

For meeting on:

24 NOVEMBER 2020

Agenda **2020**

MUGDOCK PARK JOINT MANAGEMENT COMMITTEE



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East Dunbartonshire Council

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AGENDA

Mugdock Park Joint Management Committee

Tuesday, 24 November 2020 at 10am

Cisco Webex Meeting

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1.	Welcome and apologies	
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MUGDOCK COUNTRY PARK

**MUGDOCK PARK JOINT
MANAGEMENT
COMMITTEE**

24 NOVEMBER 2020

CFO/025/18/GM

CHIEF FINANCE OFFICER

CONTACT OFFICER:

**KENNETH MCFALL, EXTERNAL AUDITOR, AUDIT
SCOTLAND**

SUBJECT TITLE:

**AUDIT SCOTLAND'S ANNUAL AUDIT REPORT
2019-20 – MUGDOCK COUNTRY PARK**

1.0 PURPOSE

- 1.1. This purpose of this report is to present to the Joint Management Audit Scotland's Annual Audit Report for 2019-20.

2.0	<u>RECOMMENDATIONS</u>
2.1	<p>It is recommended that Committee:</p> <ul style="list-style-type: none"> • Considers and approves the 2019/20 Annual Audit Report for Mugdock Country Park Joint Management Committee

**JAMIE ROBERTSON
CHIEF FINANCE OFFICER
FINANCE, AUDIT & PERFORMANCE**

3.0 BACKGROUND / MAIN ISSUES

- 3.1. Audit Scotland's report is a summary of the findings arising from the 2019/20 audit of Mugdock Country Park.
- 3.2. The scope of the audit was set out in our Annual Audit Plan, issued 17 March 2020. The report sets out the finding from Audit Scotland's audit of the 2019/20 accounts.
- 3.3. The annual accounts for the year ended 31 March 2020 will be approved by the Joint Management on 24 November 2020. Our independent auditors report includes:
 - An unqualified opinion on the financial statements.
 - Unqualified opinions on the management commentary and the annual governance statement.
- 3.4. This report includes an action plan at Appendix 1 of recommendations arising from our audit. Appendix 2 summarises how the risks we identified during planning were addressed and our conclusions on these risks.

4.0 IMPLICATIONS

The implications for the Council are as undernoted.

- 4.1. Frontline Service to Customers- Improved service delivery through continued effective scrutiny and management of performance.
- 4.2. Workforce (including any significant resource implications)- Impact on future Business Improvement Planning.
- 4.3. Legal Implications – None
- 4.4. Financial Implications – None
- 4.5. Procurement - None
- 4.6. ICT - None
- 4.7. Corporate Assets- None
- 4.8. Equalities Implications – None
- 4.9. Other

5.0 MANAGEMENT OF RISK

The risks and control measures relating to this report are as follows:-

- 5.1. Ensuring effective Scrutiny of service performance and driving improvement in service delivery.
- 5.2. Ensuring we are continuing to meet our statutory obligations in regards to performance reporting and Best Value.

6.0 IMPACT

The scrutiny of service performance should drive improvements, helping to achieve LOIP outcomes.

6.1. ECONOMIC DEVELOPMENT – As above.

6.2. EMPLOYABILITY - As above.

6.3. DELIVERING FOR CHILDREN & YOUNG PEOPLE – As above.

6.4. COMMUNITY SAFETY - As above.

6.5. HEALTH & SOCIAL CARE - As above.

7.0 POLICY CHECKLIST

7.1 This report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 APPENDICES

8.1. Appendix 1: Unaudited Annual Accounts 2019/20.

Mugdock Country Park Joint Management Committee

Proposed 2019/20 Annual Audit Report

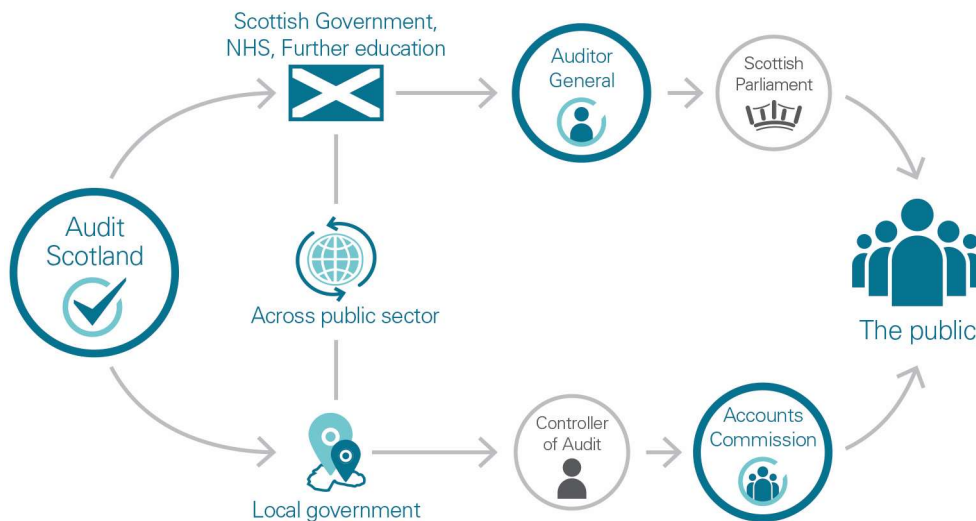


Prepared for the Members of Mugdock Country Park Joint Management Committee and the
Controller of Audit
24 November 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2019/20 annual accounts

- 1** Mugdock Country Park Joint Management Committee (the Park) financial statements give a true and fair view and were properly prepared.
- 2** Despite additional pressures arising from Covid-19, the annual report and accounts were presented to audit in accordance with the agreed timeline as set out in our Annual Audit Plan.
- 3** The management commentary and annual governance statement are both consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

Financial sustainability and Annual Governance Statement

- 4** The renewed Minute of Agreement secures the current levels of funding from the constituent authorities for the Park for the period 2019-2024. However, this requires to be formally ratified by the Joint Management Committee.
- 5** The increased budget pressures on each of the partner authorities as a result of the impact of Covid-19 presents a risk to the Park in its aim of maintaining a sustainable financial position in the future.
- 6** We concluded that the information in the Annual Governance Statement complies with guidance and is consistent with our knowledge of the Park. However, minor changes are required to improve disclosures going forward.

Introduction

1. This report summarises the findings arising from the 2019/20 audit of Mugdock Country Park Joint Management Committee (the Park).
2. The scope of the audit was set out in our 2019/20 Annual Audit Plan presented to March 2020 meeting of the Joint Management Committee. This report comprises the findings from:
 - an audit of the annual accounts
 - consideration of the financial sustainability of the Park and the appropriateness of the annual governance statement

Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

3. The main elements of our audit work in 2019/20 have been:
 - an audit of the Park's 2019/20 annual accounts including the issue of an independent auditor's report setting out our opinion
 - consideration of the Park's financial sustainability.
4. Subsequent to the publication of the Annual Audit Plan, in common with all public bodies, the Park has had to respond to the global coronavirus pandemic (Covid-19). This impacted on the final month of the year and will continue to have significant impact into financial year 2020/21. This has had significant implications on the service that it delivers. Our planned audit work has had to adapt to new emerging risks as they relate to the audit of the financial statements and the wider dimensions of audit.

Adding value through the audit

5. We add value to the Park through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
- taking this together, we aim to help the Park promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

6. The Park has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

7. The Park is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

8. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

9. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on securing financial sustainability and appropriateness of the governance statement disclosures. In doing this, we aim to support improvement and accountability.

10. The [Code of Audit Practice 2016](#) (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services. As highlighted in our 2019/20 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2019/20 audit.

11. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

12. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

Auditor Independence

13. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2019/20 audit fee of 3,050 as set out in our Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

14. This report is addressed to both the Joint Management Committee and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

Part 1

Audit of 2019/20 annual accounts



Main judgements

The Park's financial statements give a true and fair view and were properly prepared

Despite additional pressures arising from Covid-19, the annual report and accounts were presented to audit in accordance with the agreed timeline as set out in our Annual Audit Plan

The management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with relevant regulations and guidance

The annual accounts are the principal means of accounting for the stewardship of resources and performance.

Our audit opinions on the annual accounts are unmodified

15. The accounts for the Park for the year ended 31 March 2020 were approved by the Joint Management Committee on 24 November 2020. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the management commentary and the annual governance statement were consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

16. The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were affected by the Covid-19 outbreak. The year-end stock take was due to be undertaken on 31 March 2020, however as a consequence of Covid-19, all Mugdock properties were closed at that date therefore it was not possible to conduct a physical stock count. Some stock had been checked prior to year-end, however inventories totalling £472 could not be verified. We do not consider this to be material and have not modified our audit opinion.

17. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

The annual accounts were signed off in line with the timescales permitted to reflect Covid-19

18. The Scottish Government has advised that it considers the provisions made in Schedule 6 of the Coronavirus (Scotland) Act 2020 to be sufficient to allow each local authority to determine its own revised timetable for the Annual Accounts.

19. The Park did not require to exercise the powers in the 2020 Act to postpone the publication of the unaudited accounts. We received the unaudited annual accounts on 28 May 2020 in line with the original timetable set out in our Annual Audit Plan, however the option to extend the deadline to approve the audited accounts past 30 September 2020 was exercised. The audited accounts were approved on 24/11/2020, in line with Scottish Government revised deadlines.

Objections

20. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The Park complied with these regulations. There were no objections to the 2019/20 accounts.

Materiality

21. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the financial statements. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

22. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit and was based on the gross expenditure reported in the 2018/19 audited annual accounts.

23. On receipt of the unaudited annual accounts we reviewed our materiality and recalculated materiality levels based on the actual gross expenditure for the year ended 31 March 2020. Our final materiality levels are summarised at [Exhibit 2](#) below.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£3,940
Performance materiality	£2,360
Reporting threshold	£115

Source: Audit Scotland

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

24. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual accounts and any financial sustainability risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work. We have no issues to report from our work on the risks of material misstatement highlighted in our 2019/20 Annual Audit Plan.

Part 3

Financial sustainability and Annual Governance Statement



Main judgements

The renewed Minute of Agreement will secure the current levels of funding from the constituent councils for the Park for the period 2019-2024. However, this requires to be formally ratified by the Joint Management Committee

The increased budget pressures on each of the partner authorities as a result of the impact of Covid-19 presents a risk to the Park in its aim of maintaining a sustainable financial position in the future

We concluded that the information in the governance statement is consistent with the financial statements and broadly complies with the guidance issued by Scottish Ministers. However, minor changes are required to improve disclosures going forward.

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

Financial performance in 2019/20

25. The Park is funded jointly by East Dunbartonshire Council and Stirling Council. Capital expenditure is split equally between both councils, and Stirling Council pays a fixed revenue contribution of £50,000 per annum. East Dunbartonshire Council is responsible for overseeing the Park's running costs within the available budget.

26. The comprehensive income and expenditure statement (CIES) for the year ended 31 March 2020 reports expenditure for the year of £525,846. This is £75,383 lower than in 2018/19, and only £1,884 more than budgeted. Spend in 2019/20 was lower than in the previous year primarily due to a large carry forward that was spent in 2018/19 on park improvements.

27. The income for the year reported in the CIES is £170,958, comprising £76,082 from Rents & Recharges, and a further £91,511 from Trading & Events, and is £26,848 more than the original budget. This is due to higher than expected income through gift shop sales and room & land hire for performances.

28. Overall, the net cost of services was lower than budget by £28,728, due to additional income received through ticket sales and in shop sales.

Future Funding

29. The majority of the Park's income is received from the constituent local authorities, East Dunbartonshire Council and Stirling Council, in the form of grant funding. This is managed through a Minute of Agreement, which expired on 31 March 2019. In our AAP, we reported that a draft Minute of Agreement for 2019-2024 has been prepared, which confirms that funding will be provided on the same basis as the previous.

30. As at September 2020, the revised Minute of Agreement had not yet been ratified by the Joint Management Committee. Whilst the budget for the Park for 2020/21 has already been agreed and approved by East Dunbartonshire Council, steps should be taken to ensure the Minute of Agreement is signed by all parties as soon as reasonably possibly to ensure funding is secured for the Park in the coming years.



Recommendation 1

The revised Minute of Agreement should be approved by the Joint Management Committee to ensure revenue budgets and capital project plans can be agreed and progressed based on agreed funding

Capital Projects Plan

31. The Park has an ambitious Capital Projects Plan, which includes the Mugdock Barns project. This aims to provide new facilities for education, events and business. The initial feasibility process provided a high level elemental cost of £442k. However, the RIBA Stage 1 study completed in 2019 estimated a higher cost to deliver of £669k, due to significant costs associated with utilities connections.

32. The project has now been progressed to RIBA Stage 2, with costed designs presented to the Joint Management Committee. Officers are reviewing the business plan to identify elements which could be removed without significantly impacting outcomes which the project would deliver, as final costings remain above the approved budget.

33. Due to the levels of capital funding available to the Park, external funding is likely to be required to deliver this project. This has yet to be secured and sources of funding are being investigated. An update is expected to the Joint Management Committee late 2020.

Annual Governance Statement

34. We concluded that the information in the annual governance statement is consistent with the financial statements and has been prepared in accordance with the CIPFA/SOLACE guidance: *Delivering Good Governance in Local Government: Framework (2016)*.

35. Going forward, some minor changes have been agreed for the Annual Governance Statement, which will be reflected in the 2020/21 Annual Accounts.

Internal Controls

36. East Dunbartonshire Council, as the host authority, provides support in some key areas of business, particularly in finance, legal and information technology.

37. As part of our audit, we reviewed the high-level controls in a number of the systems used by East Dunbartonshire Council for the processing and recording of transactions and the preparation of the financial statements of the Park.

38. Our overall conclusion was that the key controls within the council's main financial systems were operating satisfactorily, and no significant risks to the Park were identified.

Appendix 1

Action plan 2019/20



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Minute of Agreement</p> <p>The Majority of the Park's income is from constituent local authorities, as managed through the Minute of Agreement. This expired on 31 March 2019, and the revised Minute of Agreement for 2019-2024 has yet to be formally approved by the Park</p> <p>Risk - The Park does not have funding secured and approved for future years.</p>	<p>The revised Minute of Agreement should be approved by the Joint Management Committee to ensure revenue budgets and capital project plans can be agreed and progressed based on agreed funding.</p> <p>Paragraph 30</p>	<p>The minute of agreement will be presented to a future meeting, the timing of which is uncertain due to the current Covid conditions. With the new minute being on the same basis as that previously agreed, this risk remains managed.</p> <p>Executive Officer – Roads and Environment</p> <p>March 2021</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit Risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of material misstatement cause by management override of controls</p> <p>Auditing Standards require that audits are planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls that results in fraudulent financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business</p>	<p>Our audit procedures did not identify any evidence of management override of controls.</p>
<p>2 Risk of material misstatement caused by fraud in income recognition</p> <p>The majority of the Park's income is received through revenue contributions made by East Dunbartonshire Council and Stirling Council as the constituent authorities. However, some income is also received from other sources, including rents and shop sales.</p> <p>The extent and complexity of income means there is an inherent risk of fraud in accordance with ISA 240.</p>	<p>Analytical procedures on income streams.</p> <p>Detailed testing of revenue transactions focusing on the areas of greatest risk.</p>	<p>Our audit procedures did not identify any evidence of fraud over income.</p>
<p>3 Risk of material misstatement caused by fraud in expenditure</p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure.</p> <p>There is therefore a risk that expenditure may be misstated resulting in a material</p>	<p>Analytical procedures on expenditure streams.</p> <p>Detailed testing of expenditure transactions focusing on the areas of greatest risk.</p>	<p>Our audit procedures did not identify any evidence of fraud over expenditure.</p>

Audit Risk	Assurance procedure	Results and conclusions
misstatement in the financial statements.		

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

4 Financial sustainability

Based on the current economic climate and budget constraints within the Park's local authority partners, there is a possibility that income targets may not be realised. This could adversely impact on the Park's ability to maintain, develop and promote the park in line with the organisation's service plan objectives.

The majority of the Park's income is received from the constituent local authorities in the form of grant funding. This is managed through the Minute of Agreement, which expired on 31 March 2019. A draft Minute of Agreement for the period 2019-2024 has been prepared that confirms funding will be provided on the same basis as the previous minute, however this has yet to be approved by the Joint Management Committee.

Monitor developments through review of Joint Management Committee papers and minutes.

Assess budget performance through audit of annual accounts.

We confirmed that a renewed Minute of Agreement has been prepared on the same terms as the old agreement which continues the current levels of funding provided by each council.

5 Budget setting & Budget monitoring

Due to the nature of the funding arrangements of the Park there is no formal budget approval process carried out by the Joint Management Committee. The budgeted spend for the year is communicated to members through the use of budget monitoring reports which does not allow comparison with prior year spend.

We also note that from review of recent budget monitoring reports that there are often significant variances identified with limited detail provided as the explanation.

In addition, we noted that there are large fluctuations in some income and expenditure budget lines between years, but these are not highlighted to members.

Review of 2020/21 budget setting process for the Park

Ongoing review of budget monitoring reports.

Due to the Covid-19 pandemic there have been no joint management committee meetings held so far in 2020/21 and as such no financial monitoring reports have yet been presented to members. Discussions will be held with Officers as to how best to present financial and budgetary information to members to facilitate effective scrutiny.

Audit Risk	Assurance procedure	Results and conclusions
There is a risk that budget setting is not transparent and is not based on accurate financial projections for the year.		

Appendix 3

Summary of national performance reports 2019/20



**2019/20
Reports**

		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	Early learning and childcare: follow-up

Mugdock Country Park Joint Management Committee

Proposed 2019/20 Annual Audit Report

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MUGDOCK COUNTRY PARK

**MUGDOCK PARK JOINT
MANAGEMENT
COMMITTEE**

24 NOVEMBER 2020

CFO/026/20/GM

CHIEF FINANCE OFFICER

CONTACT OFFICER:

**GAIL MORRISON, PRINCIPAL ACCOUNTANT –
0141 574 5511.**

SUBJECT TITLE:

**2019-20 AUDITED ACCOUNTS MUGDOCK COUNTRY
PARK JOINT MANAGEMENT COMMITTEE**

1.0 PURPOSE

- 1.1. This purpose of this report is to present to the Joint Management Committee the Audited Annual Accounts for 2019/20.

2.0	<u>RECOMMENDATIONS</u>
2.1	<p>It is recommended that Committee:</p> <p>a) Consider and approve the Audited Annual Accounts 2019-20 for Mugdock Country Park Joint Management Committee.</p>

**JAMIE ROBERTSON
CHIEF FINANCE OFFICER
FINANCE, AUDIT & PERFORMANCE**

3.0 BACKGROUND / MAIN ISSUES

- 3.1. The unaudited Annual Accounts were authorised for issue on the 30^h June 2020 via technical note. The accounts were thereafter issued to Audit Scotland for audit.
- 3.2. The audit is now complete with Audit Scotland providing an unqualified audit opinion on the 2019/20 accounts.
- 3.3. A separate report to this meeting from Audit Scotland is the full Annual Audit Report on the 2019/20 audit, and this incorporates their conclusions and recommendations following this work on the Annual Accounts.
- 3.4. A full set of Audited Annual Accounts for the park has been available for consideration and approval and are appended to this report. The Audited Annual Accounts 2019/20 will be formally authorised on 24 November 2020, which is within the revised statutory deadline of 30 November 2020.

4.0 IMPLICATIONS

The implications for the Management Committee are as undernoted.

- 4.1. Frontline Service to Customers - Improved service delivery through continued effective scrutiny and management of financial performance.
- 4.2. Workforce (including any significant resource implications) – Financial statements and strategies may impact on future Business Improvement Planning.
- 4.3. Legal Implications – This report discharges the Board’s statutory deadline to publish its Annual Accounts by the 30 November 2020.
- 4.4. Financial Implications – Included throughout the body of the Report and appendices.
- 4.5. Procurement - None
- 4.6. ICT - None
- 4.7. Corporate Assets – The financial statements provide a point in time analysis of the Council’s Board’s assets including movements such as additions, disposals and revaluations during the financial year.
- 4.8. Equalities– None
- 4.9. Other

5.0 MANAGEMENT OF RISK

The risks and control measures relating to this report are as follows:-

- 5.1. Ensuring effective scrutiny of financial performance.
- 5.2. Ensuring we are continuing to meet Boards statutory obligations regarding financial reporting and Best Value.

6.0 IMPACT

The scrutiny of service performance should drive improvements, helping to achieve improvement plan outcomes.

6.1. ECONOMIC GROWTH & RECOVERY – As above.

6.2. EMPLOYMENT & SKILLS - As above.

6.3. CHILDREN & YOUNG PEOPLE – As above.

6.4. SAFER & STRONGER COMMUNITIES - As above.

6.5. ADULT HEALTH & WELLBEING – See above

6.6. OLDER ADULTS, VULNERABLE PEOPLE & CARERS– See above

6.7. STATUTORY DUTY – See above

7.0 POLICY CHECKLIST

7.1. This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 APPENDICES

8.1. Appendix 1: Audited Annual Accounts 2019-20.



Mugdock Country Park

Joint Management
Committee

Annual Accounts

2019-20



MUGDOCK
COUNTRY PARK

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Management Commentary

A Strategy, Objectives & Business Model

Mugdock Country Park (the Park) is one of Scotland's leading Tourist Attractions, a Country Park maintaining Scotland's Natural Heritage. The Park provides a Countryside Ranger Service and leads on outdoor learning & environmental activities throughout East Dunbartonshire & South-West Stirling. The Park is working to develop a sustainable operating and business model to reflect the current financial pressures facing the two funding authorities, East Dunbartonshire Council and Stirling Council. The Park works to maximise its income and consequently deliver its aspirations as a leading Tourist Attraction. The Park staff are in contact with a wide range of groups including schools, community groups and those with additional support needs. Regular volunteers at the Park include those with Autism Spectrum Disorders and mental health issues. A full events programme takes place over the course of the year for all ages.

The Park is working on several outcomes to achieve their objectives, which include:



Most of the Park's income is generated through land/room hire and business rentals. Development of the Park's assets will continue to support these types of resource generation opportunities. Having a wide a varied programme of events improves the footfall to the Park. Footfall is the key performance indicator and monitoring this provides information about trends in usage of the Park for commercial and non-commercial purposes.

B Fair Review of Business

The Annual Accounts present the financial position of Mugdock Country Park as at 31 March 2020.

The principal financial statements comprise Movement in Reserves Statement ([page 15](#)), Comprehensive Income & Expenditure Statement ([page 15](#)), Balance Sheet ([page 16](#)) and Cash Flow Statement ([page 16](#)). Explanatory notes are also provided.

Mugdock Country Park Joint Management Committee



Chair
Councillor Gibbons

**East Dunbartonshire
Council**



Vice Chair
Councillor Lambie

**Stirling
Council**



Elected Members



Councillor
Moody

**East Dunbartonshire
Council**



Councillor
Thornton

**East Dunbartonshire
Council**



Councillor
O'Neil

**East Dunbartonshire
Council**



Councillor
Ferretti

**East Dunbartonshire
Council**



Councillor
Fischer

**East Dunbartonshire
Council**



Councillor
Berrill

**Stirling
Council**



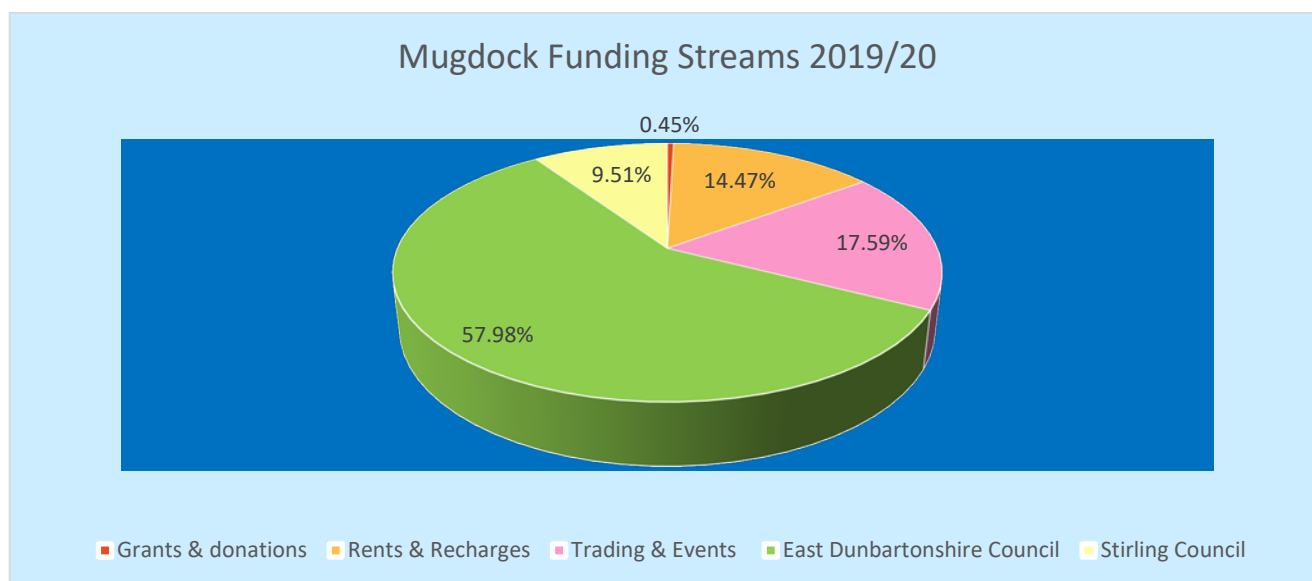
Telephone: 0300 123 4510

b) Administrative and Funding Arrangements

Administrative and funding arrangements for the Park are conducted in accordance with the Minute of Agreement between East Dunbartonshire Council and Stirling Council. A new Minute of Agreement between the authorities is effective for the period 2019-2024 this will be taken to committee for approval in 2020. Capital expenditure is split 50/50 between the respective authorities with Stirling Council paying a fixed revenue contribution of £50,000 per annum.

The Park is funded and managed jointly by East Dunbartonshire Council and Stirling Council through the Mugdock Joint Management Committee. In addition, there is support and funding from Mugdock Trust and the Clan Graham Society of North America (<https://www.clangrahamsociety.org>). The Clan Graham were due to visit the Park in July 2020 but have postponed to July 2021. There are many volunteers at Mugdock including Conservation volunteers, Castle volunteers, Garden volunteers and Cinema volunteers who all contribute their time and efforts to the Park.

Rental income is achieved through the 5 businesses based at the Park - Garden Centre, Cycle hire, Arts & Crafts Gallery & Gift Shop, Tearoom and Coffee Shop. A land hire also comes from animal grazing on Khyber Field. In addition to this land and room hires contribute to the Park's income streams.



East Dunbartonshire Council is responsible for overseeing the administrative arrangements of Mugdock Country Park Joint Management Committee, for all financial arrangements for the Park and, as permanent employer of the staff at the Park, is liable for any IAS19 (*International Accounting Standard 19: Employee Benefits*) commitments arising.

c) Financial Summary

The Comprehensive Income & Expenditure Statement on [page 15](#) shows that net revenue expenditure to be met by constituent authorities in 2019/20 was £354,892, £59,361 less than in the previous year.

Spend on employee costs were higher in 2019/20 due to the pay increase received by employees. Overall, the net cost of service for 2019/20 was lower than budget by £28,728 mainly because of additional income received through ticket sales and sales in shop sales. Spend is lower than the previous year due to the large carry forward that was spent in 2018/19, on park improvements. The contribution from Stirling Council was budgeted at £50,000 to reflect their share of costs, in line with the Minute of Agreement.

	2019/20 Budget £'000	2019/20 Actual £'000	2019/20 Variation £'000
Expenditure	528	526	2
Income	-144	-171	27
Net	<u>384</u>	<u>355</u>	<u>29</u>
2018/19 Stirling Contribution		<u>-50</u>	

The Balance Sheet Statement on [page 16](#) shows that, as at the financial year-end, there is a temporary advance to East Dunbartonshire Council of £22,682. This reflects the net position of current assets and liabilities at the year-end and represents a net cash inflow position as at 31 March 2020.

The Cash Flow statement on [page 16](#) summarises the external transactions associated with the Park on a cash basis.

d) Performance Information

Over 2019/20 Mugdock Country Park attracted visitor numbers of 639,621 (consistent with the prior year 639,972). A wide-ranging events programme is organised over the course of the year and includes theatre events, countryside events, festivals and workshops. There is a strong education programme using the knowledge and expertise of the Countryside Rangers with over 80 events carried out in 2019-20 involving over 700 participants eg Sensational Safaris, Forest Schools, Stargazing, Crafty Amphibians, Dawn Chorus etc. The Middle of Scotland Science Festival is an annual feature and attracts many children and parents interested in finding out about science. The first Mugdock Gaelic Celebration Day took place in June 2019 involving music, theatre, sport, food and drink. The Pantomime this year was Sleeping Beauty and 2,212 tickets were sold, with Halloween Fun attracting 180 participants.



Mugdock Events 2019-20



Mugdock Visitor Centre is the hub for visitor information and booking events. Visitors can enquire on-line and call or come in to make bookings for room and land hire, BBQs and event tickets as well as general enquiries. There is a display of information about the Clan Graham with members coming from many countries to visit Mugdock and find out about their ancestral heritage, There is information about the history and ecology of the Park and the Visitor Centre also houses the Park's gift shop, which has been driving sales with new stock including alternative brands of honey, Mugdock labelled tablet and environmentally friendly toiletries.

In addition to development activities for the Mugdock Barns project and upgrade to the septic tank, path improvements were carried out in Craighend Avenue, a space planning exercise of the maintenance yard was completed, security fencing improvements were installed at Craighend Castle and new tables/benches provided for the Courtyard. The Mugdock Barns project has been progressed to RIBA stage 2 with costed designs presented to the Joint Management Committee. Further investigation to reduce costs will be carried out as the final costings were above the approved budget.

C FUTURE DEVELOPMENTS

Mugdock Strategy 2015-2020 was updated in 2018 including the Park's Assets Register, Land Management Plan, Capital Projects Plan, Business Plan and the Marketing Strategy. This informs the strategic direction of the Park and ensures development ties into strategic objectives. A new strategy for the period 2020-2025 will be put in place to further support the developmental direction of the Park. Capital from East Dunbartonshire and Stirling Council has been approved for the Mugdock Barns project, which will provide new facilities for education, events and business development, and for a septic tank upgrade which will accommodate the increased footfall to the Park. Developments are underway for an Outdoor Nursery which will be based in the Park. An improved website is being developed as is on-line booking for events and room/land hires. The Astronomical Society of Glasgow continues to work with the Park in relation to the Observatory to be sited to the north of the Park. Filming enquiries continue with many leading to filming and land hire income to the Park. The Park is a member of the Scottish Locations Network, which is chaired by Creative Scotland. Mugdock continues to build on its reputation as a popular film location with a number of projects taking place last year including Clash of the Clans, a whisky commercial for the American market and a comedy sketch for Only an Excuse New Year special.

D PRINCIPAL RISKS & UNCERTAINTIES

Risks to the Park are identified through the on-going risk management assessment processes. Existing risks continue to be reflect those in relation to income realisation and on-going financial pressures. Following the turn of the calendar year the risk environment changed with the spread of the new and novel coronavirus. The risk environment, similar to the infection rates, increased with the virus spreading slowly at first and then very quickly threatening to overwhelm public services. The scale of the action taken to manage and mitigate the spread and impact of the novel coronavirus (known as COVID-19) is, and continues to be, unprecedented. COVID-19 is

therefore the principal risk facing the Mugdock Country Park impacting footfall, income and increasing on-going financial pressures. In responding to this risk, and throughout March 2020, the Council's Civil Contingency Planning Group met on a daily basis to ensure that the park remained prepared and due consideration was given to emerging information, advice and guidance which often changed from day to day. On the 18 March 2020 the Council initiated the 'respond' phase of its civil contingency planning, applying Government advice and triggering emergency service delivery protocols within services. On that date operations and businesses at the Park closed with no access to any car parks and only an emergency call out rota being put in place. Such provisions continue to be in place and will be reviewed as the Scottish Government advice and roadmap allow.

Other risks, included within the Park register, include failure to upkeep car parks sufficiently and ICT connectivity risk with possible impact on income and security. These risks are mitigated through phased resurfacing of car parks and additional ICT budget to upgrade ICT capacity in 2019/20 and a programme of security improvements including improved CCTV. A set of Park Management Rules is being developed with the involvement of legal services to ensure the uses permitted within the Park are clear and consistent and reduce risk from unwanted activities. A conditions survey has been carried out on the septic tank with the intention of having remedial or replacement works take place. Further investigations will be progressed to ensure the Tank is fit for purpose. From information obtained to date it looks likely that a new Tank will have to be installed. Improvements to CCTV will tie in with a wider East Dunbartonshire Council programme with timings dependent on this.

The lease for Mugdock between East Dunbartonshire Council and Stirling Council extends from 1999 to 2049 and the Minute of Agreement details the operational and financial arrangements between the two Councils. The booking system provides more accurate financial information, and will support the efforts to increase income by enabling more robust business planning in the future. On-line payments are under development in order to be more customer focused. Future developments, which are currently being progressed aim to maximise income, whenever possible, to improve the long-term financial viability of the Park.

Councillor Jim Gibbons

Chairperson, Mugdock Country Park Joint Management Committee

Date

Thomas Glen

Depute Chief Executive, Place, Neighbourhood & Corporate Assets – Mugdock Country Park Joint Management Committee

Date

Jamie Robertson

Treasurer, Mugdock Country Park Joint Management Committee

Date

Annual Governance Statement 2019-20

What we are Responsible For:

The Mugdock Team, governed by the Mugdock Joint Management Committee, is responsible for ensuring that the business of Mugdock Country Park is conducted in accordance with legislation and appropriate standards, that public money is safeguarded, properly accounted for and used in an economic, efficient and effective way. The East Dunbartonshire Council (the Council) has a statutory duty and policy commitment to have arrangements in place to secure best value under the Local Government in Scotland Act 2003.

To meet its responsibilities, the Park Joint Management Committee has put in place proper arrangements for overseeing the Park's operation. These arrangements form the basis of its governance framework, which is intended to make sure that it does the right things, in the right way, for the right people, in good time, and in a fair, open, honest and accountable way.

The Council has a Code of Corporate Governance, which it continues to apply, and this is applicable to the governance arrangements for the Park. The Code is prepared in accordance with the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives) publication "Delivering Good Governance in Local Government" and is aligned to its six constituent core principles of good governance. This statement explains how East Dunbartonshire Council reviews the effectiveness of these arrangements and delivers good governance.

The Aim of the Governance Framework:

The Council's governance framework comprises the systems, processes, cultures and values through which Mugdock Country Park is directed and controlled. It describes the way the Park engages and plans with, accounts to, and provides leadership within the community. The framework allows us to monitor how we are achieving our long-term aims, and ensure we deliver appropriate services that are value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives. The system of internal control can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise those risks that may affect the ability of Mugdock Country Park to deliver its aims and objectives. In doing so, it evaluates the likelihood and impact of those risks and seeks to manage them efficiently, effectively and economically.

Governance arrangements were in place throughout the year and to the date of the approval of the statement of accounts. Necessary changes were implemented from 23 March 2020, including the closure of Mugdock Country Park and the suspension of the Council's usual decision making structures, in response to the COVID-19

pandemic and to enable the Council to meet its obligations as a Category 1 civil contingencies responder. Powers were delegated to the Chief Executive, in a manner similar to the Council's annual recess. These temporary arrangements are required given the unprecedented circumstances and will be reviewed as circumstances evolve.

Assessment of the longer term disruption and consequences arising from the coronavirus pandemic

It is acknowledged that the pandemic is a crisis of unprecedented scale, with profound and permanent implications for our society. The temporary closure of the park is having a negative impact on Mugdock's Trading & Events income generating streams in the short term. The full practical implications of the pandemic on Mugdock, its service users and ways of working in the medium and long term are not yet clear but will be assessed as the situation evolves and further government advice becomes available.

There is an expectation from the Scottish Government that when restrictions are eased, physical distancing, hand hygiene and other critical behaviours will be essential in each sector. The practical consequences of these requirements on Mugdock will require careful consideration and planning, and the Park's approach will continue to be based on the latest government advice.

The Governance Framework:

Some of the key features of the governance framework are set out in the following paragraphs.

Purpose, Outcomes & Vision

Mugdock Country Park's purpose and outcomes form a consistent thread cascading from the vision of 'working together to achieve the best with the people of East Dunbartonshire & Stirling' through the Local Outcome Improvement Plan to its strategic and local outcomes and priorities. The performance at Mugdock is monitored and developed to meet agreed targets, with this oversight having been provided by the Place and Community Planning Strategic Accountability area for 2019/20. For 2020/21 the strategic accountability for Mugdock has moved to the Roads & Environment portfolio and performance will be monitored through this service.

Common Purpose, Clear Functions & Roles

Mugdock provides a clear statement of roles and responsibilities through the Minute of Agreement with Stirling Council, which governs the period 1999 to 2004, and subsequent Variation to the Minute 2004-2014, 2014-2019 and 2019-2024.

Promoting Values

Mugdock promotes positive values and demonstrates good governance through upholding standards of conduct and behaviour. This is achieved using East Dunbartonshire Council's established code of conduct for both its employees and Elected Members, which is a written Statement of good practice and convention. The Statement aims to clarify roles and responsibilities and to establish accepted behaviour and practices. It also aims to enhance and maintain the integrity of local government elected members and officers and demands high standards of personal conduct.

Informed & Transparent Decision Making

Mugdock sets out its processes and controls to be vigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny. This includes having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants. Mugdock has developed a risk register, which is updated on an on-going basis and is monitored by the Mugdock Joint Management Committee.

Developing Capability & Capacity

Mugdock seeks to ensure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles. This includes developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group. Mugdock looks to encourage new talent for membership of the Joint Management Committee so that best use can be made of individuals' skills and resources in the balancing of continuity of service alongside the need for service redesign.

Engaging with Local People & Stakeholders

Mugdock seeks to engage with stakeholders through developing effective partnerships and ensuring positive relationships are in place. Mugdock management actively facilitates feedback from visitors and provides sufficient opportunities to allow constructive input to the park.

Review of Effectiveness:

Mugdock has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Executive Officer - Place and Community Planning within the Council who for 2019/20 had responsibility for the development and maintenance of the governance environment. For 2020/21 and beyond, responsibility rests with the Executive Officer - Roads and Environment. The review of the effectiveness of the governance framework is also informed by the Council's Audit & Risk Manager's Annual Report, and by comments made by the external auditors and other review agencies and inspectorates.

During the year, East Dunbartonshire Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice within Mugdock Country Park. Specifically, the Council's governance arrangements have been reviewed against the requirements of the CIPFA/SOLACE Framework. This process of review is coordinated corporately and approved by the Corporate Management Team. In addition, for 2019/20 the Executive Officer - Place and Community Planning (and for 2020/21 the Executive Officer – Roads and Environment) has a responsibility to ensure that the governance arrangements are adequate and operating effectively.

In line with the CIPFA/SOLACE Framework, the Depute Chief Executives and Executive Officers are required to make an annual statement confirming the operation of governance arrangements. For 2019/20, these senior management disclosures confirm the adequacy and effective operation of arrangements and controls, whilst noting the significant challenges and temporary changes to service delivery associated with the COVID-19 pandemic. These assurances further extend to include the establishment of mitigating actions in response to Internal Audit recommendations regarding contract management, and achieving ongoing reductions in non-contracted spend.

For 2019/20, Mugdock Country Park's internal controls were generally found to operate as intended, with reasonable assurance being provided on the integrity of Council controls, through internal audit work completed in the year. Where recommendations to improve controls have been made, subsequent action plans have been developed, with management actions initiated, to address the risks identified.

The level of assurance provided by the Internal Audit Service can never be absolute. This reflects the sample nature of the work carried out, the relative scope and objectives of audit assignments and those explanations offered, and evidence provided, by officers. In addition, factors external to the audit process including human error, collusion, or management overriding controls highlight the potential for systems historically highlighted as being satisfactory to become exposed to risk or loss.

The reports issued by the Council's external auditors, Audit Scotland, have also been considered as part of our overall review of effectiveness. A number of national and local reports have been issued during the financial year and these have been evaluated as part of the internal audit opinion above. Specific consideration has been given to the local audit team's cycle of reports that include the 'Management Report', and the 'Annual Audit Report'. These reports continue to highlight risks faced by the Council and, where appropriate, action plans have been developed to mitigate these.

Progress against the Business Improvement Plan (BIP) relevant to Mugdock and the Key Performance Indicator of Visitor Numbers to Mugdock are reported through quarterly 'How Good Is Our Service' (HGIOS) reports. These indicators are reported throughout the year, forming a consistent thread from BIP to HGIOS with subsequent scrutiny delivered by the PNCA committee.

Significant Governance Issues

The system of governance (including the system of internal control) provides reasonable assurance that assets are safeguarded; that transactions are authorised and properly recorded; and that material errors or irregularities are either prevented or would be detected within a timely period. The governance system provides reasonable assurance that significant risks impacting on the achievement of our strategic priorities and outcomes will be mitigated. The current COVID-19 pandemic represents an unprecedented challenge, which, as referred to above, has resulted in temporary changes to governance arrangements, which will be closely monitored as the situation changes.

Conclusion

We consider the governance and internal control environment operating in 2019/20 for the Council and the Joint Management Committee to provide reasonable and objective assurance that significant risks affecting the achievement of our principal strategic priorities and outcomes will be identified and actions taken to avoid or mitigate their impact. Systems are in place for regular review and improvement of the governance and internal control environment. Temporary arrangements have been put in place in response to the COVID-19 pandemic as a necessary measure to enable the Council to meet its civil contingency responsibilities. The Council will continue to review its Corporate Governance arrangements and take any additional steps, as required, to further enhance these arrangements.

We are satisfied that these steps will address the need for improvements and will monitor their implementation and operation as part of our next annual review.

I confirm that the Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

Councillor Jim Gibbons

Chairperson, Mugdock Country Park Joint Management Committee

Date

Thomas Glen

Depute Chief Executive, Place, Neighbourhood & Corporate Assets – Mugdock Country Park Joint Management Committee

Date

Statement of Responsibilities for the Accounts

The Joint Management Committee is responsible for:

- Arranging for the proper administration of its financial affairs and to ensure that an appropriate Officer has the responsibility for the administration of those affairs. The Joint Management Committee has appointed the Treasurer to that role.
- Managing 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 the Coronavirus (Scotland) Act 2020
- approve the Annual Accounts for signature.

Councillor Jim Gibbons

Chairperson, Mugdock Country Park Joint Management Committee

Date

The Treasurer is Responsible for:

- the preparation of the Joint Management Committee's Annual Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, is required to present fairly the financial position of the Joint Management Committee at the accounting date and its income and expenditure for the year ended 31 March 2020;
- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that were reasonable and prudent;
- complying with the Code of Practice;
- keeping proper accounting records which are up to date; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Jamie Robertson

Treasurer, Mugdock Country Park Joint Management Committee

Date

Principal Financial Statements

Movement in Reserves Statement

31 March 2019 £		31 March 2020 £
	0 Balance at the 1st April	0
	0 Surplus / (Deficit) for the Financial Year	0
	0 Balance at the 31st March	0

Comprehensive Income and Expenditure Statement

2018/19 £		2019/20 £
	Expenditure	
382,942	Employees	393,204
22,656	Maintenance	13,475
47,788	Utilities	38,430
60,214	Trading & Events	57,809
81,690	Operating	16,360
3,029	Publicity	3,518
2,980	External Audit Fees	3,050
601,299	Operating Costs	525,846
	Income	
87,136	Rents & Recharges	76,082
0	Grants & Donations	2,360
99,909	Trading & Events	92,511
187,046		170,954
414,253	Net Revenue Expenditure	354,892
	Amount to be met from constituent authorities	
364,253	East Dunbartonshire Council	304,892
50,000	Stirling Council	50,000
414,253		354,892

Cash Flow Statement

2018/19		2019/20
£		£
	Cash Outflows	
372,554	Employee Costs	399,659
192,405	Other Operating Costs	163,235
564,959		562,894
	Cash Inflows	
-416,254	Requisitions from Constituent Authorities	-354,892
-99,909	Received for Goods and Services	-89,768
-86,650	Other Operating Receipts	-78,442
-602,813		-523,102
-37,854	Net Cashflow from Revenue Activities	39,792

Balance Sheet

2018/19		2019/20
£		£
	Current Assets	
3,415	Receivables	6,159
10,128	Inventory	9,337
62,474	Temporary Advance to East Dunbartonshire Council	22,682
76,017		38,178
	Current Liabilities	
76,017	Payables	38,178
76,017		38,178
0	Total Assets less Current Liabilities	0

The audited accounts were issued on

I certify that this presents fairly the financial position of Mugdock Country Park Joint Management Committee at 31 March 2020 and its income and expenditure for the year ended 31 March 2020.

Jamie Robertson

Treasurer, Mugdock Country Park Joint Management Committee

Date:

Notes to Principal Financial Statements

1. Accounting Policies

a) General Principles

The Annual Accounts summarise Mugdock Country Park Joint Management Committee's transactions for the 2019/20 financial year, and its position at the year-end of 31 March 2020. The *Local Authority Accounts (Scotland) Regulations 2014* requires Annual Accounts to be prepared, and section 12 of the *Local Government in Scotland Act 2003* requires these to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2019/20* (the Code), supported by *International Financial Reporting Standards (IFRS)*. In cases where accounting practices and legislative requirements conflict, the latter will apply. This is in agreement with the accounting concept of 'primacy of legislative requirements'.

The accounts are designed to give a 'true and fair view' of the financial performance and position of Mugdock Country Park Joint Management Committee for 2019/20. Comparative figures for 2018/19 are provided. The accounting convention adopted in the Annual Accounts is principally historical cost.

The accounting concepts of 'materiality', 'accruals' and 'going concern' have been considered in the application of accounting policies. The materiality concept means that information is shown where it is of such significance as to justify its inclusion. The accruals concept means that financial activities are accounted for on an accruals basis in the year that they take place, not simply when cash payments are made or received. The going concern concept is based on the assumption that the functions of the Park will continue in operational existence for the foreseeable future.

b) Employee Benefits

Post-Employment Benefits: Employees of the Park are members of The Local Government Pension Scheme (LGPS), which is a defined benefit statutory scheme, operated by Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the *Local Government Pension Scheme (Scotland) Regulations 1998*. LGPS is accounted for as a defined benefits scheme.

Under the terms of the Minute of Agreement between East Dunbartonshire Council and Stirling Council, East Dunbartonshire Council is the permanent employer of the staff of the Park and deals with all payments related to the Local Government Superannuation Scheme and STACA (Short Term Accumulating Compensated Absences). For that reason, revenue commitments and balance sheet disclosures for the purposes of IAS19 & STACA are identified within the accounts for East Dunbartonshire Council rather than those for the Park.

c) Long Term Assets

Title to the community assets of the Park rests with Stirling Council. However, under the revised management agreement signed by the constituent authorities, East Dunbartonshire Council has beneficial use of the fixed assets of Mugdock Country Park. In addition, East Dunbartonshire Council entered into a lease arrangement commencing 1 April 1999 to operate the designated assets as a Country Park as defined in the Countryside (Scotland) Act 1967. This lease arrangement is for a peppercorn rent of £1 per annum, and will continue until 31 March 2049.

Accordingly, it has been considered appropriate that the Park's fixed assets are consolidated into the accounts of the Council. At 31 March 2020, the total net book value of the Park's buildings & equipment was £732,243 and of community assets was £2,180,000.

Overall, the net cost of capital for 2019/20 was lower than budget by £32,000 due to projects being re-phased into 2020/21.

	Budget	Actual	Variation
	£'000	£'000	£'000
Expenditure	249	64	185
Income	-140	-64	-76
Net Cost of Capital	<u>109</u>	<u>0</u>	<u>109</u>

d) Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula. Due to the impact of COVID-19 this figure has been calculated as at the year end mostly through an actual stock count however an immaterial amount had to be based on the previous year due to an inability to access Mugdock.

2. Accounting Standards Issued, Not Adopted

IAS8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure of information on the expected impact of new accounting standards that have been issued but are not yet effective. These have been reviewed and are not deemed significant for the financial statements.

3. Pensions Commitment

The Council is the permanent employer of the staff of the Park, and deals with all payments related to the Local Government Pension Scheme. Accordingly, revenue commitments and balance sheet disclosures for the purposes of IAS19 are identified within the accounts for the Council rather than those for the Park.

Mugdock Country Park pensions contribution payments for 2019/20 were £58,321 (2018/19 £56,101).

4. Exit Packages

During 2019/20 there were no exit packages by way of voluntary redundancy (2018/19 £Nil).

5. Shop Trading Account

The Joint Management Committee operates a shop within the Visitors Centre at Mugdock Country Park, selling souvenirs and other sundry items. Sales income in 2019/20 is lower than the previous year within shop sales. The gross profit for the year to 31 March 2020 is as follows;

2018/19 £	2018/19 £		2019/20 £	2019/20 £
	24,208	Sales		20,949
9,606		Inventory at the start of the year	10,128	
20,802		Purchases	11,025	
-10,128		Less: Inventory at the end of the year	-9,337	
	20,280	Cost of Goods Sold		11,816
	3,928	Gross Profit / (loss)		9,133

6. Net Cash Flow from Revenue Activities

£	£		£	£
9,606		Change in inventory - opening balance	10,128	
10,129	523	Change in inventory - closing balance	9,337	-791
4,929		Change in receivables - opening balance	3,415	
3,415	-1,514	Change in receivables - closing balance	6,159	2,744
39,154		Change in payables - opening balance	76,017	
-76,017	-36,863	Change in payables - closing balance	-38,178	37,839
	-37,854			39,792

7. Temporary Advance (to)/from East Dunbartonshire Council

2018/19 £	2019/20 £	Movement £
-62,474	-22,682	-39,792

8. Independent Auditor's Report

Independent auditor's report to the members of Mugdock Country Park Joint Management Committee and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Mugdock Country Park Joint Management Committee for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the principal financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of Mugdock Country Park Joint Management Committee as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of Mugdock Country Park Joint Management Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Mugdock Country Park Joint Management Committee. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Mugdock Country Park Joint Management Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Treasurer and Joint Management Committee for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override

of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual accounts

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

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Peter Lindsay
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

MUGDOCK PARK JOINT MANAGEMENT COMMITTEE

AGENDA & ALL PAPERS

COUNCILLOR GIBBONS (CHAIR)	E
COUNCILLOR FERRETTI	E
COUNCILLOR THORNTON	E
COUNCILLOR O'NEIL	E
COUNCILLOR MOODY	E
COUNCILLOR FISCHER	E

STIRLING COUNCIL

COUNCILLOR LAMBIE (<i>Stirling Council, Members' Services, Old Viewforth, Stirling, FK8 2ET</i>)	E
COUNCILLOR BERRILL(<i>Stirling Council, Members' Services, Old Viewforth, Stirling, FK8 2ET</i>)	E
COLIN MACKAY (<i>Stirling Council, Land Services, Endrick House, Kerse Rd, Stirling, FK7 7SG</i>)	E
DAVID CRIGHTON (<i>Stirling Council, Land Services, Endrick House, Kerse Rd, Stirling, FK7 7SG</i>)	E

EAST DUNBARTONSHIRE COUNCIL OFFICIALS

T. Glen, Depute Chief Executive - Place, Neighbourhood & Corporate Assets	E
T. McMenamin, Executive Officer – Roads & Environment	E
G. Telfer, Team Leader Neighbourhood Services Strategy	E
M. Coulshed, Team Leader, Mugdock Country Park	E
P. Grieve, Development Officer, Mugdock Country Park	E
G. Morrison, Principal Accountant - Broomhill Depot Committee Services Officer	E

J. Robertson, Chief Finance Officer, Marina HQ	E
G. McConnachie, Audit & Risk Manager, Broomhill Depot	E
P. Lindsay, External Audit, Broomhill Depot	E
K. McFall, External Audit, Broomhill Depot	E

J. Hutchison, Strathblanefield Community Council	E
I. McAllister, Milngavie Community Council	E
I.R. Boardley/W. Blakey, Mugdock Trust	E

AGENDA & NON PRIVATE PAPERS

Milngavie & Bearsden Herald	E
Newsdesk at The Herald, Glasgow	E
Stirling Observer	E
Scotsman	E