
**DAMS TO DARNLEY COUNTRY PARK
JOINT COMMITTEE**

Annual Accounts

For the Year Ended 31 March 2014

DAMS TO DARNLEY COUNTRY PARK JOINT COMMITTEE

Financial Statements for the Year ended 31 March 2014

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❖ Foreword

The Dams to Darnley Country Park Joint Committee is a partnership project between Glasgow City Council and East Renfrewshire Council to participate in the creation and maintenance of a country park between south west Glasgow and East Renfrewshire. The partnership was formally established in May 2006 and, to progress delivery of the park, a Joint Committee was set up comprising two representatives from each Council and other non-voting representatives from appropriate organisations as the Joint Committee deem appropriate. A Minute of Agreement between Glasgow and East Renfrewshire Councils sets out the project's operational procedures, standing orders, and respective responsibilities of each authority.

Developer contributions from housing developments in the area were secured in February and June 2004, (under the terms of section 69 of the Local Government (Scotland) Act 1973 as amended), for the provision/enhancement and maintenance of the country park. While developer contributions were, at the outset of the project, anticipated in both local authority areas, to date only those in respect of Glasgow's local authority area have been received and incorporated into these accounts. The Joint Committee administers the spend of the developer contributions; however, the assets that make up the country park are included within the respective local authority or other bodies' accounts.

Since 2011 the Joint Committee has been progressing the implementation of a Country Park Development and Management Plan that identified projects and actions for the delivery, management and maintenance of the park. The Development and Management Plan also identified existing funding streams and potential sources of funding in the future to ensure delivery of its objectives over the longer term. The Joint Committee agrees priorities/actions, approves disbursements and approves the Annual Accounts and Report.

A number of reports have been presented to the Committee concerning the future funding of the project together with options for how the project will be managed in the future. Based on this year's accounts the project's funds will be exhausted in 2014-15. Additional sources of funding were required from Glasgow City Council and £70,000 has been allocated within the 2014-15 budget as Glasgow's revenue contribution to the project, and approved as part of the Council's base budget, and consequently these accounts have been prepared on a going concern basis. In addition it had been agreed that officers from both Councils would take forward the development of a new Country Park Plan. This document draws upon and updates the previous Development and Management Plan. It also examines funding and income generation opportunities and visitor facility options, together with alternative delivery and asset management mechanisms. At a meeting of the Joint Committee on 31 March 2014 the draft Country Park Plan was submitted which contained various income generating options as well as potential funding sources. The draft plan was approved and it was noted that this was the beginning of the process of developing the project and further refinement would take place to clarify the viability and practicality of the various options.

At the meeting on the 31 March 2014 a brief report was submitted concerning the governance arrangements of the project and it was agreed that a further joint report would be submitted to the Joint Committee to agree future governance arrangements.

Prior to 2013/14 total income received was £698,565 and total expenditure was £623,443. This resulted in a net surplus of £75,122 which represented the fund balance as at 31 March 2013. In 2013/14 total income was £67,824 and total expenditure was £138,919, resulting in a deficit for the year of £71,095, leaving a balance of funds carried forward of £4,027.

Lynn Brown
Executive Director of Financial Services and Deputy Chief Executive
19 September 2014

❖ **Statement of Responsibilities for the Statement of Accounts**

1. The lead authority's responsibilities

The lead authority is required:

- To make arrangements for the proper administration of Dams to Darnley Country Park's financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Glasgow City Council, that officer is the Executive Director of Financial Services and Deputy Chief Executive.
- To manage its affairs to secure economic, efficient and effective use of the resources and safeguard its assets.

2. The Executive Director of Financial Services and Deputy Chief Executive's responsibilities

The Executive Director of Financial Services and Deputy Chief Executive is responsible for the preparation of the Dams to Darnley Country Park's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), is required to present a true and fair view of the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31 March 2014.

In preparing this statement of accounts, the Executive Director of Financial Services and Deputy Chief Executive has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with the Code

The Executive Director of Financial Services and Deputy Chief Executive has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the accounts give a 'true and fair view' of the financial position of Dams to Darnley Country Park Joint Committee as at 31 March 2014 and the income and expenditure for the year then ended.

Lynn Brown MA (Hons) CPFA
Executive Director of Financial Services and Deputy Chief Executive
19 September 2014

Movement in Reserves Statement for the Year ended 31 March 2014

Movement in Reserves Statement – summarises the movement in the different reserves held by the Dams to Darnley Country Park, analysed into Usable Reserves (that is, those that can be applied to fund expenditure) and Unusable Reserves required by statute or regulation to adjust between proper accounting practice and the funding basis (these reserves are not available to fund expenditure). The balance in Dams to Darnley Country Park Joint Committee is the sole usable reserve and represents the accumulated surplus of the organisation. The opening and closing reserves reflect the balances shown in the Balance Sheet.

The balance on the fund stands at £4,027 as at 31 March 2014, a decrease of £71,059 from last year, due to the deficit on the provision of services in the year.

	Total Reserves £
Balance at 1 April 2012	147,447
Movement in reserves during 2012/13:	
Surplus or (Deficit) on the Provision of Services	(72,325)
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	(72,325)
Balance at 31 March 2013	75,122
Movement in reserves during 2013/14:	
Surplus or (Deficit) on the Provision of Services	(71,095)
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	(71,095)
Balance at 31 March 2014	4,027

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2014

2012/13 Net Exp. £	Service	Note	2013/14 Net Expenditure £
109,676	Gross expenditure	3	138,919
(37,351)	Gross income	3	(67,824)
72,325	Cost of Services		71,095
0	Financing and Investment Income and Expenditure		0
72,325	(Surplus) or Deficit on the Provision of Services		71,095
0	Other Comprehensive (Income) and Expenditure		0
72,325	Total Comprehensive (Income) and Expenditure		71,095

Comprehensive Income and Expenditure Statement – shows income and expenditure incurred in the year relating to the provision of Dams to Darnley Country Park services, and other unrealised gains and losses. In total, this reflects the movement in the overall Dams to Darnley Country Park reserves shown in the Balance Sheet.

Balance Sheet as at 31 March 2014

31 March 2013 £		Note	31 March 2014 £
147,447	Net short-term debtors	5	13,845
147,447	Current Assets		13,845
(72,325)	Short-term creditors	6	(9,818)
(72,325)	Current Liabilities		4,027
75,122	Net Assets / (Liabilities)		4,027
75,122	Usable Reserves		4,027
0	Unusable Reserves		0
75,122	Total Reserves		4,027

Balance Sheet – represents the value of the assets and liabilities of the Dams to Darnley Country Park as at 31 March. The net assets (assets less liabilities) are matched by the total Usable and Unusable Reserves.

The audited accounts were issued on
19 September 2014

Lynn Brown, MA (Hons) CPFA
Executive Director of Financial Services
and Deputy Chief Executive
19 September 2014

Cash Flow Statement for the Year ended 31 March 2014

2012/13 £	Revenue Activities	2013/14 £
(72,325)	Surplus or (Deficit) on the Provision of Services	(71,095)
	Adjustments for non-cash items:-	
0	(Increase) / decrease in inventories	
61,883	(Increase) / decrease in debtors	133,602
10,442	Increase / (decrease) in creditors	(62,507)
72,325		71,095
0	Net cash inflow / (outflow) from activities	0

Cash Flow Statement – details the changes in cash and cash equivalents of the Dams to Darnley Country Park Joint Committee. The Joint Committee does not hold any cash balances in its own right. The net effect of income received and expenditure undertaken on behalf of the Joint Committee is reflected in the net short term debtor and creditor balances with the participating councils.

❖ **Notes to the accounts**

The main objective of these notes is to provide further explanation for certain aspects of the core Financial Statements.

1. Statement of accounting policies

- 1.1** The financial statements for the year ended 31 March 2014 have been compiled on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code). The Code is based on International Financial Reporting Standards (IFRS) with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the fund.
- 1.2** The accounting concepts of 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements' have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the Joint Committee will not significantly curtail the scale of its operation. This is in line with the comments in the foreword, page 3, paragraph 4. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.
- 1.3** Suppliers' invoices received up to 31 March 2014 have been included in the accounts. In addition, various items of expenditure have been accrued in accordance with the Code where the goods or services were received prior to 31 March 2014. Salaries and wages earned to 31 March 2014 are included in the accounts for 2013/14 irrespective of when the actual payments were made.
- 1.4** Income includes all sums due to the project from Glasgow City Council and East Renfrewshire Council as well as other external income sources. Capital expenditure and receipts relating to capital projects undertaken by East Renfrewshire and Glasgow City Council have been excluded on the grounds that it has already been included in the respective local authority's annual accounts. The only exception is where such capital expenditure is financed from the Dams to Darnley Country Park account.
- 1.5** The 'Net short-term debtors' figure represents the amount held by Glasgow City Council on behalf of Dams to Darnley Country Park Joint Committee.
- 1.6** There were no complex transactions or potential future uncertainties requiring critical judgments or estimations of uncertainty in preparing the 2013/14 accounts.

2. New standards issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2014/15 Code:

- IAS 32 Financial Instruments: Presentation (as amended in December 2011)
- Annual Improvements to IFRS 2009-2011 Cycle

The Code requires implementation from 1 April 2014 and there is therefore no impact on the 2013/14 financial statements.

IAS 32 outlines disclosure requirements in respect of offsetting financial assets and liabilities. IFRS improvements are generally minor, principally providing clarification. Overall, these new or amended standards are not expected to have a significant impact on the financial statements.

3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Dams to Darnley Country Park during 2013/14:

2012/13 Net Exp. £	Note	2013/14 Net Expenditure £
Income		
(36,916)	Contributions from participating local authorities	(67,824)
(435)	Other income	0
(37,351)	Total income	(67,824)
Expenditure		
77,874	Employee costs	101,565
5,825	Project costs	5,369
14,966	Property costs	14,873
2,014	Supplies and services	8,910
3,918	Transport costs	4,392
1,508	Administration costs	0
3,571	Audit fee	3,810
	10	
109,676	Total expenditure	138,919
72,325	(Surplus) or deficit for year	71,095
(147,447)	(Surplus) brought forward	(75,122)
(75,122)	Accumulated (surplus) or deficit	(4,027)

Note – the actual expenditure and income figures for 2013-14 have been grossed up by £35,000 to reflect the actual spend in East Renfrewshire Council. This is in line with the 2014-15 budget going forward. The net budget remains the same.

4. Employee benefits

The staff members of Dams to Darnley Country Park Joint Committee are East Renfrewshire Council employees and East Renfrewshire Council is an admitted body of the Strathclyde Pension Fund.

In accordance with International Accounting Standard 19 (IAS 19) – Employee Benefits, the council is required to disclose certain information concerning assets, liabilities, income and expenditure, of the pension scheme. The Dams to Darnley Joint Committee staff pensions are reflected in the figures disclosed in East Renfrewshire Council's financial statements.

The Code requires that employee benefits are recognised in the accounts when they are earned rather than when they are paid. As a result, there is a requirement to consider notional entitlements to annual leave earned but not taken as at 31 March. All employees working on the Joint Committee's activities are contracted to East Renfrewshire Council and therefore any notional liability has been included within the accounts of East Renfrewshire Council who hold the contract of employment.

5. Debtors

The debtors' balance of £13,845 represents the balance of the fund held by Glasgow City Council on behalf of Dams to Darnley Country Park Joint Committee.

6. Short-term creditors

The short-term creditors figure for 2013/14 of £9,818 comprises the following:

31 March 2013 £	Short-term creditors	31 March 2014 £
3,571	Accrued audit fees	2,540
0	Other accruals	1,222
68,754	Balance due to East Renfrewshire Council	6,056
72,325	Total sundry creditors	9,818

7. Remuneration Report

Dams to Darnley is a Joint Committee, governed by the Minute of Agreement between Glasgow City Council and East Renfrewshire Council. Given that Glasgow City Council and East Renfrewshire Council are jointly responsible for the management of Dams to Darnley, the senior management are deemed to be those at the two partnership councils. Details of remuneration paid to senior management are available in the respective remuneration reports, included within the councils' financial statements. None of the employees working on the project earn more than £50,000. No remuneration was paid to the members of the Joint Committee.

8. Capital Activities

As noted above (section 1.4) there are capital projects relating to the project that have been undertaken by Glasgow City Council and East Renfrewshire Council that have not been included in these accounts as they have been included in the respective local authority's annual accounts. In Glasgow City Council a project called 'Remedial Works to Darnley Country Park' with total costs to date of £0.217 million has been undertaken, involving the treatment of under-mined unstable land, restorative planting, and improved access at central areas of the park. In East Renfrewshire Council total capital expenditure of £0.490 million has been incurred since 2008/09 which includes projects involving Balgray Reservoir path works, various country park improvements such as walls and railings, and improvements to access points in the park. The Dams to Darnley Country Park Joint Committee contributed £0.080 million to these developments which has been incorporated into these accounts.

9. Related Parties

Glasgow City Council and East Renfrewshire Council are the local authorities in joint control of Dams to Darnley. Given this arrangement the related party transactions between Dams to Darnley and the individual local authorities are as follows:

2012/13 Net Exp/(Inc) £	Debtor/(Creditor) at 31 March 2013 £	Related Party transactions and balances	2013/14 Exp £	2013/14 Inc £	Debtor/(Creditor) at 31 March 2014 £
		Related bodies			
69,189	(68,754)	East Renfrewshire Council	61,435	0	(6,056)
0	147,447	Glasgow City Council	0	0	13,845

10. Auditor remuneration

The Dams to Darnley Country Park Joint Committee incurred fees of £3,810 (2012/13 £3,810) for the statutory inspection of the financial statements by Audit Scotland. Fees payable in respect of other services provided by the appointed auditor were £nil (2012/13 £nil).

11. Events after the balance sheet date

There were no material events between 31 March 2014 and the date of signing that require to be reflected in the Financial Statements.

12. Accounts issued for authorisation

The audited accounts were issued on 19 September 2014.

❖ **Statement on the system of internal financial control**

This Statement is given in respect of the Statement of Accounts for the Dams to Darnley Country Park Joint Committee. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

Although Glasgow City Council is the Lead Authority regarding financial matters, only part of the financial transactions of the joint committee are processed through the financial systems of Glasgow City Council. Elements of income and expenditure relating to the project, in respect of East Renfrewshire spend are processed through their financial systems but are included in these accounts.

The system of internal financial control is based on a framework of financial regulations, regular management information, administration procedures (including segregation of duties), management supervision and a system of delegation and accountability.

Financial control is exercised by the joint committee by means of:

- The setting of an annual budget and financial plan. The latter is included in the overall aforementioned 'Country Park Development and Management Plan' and subsequent 'Country Park Plan'.
- The review and approval of regular monitoring reports on income and expenditure.
- The approval of annual accounts and report.

The effectiveness of internal financial control is also informed by the work of Internal Audit, to the extent that the internal control systems of Glasgow City Council and East Renfrewshire Council are reviewed as part of the annual audit. My review of the effectiveness of the system of internal financial control is informed by:

- The work of managers within the council,
- The work of the internal auditors as described above, and
- The external auditors in their annual audit letter and other reports.

No system of control can ever give an absolute assurance that all transactions are properly processed, or that all errors have been prevented. However, the Joint Committee benefits from the continual review carried out by Glasgow City Council and East Renfrewshire Council to improve the effectiveness of their systems of internal financial control.

The financial statements and related information from East Renfrewshire Council that are submitted by officers within East Renfrewshire Council are certified by an appropriate senior officer within the Environment Department.

The Joint 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) by virtue of the adoption by Glasgow City Council of a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government.

I am satisfied that reasonable assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control system.

Lynn Brown MA (Hons) CPFA
Executive Director of Financial Services and Deputy Chief Executive
19 September 2014

Independent auditor's report to the members of Dams to Darnley Country Park Joint Committee and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Dams to Darnley Country Park Joint Committee for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash-Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the 2013/14 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Executive Director of Financial Services and Deputy Chief Executive and auditor

As explained more fully in the Statement of Responsibilities, the Executive Director of Financial Services and the Deputy Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Financial Services and Deputy Chief Executive; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual accounts document 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2013/14 Code of the state of the affairs of the body as at 31 March 2014 and of the income and expenditure of the body for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 Code
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

Opinion on other prescribed matters

In my opinion:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept
- the financial statements are not in agreement with the accounting records
- I have not received all the information and explanations I require for my audit
- the Statement on the System of Internal Financial Control does not comply with the 2013/14 Code
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Elaine Barrowman CPFA
Senior Audit Manager
4th Floor The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

19 September 2014