

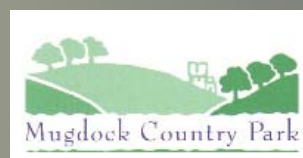


# Mugdock Country Park

Joint Management  
Committee

Audited Accounts

2013 - 14



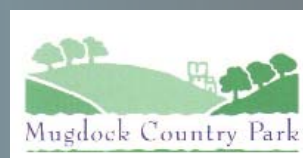


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Joint Management  
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Unaudited Accounts

2013 - 14



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## Explanatory Foreword

The Statement of Accounts presents the financial position of Mugdock Country Park as at 31 March 2014.

The principal financial statements comprise: Movement in Reserves Statement, Comprehensive Income & Expenditure Statement, Balance Sheet and Cash Flow Statement. Explanatory notes are also provided.

### a) Administrative and Funding Arrangements

The arrangements for Mugdock Country Park are conducted in accordance with the Minute of Agreement between East Dunbartonshire Council and Stirling Council and accordingly the Park is financially supported on an 87½% - 12½% basis by the respective authorities. In addition to the constituent authorities' agreement to fund the Park's activities, there are a number of other bodies who provide funds to support the work of the park, including Mugdock Trust, Scottish Natural Heritage, Historic Scotland, and Clan Graham Society. Project funding through organisations such as the National Lottery, LEADER, or Central Scotland Green Network is also secured.

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 Mugdock Country Park, is liable for any IAS19 (*International Accounting Standard 19: Employee Benefits*) commitments arising.

### b) Management Committee

<b>Chair:</b>	Councillor Eric Gotts	East Dunbartonshire Council	0141 578 8000
<b>Vice Chair:</b>	Councillor Graham Lambie	Stirling Council	0845 277 7000
<b>Elected Members:</b>	Councillor Rhonda Geekie	East Dunbartonshire Council	0141 578 8000
	Councillor Jim Gibbons	East Dunbartonshire Council	0141 578 8000
	Councillor Maureen Henry	East Dunbartonshire Council	0141 578 8000
	Councillor Vaughan Moody	East Dunbartonshire Council	0141 578 8000
	Councillor Keith Small	East Dunbartonshire Council	0141 578 8000
	Councillor Corrie McChord	Stirling Council	0845 277 7000

### c) Financial Summary

The Comprehensive Income & Expenditure Statement on page 4 shows that net revenue expenditure to be met by constituent authorities in 2013/14 was £81,997 more than in the previous year.

Increased staffing costs (which represents exit packages offset by a reduction in staff costs due to vacancies) and increased operating costs (arising from significantly increased utility bills, an increase in publicity expenditure, and slope remediation works) have been partially offset by a higher yield from rental income from and recharges to park tenants.

The net cost of service for 2013/14 was higher than budget by £66,603.

Staffing costs have increased due to exit packages during 2013/14, although these were offset by a reduction in staff costs due to the resulting vacancies. For the third year running, maintenance costs have exceeded budget in response to adverse weather conditions. An increase in publicity costs and electricity costs have also had an adverse impact. Finally, the increase in electricity costs has been partly offset by higher electricity recharges to park tenants, with rents and recharges income being above budget as a result.

The Balance Sheet Statement on page 5 shows that, as at the financial year end, there is a temporary advance from East Dunbartonshire Council of £31,921. 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 2014.

The Cash Flow statement on page 4 summarises the external transactions associated with the Park on a cash basis.

### d) Performance Information

The total number of park visitors for 2013/14 has been calculated at 603,703. This is a reduction of some 31,311 on the total calculated for 2012/13, and reflects sustained wet weather conditions prevalent during the year and, in particular, the winter season.

Park management continue to work to increase visitor numbers and improve the range of events, with the 2014 events leaflet now showing over 200 activities to date.

## Statement on the System of Internal Financial Controls

This statement is given in respect of the statement of accounts for Mugdock Country Park Joint Committee (the Park). I acknowledge responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned. Mugdock Country Park utilises the systems and controls of East Dunbartonshire Council (the Council).

The system of internal financial control can provide only reasonable and not absolute 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. Consequently, the Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected.

The system of internal financial control is based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:

- comprehensive budgeting systems;
- regular review of financial reports which measure financial performance against forecasts;
- service plans and budgets which set targets and measure financial and service performance;
- the preparation of regular financial reports which indicate actual expenditure against forecasts ;
- clearly defined capital expenditure guidelines;
- project management disciplines;
- consideration of external and internal audit reports by Audit & Risk Management Sub-committee.

Internal Audit is an independent appraisal function established to examine and evaluate systems of financial and non-financial control and is the medium for ensuring that all services have made proper arrangements for the administration of their financial affairs. The Internal Audit Team operates in accordance with Public Sector Internal Audit Standards. The Internal Audit Plan is based on a risk assessment methodology; ensuring resources are targeted towards areas which carry the greatest risk to the Council.

The Council has an Audit & Risk Management Sub-committee to which all internal and external audit reports are presented. Action plans are delegated to officers with 6 monthly reviews being submitted to the Audit & Risk Management Sub-committee. The Council has in place a Corporate Risk Management Strategy which sets out a formal approach to managing risk. Performance and progress in improving risk management is also reported to the Audit & Risk Management Sub-committee.

This review of the effectiveness of the system of internal financial control is informed by:

- the work of managers within the council in meeting their responsibilities to comply with financial regulations;
- the work of the Internal Audit function as described above; and
- External Audit work, including their report on the annual accounts.

The Mugdock Country Park Risk Register is in the process of being developed with a draft version being presented to the Joint Management Committee during the financial year. The Council continues to hold high level risks associated with the Park within the Development and Regeneration Directorate Risk Register, however this is now supplemented with an operational register for the Park.

It is my view that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness. This is corroborated by an Annual Assurance Statement prepared by the Audit & Risk Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal financial control systems. Other than our work on Risk Registers, there has been no specific internal audit activity within the Park during financial year 2013/14. However, all systems and procedures operated by the Park are those of East Dunbartonshire Council, and internal audit work undertaken in that regard applies also to Mugdock Country Park.

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 (2010)*.

**Ian Black**

Treasurer, Mugdock Country Park Joint Management Committee

25 September 2014

## Statement of Responsibilities for the Accounts

### **The Joint Management Committee is responsible for:**

- making arrangement 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

### **The Treasurer is responsible for:**

- the preparation of the Authority's Statement of 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 2014 and its income and expenditure for the year to that date.
- 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.
- taking reasonable steps for the prevention and detection of fraud and other irregularities

## Principal Financial Statements

### Movement in Reserves Statement

<b>31 March 2013</b>		<b>31 March 2014</b>
£		£
<i>nil</i>	Balance as at 1 April	<i>nil</i>
<i>nil</i>	Surplus / (deficit) for the financial year	<i>nil</i>
<b><i>nil</i></b>	<b>Balance as at 31 March</b>	<b><i>nil</i></b>

### Comprehensive Income and Expenditure Statement

<b>2012/13</b>		<b>2013/14</b>
£		£
	<b>Expenditure</b>	
306,318	Employees	338,852
53,738	Maintenance	91,959
17,029	Utilities	45,275
45,509	Trading and Events	54,925
38,468	Operating	28,190
10,805	Publicity	24,701
3,246	External Audit Fees	3,444
<b>475,113</b>		<b>587,346</b>
	<b>Income</b>	
62,920	Rents and Recharges	81,792
47,567	Trading and Events	58,931
<b>110,487</b>		<b>140,723</b>
	<b>Amount to be met from Constituent Authorities</b>	
319,272	87.5% East Dunbartonshire Council	390,818
45,354	12.5% Stirling Council	55,805
<b>364,626</b>		<b>446,623</b>
<b>0</b>	<b>Net Surplus or (Deficit) for the Year</b>	<b>0</b>

### Cash Flow Statement

<b>2012/13</b>		<b>2013/14</b>
£		£
	<b>Cash Outflows</b>	
307,603	Employee Costs	343,244
161,660	Other Operating Costs	245,254
<b>469,263</b>		<b>588,498</b>
	<b>Cash Inflows</b>	
(364,361)	Requisitions from Constituent Authorities	(452,583)
(46,986)	Received for Goods and Services	(20,255)
(62,920)	Other Operating Receipts	(81,792)
<b>(474,267)</b>		<b>(554,630)</b>
<b>(5,004)</b>	<b>Net Cash Flow from Revenue Activities</b>	<b>33,868</b>

**Balance Sheet Statement**

<b>31 March 2013</b>		<b>31 March 2014</b>
£		£
	<b>Current Assets</b>	
7,521	Receivables	40,237
8,257	Inventory	6,639
1,947	Temporary Advance to East Dunbartonshire Council	0
<b>17,725</b>		<b>46,876</b>
	<b>Current Liabilities</b>	
17,725	Payables	14,955
0	Temporary Advance from East Dunbartonshire Council	31,921
<b>17,725</b>		<b>46,876</b>
<b>0</b>	<b>Total Assets less Current Liabilities</b>	<b>0</b>

The audited accounts were issued on 25 September 2014.

I certify that this presents fairly the financial position of Mugdock Country Park Joint Management Committee at 31 March 2014 and its income and expenditure for the year ended 31 March 2014.

Ian Black

Treasurer, Mugdock Country Park Joint Management Committee

25 September 2014



## Notes to Principal Financial Statements

### 1. Accounting Policies

#### a) General Principles

The Statement of Accounts summarise Mugdock Country Park Joint Management Committee's transactions for the 2013/14 financial year, and its position at the year-end of 31 March 2014. The *Local Authority Accounts (Scotland) Regulations 1985* requires an annual Statement of 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 2013/14* (the Code) and the *Service Reporting Code of Practice 2013/14*, 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 2013/14. Comparative figures for 2012/13 are provided. The accounting convention adopted in the Annual Statement of 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 Superannuation 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 Mugdock Country Park and deals with all payments related to the Local Government Superannuation Scheme. For that reason, revenue commitments and balance sheet disclosures for the purposes of IAS19 are identified within the accounts for East Dunbartonshire Council rather than those for the Park.

Similarly, short-term accumulating compensated absences, such as untaken annual leave, is accrued as a cost within the accounts of the Council.

#### c) Long Term Assets

Title to the community assets of Mugdock Country Park rests with Stirling Council. However, under the revised management agreement signed by the constituent authorities, which came into effect from 1st April 2008, East Dunbartonshire Council has beneficial use of the fixed assets of Mugdock Country Park. In addition, East Dunbartonshire Council has a lease on these assets until 2049.

Accordingly, it has been considered appropriate that the Park's fixed assets are consolidated into the accounts of the Council. At 31 March 2014, the total net book value of the Park's buildings & equipment was £422,260 and of community assets was £2,180,000.

#### 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.

### 2. Pensions Commitment

The Council is the permanent employer of the staff of the Park, and deals with all payments related to the Local Government Superannuation 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 2013/14 were £35,984 (2012/13 £42,177).

### 3. Exit Packages

During 2013/14, two employees received exit packages as a result of voluntary redundancy. The *Local Authority Accounts (Scotland) Amendment Regulations 2011* require disclosure of remuneration details for senior officers, however, neither of the exiting employees were senior officers of East Dunbartonshire Council (the employer of all

Mugdock Country Park employees). An exit package table would normally detail the number of officers receiving exit packages against cost bands which rise in increments of £20,000 and disclose the total amount paid out in each band of £20,000. This would make it possible to identify the exit package received by each officer and so, for data protection reasons, this information is not being disclosed here.

#### 4. Shop Trading Account

During the year ended 31<sup>st</sup> March 2014, the Joint Management Committee continued to operate a shop in Mugdock Country Park, selling souvenirs and other sundry items. The gross profit for the year to 31<sup>st</sup> March 2014 is calculated as follows:

2012/13			2013/14	
£	£		£	£
	18037	<b>Sales</b>		15,629
14,944		Inventory at the start of the year	8,257	
12,643		Purchases	10,264	
(8,257)		Less: Inventory at the end of the year	(6,639)	
	19,330	<b>Cost of Goods Sold</b>		11,882
	(1,293)	<b>Gross Profit / (Loss)</b>		3,747

#### 5. Leasing Commitments

2012/13			2013/14	
£			£	
nil		Payable within One Year	nil	
nil		Payable within Two to Five Years	nil	
nil		Payable beyond Five Years	nil	

#### 6. Net Cash Flow from Revenue Activities

2012/13			2013/14	
£	£		£	£
16,333		Change in Inventory	Opening balance	8,257
8,257			Closing balance	6,639
	(8,076)			(1,618)
6,675		Change in Receivables	Opening balance	7,521
7,521			Closing balance	40,237
	846			32,716
19,951		Change in Payables	Opening balance	17,725
17,725			Closing balance	14,955
	2,226			2,770
	(5,004)	<b>Net Cash Flow from Revenue Activities</b>		<b>33,868</b>

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

As at 31 March 2013	As at 31 March 2014	Movement 13/14
£	£	£
(1,947)	31,921	33,868

#### 8. Contingent Liabilities

Following significant case law developments in recent months relating to the payment of allowances and overtime when paying holiday pay, the Council recognises an exposure to risk arising from compensation claims. The Council is reviewing local terms and conditions and relevant policies and practices to assess the potential financial implications. Given the uncertainties still surrounding this issue, it is not yet possible to be certain on potential future costs. An assessment of the implications and any required resolution strategy will be reported to Council in 2014/15.

## **Independent Auditor's Report**

