



Clyde Muirshiel

REGIONAL PARK

Annual Accounts
2020/21

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Management Commentary

Introduction

The purpose of the Management Commentary is to present an overview of Clyde Muirshiel Regional Park Authority’s financial performance during the year 2020/21 and to help readers understand its financial position at 31 March 2021, as well as its outlook beyond this date. This is the final set of Annual Accounts that will be prepared for the Clyde Muirshiel Park Authority, which is dissolved as of 1 April 2021.

Background

The Clyde Muirshiel Regional Park Authority has historically been managed by a joint committee of eight councillors drawn from the three participating authorities of Renfrewshire, Inverclyde, and North

Ayrshire Councils. The Park covers 281 square kilometres of countryside and organises and manages conservation, recreation and tourism activities within the regional park. Its goals are:

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

North Ayrshire Council	Inverclyde Council	Renfrewshire Council
Todd Ferguson	David Wilson (Vice Chair) Innes Nelson	Audrey Doig (Chair) Tom Begg Bill Binks Andy Doig

Strategy

Clyde Muirshiel Regional Park Strategy and Action Plan was approved by the 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:



These strategic priorities align to the wider aspirations of the constituent authorities that comprise the Joint Committee, particularly in relation to inclusion, health and wellbeing and skills development.

The associated Action Plan sets out the objectives for each priority and a series of actions to be delivered over life of the strategy. The actions are grouped by short, medium and long-term and inform the Park’s annual workplan. Currently, all actions are either complete or on track.

A copy of the Park Strategy and Action Plan 2016-2021 can be found at the following link:

www.clydemuirshiel.co.uk/downloads

Performance

For a full analysis of the Committee's performance please see the Clyde Muirshiel Regional Park Annual Report 2019/20, which was presented to the Committee on the 11 December 2020.

This can be found at the following link:

[www.renfrewshire.gov.uk/Agendas and Minutes/Meetings/11 Dec 2020](http://www.renfrewshire.gov.uk/Agendas%20and%20Minutes/Meetings/11%20Dec%202020)

The 2020/21 Clyde Muirshiel Regional Park Annual Report is in progress; some highlights for the year include:

- around 968,000 people visited the Park;
- around 2,670 trees were planted within the Park;
- around 500 people took part in outdoor learning activities;
- it was the third year of ospreys nesting in the Regional Park, with one pair successfully raising a chick.

Primary Financial Statements

The Annual Accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint committees are classed as local authorities.

The Annual Accounts summarise the Park's transactions for the year and its year-end position at 31 March 2021. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

These statements are accompanied by Notes to the Accounts, which provide more details on the figures

shown in the statements and set out the Accounting Policies adopted by the Park.

The cash balance at 31 March 2021 of £1,700 in the Balance Sheet represents petty cash held by officers of the Park.

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement on page 11 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 Park Authority has returned a deficit of £87,663 for the financial year 2020/21, compared to a budgeted deficit of £82,400; resulting in an overspend of £5,263. The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure statement is due to accounting adjustments for pension costs (£51,500) and accrued employee benefits £468.

The underspend in Employee Costs relates to various vacancies during the year and a reduction in casual and overtime hours due to the Park being unable to carry out activities for the majority of the year as a result of the COVID-19 pandemic.

The Supplies and Services underspend is predominately due to the café and shop either being closed or having a limited take-away service which has resulted in reduced provisions and stock being required. This underspend is offset by an under-recovery in Sales, Fees and Charges.

Transport Costs are underspent due to limited use of vehicles during the COVID-19 pandemic.

The under-recovery in Sales, Fees and Charges has resulted from restricted opportunities to undertake

activities and the café and shop being either closed or having a limited take-away service.

Other Income is over-recovered due to the funding received from the Semple Stories project, funding

levered in for other project spend and the release of historic project balances to the core budget.

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

	Budget £	Actual £	Variance £
Employee Costs	586,700	462,050	124,650
Premises Related	34,900	35,408	(508)
Supplies and Services	172,100	99,495	72,605
Transport Costs	33,000	24,166	8,834
Support Services	37,900	36,433	1,467
Transfer Payments	2,000	1,802	198
Total Expenditure	866,600	659,354	207,246
Requisitions from Member Authorities	(435,600)	(435,600)	0
Sales, Fees & Charges	(337,700)	(42,547)	(295,153)
Other Income	(10,900)	(93,544)	82,644
Total Income	(784,200)	(571,691)	(212,509)
(Surplus)/Deficit for Year	82,400	87,663	(5,263)

The Balance Sheet at 31 March 2021

The Balance Sheet sets out the total net worth of the Park at a snapshot in time. When comparing the net worth of the Park at 31 March 2021 to that of the prior year, an overall decrease in net worth of the organisation of £0.104m can be seen. This is primarily due to the decrease in current assets.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 15: Retirement Benefits. The appointed actuaries have confirmed a net deficit position of £0.239m, representing a reduction of £0.016m in their valuation of the pension fund. This can be attributed to market movements prompted by the pandemic and lockdowns, among other factors, which therefore affect the asset returns and value.

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 now be met from future contributions from each constituent authority, and as such the going concern assumption is valid.

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

A further potential change to pension rules is outlined in Note 16: Contingent Liabilities and Assets on page 26; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Outlook and Future Plans

The Clyde Muirshiel Regional Park Authority Joint Committee is governed by a Minute of Agreement (MoA) most recently agreed in 2004. On 17 February 2020, North Ayrshire Council gave notice of withdrawal from the MoA and following consideration by the remaining Councils it was concluded that it was appropriate to terminate this Minute of Agreement and for the Park Authority to be dissolved.

Renfrewshire Council's Infrastructure, Land and Environment Policy Board, held on 26 August 2020, and Inverclyde Council's Environment and Regeneration Committee, held on 27 August 2020, agreed the termination of the MoA and dissolution of the Clyde Muirshiel Regional Park Joint Committee from 31 March 2021.

Following the dissolution of the Joint Committee, each local authority will make investment and operational decisions separately regarding the parts of the Regional Park lying within their respective boundaries.

These arrangements do not affect the designation of Clyde Muirshiel as a Regional Park or any of the environmental designations that exist across the park area.

As noted, North Ayrshire Council agreed in February 2020 to serve notice of its withdrawal from the Joint Committee and in doing so delegated oversight and

governance of the Park to its Cabinet and the operational functions to its Executive Director of Communities.

Renfrewshire Council and Inverclyde Council will establish an officer liaison group by the Head of Operation and Infrastructure (Renfrewshire Council), along with the Head of Regeneration and Planning (Inverclyde Council) with appropriate nominated officers to ensure that opportunities from a cross boundary perspective in the Park are maximised.

It is proposed that a Clyde Muirshiel Regional Park Liaison Group will be established to guide the strategic direction of the Park. It will meet twice-yearly and be supported by Senior Officers from the Councils and the Park, with two elected members from each of the local authorities nominated by their respective Councils.

The following link details the future management arrangements for the Park:

[Future Management Arrangements Clyde Muirshiel Regional Park.](#)

Conclusion

I 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.

Cllr Cathy McEwan

Councillor Cathy McEwan

Convener

Cllr Cathy McEwan

Alan Russell

Alan Russell CPFA

Treasurer

25 August 2021

Fraser Carlin

Fraser Carlin

Lead Officer

26 August 2021

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 designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Clyde Muirshiel Regional Park Authority;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that 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);
- approve the Annual Accounts for signature.

The Joint Committee fulfilled its responsibilities during the financial year 2020/21 until its dissolution at 31 March 2021. Renfrewshire Council's Infrastructure, Land & Environment Board has been delegated authority to approve the audited accounts.

Signed on behalf of Clyde Muirshiel Park Authority:

Cllr Cathy McEwan

Councillor Cathy McEwan

Convener
26 August 2021

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- 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 2021.

Alan Russell

Alan Russell CPFA

Treasurer
25 August 2021

Annual Governance Statement

Scope of Responsibility

Clyde Muirshiel Regional 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, supported by a risk management framework and comprehensive risk register;
- 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;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

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 Interim Park Co-ordinator /

Lead Officer using a self-assessment tool covering five key areas of governance:

- Service Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Impact of Coronavirus (COVID-19).

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

The Clyde Muirshiel Regional Park Authority Joint Committee is governed by a Minute of Agreement. In February 2020, North Ayrshire Council gave notice of withdrawal from the Minute of Agreement and following consideration by the remaining Councils it was concluded that it was appropriate to terminate this Minute of Agreement, for the Park Authority to be dissolved and for the dissolution of the Clyde Muirshiel Regional Park Joint Committee from 31 March 2021.

Following the dissolution of the Joint Committee, each local authority will make investment and operational decisions separately regarding the parts of the Regional Park lying within their respective boundaries.

These arrangements will not affect the designation of Clyde Muirshiel as a Regional Park or any of the environmental designations that exist across the park area.

This governance framework has been in place throughout the year. The outbreak of Coronavirus (COVID-19) did not result in any changes to the governance arrangements for 2020/21, however there has been a significant operational and financial impact. The risk of social distancing continuing and its potential impact on the governance arrangements was considered in the review outlined above and will continue to be monitored through robust risk management arrangements.

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.

Renfrewshire Council's Chief Auditor, who provides internal audit services to the Joint Committee under a service level agreement, 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.

Action Plan

The 2019/20 governance statement contained an action to review the governance framework as detailed below, this action has now been completed with the agreement to dissolve the Minute of Agreement and the dissolution of the Clyde Muirshiel Regional Park Joint Committee from 31 March 2021.

Agreed action	Responsible person	Date
Review and update where necessary the existing governance framework, including the Minute of Agreement, in light of the decision of North Ayrshire Council to withdraw from the Joint Committee.	Head of Planning and Housing Services, Renfrewshire Council	March 2021

Assurance

The review of governance outlined above, together with the work of internal audit, any comments received from external audit and certification of assurance from the Interim Park Co-ordinator / Lead Officer provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects.

Cllr Cathy McEwan

Councillor Cathy McEwan

Convener

26 August 2021

Fraser Carlin

Fraser Carlin

Lead Officer

26 August 2021

Remuneration report

All information disclosed in the tables in this Remuneration Report will be audited by the 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.

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

During 2020/21, there were no employees whose salary exceeded £50k and no exit packages agreed (six exit packages totalling £73k, each below £20k, were agreed in 2019/20).

Remuneration policy for senior employees

The Interim Park Co-ordinator is part-time and works 0.6FTE (full-time equivalent).

There are no Park Authority employees remunerated at Chief Officer salary scales.

The following table shows the relevant amounts, before tax and other deductions, due to the Interim Park Co-ordinator for the year to 31 March 2021, whether or not those amounts were actually paid or received within that period.

2019/20 Total Salary, fees and allowances £	Name	Post Held	2020/21 Total Salary, fees and allowances £
25,916	Fiona Carswell	Interim Park Co-ordinator	26,238
25,916	Total		26,238

Pension rights

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

From 1 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.

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.

Name	Post Held	Accrued Pension Benefits				Pension Contributions made by Joint Committee	
		As at 31 March 2021		Change from 31 March 2020		2020/21	2019/20
		Pension	Lump Sum	Pension	Lump Sum	£	£
		£000	£000	£000	£000		
Fiona Carswell	Interim Park Co-ordinator	10	12	0	0	4,839	4,625

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.

Tiered contribution rates on whole time pay 2020/21		Equivalent bandings for 2019/20
Up to £22,200	5.5%	Up to £21,800
£22,201 to £27,100	7.25%	£21,801 to £26,700
£27,101 to £37,200	8.5%	£26,701 to £36,600
£37,201 to £49,600	9.5%	£36,601 to £48,800
Over £49,601	12%	Over £48,801

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.

Cllr Cathy McEwan

Councillor Cathy McEwan

Convener

26 August 2021

Fraser Carlin

Fraser Carlin

Lead Officer

26 August 2021

Independent Auditor's Report to the members of the Infrastructure, Land and Environment Policy Board and the Accounts Commission

Reporting 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 for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the 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 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Clyde Muirshiel Park Authority as at 31 March 2021 and of its income and expenditure 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 2020/21 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 for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of Clyde Muirshiel Park Authority 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 Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Clyde Muirshiel Park Authority. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Due to the dissolution of Clyde Muirshiel Park Authority on 31 March 2021 as explained at note 3, it has not been necessary for me to consider whether there are any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Clyde Muirshiel Park Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Treasurer and Infrastructure, Land and Environment Policy Board 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.

In preparing the financial statements, the Treasurer is responsible for assessing Clyde Muirshiel Park Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Infrastructure, Land and Environment Policy Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain 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) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Clyde Muirshiel Park Authority is complying with that framework;
- identifying which laws and regulations are significant in the context of Clyde Muirshiel Park Authority;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Clyde Muirshiel Park Authority controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

Statutory other information

The Treasurer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

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 audited 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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris

Mark Ferris
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT
26 August 2021

Comprehensive Income and Expenditure Statement

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.

2019/20 (restated)			Note	2020/21		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
718,355	0	718,355	Employee Costs	513,082	0	513,082
44,610	0	44,610	Premises Related	35,408	0	35,408
159,533	0	159,533	Supplies and Services	99,497	0	99,497
32,586	0	32,586	Transport Costs	24,166	0	24,166
40,994	0	40,994	Support Services	36,433	0	36,433
2,313	0	2,313	Transfer Payments	1,802	0	1,802
0	0	0	Capital Charges	1,428	0	1,428
0	(293,958)	(293,958)	Sales, Fees & Charges	0	(42,547)	(42,547)
0	(122,778)	(122,778)	Other Income	0	(92,627)	(92,627)
998,391	(416,736)	581,655	Cost of Services	711,816	(135,174)	576,642
			Financing and Investment Income and Expenditure			
0	(2,949)	(2,949)	Interest receivable	0	(917)	(917)
16,000	0	16,000	Pension interest cost	6,000	0	6,000
			Taxation and Non-Specific Grant Income			
0	(546,500)	(546,500)	Requisitions from Member Authorities 14	0	(435,600)	(435,600)
1,014,391	(966,185)	48,206	(Surplus) / Deficit on the provision of services	717,816	(571,691)	146,125
			Other Comprehensive Income and Expenditure			
		(462,000)	Actuarial (Gains) / Losses on pension assets and liabilities 15a			(42,000)
		(413,794)	Total Comprehensive Income and Expenditure			104,125

NB: Figures in brackets represent income or gains and figures without brackets represent expenditure or losses.

Movement in Reserves Statement

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 Total Comprehensive Income and Expenditure line shows the cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2020		(123,114)	219,902	96,788
Total Comprehensive Income and Expenditure		146,125	(42,000)	104,125
Adjustments between accounting basis and funding basis under regulations	5	(58,460)	58,460	0
(Increase) or decrease in year		87,665	16,460	104,125
Balance at 31 March 2021 carried forward		(35,449)	236,362	200,913

Comparative movements in 2019/20	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(97,845)	608,427	510,582
Total Comprehensive Income and Expenditure		48,206	(462,000)	(413,794)
Adjustments between accounting basis and funding basis under regulations	5	(73,475)	73,475	0
(Increase) or decrease in year		(25,269)	(388,525)	(413,794)
Balance at 31 March 2020 carried forward		(123,114)	219,902	96,788

Balance Sheet

The Balance Sheet shows the value as at 31 March 2021 of the assets and liabilities recognised by the Joint Committee. The net liability 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.

As at 31 March 2020 £		Note	As at 31 March 2021 £
9,995	Plant and Equipment	7	8,567
9,995	Long-term Assets		8,567
286,319	Funds held by Renfrewshire Council		117,273
9,254	Debtors and Prepayments	10	1,604
6,977	Inventories	9	7,165
1,700	Cash in Hand		1,700
304,250	Current Assets		127,742
(187,533)	Creditors And Accruals	11	(92,469)
0	Provisions	12	(5,753)
(187,533)	Current Liabilities		(98,222)
(223,500)	Pension (Liability)/Asset	15c	(239,000)
(223,500)	Long Term Liabilities		(239,000)
(96,788)	Net Liabilities		(200,913)
(123,114)	Usable Reserves		(35,449)
219,902	Unusable Reserves	4	236,362
96,788	Total Reserves		200,913

The unaudited accounts were issued on 17 May and the audited accounts were authorised for issue on 25 August 2021.

Alan Russell

Alan Russell CPFA

Treasurer

25 August 2021

Note 1: Expenditure Funding Analysis

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.

2020/21	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Adjustments for capital £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	462,050	51,500		(468)	513,082
Premises Related	35,408				35,408
Supplies and Services	99,497				99,497
Transport Costs	24,166				24,166
Support Services	36,433				36,433
Transfer Payments	1,802				1,802
Capital Charges	0		1,428		1,428
Other income	(136,091)			917	(135,174)
Cost of Services	523,265	51,500	1,428	449	576,642
Other income and expenditure	(435,600)	6,000		(917)	(430,517)
(Surplus) / Deficit on the Provision of Services	87,665	57,500	1,428	(468)	146,125

2019/20	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Adjustments for capital £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	650,885	76,500		(9,030)	718,355
Premises Related	44,610				44,610
Supplies and Services	169,528		(9,995)		159,533
Transport Costs	32,586				32,586
Support Services	40,994				40,994
Transfer Payments	2,313				2,313
Other income	(419,685)			2,949	(416,736)
Cost of Services	521,231	76,500	(9,995)	(6,081)	581,655
Other income and expenditure	(546,500)	16,000		(2,949)	(533,449)
(Surplus) / Deficit on the Provision of Services	(25,269)	92,500	(9,995)	(9,030)	48,206

Note 2: Accounting Standards Issued not Adopted

There are no new standards that have a material impact on Clyde Muirshiel Regional Park's accounts.

Note 3: Events after the balance sheet date

Where events taking place before the Balance Sheet date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this

information. The Balance Sheet is a snapshot of net worth as at 31 March 2021, after which the Joint Committee is deemed to be dissolved.

On 1 April 2021, all Park related activities transferred to the respective local authorities for those areas of the Park within their boundaries. Three members of Park staff transferred to Inverclyde Council, with other staff remaining as employees of Renfrewshire Council.

The cash reserves of the Joint Committee will be distributed to the two remaining constituent authorities during 2021/22 in line with requisition proportions, after adjusting for any historic costs or income that may be incurred in the interim.

Note 4: Unusable Reserves

Pension Reserve

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. From 1 April 2021, pension liability for the staff transferring to Inverclyde Council will also transfer. The pension liability for remaining staff will transfer to Renfrewshire Council. Historic liabilities will continue to be payable by the constituent authorities in proportion to their requisition split.

2019/20 £	Pension Reserve	2020/21 £
(593,000)	Balance as at 1 April	(223,500)
462,000	Actuarial Gains and (Losses) (see note 16)	42,000
(92,500)	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus/deficit on the revenue reserves for the year	(57,500)
(223,500)	Balance as at 31 March	(239,000)

Employee Statutory Adjustment Account

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 or time in lieu 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 revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account. At 1 April 2021, this liability will transfer to the employing authorities.

2019/20 £	Employee Statutory Adjustment Account	2020/21 £
(15,427)	Balance as at 1 April	(6,397)
15,427	Settlement or cancellation of accrual made at the end of the prior year	6,397
(6,397)	Amounts accrued at the end of the current year	(5,929)
(6,397)	Balance as at 31 March	(5,929)

Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, contraction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amount set aside as finance for these costs. This asset is located at Castle Semple and will therefore transfer to Renfrewshire Council at 1 April 2021, leading to this reserve being unwound.

2019/20 £	Capital Adjustment Account	2020/21 £
0	Opening balance	9,995
0	Charges for depreciation of non-current assets	(1,428)
9,995	Capital expenditure charged against Revenue balances	0
9,995	Closing balance	8,567

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

The deficit for the year on the Revenue Reserves was £58,460 lower 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.

2020/21	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(1,428)	1,428
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(123,500)	123,500
Employers contributions payable to the Strathclyde Pension Fund	66,000	(66,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	468	(468)
Total adjustments	(58,460)	58,460

2019/20	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Capital expenditure charged against Revenue balances	9,995	(9,995)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(178,500)	178,500
Employers contributions payable to the Strathclyde Pension Fund	86,000	(86,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	9,030	(9,030)
Total adjustments	(73,475)	73,475

Note 6: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance it. The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Committee that has yet to be financed.

2019/20 £		2020/21 £
0	Opening CFR	0
9,995	Capital investment	
	Plant and Equipment	0
(9,995)	Sources of finance	
	Direct revenue contributions	0
0	Closing CFR	0

Note 7: Plant and Equipment

2019/20 £		2020/21 £
	Cost or Valuation	
0	Opening balance at 1 April	9,995
9,995	Additions - Vehicles, plant, furniture and equipment	0
9,995	Gross Book Value at 31 March	9,995
	Accumulated Depreciation	
0	Opening balance at 1 April	0
0	Depreciation charge for year	(1,428)
0	Closing balance at 31 March	(1,428)
0	Opening Net Book Value	9,995
9,995	Closing Net Book Value	8,567

Note 8: Operating Leases

Clyde Muirshiel Park entered into an operating lease for the hire of vehicles for the period December 2017 to December 2020. The 2019/20 audited accounts therefore reported that £14,338 was still due within one year. The lease was then extended until 31 March 2021, resulting in the amount due within one year increasing to £20,198. Expenditure charged in year to the CIES was £20,198 (2019/20 £19,871).

Note 9: Inventories

2019/20 £		2020/21 £
7,017	Carrying amount at 1 April	6,977
61,439 (59,885)	Additions during the year Recognised as an expense during the year : inventories sold, exchanged or distributed	9,094 (8,052)
(1,594)	Recognised as an expense during the year : inventories written down	(854)
6,977	Total	7,165

Note 10: Debtors and Prepayments

As at 31 March 2020 £		As at 31 March 2021 £
3,372	Prepayments	63
5,882	Other receivable amounts	1,541
9,254	Total	1,604

Note 11: Creditors

2019/20 £		2020/21 £
68,951	Project Creditors	8,684
46,756	Deferred Income	63,609
36,771	Accrued Payrolls	6,177
28,659	Trade Payables	8,070
6,397	Short-term Accumulating Absences	5,929
187,533	Total	92,469

The movement in Project Creditors arises in part from the release of historic balances from inactive and completed projects into revenue income in the CIES (£37,782). These balances had been held in suspense accounts until required, but should have been recognised in the years that associated costs were incurred. Instead, costs incurred in prior years were met through core budgets. The income was received prior to 2018 and there is therefore no liability to return unspent funds.

Note 12: 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.

The provision for Ardgowan Estate is set aside for the backdated payment relating to a proportion of rental income received for the period 2009/10 to 2020/21 that is due to be paid to Inverclyde Council.

Ardgowan Estate	2020/21 £
Balance at 1 April 2020	0
Additional Provision made in year	(5,753)
Balance at 31 March 2021	(5,753)

Note 13: External audit costs

2019/20 £		2020/21 £
1,837	Fees payable with regard to external audit services carried out by the appointed auditor	1,700
1,837	Total	1,700

Note 14: 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.

2019/20 £	Council	%	2020/21 £
359,700	Renfrewshire	71.40%	311,000
145,700	Inverclyde	28.60%	124,600
41,100	North Ayrshire	0.00%	0
546,500	Total	100.00%	435,600

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 2021 was £34,600 (2019/20 £34,600).

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 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.

The following transactions have been made in the accounting statements in 2020/21:

2019/20 £		2020/21 £
	Included within Cost of Services in the CIES	
195,000	Current service cost	121,000
(32,500)	Past service cost (including curtailments)	(3,500)
	Financing and Investment Income and Expenditure	
16,000	Net Interest	6,000
178,500	Total Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	123,500
	Other Comprehensive Income and Expenditure	
374,000	Return on assets excluding amounts included in net interest	(958,000)
(836,000)	Actuarial (gains) and losses arising on changes in financial assumptions	916,000
(462,000)	Total Actuarial (gains) and losses	(42,000)
(283,500)	Total Post-employment benefit charged to the CIES	81,500
	Movement in Reserves Statement	
(337,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	19,000
86,000	Employers Contributions paid to Strathclyde Pension Fund	66,000

Notes

- Current service cost is the cost of future entitlements to pension payments to current employees.
- Past service cost is the estimated increase in liabilities arising from current decisions that relates to years of service earned prior to this year. The 2019/20 figures included an adjustment to the impact of potential removal of transitional arrangements (McCloud judgement) amounting to £32,500. A further amendment to this figure of £3,500 has been recognised in 2020/21, following information from the appointed actuary that was received after the 2019/20 audited accounts were issued.
- Curtailments are the pension costs to employees retired under redundancy terms.
- 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.
- 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 (£19,000).
- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2020/21 these amounted to £10,560 (2019/20 £9,781).

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:

2019/20 £		2020/21 £
6,230,000	Opening present value	5,592,500
195,000	Current service cost	121,000
(32,500)	Past service cost	(3,500)
151,000	Interest Cost	129,000
28,000	Employee Contributions	24,000
	Remeasurement (gains)/losses:	
(836,000)	Actuarial losses/(gains) arising from changes in financial assumptions	916,000
(143,000)	Benefits Paid	(155,000)
5,592,500	Balance as at 31 March	6,624,000

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

2019/20 £		2020/21 £
5,637,000	Opening Fair Value	5,369,000
135,000	Interest Income	123,000
	Remeasurement gain/(loss):	
(374,000)	Return on assets excluding amounts included in net interest	958,000
86,000	Contributions from employer	66,000
28,000	Contributions from employees	24,000
(143,000)	Benefits Paid	(155,000)
5,369,000	Closing fair value of scheme assets	6,385,000

15c: Fund history

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Present Value of Liabilities	(6,650)	(5,488)	(6,230)	(5,593)	(6,624)
Fair value of assets	5,558	5,326	5,637	5,369	6,385
Surplus/(deficit) in the scheme	(1,092)	(162)	(593)	(224)	(239)

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy. The net liability position of £239,000 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. From 1 April 2021, liability for employees will transfer to their new employer. Historic liabilities will continue to be payable by the constituent authorities in proportion to their requisition split.

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 2020. The principal assumptions used by the actuary have been:

2019/20	Mortality assumptions	2020/21
Longevity at 65 for current pensioners (years)		
20.7	Men	19.8
22.9	Women	22.6
Longevity at 65 for Future pensioners (years)		
22.2	Men	21.2
24.6	Women	24.7
Other assumptions		
3.0%	Rate of increase in salaries	3.6%
1.9%	Rate of increase in pensions	2.9%
2.3%	Rate for discounting scheme liabilities	2.0%
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%

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

2019/20 £000		%	2020/21 £000
1,242	Equity instruments	23.5%	1,499
169	Debt instruments	0.0%	0
642	Private Equity	17.9%	1,142
486	Real Estate	8.1%	517
2,288	Investment Funds	48.8%	3,119
0	Derivatives	0.0%	1
543	Cash and Cash	1.7%	107
5,370	Total	100.0%	6,385

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 was set at 19.3% for 2020/21.

Contributions arising in the year to 31 March 2022 is expected to total £0.066m and will be reflected in the accounts of the councils to which employees have transferred.

Note 16: Contingent Liabilities and Assets

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits. Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £25,000 for Clyde Muirshiel Park. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred. Should this happen after dissolution of the Joint Committee, any impact on the pension liability would fall to the new employers.

Note 17: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2020/21 financial year and its financial position as at 31 March 2021. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis, because the Park's services will continue to be provided, albeit with a change in governance.

B 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:

- 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;

- revenue from the provision of services is recognised when the authority satisfies the performance obligation of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- 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;
- 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;
- supplier invoices paid in the first 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.

C Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives the Committee a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

D 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 entitlements earned by employees but not taken before the year-end.

Post-employment benefits

The Joint Committee participated 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 accounts disclose 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 payment 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 liabilities of the Strathclyde Pension Fund attributable to the Joint Committee at 31 March 2021 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.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee at 31 March 2021 are included in the Balance Sheet at their fair value,

principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) 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.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;
- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have

updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and

- **contributions paid to the pension fund** – cash paid as employer’s contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Joint Committee to be the amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

E 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; and
- 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 accounts.

F Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Committee’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

G 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 Statement 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. When conditions are satisfied, the grant or contribution is credited to the Specific Grant Income line in the CIES.

H Inventories

Inventories are held at the lower of cost or net realisable value (NRV).

I 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. 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.

J Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated replacement cost.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives.

K Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains that have a deferred impact on the Joint Committee.

Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which as at 1 April 2021 are repayable to the remaining member authorities, split according to requisition proportions, which are currently 71.4% for Renfrewshire Council and 28.6% for Inverclyde Council.

Unusable Reserves

Certain reserves are held to manage the accounting processes for non-current assets, retirement and

employee benefits and do not represent usable resources for the Joint Committee; these reserves are explained in the Unusable Reserves note.

L Value Added Tax (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 18: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 17, 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 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. For further details see Note 8: Operating Leases.

Note 19: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future, or that are otherwise uncertain at the Balance Sheet date. 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 2021 for which there is a significant risk of material adjustment in the future 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 carrying value of the pension liability was £239k as at 31 March 2021.	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 £607k. However, the assumptions interact in complex ways. During 2020/21, the appointed actuaries advised that the net pension liability had increased by £15.5k attributable to updating of the financial assumptions. For further details see Note 15: Retirement Benefits.

My Ref: AR/CB
Contact: Alan Russell
Telephone Number: 0141-618-7364
E Mail: alan.russell@renfrewshire.gov.uk
Date: 25 September 2021



Letter of Representation (ISA 580)

Mark Ferris, Senior Manager
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear Mark

Clyde Muirshiel Park Authority Annual Accounts 2020/21

1. This representation letter is provided about your audit of the annual accounts of Clyde Muirshiel Park Authority for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the Remuneration Report, Management Commentary and Annual Governance Statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Lead Officer and Interim Park Co-ordinator, the following representations given to you in connection with your audit of Clyde Muirshiel Park Authority's annual accounts for the year ended 31 March 2021.

General

3. Clyde Muirshiel Park Authority and I have fulfilled our statutory responsibilities for the preparation of the 2020/21 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Clyde Muirshiel Park Authority have been recorded in the accounting records and are properly reflected in the financial statements.

Financial Reporting Framework

4. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (2020/21 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and the Local Authority Accounts (Scotland) Regulations 2014.



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5. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Clyde Muirshiel Park Authority at 31 March 2021 and the transactions for 2020/21.

Accounting Policies and Estimates

6. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2020/21 accounting code where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Clyde Muirshiel Park Authority circumstances and have been consistently applied.

7. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

8. The Clyde Muirshiel Regional Park Authority Joint Committee is governed by a Minute of Agreement (MoA) most recently agreed in 2004. On 17 February 2020, North Ayrshire Council gave notice of withdrawal from the MoA and following consideration by the remaining Councils it was concluded that it was appropriate to terminate this Minute of Agreement and for the Park Authority to be dissolved.

9. Renfrewshire Council's Infrastructure, Land and Environment Policy Board, held on 26 August 2020, and Inverclyde Council's Environment and Regeneration Committee, held on 27 August 2020, agreed the termination of the MoA and dissolution of the Clyde Muirshiel Regional Park Joint Committee from 31 March 2021.

10. Following the dissolution of the Joint Committee, each local authority will make investment and operational decisions separately regarding the parts of the Regional Park lying within their respective boundaries.

11. I have assessed Clyde Muirshiel Park Authority's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Clyde Muirshiel Park Authority's ability to continue as a going concern.

Assets

12. All assets at 31 March 2021 of which I am aware have been recognised in the annual accounts.

13. I carried out an assessment at 31 March 2021 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

14. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.



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15. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

16. All liabilities at 31 March 2021 of which I am aware have been recognised in the annual accounts.

17. The movement in Project Creditors referred to in note 11 to the financial statements arises, in part, from the release of historic balances from inactive and completed projects into revenue income in the Comprehensive Income and Expenditure Statement (CIES). These balances had been held in suspense accounts until required but should have been recognised in the years that associated costs were incurred. These costs were instead met through core budgets. I confirm there is no liability to return unspent funds.

18. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2021 of which I am aware where the conditions specified in the 2020/21 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2021.

19. The accrual recognised in the financial statements for holiday untaken by 31 March 2021 has been estimated on a reasonable basis.

20. The pension assumptions made by the actuary in the IAS 19 report for Clyde Muirshiel Park Authority have been considered and I confirm that they are consistent with management's own view.

21. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

22. There are no significant contingent liabilities, other than those disclosed in Note 16 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the 2020/21 accounting code and IAS 37.

Fraud

23. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud;
- any allegations of fraud or suspected fraud affecting the financial statements; and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.



Laws and Regulations

24. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

25. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2020/21 accounting code. I have made available to you the identity of all the Clyde Muirshiel Park Authority's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

26. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

27. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

28. I confirm that the Clyde Muirshiel Park Authority has undertaken a review of the system of internal control during 2020/21 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

29. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2021, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

30. All events subsequent to 31 March 2021 for which the 2020/21 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Alan Russell

Alan Russell

Director of Finance and Resources

25 August 2021



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