(13,505)	(7,568)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	Local Government Pension Scheme	
	2014/15 £'000s	2013/14 £'000s
Opening fair value of scheme assets	57,136	50,326
Interest income	-	-
Remeasurement gain / (loss):		
The return on plan assets, excluding the amount included in the net interest expense	3,559	2,656
Actuarial Gains / (Losses)	5,278	2,260
Contributions from employer	2,737	2,323
Contributions from employees into the scheme	961	859
Benefits paid	(1,177)	(1,288)
Other		
Closing fair value of scheme assets	68,494	57,136

NOTES TO THE ACCOUNTS

NOTE 33: DEFINED BENEFIT PENSION PLANS

Pension Assets and Liabilities

Reconciliation of present value of the scheme liabilities (defined benefit obligation)	Funded Liabilities: LGPS	
	2014/15 £'000s	2013/14 £'000s
Opening Balance at 1 April	64,704	60,531
Current service cost	3,623	3,468
Interest cost	2,854	2,784
Contributions from scheme members	961	859
Remeasurement (gains) & losses:		
Actuarial gains / losses arising from changes in demographic assumptions	10,954	(1,732)
Actuarial gains / losses arising from changes in financial assumptions	-	-
Other experience	-	-
Past service cost	-	-
Losses/(Gains) on curtailment	80	82
Liabilities assumed on a entity combinations	-	-
Benefits paid	(1,177)	(1,288)
Liabilities extinguished on settlements	-	-
Closing balance at 31 March	81,999	64,704

Local Government Pension Scheme assets comprised (quoted prices are in active markets)	Fair value of scheme assets	
	2014/15 £'000s	2013/14 £'000s
Cash	3,425	1,143
Bonds	10,274	6,856
Equities	50,685	44,566
Property	4,110	4,571
Total assets	68,494	57,136

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, 2015.

NOTES TO THE ACCOUNTS

NOTE 33: DEFINED BENEFIT PENSION PLANS

Basis for Estimating Assets and Liabilities

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2014/15	2013/14
Long-term expected rate of return on assets in the scheme:		
Equity investments	3.3%	6.7%
Bonds	3.3%	3.7%
Property	3.3%	4.8%
Cash	3.3%	3.7%
Mortality assumptions:		
<i>Longevity at 65 for current pensioners</i>		
Male	24.4	24.4
Female	25.8	25.8
<i>Longevity at 65 for future pensioners</i>		
Male	26.9	26.9
Female	28.5	28.5
Expected return on assets	3.3%	6.1%
Rate of increase in salaries	3.9%	4.2%
Rate of increase in pensions	2.5%	2.9%
Rate for discounting scheme liabilities	3.3%	4.3%

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 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.

NOTES TO THE ACCOUNTS

NOTE 33: DEFINED BENEFIT PENSION PLANS

Basis for Estimating Assets and Liabilities

Change in assumptions at 31 March 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	9,803
1 year increase in member life expectancy	3%	2,460
0.5% increase in Salary Increase Rate	5%	3,924
0.5% increase in the Pension Increase Rate	7%	5,584

Impact on the Council's Cash Flows:

The Council anticipates paying £2,937,000 contributions to the scheme in 2015/16.

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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.gov.uk or 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 Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Committee'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 Committee for the financial year ended 31st March 2015 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 Committee's governance arrangements include arrangements for:

- identifying and communicating the Committee's vision of its purpose and intended outcomes for citizens and service users;

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THE GOVERNANCE FRAMEWORK

- reviewing the Committee's vision and its implications for the authority's governance arrangements;
- translating the vision into objectives for the Committee and its partnerships;
- measuring the quality of services for users, for ensuring they are delivered in accordance with the Committee's objectives and for ensuring that they represent the best use of resources 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 Committee'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 Committee'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 Committee'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;
- establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;

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THE GOVERNANCE FRAMEWORK

- 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 Committee's overall governance arrangements.

The operation of this Committee'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 Committee'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 Committee; 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 • Talent management 	<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 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 Committee 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 three priorities which set out its aspirations for the town.

- **Supporting Wealth Generators**
- **Cultivating Enterprising Communities**
- **Becoming an adaptive Council**

Further details of how these priorities will be achieved are included in a programme of work called 'Surf's Up' which can be found on the internet at <http://www.adur-worthing.gov.uk/media/media,134526,en.pdf>

Service planning and performance management

In order to secure these outcomes for residents and service users, the Councils need to respond to some tough challenges. Through partnership working and efficiency savings the Councils has made significant savings over the past five years and need to find a further £6.2m by 2019/20 in a climate of reducing funding from Central Government and rising demand for many of the Councils 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.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

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, the Councils continue 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 single organisation, Adur District 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.

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.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

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

Financial management

The Head of Finance 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.

Anti-fraud, bribery and corruption

The Councils are 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) 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.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

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

Joint Governance Committee

As its name suggests, the Joint Governance 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. The Councils want 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.

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 Councils operate a 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 Councils and the Joint Committee are performing and see whether they are providing the best possible, cost effective service for people in the area. 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.

ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

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

Complaints

There is a clear and transparent complaints procedure for dealing with complaints. The Councils operate 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 Councils operate 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 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.

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.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

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 Consultation 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 council keeps 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 Committee is involved in a number of different partnerships, at different levels – each with their own set of terms of reference for effective joint working.

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.

ANNUAL GOVERNANCE STATEMENT

REVIEW OF EFFECTIVENESS

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

- the Joint Strategic Committee, Cabinets, the Joint Governance 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 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:

- 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 2014 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.

ANNUAL GOVERNANCE STATEMENT

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.

Signed: _____

Alex Bailey
Chief Executive of
Adur & Worthing Councils

Dated: 29th September, 2015

Signed: _____

Councillor Daniel Humphreys
Leader of the Council
Worthing Borough Council



Dated: 29th September, 2015

Signed: _____

Councillor Neil Parkin
Leader of the Council
Adur District Council



Dated: 29th September, 2015

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 2015 under the Audit Commission Act 1998 (as transitionally saved). 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 33. 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 2014/15.

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 2015 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 2014/15.

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 2014, 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 2015

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 2014/15 which means the year commencing 1st April 2014 and ending 31st March 2015. 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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