
**DAMS TO DARNLEY COUNTRY PARK
JOINT COMMITTEE**

Annual Accounts

For the Year Ended 31 March 2015

DAMS TO DARNLEY COUNTRY PARK JOINT COMMITTEE

Financial Statements for the Year ended 31 March 2015

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❖ Management Commentary

The Dams to Darnley 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 Joint Committee was formally established in May 2006 comprising two representatives from each Council and other non-voting representatives from appropriate organisations as the Joint Committee deemed 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 Dams to Darnley 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. The Dams to Darnley Joint Committee agrees priorities/actions, approves disbursements and approves the Annual Accounts and Report.

The previous developer contribution funds were largely exhausted in 2014-15. Additional sources of funding were required from Glasgow City Council and £70k has been allocated since the 2014-15 budget as Glasgow City Council's revenue contribution to the project, and approved as part of Glasgow City Council's base budget, and consequently these accounts have been prepared on a going concern basis.

At a meeting of the Dams to Darnley Joint Committee on 31 March 2014 a Country Park Plan (2014-17) was approved. The Plan contained various income generating options as well as potential funding sources, together with alternative delivery and asset management options. This document draws upon and updates the previous Development and Management Plan. It was noted at the time of the approval of the Plan that it marked 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. The first annual update and review of the Plan was approved by the Dams to Darnley Joint Committee at its meeting on 26 May 2015.

At the meeting on the 26 May 2015 a brief report was also submitted concerning the governance arrangements of the Dams to Darnley Joint Committee and it was agreed that, given various changes had occurred over time, revisions to the Minute of Agreement would be considered and agreed by both Councils as appropriate.

Financial Results

Prior to 2014/15 total income received was £766,389 and total expenditure was £762,362. This resulted in a net surplus of £4,027 which represented the fund balance as at 31 March 2014. In 2014/15 total income was £138,457 and total expenditure was £126,730, resulting in a surplus for the year of £11,727, leaving a balance of funds carried forward of £15,754 as at 31 March 2015.

Lynn Brown MA (Hons) CPFA
Executive Director of Financial Services
23 September 2015

Councillor Paul O’Kane
Chair of Dams to Darnley Country Park
Joint Committee
23 September 2015

❖ **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 Joint Committee'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.
- To manage its affairs to secure economic, efficient and effective use of the resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003; and
- Approve the Annual Accounts for signature.

I certify that the Annual Accounts have been approved for signature by the Joint Committee at its meeting on 23 September 2015.

Councillor Paul O'Kane
Chair of Dams to Darnley Country Park Joint Committee
23 September 2015

2. The Executive Director of Financial Services responsibilities

The Executive Director of Financial Services is responsible for the preparation of the Dams to Darnley Joint Committee's Annual Accounts, in accordance with proper practices as required by legislation and as set out in the Code.

In preparing these Annual Accounts, the Executive Director of Financial Services has:

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

The Executive Director of Financial Services 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 Annual Accounts give a 'true and fair view' of the financial position of Dams to Darnley Joint Committee as at 31 March 2015 and the transactions for the year then ended.

Lynn Brown MA (Hons) CPFA
Executive Director of Financial Services
23 September 2015

Movement in Reserves Statement for the Year ended 31 March 2015

Movement in Reserves Statement – summarises the movement in the different reserves held by the Dams to Darnley Joint Committee, 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 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 £15,754 as at 31 March 2015, an increase of £11,727 from last year, due to the surplus on the provision of services in the year.

	Total Reserves £
Balance at 1 April 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
Movement in reserves during 2014/15:	
Surplus or (Deficit) on the Provision of Services	11,727
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	11,727
Balance at 31 March 2015	15,754

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2015

2013/14 Net Exp. £	Service	Note	2014/15 Net Expenditure £
138,919	Gross expenditure	3	126,730
(67,824)	Gross income	3	138,457
71,095	Cost of Services		(11,727)
0	Financing and Investment Income and Expenditure		0
71,095	(Surplus) or Deficit on the Provision of Services		(11,727)
0	Other Comprehensive (Income) and Expenditure		0
71,095	Total Comprehensive (Income) and Expenditure		(11,727)

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

Balance Sheet as at 31 March 2015

31 March 2014 £		Note	31 March 2015 £
13,845	Net short-term debtors	5	62,784
13,845	Current Assets		62,784
(9,818)	Short-term creditors	6	(47,030)
(9,818)	Current Liabilities		(47,030)
4,027	Net Assets / (Liabilities)		15,754
4,027	Usable Reserves		15,754
0	Unusable Reserves		0
4,027	Total Reserves		15,754

Balance Sheet – represents the value of the assets and liabilities of the Dams to Darnley Joint Committee as at 31 March 2015. The net assets (assets less liabilities) are matched by the total Usable and Unusable Reserves.

The unaudited accounts were issued on 17 June 2015 and the audited accounts were authorised for publication on 23 September 2015

Lynn Brown, MA (Hons) CPFA
Executive Director of Financial Services
23 September 2015

Cash Flow Statement for the Year ended 31 March 2015

2013/14 £	Revenue Activities	2014/15 £
(71,095)	Surplus or (Deficit) on the Provision of Services	11,727
	Adjustments for non-cash items:-	
0	(Increase) / decrease in inventories	
133,602	(Increase) / decrease in debtors	(48,939)
(62,507)	Increase / (decrease) in creditors	37,212
71,095		(11,727)
0	Net cash inflow / (outflow) from activities	0

Cash Flow Statement – details the changes in cash and cash equivalents of the Dams to Darnley Joint Committee. The Dams to Darnley 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 Dams to Darnley Joint Committee is reflected in the net short term debtor and creditor balances with the participating Councils (Glasgow City Council and East Renfrewshire Council).

❖ 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 2015 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 2014/15 (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 Dams to Darnley Joint Committee will not significantly curtail the scale of its operation. This is in line with the comments in the Management Commentary, page 3, paragraph 3. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.
- 1.3 Suppliers' invoices received up to 31 March 2015 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 2015. Salaries and wages earned to 31 March 2015 are included in the accounts for 2014/15 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 Joint Committee account.
- 1.5 The 'Net short-term debtors' figure represents the amount held by Glasgow City Council on behalf of Dams to Darnley Joint Committee.
- 1.6 There were no complex transactions or potential future uncertainties requiring critical judgments or estimations of uncertainty in preparing the 2014/15 accounts.

2. New standards issued but not yet adopted

There are no accounting standards relevant to the financial statements of the Dams to Darnley Joint Committee which have not been adopted.

3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Dams to Darnley Joint Committee during 2014/15:

2013/14 Net Expenditure £		Note	2014/15 Net Expenditure £
Income			
(67,824)	Contributions from participating local authorities		(135,637)
(0)	Other income		(2,820)
(67,824)	Total income		(138,457)
Expenditure			
101,565	Employee costs		100,522
5,369	Project costs		0
14,873	Property costs		11,214
8,910	Supplies and services		6,506
4,392	Transport costs		4,638
0	Administration costs		0
3,810	Audit fee	10	3,850
138,919	Total expenditure		126,730
71,095	(Surplus) or deficit for year		(11,727)
(75,122)	(Surplus) brought forward		(4,027)
(4,027)	Accumulated (surplus) or deficit		(15,754)

4. Employee benefits

The staff members of Dams to Darnley 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, East Renfrewshire 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 2015. All employees working on the Dams to Darnley 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 £62,784 represents the balance of the fund held by Glasgow City Council on behalf of Dams to Darnley Joint Committee.

6. Short-term creditors

The short-term creditors figure for 2014/15 of £47,030 comprises the following:

31 March 2014 £	Short-term creditors	31 March 2015 £
2,540	Accrued audit fees	2,567
1,222	Other accruals	0
6,056	Balance due to East Renfrewshire Council	44,463
9,818	Total sundry creditors	47,030

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 Joint Committee, the senior management are deemed to be those at Glasgow City Council and East Renfrewshire Council. Details of remuneration paid to senior management are available in the respective remuneration reports, included within Glasgow City Council and East Renfrewshire Council's annual accounts. None of the employees working on the Dams to Darnley Joint Committee earn more than £50,000. No remuneration was paid to the members who serve on the Dams to Darnley Joint Committee.

8. Capital Activities

As noted above (section 1.4, page 11) there are capital projects relating to the Dams to Darnley Joint Committee that have been undertaken during 2014/15 within 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 this included a project to install new signposts within the Dams to Darnley country park with total costs of £9,942 and in addition there was other minor capital costs of £1,702, giving a total of £11,644. In East Renfrewshire Council background feasibility work was undertaken around a potential boardwalk at Balgray Reservoir, with a total value of £11,088. These works were funded through a variety of sources including external grant monies. Cumulative capital expenditure since 2008/09 to 2014/15 was £0.229m for Glasgow City Council and £0.501m for East Renfrewshire Council.

9. Related Parties

Glasgow City Council and East Renfrewshire Council are the local authorities who jointly manage the Dams to Darnley Joint Committee. Given this arrangement the related party transactions between Dams to Darnley Joint Committee and the individual local authorities are as follows:

2013/14 Net Exp/(Inc) £	Debtor/(Creditor) at 31 March 2014 £	Related Party transactions and balances	2014/15 Exp £	2014/15 Inc £	Debtor/(Creditor) at 31 March 2015 £
		Related bodies			
61,435	(6,056)	East Renfrewshire Council	54,423	0	(44,463)
0	13,845	Glasgow City Council	0	70,000	62,784

10. Auditor remuneration

The Dams to Darnley Joint Committee incurred fees of £3,850 (2013/14 £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 (2013/14 £nil).

11. Events after the balance sheet date

There were no material events between 31 March 2015 and the date of signing that require to be reflected in the Financial Statements.

12. Accounts issued for authorisation

The audited accounts were authorized for issue on 23 September 2015.

❖ Governance Statement

Scope of Responsibility

The Dams to Darnley Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Dams to Darnley Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Dams to Darnley Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Dams to Darnley 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 East Renfrewshire Council and 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.

The Code evidences both East Renfrewshire Council and Glasgow City Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. The Code is regularly reviewed and updated by both Glasgow and East Renfrewshire Councils.

The Dams to Darnley Joint Committee relies on both East Renfrewshire Council and Glasgow City Council's systems of internal control which are designed to manage risks to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of the Dams to Darnley Joint 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 Dams to Darnley Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Dams to Darnley Joint Committee is directed and controlled. Through the framework it is accountable to, engages with and leads the community. It enables the Dams to Darnley Joint Committee to monitor the achievement of its objectives against its plans and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.

The Dams to Darnley Joint Committee has responsibility for ensuring the continuing effectiveness of its governance framework and system of internal control. To this end the Dams to Darnley Joint Committee relies on both East Renfrewshire and Glasgow City Council's review of their governance which is informed by the work of the Corporate Management Teams, who have responsibility for the development and maintenance of the governance environment, the Chief Auditor's annual reports, and also by comments made by the external auditors and other review agencies and inspectorates.

The main features of the Dams to Darnley Joint Committee's governance arrangements are as follows:-

- A Minute Of Agreement between East Renfrewshire Council and Glasgow City Council
- The Dams to Darnley Joint Committee is supported by a Steering Group of officers from both Councils
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations
- The creation and updating of the Management Plan by the project officer and the preparation of an Annual Report
- Regular quarterly meetings of Dams to Darnley Joint Committee
- A budget setting process which includes the agreed local authority and other bodies contributions to the annual running costs of the organization
- The regulation of employee matters through East Renfrewshire and Glasgow City Council's Code of Conduct for employees
- A report was presented to the Dams to Darnley Joint Committee on 26 May 2015 regarding the operation of the governance arrangements with potential revisions to the Minute of Agreement to reflect operational circumstances. Any revisions to the Minute of Agreement will be presented at future meetings of the Dams to Darnley Joint Committee.

Review of Effectiveness

Members and officers of the Dams to Darnley Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The review of the governance framework is conducted on an annual basis by Glasgow City Council and East Renfrewshire Council. Both Councils utilize a self assessment questionnaire issued to Service Executive Directors and Managing Directors or Chief Executives of subsidiaries and relevant associates by Internal Audit in Glasgow City Council and by the section 95 officer in East Renfrewshire Council. The self assessment questionnaire includes the principles contained in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, and requires Executive Directors (of Services) and Managing Directors (of subsidiaries and relevant associates) to determine the extent to which their Service/organisation complies with each principle.

Internal audit in both Glasgow and East Renfrewshire Council provide an independent appraisal function of the internal control systems. They objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Significant Governance Issues

There are no significant governance issues with Dams to Darnley Country Park.

Internal Audit Opinion

It is the Head of Audit & Inspection's (Glasgow City Council) /Chief Auditor's (East Renfrewshire Council) opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2014/15 in the Dams to Darnley Joint Committee.

Certification

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance that operate in the Dams to Darnley Joint Committee.

I will continue to review and enhance, as necessary, our governance arrangements.

Councillor Paul O'Kane
Chair of Dams to Darnley Country Park Joint Committee
23 September 2015

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 2015 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure 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 2014/15 (the 2014/15 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 auditor

As explained more fully in the Statement of Responsibilities, the Executive Director of Financial Services 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 circumstances of the body and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Financial Services; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual 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 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 2014/15 Code of the state of the affairs of the body as at 31 March 2015 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 2014/15 Code; and

have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Opinion on other prescribed matters

In my opinion:

the information given in the Management Commentary 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; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government ; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

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

23 September 2015