

**REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
JOINT COMMITTEE MEETING ON 4th OCTOBER 2016**

**REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT
REPORT ON THE 2015/16 AUDIT.**

REPORT BY: TREASURER

REPORT NO: SDPA14-2016

1 PURPOSE OF REPORT

- 1.1 This report is a response to the report prepared by the Committee's External Auditor on the audit of Tayplan Joint Committee for the year ended 31 March 2016. A draft copy of the External Auditor's report (Appendix 1) is enclosed and the Unsigned Committee's Audited Statement of Accounts (Appendix 2) will be available for Members before the Joint Committee meeting. The Final signed copies will be made available as soon as they are received from the external Auditors.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:-
- i endorses this report as the formal response to the External Auditor's report; and,
 - ii notes that the External Auditor's findings and conclusions are favourable.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising within this budget year.

4 MAIN TEXT

Introduction

- 4.1 The external audit of the Committee for the financial year 2015/2016 was carried out by Mr Andrew Shaw, Director KPMG LLP. The Joint Committee's External Auditors are appointed for a five year period and the financial year 2014/2015 marked the last year of KPMG's appointment. Audit Scotland has been appointed as External Auditor's for the period 2016-2021.

External Auditor's Report

- 4.2 The External Auditor's report outlines his main responsibilities as auditor and describes the scope of audit work undertaken during 2015/2016, and the issues arising from that work.

- 4.3 In addition to the Members of the Committee, the External Auditor's Report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the External Auditor's responsibilities and scope of work, his report is by necessity both fulsome and extensive. A copy of the report (Appendix 1) is attached; accordingly, it is not the intention of this report to provide a detailed response or commentary on all of the External Auditor's findings.

Conclusions

- 4.4 During 2015/2016, the External Auditor examined a number of areas covering a wide range of the Committee's activities. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular, the Committee can take encouragement from the following:

- an unqualified audit opinion on the truth and fairness of the state of the SDPA's affairs as at 31st March 2016 and of the SDPA's deficit for the year then ended;
- high quality working papers and draft financial statements were provided prior to the audit fieldwork ;
- there were no audit adjustments required to the draft annual accounts and there are no unadjusted audit differences;
- confirmed that the financial statements have been prepared in accordance with the current Code of Practice and relevant legislation;
- corporate governance arrangements are appropriate to the SDPA; and,
- arrangements in place in respect of maintaining standards of conduct and the prevention and detection of fraud and corruption are appropriate for SDPA's circumstances.

5 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues identified.

6 CONSULTATIONS

- 6.1 The Treasurer and Clerk to TAYplan, TAYplan Manager, the Director of Communities Directorate, Angus Council, Executive Director of City Development, Dundee City Council, Executive Director of Environment, Enterprise and Communities, Fife Council and the Executive Director (Environment), Perth & Kinross Council have been consulted and are in agreement with the contents of this report.

MARJORY M STEWART
TREASURER
20 September 2016



cutting through complexity

Appendix 1

Dundee, Perth, Angus and North Fife Strategic Development Planning Authority

DRAFT

Annual audit report to the Members of Dundee, Perth,
Angus and North Fife Strategic Development Planning
Authority and the Controller of Audit

For the year ended 31 March 2016

DRAFT: 23 August 2016

DRAFT

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1. EXECUTIVE SUMMARY

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4. WIDER SCOPE

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5. APPENDICES

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority ("the SDPA") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries"). This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities section of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Andy Shaw who is the engagement leader for our services to the SDPA, telephone 0131 527 6673, email: andrew.shaw@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Alex Sanderson, our Head of Audit in Scotland, either by writing to him at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG or by telephoning 0131 527 6720 or email to alex.sanderson@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Russell Frith, Assistant Auditor General, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

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Executive summary

Audit conclusions

- We expect to issue an unqualified audit opinion on the financial statements of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority ("the SDPA"), following receipt of the management representation letter. Page 8

Financial position

- For the year ended 31 March 2016, the SDPA reported a cost of services of £197,000. The outturn represents a £61,000 underspend on the 2015-16 budget approved by the SDPA. Page 6
- The SDPA had net assets of £206,000 as at 31 March 2016. The financial statements are prepared on a going concern basis, and the funding in respect of 2016-17 was agreed in advance of approving the budget. Page 6

Financial statements and related reports

- We have concluded satisfactorily in respect of each of the significant risks and audit focus areas identified in the audit strategy and plan document. We concur with management's accounting treatment and judgments. We have no matters to highlight in respect of: adjusted and unadjusted audit differences; independence; and changes to management representations. Pages 8 - 12

Wider scope

- We considered the wider scope audit dimensions and concluded positively in respect of financial sustainability, financial management, value for money and governance and transparency. Pages 14-17

Executive summary

Scope and responsibilities

SECTION 1

Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of the SDPA under part VII of the Local Government (Scotland) Act 1973 ("the Act"). The period of appointment is 2011-12 to 2015-16, inclusive.

Our annual audit report is designed to summarise our opinion and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the SDPA and the Controller of Audit. The scope and nature of our audit were set out in our audit strategy document.

The Code sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance.

Accountable officer responsibilities

The Code sets out the SDPA's responsibilities in respect of:

- preparation of financial statements that show a true and fair view;
- systems of internal control;
- prevention and detection of fraud and irregularities;
- standards of conduct and arrangements for the prevention and detection of bribery and corruption;
- financial position; and
- Best Value.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Code. Appendix two sets out how we have met each of the responsibilities set out in the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. Management of the audited body is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of International Standard on Auditing (UK and Ireland) ('ISA') 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity. This annual audit report to members and our presentation to the SDPA, together with previous reports to the SDPA throughout the year, discharges the requirements of ISA 260.

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Financial position

Comprehensive income and expenditure statement

For the year ended 31 March 2016 the SDPA reported a cost of services of £197,000.

The outturn represents a £61,000 overall underspend on the revised budget approved by the SDPA for 2015-16, which formed the basis for the requisitions received from the four constituent councils. The underspend is primarily due to savings made in staff costs and supplies.

2016-17 budget

The 2016-17 budget forecasts an overall deficit of £56,000 financed by transfers from the general reserve.

Deficit on provision of services – funding basis			
	Revised Budget £'000	2015-16 £'000	Over/(under) spend £'000
Cost of services	258	197	(61)
Financing and investment expenditure	(1)	(1)	-
Deficit before requisitions	257	196	(61)
Requisition income	(240)	(240)	-
Deficit/(surplus) on provision of services	17	(44)	(61)
Other IFRS Code accounting adjustments*	-	(2)	2
Total deficit/(surplus) for the year	17	(42)	(59)

Source: draft 2015-16 financial statements

* Adjustments between accounting and funding basis

Balance sheet

The SDPA had net assets as at 31 March 2016 of £206,000 (2014-15: £162,000). **Assets**

Cash increased by £41,000 as a result of the surplus for the year. Short term debtors existed at year end due to rental paid in advance and refunds due from a supplier.

Liabilities

Short term creditors had a small increase of £2,000 due to the timing of the rental prepayment in the prior year.

Reserves

The general reserve increased by £42,000 due to the surplus in the year.

Balance Sheet			
£'000	2016	2015	Movement
Cash held by Dundee City Council	210	169	41
Short term debtors	5	-	5
Current assets	215	169	46
Short term creditors	(9)	(7)	(2)
Net assets	206	162	44
Usable reserves	207	165	42
Unusable reserves	(1)	(3)	2
Total reserves	206	162	44

Source: draft 2015-16 financial statements

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Financial statements and related reports

Audit opinion

Our audit work is complete subject to receipt of the management representation letter and update of subsequent events. Following approval of the annual accounts by the SDPA we intend to issue an unqualified opinion on the truth and fairness of the state of the SDPA's affairs as at 31 March 2016, and of the SDPA's deficit for the year then ended.

Financial reporting framework, legislation and other reporting requirements

The SDPA is required to prepare its financial statements in accordance with International Financial Reporting Standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 ("the Code"), and in accordance with the Local Authority Accounts (Scotland) Regulations 2014. Our audit confirmed that the financial statements have been prepared in accordance with the Code and relevant legislation.

Statutory reports

We have not identified any circumstances to notify the Controller of Audit that indicate a statutory report may be required.

Other communications

We did not encounter any significant difficulties during the audit. There were no other significant matters arising from the audit that were discussed, or subject to correspondence with management that have not been included within this report. There are no other matters arising from the audit, that, in our professional judgement, are significant to the oversight of the financial reporting process.

Audit misstatements

There were no audit adjustments required to the draft annual accounts and there are no unadjusted audit differences.

Written representations

There are no changes to the standard representations required for our audit from last year.

Materiality

We summarised our approach to materiality in our audit strategy document. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that our planning materiality for 2015-16 of £5,080 (2% of total expenditure) remains appropriate. We report all misstatements greater than £254.

Forming our opinions and conclusions

In gathering the evidence for the above opinion(s) and conclusion(s) we have:

- performed controls testing and substantive procedures to ensure that key risks to the annual accounts have been covered;
- reviewed internal audit's reports as issued to the SDPA to ensure all key risk areas which may be viewed to have an impact on the annual accounts have been considered;
- reviewed estimates and accounting judgements made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with senior management to gain a better understanding of the work performed in relation to prevention and detection of fraud; and
- reviewed SDPA meeting minutes to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

High quality working papers and draft financial statements were provided prior to the start of the audit fieldwork on 4 July 2016. This included the management commentary, remuneration report and governance statement.

Significant risks and other focus areas in relation to the audit of the financial statements

We summarise below the risks of material misstatement as reported within the audit strategy. We set out the key audit procedures to address those risks and our findings from those procedures, in order that the SDPA may better understand the process by which we arrived at our audit opinion.

Significant risks:

- management override of controls fraud risk

Other focus areas:

- fraudulent revenue recognition
- retirement benefits

We have no changes to the risk or our approach to addressing the assumed ISA risk of fraud in management override of controls and do not have findings to bring to your attention in relation to this matter. No control overrides were identified.

Financial statements and related reports

Significant risks and other focus areas

SECTION 3

OTHER FOCUS AREA	OUR RESPONSE	AUDIT CONCLUSION
<p>Fraudulent revenue recognition</p> <p>International Standard on Auditing (UK and Ireland) 240 requires us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p>	<p>We vouched income to the requisition letters issued to the constituent Councils. We sought explanations and supporting documentation for unexpected movements.</p> <p>We verified a sample of year-end debtors to supporting documentation.</p>	<p>No exceptions were noted from the testing performed.</p> <p>We are satisfied that revenue recognition policies are appropriate and that income has been appropriately recognised in the financial statements in the period in which it relates.</p>
<p>Retirement benefits</p> <p>Notwithstanding the reported results of our risk assessment, we identified as part of our 2015-16 audit that management continues to exercise judgement in respect of the application of IAS 19. Due to the fact that the SDPA currently only has two permanent employees, management does not consider that it is practical or represents value for money to seek to obtain an actuarial valuation of potential pension liabilities which could be directly attributable to the SDPA in respect of the Tayside Pension Fund.</p>	<p>Our audit work consisted of understanding this judgment by management and concluding on whether the continued application is appropriate.</p>	<p>On grounds of materiality, we are satisfied that the pension scheme is accounted for appropriately.</p>

Financial statements and related reports

Management reporting in financial statements

SECTION 3

REPORT	SUMMARY OBSERVATIONS	AUDIT CONCLUSION
Management commentary	<p>The Local Authority Accounts (Scotland) Regulations 2014 requires the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements. The requirements are outlined in the Local Government finance circular 5/2015.</p> <p>The Management Commentary – SDPA Acting Manager's Report and Management Commentary – Treasurer's Report were included within the unaudited financial statements. Together they outline the performance overview and the future plans and developments in line with the SDPA's priorities.</p>	<p>We are satisfied that the information contained within the management commentary reports is consistent with the financial statements.</p> <p>We reviewed the contents of the management commentary against the guidance contained in the Local Government finance circular 5/2015 and are content with the proposed report.</p>
Remuneration report	<p>The remuneration report was included within the unaudited annual accounts and supporting reports and working papers were provided.</p> <p>No amendments were required to the draft remuneration report to ensure its consistency with underlying records and presentational changes to ensure that it complied with Local Authority Accounts (Scotland) Regulations 2014.</p> <p>Following the departure of Pamela Ewen in September 2015, the SDPA Manager role was performed by Bill Lindsay, an employee of Fife Council, on a part time basis. The SDPA is recharged by Fife Council for the cost of Mr Lindsay's services. As this does not constitute salary for the purposes of the remuneration report, a narrative disclosure has instead been included in the remuneration report.</p>	<p>We are satisfied that the information contained within the remuneration report is consistent with the underlying records and the annual accounts and all required disclosures have been made.</p> <p>Our independent auditor's report confirms that the part of the remuneration report subject to audit has been properly prepared.</p>
Annual governance statement	<p>The statement for 2015-16 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on the SDPA's governance framework, operated internal controls, the work of internal audit, and risk management arrangements and analyses the efficiency and effectiveness of these elements of the framework.</p>	<p>We consider the governance framework and annual governance statement to be appropriate to the SDPA and that the governance statement is in accordance with guidance and reflects our understanding of the organisation.</p>

Qualitative aspects

ISA 260 requires us to report to those charged with governance our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

We consider the accounting policies adopted by the SDPA to be appropriate, and there have been no changes to adopted accounting policies in the year. There are no significant accounting practices which depart from what is acceptable under IFRS or the Code.

Financial statement disclosures were considered against requirements of the Code, relevant legislation and IFRS. No departures from these requirements were identified.

Future accounting and audit developments

From 2016-17 the Code will adopt requirements of the Code on transport infrastructure assets ("the transport code"), which requires measurement of these assets on a depreciated replacement cost basis. We anticipate that this change will not impact the SDPA as it has no such assets.

The 2016-17 Code also includes a new requirement for an expenditure and funding analysis, as well as revised formats for the comprehensive income and expenditure statement and movement in reserves statement. The expenditure and funding analysis provides a reconciliation of the statutory adjustments between the financial position on a funding basis and the surplus or deficit on the provision of services. The management commentary should refer to the outturn provided in the expenditure and funding analysis. The comprehensive income and expenditure statement line items have been amended to require authorities to present the service analysis on the basis of the organisational structure under which they operate. Bodies are therefore not required to follow the service expenditure analysis in the *Service Expenditure Reporting Code of Practice (SeRCOP)*.

ISA (UK & Ireland) 700 and 720 have been revised for accounting periods beginning on or after 17 June 2016. These revise the requirements for the structure and content of the independent auditor's report. Audit Scotland is considering whether to early adopt the standards for 2016-17.

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Wider scope

Introduction

The Code frames the wider scope of our audit in terms of four audit dimensions; financial management, financial sustainability, governance and transparency and value for money. At the centre of these dimensions is Best Value.

It remains the responsibility of the audited body to ensure that they have proper arrangements in place across each of these audit dimensions. These arrangements should be appropriate to the nature of the audited body and the services and functions that it has been created to deliver. We review and come to a conclusion on these proper arrangements.

During our work on the audit dimensions we have considered the work carried out by internal audit and other scrutiny bodies to ensure our work meets the proportionate and integrated principles contained within the Code.

Audit work and conclusions

We summarise over the next few pages the work we have undertaken in the year to obtain assurances over the arrangements in place for each audit dimension and our conclusions on the effectiveness and appropriateness of these arrangements.

Where we have found arrangements to not be effective or are absent we have provided further narrative on the following pages and recommendations for improvement. Where we have found the arrangements to be generally effective and operating as expected we have identified this in the conclusions we have formed.



Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

In considering financial sustainability of the SDPA we performed the following work:

- *Reviewing the financial position of the SDPA as at 31 March 2016 and future budgets and forecasts;* we provide commentary on the financial position on page 6.
- *Reviewing financial forecasting, financial strategies and key risks over financial sustainability.* The 2016-17 budget was approved by the SDPA in December 2015.

Conclusion:

A revenue budget for 2016-17 is in place. It forecasts a budgeted deficit of £55,750, funded from the general reserve. The general reserve is forecast to remain above the minimum prudent level of £25,000 advised to the SDPA by the Treasurer.

We consider that the SDPA is financially sustainable.

We have concluded that the SDPA's use of the going concern basis of accounting is appropriate.

Value for money

Value for money is concerned with using resources effectively and continually improving services.

We consider value for money and Best Value throughout our testing. Areas where we had a specific focus on value for money and Best Value are:

- *Reviewing the procurement policy.* The procurement policy was reviewed and found to be in line with best practice. Our work did not extend to the detail of the tenders or technical specification, being a review of adherence to value for money principles. The tendering process provides evidence of scrutiny for value for money in the use of resources.

Conclusion:

The SDPA strives to achieve value for money and an effective procurement policy is in place to help achieve this.

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Our conclusion below is derived from the following audit tests, carried to determine the effectiveness of the financial management arrangements. This included:

- *Assessing the budget setting and monitoring processes within the SDPA.* We found these to be robust, with regular accurate reporting and scrutiny by senior management and the SDPA.
- *Consideration of the finance function and financial capacity within the SDPA.* We noted that the financial processes are efficient and effective. The SDPA accountant has appropriate skills, capacity and capability to support the SDPA and SDPA manager in the management of the organisation.
- *Reviewing the SDPA's financial regulations.* The financial regulations are available to the SDPA's accountant. These are updated regularly and we found them to be comprehensive.

Conclusion:

The SDPA's finance department has appropriate financial capacity for current operations. Sound budgetary processes are supported by a strong internal control environment, and no significant control deficiencies were identified. This is supported by biannual reporting to SDPA members.

There are appropriate controls in place for the prevention and detection of fraud.

We are also required to provide specific conclusions on the areas opposite, which relate to financial management and support our overall conclusion on this wider scope area.

Internal controls

Management is responsible for designing and implementing appropriate internal control systems to ensure a true and fair view of operations within the financial statements. We test those we rely upon as part of our audit procedures.

Conclusion: Internal controls we tested over budget setting and monitoring and bank reconciliations were seen to be designed and operating effectively.

Standards of conduct and the prevention and detection of corruption

Testing over the processes to prevent and detect corruption included:

Review of policies (codes of conduct for staff and SDPA members, the whistleblowing policy and Anti-Bribery and Corruption Policy) against best practice guidance and examples. The SDPA's policies were found to be in line with relevant guidance

Consideration of the accessibility of policies to staff and SDPA members and if the policies had been implemented effectively. The policies and processes tested are readily available to staff and had been implemented effectively.

Conclusion: The SDPA has appropriate arrangements to prevent and detect inappropriate conduct and corruption.

Arrangements for the prevention and detection of fraud and error

Testing over the processes to prevent and detect fraud and error included:

Inquiry with management as to procedures for the prevention and detection of fraud and error: Based on inquiries, the procedures in place were considered to be appropriate for the SDPA.

Testing of budget monitoring controls: Budget monitoring controls were seen to be designed and operating effectively to detect fraud and error in the financial statements.

Conclusion: The SDPA has appropriate arrangements to prevent and detect fraud.

National Fraud Initiative

The SDPA is not required to participate in the National Fraud Initiative.

Governance and transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

In considering governance and transparency we performed the following work:

- *Reviewing the organisational structure, reporting lines and level of scrutiny within the SDPA.* The SDPA demonstrates effective scrutiny, challenge and transparency on decision making in the board minutes reviewed. There is a high level of transparency through the SDPA's website, which includes minutes and papers for all committee meetings.
- *Reviewing financial and performance reporting within the organisational structure.* Reporting is of high quality, accurate and transparent. Financial reporting is presented to the SDPA on a biannual basis. Reports are sufficiently detailed, giving narrative explanations to key movements from budget.
- *Reading the annual governance statement;* as discussed on page 13.
- *Consideration of scrutiny over key risks* The corporate risk register is updated regularly by management to ensure it is up to date.

Conclusion:

The SDPA has sound and well-established governance arrangements that ensure effective scrutiny, challenge and transparency on decision making.

Risk registers are regularly updated and scrutinised and there is adequate internal audit coverage of key risk areas.

We are required to provide specific conclusions on the following areas which relate to governance and transparency and support our overall conclusion on this audit dimension.

Corporate governance

We updated our understanding of the governance framework and documented this through our overall assessment of the SDPA's risk and control environment. This included testing entity wide controls, including risk management, operational and compliance controls.

Conclusion: Governance controls were found to be operating effectively and we consider the governance framework to be appropriate for the SDPA.

Internal audit

We considered the internal audit plan and reports produced during 2015-16 as part of our risk assessment and planning. We also considered the requirements of International Standard on Auditing 610 (*Considering the Work of Internal Audit*).

Conclusion: We applied the internal auditor's work to inform our procedures, where relevant. The review of assurance reports and conclusions did not indicate additional risks and there was no impact on our planned substantive testing.

Appendices

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To the SDPA members

Assessment of our objectivity and independence as auditor of the SDPA

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management

- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

We have considered the fees charged by us to the SDPA for professional services provided by us during the reporting period.

The audit fee charged by us for the period ended 31 March 2016 was £2,820 (2015: £2,820). No other fees were charged in the period (2015: £nil). No non-audit services were provided to the SDPA and no future services have been contracted or had a written proposal submitted.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the SDPA.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the SDPA and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Appendix two

Appointed auditors responsibilities

APPENDIX 2

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Area	Appointed auditors responsibilities	How we've met our responsibilities
Corporate governance	Review and come to a conclusion on the effectiveness and appropriateness of arrangements to ensure the proper conduct of the bodies affairs including legality of activities and transactions, Conclude on whether the monitoring arrangements are operate and operating in line with recommended best practice.	Page 17 sets out our conclusion on these arrangements.
Financial statements and related reports	Provide an opinion on audited bodies' financial statements on whether financial statements give a true and fair view of the financial position of audited bodies and their expenditure and income Provide an opinion on whether financial statements have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements Provide an opinion on the regularity of the expenditure and income (<i>not required for local government</i>).	Page 8 summarises the opinion we expect to provide.
Financial statements and related reports	Review and report on, as appropriate, other information such as annual governance statements, management commentaries, remuneration reports, grant claims and whole of government returns.	Page 11 reports on the other information contained in the financial statements, covering the annual governance statement, management commentary and remuneration report. We have not reported on any grant claims.
Financial statements and related reports	Notify the Auditor General or Controller of Audit when circumstances indicate that a statutory report may be required.	No notifications to Controller of Audit required.
Financial statements and related reports	Review and conclude on the effectiveness and appropriateness of arrangements and systems of internal control, including risk management, internal audit, financial, operational and compliance controls.	Page 16 sets out our conclusion on these arrangements.
WGA returns and grant claims	Examine and report on WGA returns Examine and report on approved grant claims and other returns submitted by local authorities.	The SDPA is below the threshold for the completion of audit work on the WGA return.

Appendix two

Appointed auditors responsibilities (continued)

APPENDIX 2

DRAFT

Area	Appointed auditors responsibilities	How we've met our responsibilities
Standards of conduct – prevention and detection of fraud and error	Review and conclude on the effectiveness and appropriateness of arrangements for the prevention and detection of fraud and irregularities, bribery and corruption and arrangements to ensure the bodies affairs are managed in accordance with proper standards of conduct. Review National Fraud Initiative participation and conclude on the effectiveness of bodies engagement.	Page 16 sets out our conclusion on these arrangements.
Financial position	Review and conclude on the effectiveness and appropriateness of arrangements to ensure that the bodies financial position is soundly based.	Page 15 sets out our conclusion on these arrangements.
Financial position	Review performance against targets	Page 6 summarise our review of how the body has performed against it's financial targets.
Financial position	Review and conclude on financial position including reserves balances and strategies and longer term financial sustainability.	Page 6 sets out our conclusion on the SDPA's financial position. Pages 6 and 15 set out our conclusion on the SDPA's financial strategies and longer term financial sustainability.
Best Value	Be satisfied that proper arrangements have been made for securing Best Value and complied with responsibilities relating to community planning.	Page 15 sets out our conclusion on these arrangements.
Performance information	Review and conclude on the effectiveness and appropriateness of arrangements to prepare and publish performance information in accordance with Accounts Commission directions.	The SDPA is not required to publish a separate annual performance report.



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**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING
AUTHORITY**



**ANNUAL ACCOUNTS
FOR PERIOD ENDED 31 MARCH 2016**

AUDITED

SEPTEMBER 2016

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

ANNUAL ACCOUNTS 2015/2016

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DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC DEVELOPMENT PLANNING AUTHORITY

MANAGEMENT COMMENTARY-SDPA ACTING MANAGER'S REPORT

Strategic Development Planning Authorities (SDPA's) have Joint Committees created by the Planning etc. (Scotland) Act 2006 and the Strategic Development Planning Authorities (SDPAs) Designation (No 3) (Scotland) order 2008 (SSI no 197). The Act's provisions came into force on 25 June 2008.

The Dundee, Perth, Angus and North Fife SDPA was established under the above Act consisting and operating on behalf of 4 Councils: Dundee City; Perth & Kinross; Angus; and Fife. The key role of the SDPA is to prepare and maintain an up to date Strategic Development Plan for the area. This process involves engagement and consultation with a number of key stakeholder organisations and the wider community.

The first Strategic Development Plan was approved by Scottish Ministers following examination on 8th June 2012 and published by the SDPA on 18th June 2012. The Plan was published ahead of the project plan, which was agreed in August 2009. The Authority is required to review and submit a new Plan to Ministers within 4 years of date of approval i.e. by 8th June 2016. The review is ongoing with engagement commencing on the proposed plan on 11th May 2015.

Alongside the Plan an Action Programme has been prepared in collaboration with TAYplan's 13 Key Stakeholders. All these public organisations have agreed to the Programmes content (actions to deliver the Plan).

The SDPA has an establishment of three full-time staff, the SDPA Manager, Senior Planner and Planning Officer. To help ensure the project plan is delivered, temporary staff are recruited at peak times. Professional, legal, financial and I.T. services are provided by Dundee City Council in its role as host authority. The Finance Officer has regular scheduled meetings with the SDPA Manager to review the on-going position in relation to both the local authority contributions and the SDPA administration budget, in accordance with the financial regulations agreed by the Joint Committee.

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The Joint Committee will elect new members in October 2016. The Authority is supported by an officers group. Joint Committee Meetings are chaired by the Convener, on the following rotational basis:

Year	Convener	Vice Convener
2012	Perth & Kinross Council, Councillor John Kellas	Angus Council, Councillor Mari Evans (after May)
2013	Angus Council, Councillor Mari Evans	Dundee City Council, Councillor Will Dawson
2014	Dundee City Council, Councillor Will Dawson	Fife Council (Councillor Lesley Laird)
2015	Fife Council (Councillor Lesley Laird)	Perth & Kinross Council, Councillor John Kellas
2016	Perth & Kinross Council, Councillor Tom Gray	Angus Council, Councillor Rob Murray

ACKNOWLEDGEMENTS

I would take the opportunity to thank the Convener and the members of The Dundee, Perth, Angus and North Fife SDPA Joint Committee for their support, assistance and co-operation.

Bill Lindsay
Acting SDPA Manager (At 31 March 2016)
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
30 September 2016

DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC DEVELOPMENT PLANNING AUTHORITY

MEMBERS AND OFFICIALS

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The under-noted Councillors have been nominated by their constituent Authorities to serve on the Joint Authority and the under-noted officers serve as officials of the Authority.

At the end of the financial year 2015/2016, the Members and Officials of the Committee were:

Representing Dundee City Council

Councillor Will Dawson
Councillor Bill Campbell
Councillor Tom Ferguson



Representing Perth & Kinross Council

Councillor John Kellas
Councillor Tom Gray (Convener)
Councillor Alan Livingstone



Representing Fife Council

Councillor Donald Lothian
Councillor Bob young
Councillor Lesley Laird (Convener)



Representing Angus Council

Councillor Mari Evans
Councillor Rob Murray (Vice convener)
Councillor Bob Myles



Acting

SDPA MANAGER Mr Bill Lindsay

CLERK Mr Roger W H Mennie LL.B (Hons) ,Dip L.P., Dundee City Council

TREASURER Mrs Marjory M Stewart FCCA, CPFA , Dundee City Council

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**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
MANAGEMENT COMMENTARY-TREASURER'S REPORT**

Introduction

This report is intended as a commentary on the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority's financial position, as presented within the Annual Accounts for the financial year 2015/2016.

Annual Governance Statement (see page 5)

This statement sets out the Board's Corporate Governance arrangements, explaining how the Board conducts its business, both internally and in its dealings with others.

Annual Remuneration Report (see pages 6-8)

This report sets out the remuneration and accrued pension benefits of the Senior Councillors and Senior Employees of the Authority, together with policy and contextual information relating to these areas.

Statement of Responsibilities for the Statement of Accounts (see page 9)

This statement sets out the main financial responsibilities of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority, and the Treasurer.

The Accounting Statements (see pages 10 to 20)

Movement in Reserve Statement:

This statement shows the movement in the year on the reserves held by the Authority.

Comprehensive Income and Expenditure Statement:

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

Balance Sheet:

Shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority.

Cash Flow Statement:

Shows the changes in cash and cash equivalents of the Authority during the reporting period.

Notes to the Financial Statements:

Are intended to give the reader further information which is not separately detailed in the financial statements.

Revenue Expenditure

The following table compares the budget and requisitions approved by the Authority to actual expenditure and income of the Authority.

	Approved Budget	Actual Expenditure/ (Income)	Variance
	£000	£000	£000
Staff Costs	190	149	(41)
Property Costs	14	14	-
Supplies and Services	37	23	(14)
Transport Costs	4	2	(2)
Third Party Payments	5	1	(4)
Corporate and Democratic Core	8	8	-
Non Distributed Costs	-	-	-
Cost Of Services	258	197	(61)
Other Operating Income & Expenditure	-	-	-
Financing & Investment Income & Expenditure	(1)	(1)	-
(Surplus)/Deficit on Provision of Services before Requisition Income	257	196	(61)
Requisition Income	(240)	(240)	-
Total Comprehensive (Income) and Expenditure	17	(44)	(61)
IAS 19 Adjustments	-	2	2
Movement in General Fund Balance	17	(42)	(59)

The reasons for the main under/overspends are explained in the variance analysis below:

Staff Costs (Underspend £41,000)

Following the resignation of the previous Manager, the post is being covered by a two day secondment from Local Authorities and has produced a saving of £29k along with temporary staff saving of £12K.

Supplies and Services (Underspend £14,200)

There were savings on computer cost of £2.5k, printing and general office expenses of £6.7k, advertising of £1.7k, Hospitality & Venue Hire £2.3k and Office equipment of £1k.

Transportation Cost(Underspend £2,000)

The savings in travel is based on the reporting cycle and requirement to attend meetings out with office base.

Third Party Payments (Underspend £4,000)

This is due to work being done in house or by Local Authorities on SDPA's behalf rather than out sourcing work.

Control of Revenue Expenditure

The control of the revenue expenditure of the Authority is an ongoing exercise which requires a positive contribution from the staff and members of the Authority and the Constituent Local Authorities to ensure that the Authority's financial objectives are achieved and those financial resources are fully utilised.

Capital Expenditure

During 2015/2016 the Authority did not incur any capital expenditure.

General Fund

This represents the balances available to the Joint Committee which are not earmarked for specific purposes.

Acknowledgements

During the 2015/2016 financial period, the Authority's financial position has required strict budgetary control. I would like to thank the Authority's Chief Officer and the staff within the Constituent Local Authorities for their active support and co-operation in the effective management of the Authority's finances since the inception of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority. Finally, I would conclude the report by thanking all staff who contributed to the preparation of the Authority's Annual Accounts.

Marjory Stewart FCCA, CPFA

Treasurer

Dundee, Perth, Angus and North Fife

Strategic Development Planning Authority

30 September 2016

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Tayplan is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Joint Committee also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Committee's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Committee, through its constituent Authorities, has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. This statement explains how the Joint Committee through utilisation of Dundee City Council's systems and procedures delivers good governance and reviews the effectiveness of these arrangements.

The Committee's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Committee is directed and controlled. It also describes the way it engages with, accounts to and leads the local community. It enables the Joint Committee to monitor the achievement of its objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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 or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

- Identifying the Joint Committee's objectives.
- Monitoring of objectives by the Treasurer and Tayplan Manager.
- A systematic approach to monitoring service performance at elected member, senior officer and project level.
- Reporting performance regularly to Joint Committee
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- Formal project appraisal techniques and project management disciplines.
- Setting targets to measure financial and service performance.
- Formal revenue budgetary control systems and procedures.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of the Joint Committee services and take into account comments made by external auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

In addition the utilisation of the systems and procedures of Dundee City Council means that reliance can be placed on the effectiveness of their governance framework. This is reviewed annually by a working group of senior council officers and Chief Officers from each council department complete a self-assessment of their own arrangements.

The Executive Director of Corporate Services, Dundee City Council is Treasurer to the Joint Committee and has complied fully with the five principles of the role of the Chief Financial Officer, as set out in CIPFA guidance.

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Joint committee complies with the Local Code of Corporate Governance in all significant respects.

Bill Lindsay
Acting Tayplan Manager (At 31 March 2016)
30 September 2016

Tom Gray
Convener Joint Committee
30 September 2016

ANNUAL REMUNERATION REPORT

INTRODUCTION

The Authority is required to prepare and publish within its Statement of Accounts an Annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration of the Convener and Senior Employees of the Authority and accrued pension benefits of the Senior Employees. The report also provides information on the number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations and also in accordance with the non-statutory guidance set out in Scottish Government Finance Circular 8/2011, issued on 13 May 2011. The Authority's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Statement of Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations.

REMUNERATION ARRANGEMENTS

Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (Scottish Statutory Instrument No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Convener or Vice Convener of a Joint Authority. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice Convener is a member. The Council is also required to pay pension contributions arising from the Convener or Vice Convener being a member of the Local Government Pension Scheme.

There is no remuneration paid to the Convener of the Authority.

Senior Employees

The salaries of Senior Employees take account of the duties and responsibilities of their posts

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Authority:

- (i) has responsibility for management of the Authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Authority has determined that no employee meets the criteria for designation as a Senior Employee in 2015/2016, falling into category (i) above. The remuneration details for the Senior Employees of the Authority are set out in Table 1. The Senior Employee disclosed in previous years (the SDPA Manager) left employment on 27 September 2015.

The Regulations also require information to be published on the total number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table:

Remuneration Bands	No of Employees	
	2014/2015	2015/2016
£55,000 - £59,999	1	-
Total	1	-

ACCRUED PENSION BENEFITS

Pension benefits for Authority Employees are provided through the Local Government Pension Scheme (LGPS) which is a career average related earnings (CARE) pension scheme. This means that pension benefits are based on the career average revalued pay and the number years that the person has been a member of the scheme

The scheme's normal retirement age for Authority employees is 65.

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, contribution rates were set at 6% for all non-manual employees. The member's contribution rates for 2015/2016 remain at the 2009/2010 rates, but the tiers have changed and are as follows:

Whole Time Pay	Contribution Rate 2014/2015	Whole Time Pay	Contribution Rate 2015/2016
up to and including £20,335	5.5%	up to and including £20,500	5.5%
above £20,335 and up to £24,853	7.25%	above £20,500 and up to £25,000	7.25%
above £24,853 and up to £34,096	8.5%	above £25,000 and up to £34,400	8.5%
above £34,096 and up to £45,393	9.5%	above £34,400 and up to £45,800	9.5%
above £45,393	12%	above £45,800	12%

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 lump sum up to the limit set by the Finance Act 2004. Since April 2015 the LGPS changed to a defined benefit pension scheme worked out on a career average basis, on rate of 1/49th of the amount of pensionable pay you received in that scheme year. Pension benefits to 31 March 2015 are protected and paid on final leaving salary. Between April 2009 and March 2015 the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Convener

There were no pension contributions made by the Authority in respect of the Convener the Authority.

Senior Employees

No pension disclosures are required as there were no Senior Employees as at 31 March 2016.

Exit Packages

There were no exit packages in 2015/2016 (2014/2015 Nil).

Marjory Stewart FCCA, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
30 September 2016

Bill Lindsay
Acting SDPA Manager
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
30 September 2016

TABLE 1 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Bonuses	Taxable Expenses	Compensation for Loss of Employment	Other Payments	Total Remuneration 2015/2016	Total Remuneration 2014/2015
		£	£	£	£	£	£	£
Pamela Ewen (until 27/9/2015)	Manager	<u>29,677</u>	-	-	-	-	<u>29,677</u>	<u>59,827</u>
Total		<u>29,677</u>	-	-	-	-	<u>29,677</u>	<u>59,827</u>
Full Year Equivalent								
	Manager	<u>60,734</u>					<u>60,734</u>	<u>59,827</u>
		<u>60,734</u>	-	-	-	-	<u>60,734</u>	<u>59,327</u>

Acting Manager Position

Fife Council have recharged £13,242 being six months salary and on cost for Bill Lindsay pro rata 2 days per week. This is line with the agreed report SDPA09-2015 Section 5.5 which is detailed below:

Given the project plan adjustments, and as a result lighter workload for the core team, the Board have agreed that the Manager role will be filled over the next 12 months on a temporary and part time basis. The post will be covered by existing Development Plan Managers from within the constituent Councils; Fife Council over the period October 2015-March 2016 and Dundee City Council over the period April-September 2016. The Board are confident that operationally this will meet the requirements to deliver the project plan. This arrangement will be reviewed by the Tayplan Board in early 2016.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Audited Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Authority at its meeting on 30 September 2016

Signed on behalf of SDPA Joint Committee

Councillor Tom Gray
Chairperson

The Treasurer's responsibilities

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

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 Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Authority at the reporting date and the transactions of the Authority for the year ended 31 March 2016.

Marjory M Stewart FCCA, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
30 September 2016

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those 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 Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Reserve Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Reserve Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2014	200	200	(5)	195
<u>Movement in Reserves during 2014/2015</u>				
Surplus or (deficit) on provision of services	(33)	(33)	-	(33)
Other Comprehensive Expenditure and Income	-	-	-	-
Total Comprehensive Expenditure and Income	(33)	(33)	-	(33)
Adjustments between accounting basis & funding basis under regulations (note 3)	-	-	-	-
Net Increase / (Decrease) before Transfers to Earmarked Reserves	(33)	(33)	-	(33)
Transfers to/from Earmarked Reserves	(2)	(2)	2	-
Increase / (Decrease) in 2014/2015	(35)	(35)	2	(33)
Balance at 31 March 2015 carried forward	165	165	(3)	162
<u>Movement in Reserves during 2015/2016</u>				
Surplus or (deficit) on provision of services	44	44	-	44
Other Comprehensive Expenditure and Income	-	-	-	-
Total Comprehensive Expenditure and Income	44	44	-	44
Adjustments between accounting basis & funding basis under regulations (note 3)	-	-	-	-
Net Increase/Decrease before Transfers to Earmarked Reserves	44	44	-	44
Transfers to/from Earmarked Reserves	(2)	(2)	2	-
Increase / (Decrease) in Year 2015/2016	42	42	2	44
Balance at 31 March 2016 carried forward	207	207	(1)	206

The notes on pages 14 to 20 form part of these Financial Statements.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2014/15				Unaudited Budgeted Net Expenditure / (Income) £000	2015/16			
Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000			Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	
			Expenditure					
185	-	185	Staff Costs	190	149	-	149	
14	-	14	Property Costs	14	14	-	14	
29	-	29	Supplies and Services	37	23	-	23	
4	-	4	Transport Costs	4	2	-	2	
14	-	14	Third Party Payments	5	1	-	1	
8	-	8	Corporate and Democratic Core	8	8	-	8	
254	-	254	Cost Of Services	258	197	-	197	
-	-	-	Other Operating Income & Expenditure	-	-	-	-	
-	(1)	(1)	Financing and Investment Income and Expenditure (note 4)	(1)	-	(1)	(1)	
254	(1)	253	(Surplus)/Deficit on Provision of Services before Requisitions	257	197	(1)	196	
-	(220)	(220)	Requisition Income	(240)	-	(240)	(240)	
254	(221)	33	Total Comprehensive Income and Expenditure	17	197	(241)	(44)	

The notes on pages 14 to 20 form part of these Financial Statements.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
BALANCE SHEET**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net liabilities of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category is usable reserves, i.e. those that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

As at 31 March 2015 £000		As at 31 March 2016 £000
	Current Assets	
169	Cash Held By Dundee City Council	210
-	Short Term Debtors	5
<u>169</u>		<u>215</u>
	Less Current Liabilities	
(7)	Short Term Creditors	(9)
<u>162</u>	Total Net Assets	<u>206</u>
	Represented By:	
165	Useable Reserves	207
(3)	Unusable Reserves	(1)
<u>162</u>		<u>206</u>

The notes on pages 14 to 20 form part of these Financial Statements.

Marjory M Stewart FCCA, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
30 September 2016

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority 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 Authority are funded by way of requisitions from Constituent Authorities. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2014/15 £000		2015/16 £000
33	Net (surplus) or deficit on the provision of services	(44)
11	Adjust net surplus or deficit on the provision of services for non cash movements	3
44	Net cash flows from Operating Activities (note 7)	(41)
-	Investing Activities	-
-	Financing Activities	-
44	Net (increase) or decrease in cash and cash equivalents	(41)
(213)	Cash and cash equivalents at the beginning of the reporting period	(169)
(169)	Cash and cash equivalents at the end of the reporting period (note 8)	(210)

The cash balance is managed by Dundee City Council.

The notes on pages 14 to 20 form part of these Financial Statements.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Authority's transactions for the 2015/16 financial year and its position at the year-end of 31 March 2016. The Authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice 2015/16, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

B Accruals of Income and Expenditure

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

- Expenses in relation to services received (including those rendered by the Authority's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue 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.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement (page 13), cash and cash equivalents are repayable on demand and form an integral part of the Authority's cash management.

D Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Authority. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Reserve Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Account at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board 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 termination benefits related to pensions enhancements 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.

Post Employment Benefits

Dundee City Council is, for the purpose of employment law, the "employing authority" of the Joint Committee employees. Therefore, employees of the Authority are members of the Local Government Superannuation Scheme (Tayside Superannuation Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority. On the grounds of materiality, the pension costs included in the accounts have not been determined in accordance with International Accounting Standard 19 (Employee Benefits). Instead, the accounts include the employer's contribution to the scheme as an expense in the Comprehensive Income and Expenditure Statement.

F Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

G Leases

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

H Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority 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. For example, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the 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 Comprehensive Income and Expenditure Statement. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the Authority if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority 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 Authority. Contingent liabilities also arise in circumstances where 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. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

I Reserves

Reserves are created by appropriating amounts out of the General Reserve Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against requisition income for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and these reserves do not represent usable resources for the Authority. Further information on the Authority's reserves is contained in notes 5 and 6.

J VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about future events. The key judgement made in the Statement of Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Authority has determined that this uncertainty is not sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to reduce levels of service provision.

3 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2015/16 £000
Movements in 2015/2016			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	2	-
Total Adjustments	(2)	2	-

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2014/15 £000
Comparative Movements in 2014/2015			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	2	-
Total Adjustments	(2)	2	-

4 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2014/15 £000		2015/16 £000
(1)	Interest receivable and similar income	(1)
(1)	Total	(1)

5 BALANCE SHEET - USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 10.

6 BALANCE SHEET - UNUSABLE RESERVES

2014/15 £000		2015/16 £000
(3)	Accumulating Compensated Absences Adjustment Account	(1)
(3)	Total Unusable Reserves	(1)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2014/15		2015/16	
£000		£000	
(5)	Balance at 1 April		(3)
5	Settlement or cancellation of accrual made at the end of the preceding year	3	
(3)	Amounts accrued at the end of the current year	(1)	
2	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	
(3)	Balance at 31 March		(1)

7 CASH FLOW STATEMENT - OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2014/15		2015/16	
£000		£000	
(1)	Interest received	(1)	

8 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2015		31 March 2016	
£000		£000	
169	Cash managed by Dundee City Council	210	
169	Total cash and cash equivalents	210	

9 MEMBERS ALLOWANCES

In 2015/2016 there were no payments made for Members Allowances (2014/2015 None).

10 EXTERNAL AUDIT COSTS

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Authority is required to submit statutory accounts for audit. The Accounts Commission has advised that the auditor of the Authority will be KPMG LLP. The total fee payable to Audit Scotland for 2015/2016 for external audit services is £2,818 (2014/2015 £2,821).

11 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2016 and 28 June 2016 that would have an impact on the 2015/2016 financial statements (2014/2015 none). The latter date is the date on which the accounts were authorised for issue by the Treasurer.

12 RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority 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 Authority.

Angus, Dundee City, Perth & Kinross and Fife Councils are considered to be related parties of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority, in terms of the Accounting Code of Practice. During the 2015/2016 financial year, the Authority entered into the following transactions with these four Councils as detailed below:

2014/2015			2015/2016	
Income From £000	Charges From £000		Income From £000	Charges From £000
Angus Council				
<u>50</u>	-	Local Authority Contribution	<u>60</u>	-
<u>50</u>	-		<u>60</u>	-
Dundee City Council				
50	-	Local Authority Contribution	60	-
1	-	Interest On Revenue Balances	1	-
-	8	Corporate Services	-	8
<u>51</u>	<u>8</u>		<u>61</u>	<u>8</u>
Perth & Kinross Council				
<u>60</u>	-	Local Authority Contribution	<u>60</u>	-
<u>60</u>	-		<u>60</u>	-
Fife Council				
<u>60</u>	-	Local Authority Contribution	60	-
<u>60</u>	-	Management Recharge	-	13
			<u>60</u>	<u>13</u>

The undernoted balance existed between the Authority and its related parties as at 31 March 2016.

31 March 2015			31 March 2016	
Amounts Due from £000	Amounts Due To £000		Amounts Due From £000	Amounts Due To £000
-	-	Dundee City Council	-	5

13 Authority as Lessee

Finance Leases

The Authority held no assets on finance lease during 2015/2016 and accordingly, there were no finance lease rentals paid to lessors during 2015/2016 (2014/2015 Nil). The Authority has no commitments to making payments to lessors in respect on finance leases.

Operating Leases

Operating lease rental payments of £14,190 were made during 2015/2016 (2014/2015 £14,190). These relate to property rental.

In respect of operating leases, the Authority is committed to making payments to lessors of £14,190 in 2016/2017 on a lease expiring after 2017/2018.

14 SHORT TERM DEBTORS

	31 March 2015 £000	31 March 2016 £000
Other entities and individuals	-	5
Total	-	5

15 SHORT TERM CREDITORS

	31 March 2015 £000	31 March 2016 £000
Local authorities	2	5
Other entities and individuals	5	4
Total	7	9

16 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 March 2016 (31 March 2015 None).

17 CONTINGENT ASSETS

No contingent assets existed at 31 March 2016 (31 March 2015 None).

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority and the Accounts Commission for Scotland

We certify that we have audited the financial statements of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash-Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

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

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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. In addition, we 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the body as at 31 March 2016 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 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.

Independent auditor's report to the members of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority and the Accounts Commission for Scotland (continued)

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary – SDPA Acting Manager's Report and Management Commentary – Treasurer's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government ; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Andrew Shaw

For and on behalf of KPMG LLP

Chartered Accountants

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EG

Date: