

Clyde Muirshiel Park Authority Joint Committee

Annual Financial Statements 2016/17



**Clyde Muirshiel Park Authority Joint Committee
Annual Accounts 2016-17**

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Management Commentary

Introduction

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The annual accounts are prepared in line with The Local Authority Accounts (Scotland) Regulations 2014.

Park Strategy and Action Plan 2016-2021

Clyde Muirshiel Regional Park Strategy and Action Plan was approved by Joint Committee in September 2016. This document sets out three priorities which focus activity in the Park over a period of five years. The priorities are:

- Leisure activity and health;
- Education and outdoor learning;
- Environmental management.

The Strategy compliments the wider aspirations of the Joint Committee authorities particularly in relation to community inclusion, health and wellbeing and skills development.

The associated Action Plan sets out the objectives for each priority and a series of realistic actions to be delivered over life of the strategy. The actions are grouped into short, medium and long term and inform the Park's annual workplan. Since the adoption of the Park Strategy and Action Plan in September 2016, good progress has been made on delivering short term actions, with 12 out of 13 on target.

Vision and Aims

The Park's vision was approved by the Joint Committee in December 2013 to be:

"Our vision is that Clyde Muirshiel is the best regional park in Scotland"

The charter aims were revised in 2006 and currently state that the Park will:

- Conserve and enhance the natural beauty, biodiversity and cultural heritage of Clyde Muirshiel Park.
- Encourage and enable learning, understanding and enjoyment of Clyde Muirshiel Park.
- To promote and foster environmentally sustainable development for the social and economic well being of the people and communities within the Clyde Muirshiel Park area.

The Park Strategy and Workplan

Working from the set of guiding principles above, the Park has produced a strategy which identified a set of strategic aims. These aims are correlated with the five national strategic goals to ensure the Park's outcomes make a contribution to the National Performance Framework.

The Park produces an annual workplan which sets out the tangible ways the Park will meet its strategic aims.

The Park Continues to develop services in line with the strategic aims. Demand for outdoor activities continues to grow, however provision is now limited by availability of changing facilities for the clients. There is the potential to grow the business further if this shortfall can be addressed.

Alternative funding streams have again contributed to the development of the park. The Semple Trail Heritage project managed by Renfrewshire Council provided improved pathways, interpretation and conservation in and around Castle Semple Country Park securing £860,000 of Grant funding .This

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year also saw the launch of the Tag n Track project which aims to raise conservation awareness of the life of two bird species. This project secured £106,087 of external funding.

Looking ahead to 2017-18 the Park hopes to continue to build on the suite of projects and events currently being delivered to raise the Park profile. The Park will also look to secure further funding to deliver projects to meet the strategic aims of the Park.

Financial Performance

Revenue

The Comprehensive Income and Expenditure Account on page 17 summarises the total costs of providing services and the income available to fund those services.

Excluding accounting adjustments relating to pensions and short term accumulating absences, the Joint Committee has returned a surplus of £13,714 for the financial year 2016/17, compared to a budgeted breakeven position. The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension costs £49,000 and accrued employee benefits (£3,394).

A summary of the outturn position against the agreed budget is shown below:

	Budget £	Actual £	Variance £
Employee Costs	729,500	726,242	3,258
Property Costs	50,200	42,533	7,667
Supplies and Services	143,200	168,205	(25,005)
Contractors & Others	14,800	19,720	(4,920)
Transport Costs	49,200	40,092	9,108
Administrative Costs	84,400	71,855	12,545
Payments to Other Bodies	1,600	1,820	(220)
Total Expenditure	1,072,900	1,070,467	2,433
Requisition Income	(692,800)	(692,800)	-
Sales, Fees and Charges	(357,100)	(333,105)	(23,995)
Other Income	(23,000)	(58,276)	35,276
Total Income	(1,072,900)	(1,084,181)	11,281
(Surplus)/Deficit for Year	-	(13,714)	13,714

The underspend within Employee Costs is due to a minimal overspend for salary costs offset by an underspend within the Training and Travel budget.

The underspend in Property Costs is mainly a result of lower than anticipated spending on property insurance and other property costs.

Expenditure on the various projects the Park is involved in has led to the overspend within Supplies and Services. These costs are fully recovered and included within Other Income.

Contractors and Others is overspent due to the Park contributing to the funding of the Tag-n-Track Project.

The underspend in Transport Costs is predominantly due to decreased lease payment costs.

The underspend in Administration Costs is mainly due to lower than expected insurance premiums for the year.

The under recovery of income within Sales, Fees and Charges relates to the decreased level of Income generated from the activities delivered by the Park and the over-recovery in Other Income relates to the additional grants and funding levered in for project expenditure.

Capital and Reserves

The Joint Committee does not have the legal powers necessary to hold assets therefore there is no capital spend. Cash balances held by the Joint Committee are matched by creditor balances.

Provisions, Contingencies and Write-offs

The Joint Committee is not aware of any eventualities which may have a material effect on the financial position of the Joint Committee, and has made no provisions for such eventualities.

In general, any contingent liabilities known to the Joint Committee are covered by insurance arrangements.

There were no debt write-offs during the year.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 15. The appointed actuaries have confirmed a net deficit position of £1.092 million, a deterioration of £0.477 million in their assessment of the position of the pension fund. This movement is mainly as a result of increased liabilities linked to a decrease in the real discount rate. The net deficit position of the pension reserve impacts on the net asset position of the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view however that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

Service changes and Future Developments

The adopted Park Strategy and Action Plan seeks to build upon the strengths of the Park and make full use of its assets. It is important the Park remains receptive to change and embraces opportunities for improved ways of working.

The short, medium and long term activities prescribed by the Action Plan will help simplify work streams, maximise end user benefit and capitalise on income generating opportunities for sustainable financial stability.

The Committee agreed that Renfrewshire Council be authorised to develop a 'State of the Park' Report as a means of considering the assets and resources within the Park and that a consultation and engagement exercise be progressed with Park Users with a view to updates being submitted to future meetings of the Joint Committee to allow appropriate budget and resource decisions to be made to secure future activities within the Park. The Park Strategy was completed and presented to the Joint Committee in September 2016.

Events after the Balance Sheet Date

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration.

Impact of Economic Climate

The Joint Committee recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. The requisition funding in 16/17 was reduced by 14.3% due to the Park management making significant progress in delivering savings over the last few years to assist in meeting the efficiency targets required in the current financial climate. It has been agreed that the indicative levels of requisition in 2017/18 remain at 2016/17 levels.

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The Joint Committee and Park management recognise the need to continue to seek further efficiencies and will also continue to develop opportunities to increase trading income over the coming years.

Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support.

Councillor Andy Steel
Chairman

David Gatherer
Park Manager

Alan Russell CPFA
Treasurer

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs. (section 95 of the Local Government (Scotland) Act 1973). The Director of Finance and Resources at Renfrewshire Council is the designated Officer and operates as the Treasurer for Clyde Muirshiel Park Authority;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to 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);
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 1 September 2017.

Signed on behalf of Clyde Muirshiel Park Authority:

Councillor Andy Steel

Chairman
1 September 2017

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates which were reasonable and prudent;
- complied with legislation;
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);
- 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 financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2017.

Alan Russell CPFA

Treasurer
1 September 2017

Governance Statement

Scope of Responsibility

Clyde Muirshiel Park Authority's 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 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 Authority'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.

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control 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 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 main features of our governance arrangements are summarised below:

- Minute of Agreement between the member councils of the Joint Committee, setting out the arrangement for governance of the Park Authority,
- Clearly defined Procedural Standing Orders, Scheme of Delegation, Financial Regulations and Standing Orders Relating to Contracts,
- Comprehensive business planning arrangements and continuous improvement arrangements including, setting key performance targets and developing work plans designed to achieve our corporate objectives. The Park Strategy 2016 – 2021, sets out the organisational objectives and the actions required to implement those objectives.
- Regular communication and engagement with stakeholders through the Consultative Forum and other local community groups,
- Regular review of performance and public performance reporting through the Annual Report,
- Comprehensive arrangements for monitoring health and safety,
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures,
- Arrangements to manage risk are included in the Park Authority Annual Work Plan,
- Clear customer complaints procedures,
- Comprehensive policies and procedures for data protection and information security.
- An anti-fraud and corruption strategy and arrangements supported by a range of policies and guidelines.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. The system includes:

- Financial management is supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,

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- The preparation of regular financial reports that indicate actual expenditure against the forecasts.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by the Chief Auditor of Renfrewshire Council.

Review of Effectiveness

Members and officers of the 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 effectiveness of the governance framework is reviewed annually by the Park Manager using a self-assessment tool involving completion of a 30 point checklist covering four key areas of governance:

- Service Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's governance framework, risk management and internal control. Risk management arrangements were reviewed during 2016/17 to develop a risk management framework and risk register, these arrangements will be formally implemented during 2017/18.

Statement on the Role of Chief Financial Officer

CIPFA published this statement in 2010 and under the Code, the Joint Committee is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

The Joint Board complies with the principles set out in CIPFA's Role of the Chief Financial Officer.

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Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal and external auditors and certification of assurance from the Park Manager provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions arising from the review of governance arrangements will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.

Councillor Andy Steel
Chairman

David Gatherer
Park Manager

Remuneration report

All information disclosed in sections two to five in this Remuneration Report will be audited by the council's appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

1. Remuneration policy for elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members.

2. Remuneration policy for senior employees

All Park staff are employees of Renfrewshire Council as the lead authority for the Park Authority. There are no Park Authority staff remunerated according to the Chief Officers' salary scales.

2015/16	Senior Employees			2016/17		
Total	Name	Post Held	Salary, fees and allowances	Expenses allowance chargeable to UK income tax	Other (i)	Total
£			£	£	£	£
25,665	David Gatherer *	Park Manager	29,094	-	-	29,094
25,665	Total		29,094	-	-	29,094

*The average weekly hours of the Park Manager equate to 0.5 fte from 1 April 2015 to 1 November 2015 and 0.6fte from 2 November 2015 to 31 March 2017.

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2017, whether or not those amounts were actually paid to, or received by, those persons within that period.

3. Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS).

From 1st April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non manual employees.

2015/16	Member contribution rates on earnings in the bands below	2016/17
	Up to £20,500	Up to £20,500
	£20,501 to £25,000	£20,501 to £25,000
	£25,001 to £34,400	£25,001 to £34,400
	£34,401 to £45,800	£34,401 to £45,800
	Over £45,801	Over £45,801

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If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living. (Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

Senior Employees		Accrued Pension benefits as at 31 March 2017		Change in accrued pension benefits since 31 March 2016		Pension contributions made by Joint Committee during 2016-2017 (ii)
Name	Post Held	Pension	Lump Sum	Pension	Lump Sum	
		£m	£m	£m	£m	£
David Gatherer(i)	Park Manager	0.014	0.034	-0.004	-0.006	5,615
Total		0.014	0.034	-0.004	-0.006	5,615

(i) accrued pension benefits in 2015/16 were over stated and based on a 1.2 FTE

(ii) includes any contributions that Clyde Muirshiel Park Authority has agreed to pay in respect of the relevant person at a later date.

4. Remuneration of Employees

In terms of the regulations, the Joint Committee is obliged to provide a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2016/17, in bands of £5,000.

There were no employees whose salary exceeded £50,000 during 2016/17.

5. Exit Packages

Clyde Muirshiel Park Authority had no exit packages in 2016-17.

Councillor Andy Steel
Chairman

David Gatherer
Park Manager

Independent Auditor's Report

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Independent auditor's report to the members of Clyde Muirshiel Park Authority Joint Committee and the Accounts Commission

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 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Clyde Muirshiel Park Authority Joint Committee for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Expenditure Funding Analysis, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the body as at 31 March 2017 and of its deficit on the provision of services 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 2016/17 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.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Treasurer for the financial statements

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. 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 Treasurer; and the overall presentation of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to 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.

Report on other requirements

Opinions on other prescribed matters

I am required by the Accounts Commission to express an opinion on the following matters.

In my opinion, the auditable part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Mark Ferris
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2017

Movement in Reserves Statement for the year ended 31 March 2017

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the **comprehensive income and expenditure statement**.

	Note	Usable reserves		Unusable reserves	
		Revenue Reserve	Pension Reserve	Employee Statutory Adjustment Account	Total Reserves
		£	£	£	£
Balance at 31 March 2015 carried forward		-	(1,009,000)	(19,743)	(1,028,743)
<i>Movement in reserves during 2015-16</i>					
Total comprehensive income and expenditure		(59,164)	501,000	-	441,836
Adjustments between accounting basis and funding basis under regulations	6a	106,290	(107,000)	710	-
Transfer from Creditors	6a	19,767	-	-	19,767
Net increase or (decrease) before transfers to other statutory reserves		66,893	394,000	710	461,603
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	12	(66,893)	-	-	(66,893)
Increase or (decrease) in 2015-16		-	394,000	710	394,710
Balance at 31 March 2016 carried forward		-	(615,000)	(19,033)	(634,033)
<i>Movement in reserves during 2016-17</i>					
Total comprehensive income and expenditure		(53,892)	(406,000)	-	(459,892)
Adjustments between accounting basis and funding basis under regulations	6a	67,606	(71,000)	3,394	-
Transfer from Creditors	6a	66,893	-	-	66,893
Net increase or (decrease) before transfers to other statutory reserves		80,607	(477,000)	3,394	(392,999)
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	12	(80,607)	-	-	(80,607)
Increase or (decrease) in 2016-17		-	(477,000)	3,394	(473,606)
Balance at 31 March 2017 carried forward		-	(1,092,000)	(15,639)	(1,107,639)

Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the **movement in reserves statement**.

2015/16		2016/17
£	Note	£
882,071	Employee Costs	771,848
45,809	Property Costs	42,533
197,786	Supplies & Services	168,205
17,201	Contractors	19,720
49,567	Transport	40,092
85,954	Administration Costs	71,855
1,600	Payments to Other Bodies	1,820
1,279,988	Cost of Services	1,116,073
(15,339)	Grants From Other Organisations	(14,115)
(199,025)	Sales, Fees & Charges	(165,741)
(175,855)	Charges to Users	(167,364)
(55,323)	Miscellaneous Income	(42,447)
32,818	Financing & Investment Income and Expenditure	20,286
(808,100)	Requisitions from Members Authorities	(692,800)
59,164	(Surplus) or deficit on the provision of services	53,892
(501,000)	Actuarial (Gains) or losses on pension assets and liabilities	406,000
(501,000)	Other Comprehensive Income & Expenditure	406,000
(441,836)	Total Comprehensive Income & Expenditure	459,892

Expenditure Funding Analysis for the year ended 31 March 2017

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committees financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure statement.

Expenditure Funding Analysis

2016/17	(Surplus)/Deficit for Year	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£
Balance as at 31st March 2017	(13,714)			(13,714)
Employee Statutory Adjustment		(3,394)		(3,394)
Pension Cost			49,000	49,000
Pension Interest			22,000	22,000
(Surplus) or deficit on the provision of service				53,892

2015/16	(Surplus)/Deficit for Year	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£
Balance as at 31st March 2016	(47,126)			(47,126)
Employee Statutory Adjustment		(710)		(710)
Pension Cost			73,000	73,000
Pension Interest			34,000	34,000
(Surplus) or deficit on the provision of service				59,164

Balance Sheet as at 31 March 2017

The **balance sheet** shows the value as at 31 March 2017 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. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2015/16 £		Note	2016/17 £
<u>Current Assets</u>			
247,680	Funds held by Renfrewshire Council		376,549
20,438	Debtors and Prepayments	10	132
14,322	Inventories		8,994
1,700	Cash in Hand		1,700
284,140			387,375
<u>less Current Liabilities</u>			
(303,173)	Creditors And Accruals	11	(403,014)
(19,033)	Net (Liabilities)/Asset Excluding Pension		(15,639)
<u>Long Term Liabilities</u>			
(615,000)	Pension (liability)/Asset	6b	(1,092,000)
(634,033)	Net (Liabilities)/Asset Including Pension		(1,107,639)
<u>Represented by:</u>			
Useable Reserves			
66,893	Balance due to Member Authorities	6a	80,607
(66,893)	Transfer to Creditors		(80,607)
Unuseable Reserves			
(19,033)	Employee Statutory Adjustment Account	6c	(15,639)
(615,000)	Pension Reserve	6b	(1,092,000)
(634,033)			(1,107,639)

The audited accounts were authorised for issue on 1 September 2017.
Balance Sheet signed by:

Alan Russell CPFA
Treasurer
1 September 2017

Cash flow Statement for the year ended 31 March 2017

This statement shows the changes in cash and cash equivalents during the year. It shows how the Joint 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 Committee are funded by way of requisition income or from the recipients of services provided. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Joint Committee's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Joint Committee.

2015/16 £		2016/17 £
	Operating Activities	
	Cash Inflows	
(1,191,780)	Sale of goods and rendering of services	(1,035,691)
(32,078)	Grants	(138,473)
(11,100)	Other receipts from operating activities	(10,425)
(1,182)	Interest received	(1,714)
(1,236,140)	Cash inflows generated from operating activities	(1,186,303)
	Cash Outflows	
688,058	Cash paid to and on behalf of employees	630,072
393,708	Cash paid to suppliers of goods and services	332,729
126,464	Other payments for operating activities	94,633
1,208,230	Cash outflows generated from operating activities	1,057,434
(27,910)	Net (increase)/decrease in cash and cash equivalents	(128,869)
221,470	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	249,380
249,380	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	378,249
(27,910)	Net (inflow)/outflow in cash and cash equivalents in year	(128,869)

Note 1 Summary of Significant Accounting Policies

The Financial Statements for the year ended 31 March 2017 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice for Local Authorities 2016/17, (SeRCOP) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Joint Committee and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The following accounting concepts have been considered in the application of accounting policies:

Accruals basis - 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 payment is made or income received,

Going concern - the going concern concept assumes that the Joint Committee will continue in existence for the foreseeable future,

Understandability – users of the financial statements are assumed to have a reasonable knowledge of accounting and local government,

Relevance – the information in the financial statements is useful for assessing Joint Committee's stewardship of public funds and for making economic decisions,

Materiality - information is included in the financial statements where the information is of such significance that it could influence the decisions or assessments of users of the information,

Reliability – information included in the financial statements faithfully represents the substance of transactions, is free from bias and material error, is complete within the bounds of materiality and cost, and has been prudently prepared,

Primacy of legislative requirements - legislative requirements have priority over accounting principles in the event of conflict between legislation and the Accounting Code.

The accounts have been prepared under the historic cost convention. The following accounting policies used in the preparation of the statements have been reviewed in line with changes made to the Accounting Code following the introduction of International Financial Reporting Standards.

Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- i. Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- ii. Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- iii. Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

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- iv. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- v. Suppliers invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

Cash and Cash Equivalents

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday and flexi-leave entitlements earned by employees but not taken before the year end; and which employees may carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary severance. They are charged on an accruals basis to the Employee Costs line in the Comprehensive Income and Expenditure Statement when the Joint Committee is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary severance. The Joint Committee is only demonstrably committed to a termination when it has a detailed formal plan for the termination and it is without realistic possibility of withdrawal; and agreement to the termination has been granted by the Joint Committee.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Revenue balances to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to 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.

Post employment benefits

The Joint Committee participates in the Local Government Pension Scheme which is administered by Strathclyde Pension Fund. The Local Government Pension Scheme is accounted for as a defined benefit scheme, and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS 19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the giving will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve. The Comprehensive Income and Expenditure Statement also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

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The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit 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 and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate based on the current rate of return available on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

Note 15 to the Core Financial Statements provides further information.

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 and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 5 provides further information.

Material Items and Prior Period Adjustments

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Joint Committee's financial performance.

Where there has been a change in accounting policy, that change will be applied retrospectively, that is, prior period figures will be restated unless the Code specifies transitional provisions that shall be followed. Where there has been a change in accounting estimate, that change will be applied prospectively, that is, prior period figures will not be restated. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Monies advanced as grants and contributions are carried in the Balance Sheet as creditors.

Inventories

Inventories (generally consumable stock) are included in the Balance Sheet at original cost.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Joint Committee is not party to any finance leases.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

Property, Plant and Equipment

Clyde Muirshiel Park Authority is a Joint Committee as constituted under s106(1) of the Local Government (Scotland) Act 1973. The Joint Committee has no legal power to hold assets. Any cash assets held are matched by an equivalent creditor balance.

Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that Clyde Muirshiel Park Authority becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Joint Committee settles the obligation.

Reserves

The Joint Committee has three reserve funds. The Revenue Reserve contains the balance of requisition income from members of the Joint Committee.

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Joint Committee share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Joint Committee's share of the Pension Fund net liability chargeable to the Income and Expenditure Account.

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for short term accumulating absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on the Revenue Reserve is neutralised by transfers to or from the Employee Statutory Adjustment Account.

VAT

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

Note 2 Accounting Standards Issued not Adopted

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

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below.

Leases	The Park Authority does not own any assets – the land and properties the Park Authority manages are owned by the respective councils across whose boundaries the Park Authority crosses. No payment is made to the councils for the use of these land and property assets and there is no lease agreement in place, therefore in terms of applying the adopted accounting policies it has been assumed no lease arrangement is in place.
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Note 4 Assumptions made about the future

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint 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, actual results could be materially different from the assumptions and estimates.

The items in the Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
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 Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate assumption would result in an increase in the pension liability of £690,000. However, the assumptions interact in complex ways. During 2016/17, the appointed actuaries advised that the net pension liability had increased by £406,000 attributable to updating of the financial assumptions.

Note 5 Events after the balance sheet date

Events taking place after the authorised for issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

Note 6 Details of Movement in Reserves

a. Revenue Reserve

2015/16		2016/17
£		£
(19,767)	Balance as at 1 April	(66,893)
(107,000)	Transfer to pension reserve	(71,000)
710	Transfer to employee statutory adjustment account	3,394
59,164	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	53,892
(66,893)	Balance as at 31 March	(80,607)

This represents the excess of member authority requisitions over expenditure in any one year and is shown as payable to the member authorities

b. Pension Reserve

2015/16		2016/17
£		£
(1,009,000)	Balance as at 1 April	(615,000)
501,000	Actuarial Gains and (Losses) (see note 15)	(406,000)
(107,000)	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus or deficit on the revenue reserves for the year	(71,000)
(615,000)	Balance as at 31 March	(1,092,000)

The Pension 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 Joint Committee 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 Joint Committee makes employer's contributions to pension funds. The credit balance on the Pension Reserve shows a surplus in the benefits earned by past and current employees and the Joint Committee's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

c. Employee Statutory Adjustment Account

2015/16		2016/17
£		£
(19,743)	Balance as at 1 April	(19,033)
19,743	Reversal of prior year accrual for short-term accumulating compensated absences	19,033
(19,033)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(15,639)
(19,033)	Balance as at 31 March	(15,639)

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for short-term accumulating compensated absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements [or regulations] require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account.

Note 7 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement

The surplus for the year on the Revenue Reserves was £67,606 greater than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2015/16		2016/17
£		£
	Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining Movement in Reserves Statement	
(209,000)	Net charges made for retirement benefits in accordance with IAS19	(165,000)
710	Net charges for employment short-term accumulating absences	3,394
<u>(208,290)</u>		<u>(161,606)</u>
	Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining Movement in Reserves Statement	
<u>102,000</u>	Employers contributions payable to the Strathclyde Pension Fund	<u>94,000</u>
<u>(106,290)</u>	Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	<u>(67,606)</u>

Note 8 Financing & Investment Income

2015/16		2016/17
£		£
(1,182)	Interest on Balances	(1,714)
34,000	Pension Interest Cost	22,000
<u>32,818</u>	Total Financing and Investment Income	<u>20,286</u>

Note 9 Operating Leases

There are no future minimum lease payments due under non-cancellable leases. However, the Park does have 7 vehicles on a rolling monthly contract. The expenditure charged in year to the Comprehensive Income and Expenditure Statement was £29,325 (2015-16 £34,984 – 8 vehicles).

Note 10 Debtors and Prepayments

2015/16		2016/17
£		£
20,438	Other Entities and Individuals	132
<u>20,438</u>	Total short term debtors	<u>132</u>

Note 11 Creditors

2015/16		2016/17
£		£
66,893	Other local authorities	105,807
63,575	Deferred Income	48,160
-	Tag-n-Track	33,025
-	Lunderston Play Area	5,311
6,714	SRANI Loch Footpath Project	6,714
9,327	CMP Access Project	15,741
2,011	Paths Development Officer	2,011
23,886	Branching Out Project	32,536
31,809	Race To The Games	36,699
9,332	Juniper Footpath Project	11,315
21,459	Windows on Wildlife	22,102
19,033	Short Term Accumulating Absences	15,639
39,607	Accrued Payrolls	41,144
9,527	Other entities and individuals	26,810
<u>303,173</u>	Total short term creditors	<u>403,014</u>

Note 12 Transfer to Creditors

2015/16		2016/17
£		£
<u>66,893</u>	Transfer to Creditors	<u>80,607</u>

In terms of Section 58 of the Local Government (Scotland) Act 1973, Joint Committees have no specific powers to retain reserves to meet future funding requirements. The amounts due to member authorities have been transferred to creditors. These amounts have been generated as a result of the core activities of the Joint Committee and are not earmarked for a specific purpose.

Note 13 Related parties

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint 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 Joint Committee.

The member authorities of the Joint Committee have contributed requisitions in the following proportions to enable the Joint Committee to carry out its objectives.

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2015/16		Percentage	2016/17
£	Council		£
490,700	Renfrewshire	60.7%	420,700
199,500	Inverclyde	24.7%	171,000
117,900	North Ayrshire	14.6%	101,100
808,100	Total	100.0%	692,800

The Joint Committee in turn pays Renfrewshire Council for support services. The amount paid in respect of these services for the year ended 31 March 2017 was £34,600 (2015/16 £34,600).

Note 14 External audit costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2016-2017 were £1,727 (£1,600 in 2015-2016). There were no fees paid to Audit Scotland in respect of any other services.

Note 15 Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is Strathclyde Pension Fund which is administered by Glasgow City Council. This is a "funded" defined benefit final salary scheme meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

15a. Transactions relating to retirement benefits

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

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The following transactions have been made in the accounting statements in 2016/17:

2015/16		Note	2016/17
£			£
	Comprehensive Income & Expenditure Statement		
	Cost of Services		
175,000	Current service cost	(i)	143,000
-	Past service cost/(gain)	(ii)	-
-	Settlements & curtailments	(iii)	-
<u>175,000</u>			<u>143,000</u>
	Financing & Investment Income & Expenditure		
<u>34,000</u>	Net Interest	(iv)	<u>22,000</u>
34,000			22,000
<u>209,000</u>	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services		<u>165,000</u>
	Other post employment benefit charged to the Comprehensive Income and Expenditure Statement		
25,000	Return on assets excluding amounts included in net interest		(884,000)
(526,000)	Actuarial (gains) and losses arising on changes in financial assumptions		1,290,000
<u>(501,000)</u>	Total Actuarial (gains) and losses		<u>406,000</u>
<u>(292,000)</u>	Total post employment benefit charged to the Comprehensive Income and Expenditure Statement		<u>571,000</u>
	Movement in Reserves Statement	(v)	
(394,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code		477,000
<u>102,000</u>	Employers Contributions paid to Strathclyde Pension Fund		<u>94,000</u>

Notes

- i. Current service cost is the cost of future entitlements to pension payments to current employees
- ii. Past service cost is the cost of discretionary pension benefits to former employees who retired on the grounds of efficiency etc or savings made for commuting part of the pension for additional cash.
- iii. Curtailments are the pension costs to employees retired under redundancy terms.
- iv. The net Interest Cost is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- v. The Movement on Pension Reserve represents the net change in the pension liability recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year (£71,000).

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2016/17 these amounted to £9,382 (2015/16 £8,139).

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial losses of £0.406 million are included in the Movement in Reserves Statement (2015/16 £0.501 million gain). The cumulative amount of actuarial losses is £0.914 million (2015/16 £0.508 million).

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15b. Assets and liabilities in relation to retirement benefits

A reconciliation of the Joint Committee's share of the **present** value of Strathclyde Pension Fund's **liabilities** is as follows:

2015/16		2016/17
£000		£000
5,266	Opening present value	5,064
175	Current service cost	143
171	Interest Cost	179
30	Employee Contributions	28
-	Remeasurement (gains)/losses:	-
(526)	Actuarial losses/(gains) arising from changes in financial assumptions	1,290
(52)	Benefits Paid	(54)
5,064	Balance as at 31 March	6,650

A reconciliation of the Joint Committee's share of the **fair** value of Strathclyde Pension Fund's **assets** is as follows:

2015/16		2016/17
£000		£000
4,257	Opening Fair Value	4,449
137	Interest Income	157
-	Remeasurement gain/(loss):	-
(25)	Return on assets excluding amounts included in net interest	884
102	Contributions from employer	94
30	Contributions from employees	28
(52)	Benefits Paid	(54)
4,449	Closing fair value of scheme assets	5,558

15c. Fund history

	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
Present Value of Liabilities	(3,781)	(4,312)	(5,266)	(5,064)	(6,650)
Fair value of assets	3,410	3,780	4,257	4,449	5,558
Surplus/(deficit) in the scheme	(371)	(532)	(1,009)	(615)	(1,092)

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The net liability position of £1,092,000 has a significant impact on the net worth of the Joint Committee as recorded in the balance sheet. However, any deficit on Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

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15d. Basis for estimating assets and liabilities

The Joint Committee's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2014.

The principal assumptions used by the actuary have been:

2015/16	Financial Year:	2016/17
Mortality assumptions		
	Longevity at 65 for current pensioners	
22.1 years	• Men	22.1 years
23.6 years	• Women	23.6 years
	Longevity at 65 for Future pensioners	
24.8 years	• Men	24.8 years
26.2 years	• Women	26.2 years
4.2%	Rate of increase in salaries	4.4%
2.2%	Rate of increase in pensions	2.4%
3.5%	Rate for discounting scheme liabilities	2.6%
	Take-up of option to convert annual pension into retirement lump sum:	
50.0%	Pre April 2009 service	50.0%
75.0%	Post April 2009 service	75.0%

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The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2015/16 £000		Percentage	2016/17 £000
	Equity Securities		
417	Consumer	9.5%	526
333	Manufacturing	7.5%	417
131	Energy and Utilities	3.0%	165
307	Financial Institutions	7.0%	387
179	Health and Care	4.1%	226
254	Information Technology	5.8%	320
1,621	Total Equity	36.7%	2,041
	Private Equity		
433	All	8.2%	458
433	Total Private Equity	8.2%	458
	Real Estate		
478	UK Property	12.1%	670
-	Overseas Property	0.0%	-
478	Total Real Estate	12.1%	670
	Investment Funds & Unit Trusts		
1,156	Equities	32.2%	1,787
543	Bonds	5.6%	312
2	Commodities	0.1%	4
0	Infrastructure	0.0%	0
62	Other	1.3%	75
1,763	Total Investment Funds & Unit Trusts	39.2%	2,178
	Derivatives		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
-	Foreign Exchange	0.0%	1
1	Other	0.0%	-
1	Total Derivatives	0.0%	1
	Cash & Cash Equivalents		
153	All	3.8%	209
153	Total Cash & Cash Equivalents	3.8%	209
4,449	Total	100%	5,558

15e. Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2016-17 and 2017-18.

The total contributions expected to be made by the Joint Committee to Strathclyde Pension Fund in the year to 31 March 2017 is £0.094 million.

Note 16 Contingent Liabilities and Assets

As at the Balance Sheet date the Joint Committee had no material contingent assets or liabilities.