



# Mugdock Country Park

Joint Management  
Committee

Annual Accounts

**2016 - 17**



## CONTENTS

Management Commentary .....	1
Annual Governance Statement 2016-17 .....	4
Statement of Responsibilities for the Accounts .....	7
Principal Financial Statements .....	8
Movement in Reserves Statement .....	8
Comprehensive Income and Expenditure Statement.....	8
Cash Flow Statement .....	8
Balance Sheet .....	9
Notes to Principal Financial Statements.....	10
Independent Auditor's Report.....	12

## Management Commentary

### A Strategy & Objectives

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. Mugdock Country Park is working to develop a sustainable operating model to reflect the current financial pressures facing the two funding authorities, East Dunbartonshire and Stirling Councils. This will enable Park to maximise its income and consequently deliver its aspirations as a leading Tourist Attraction.

### B Fair Review of Business

The Annual Accounts present the financial position of Mugdock Country Park as at 31 March 2017.

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) Management Committee

<b>Chair:</b>	Councillor Eric Gotts	East Dunbartonshire Council
<b>Vice Chair:</b>	Councillor Graham Lambie	Stirling Council
<b>Elected Members:</b>	Councillor Rhondda Geekie	East Dunbartonshire Council
	Councillor Jim Gibbons	East Dunbartonshire Council
	Councillor Maureen Henry	East Dunbartonshire Council
	Councillor Vaughan Moody	East Dunbartonshire Council
	Councillor Anne McNair	East Dunbartonshire Council
	Councillor Corrie McChord	Stirling Council
<b>Phone Number:</b>	0300 123 4510	

#### b) Administrative and Funding Arrangements

Administrative and Funding Arrangements for Mugdock Country 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 was signed on 9 February 2016, and was effective from 1 April 2016. Capital expenditure is now split 50/50 between the respective authorities, and Stirling Council pays a fixed revenue contribution of £50,000 per annum. 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, the Clan Graham Society of North America and The Order of St John. Project funding is secured through organisations such as LEADER, and Tesco Bags of Help. Launched at Christmas 2016 the Friends of Mugdock Scheme encourages visitors to support the Park for an annual subscription. The traders at Mugdock provide special offers to support the scheme and those signing up are entitled to discounts and early bird promotions for events.

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

#### c) Financial Summary

The Comprehensive Income & Expenditure Statement on page 8 shows that net revenue expenditure to be met by constituent authorities in 2016/17 was £388,759, £13,958 less than in the previous year.

There were increased employee costs in 2016/17 mainly as a result of redundancy costs and a provision for the implementation of East Dunbartonshire Council's Strategic Operating Model (SOM) backpay costs. This was offset with additional income in 2016/17 as a result of the refurbishment and operation of a new visitor centre and shop which commenced trading in full and there were additional and busier events within the park during the year.

Overall, the net cost of service for 2016/17 was higher than budget by £44,762 mainly as a result of the employee cost pressures highlighted above. The contribution from Stirling Council was budgeted at £50,000 to reflect their share of costs, in line with the change to the Minute of Agreement. The actual contribution was only slightly lower than this at £49,897.

	2016/17	2016/17	
	<b>Budget</b>	<b>Actual</b>	<b>Variation</b>
	£'000	£'000	£'000
<i>Expenditure</i>	476	559	83
<i>Income</i>	(132)	(171)	(39)
<i>Net</i>	<u>344</u>	<u>388</u>	<u>44</u>
<i>2016/17 Stirling Contribution</i>		<u>(50)</u>	

The Balance Sheet on page 9 shows that, as at the financial year end, there is a temporary advance to East Dunbartonshire Council of £16,582. 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 2017.

The Cash Flow Statement on page 8 summarises the external transactions associated with the Park on a cash basis.

#### **d) Performance Information**

There were 634,540 visitors to the Park in 2016/17, an increase of 3,205 from the previous year. Although visitor numbers were lower in wet months, there was a wide range of activities carried out during the year to attract visitors to the Park, including the annual Pantomime and Burns shows, which were received well and generated sell out performances. In addition, the Park ran a number of events for families including the Mugstock Music Festival, Trailfest Scotland, Middle of Scotland Science Festival, and the Ultim8 Warrior Challenge. These events were extremely successful, and will be running again in 2017/18 with even greater numbers anticipated.

The Visitor Centre has been operating for over a year and is a welcome addition to the Park. It provides information for visitors, tickets for events and a gift shop. Income received through these means is being monitored as is income through room, facilities and land hire. This year the public toilets have been refurbished further improving the Park's facilities. Donation posts were installed in the main car park and visitors are encouraged to contribute financially to the Park. Information about how the donations are spent is provided at the posts and updated on an on-going basis. Some remedial work has been carried out in the Park's car parks. Repairs have also taken place on the septic tank and improvements to the drainage in the walled garden.

The Mugdock Strategy 2015/2020 is now being implemented and relates to operational change, marketing and investment. Progress in these areas is reported to the Joint Management Committee on a regular basis. A Friends of Mugdock scheme was launched at Christmas and uptake has been steady, with 32 memberships already in place. Volunteers help in the Park to carry out conservation tasks which include pathwork, drains and digging ponds; Castle Stewards enable the south-west tower of Mugdock Castle to be opened at weekends from May to September; Cinema volunteers show films to film club members and generated income for the Park.

#### **C Future Developments**

Work continues to expand the income streams into the Park, with facilities hire, nature events and a new theatre programme being developed which includes comedy nights, band nights and musical evenings. The Visitor Centre has increased the retail offering, and income from sales will continue to be monitored over the coming year with a view to increase profitability.

Future developments to make the Stables Courtyard an all year round facility are being developed. Improvements to the existing parking facilities are being addressed through installing a paving grid system to the overflow field which currently is only open in dry weather conditions. Improving the BBQ facilities will also assist in generating income and meeting customer demand.

The Astronomical Society of Glasgow (ASG) has been working up plans to site an Observatory in Mugdock, and these have now been approved by the relevant planning authorities. There has been close liaison between the Park and the ASG, and future developments will include open days and educational events.

Enquiries for using Mugdock as a site for filming have grown steadily due to increased marketing. In 2016/17 a number of production companies used the Park for filming including an American Travel programme, a consumer programme and a film. This brought an income of £1,800. Filming this financial year has included a CBBC episode and a bike advert. A number of live enquiries are currently under development.

**D**      *Principal Risks & Uncertainties*

The main risks to Mugdock Country Park identified through the on-going risk management assessment processes are income realisation and on-going financial pressures. The lease between East Dunbartonshire Council and Stirling Council extends from 1999 to 2049. A Minute of Agreement details the operational and financial arrangements between the two Councils with the current Variation to the Minute being in place until 2019. A new booking system provides more accurate financial information, and will support the efforts to increase income by enabling more robust business planning in the future. Many future developments being progressed are focused on maximising income, whenever possible, to improve the long term financial viability of the Park.

**Councillor Jim Gibbons**

Chairperson, Mugdock Country Park Joint Management Committee

19 September 2017

**Thomas Glen**

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

19 September 2017

**Jamie Robertson**

Treasurer, Mugdock Country Park Joint Management Committee

19 September 2017

## Annual Governance Statement 2016-17

### What we are responsible for:

Mugdock Country Park is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for and used in an economic, efficient and effective way. The council has a statutory duty and policy commitment to make arrangements 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.

In 2014/15 the Council approved and introduced a Code of Corporate Governance which it continues to apply; this being applicable to the governance arrangements for the Park. The Code is prepared in accordance with the CIPFA/SOLACE 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 and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise those risks that may impact 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 have been in place throughout the year and up to the date of approval of the statement of accounts.

### 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' through the Single Outcome Agreement to its strategic and local outcomes and priorities. Within the Development & Regeneration directorate the key performance at Mugdock is monitored and developed to meet agreed targets.

#### *Common Purpose, Clear Functions and Roles*

Mugdock provides a clear statement of roles and responsibilities through the Minute of Agreement with Stirling Council which governs the period 2016 to 2019, and any subsequent Variation to the Minute.

#### *Promoting Values*

Mugdock promotes positive values and demonstrates good governance through upholding standards of conduct and behaviour. This is done 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. A Customer Consultation was carried out during 2014 which had over 760 respondents and forms the basis of a 5 year strategy which has been agreed informs the direction of the park over the coming years.

### **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 Depute Chief Executive, Place, Neighbourhood and Corporate Assets within the Council who has responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.

During the prior 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. Whilst this process of review is co-ordinated corporately and approved by the Corporate Management Team, the Strategic Lead for Place & Community has a responsibility to ensure that their own governance arrangements are adequate and operating effectively.

In line with the CIPFA/SOLACE Framework, the Depute Chief Executive and Strategic Lead are required to make an annual statement confirming that this is the case. Issues reported by Depute Chief Executive and Strategic Lead that they consider might merit inclusion in the Council's Annual Governance Statement are: the Office of the Information Commissioner's Office's report into Data Protection and Freedom of Information within the Council and Social Work Payments, both of which are reported in more detail in the Annual Internal Audit Report.

On the basis of Internal Audit work completed in 2016/17, Mugdock Country Park's internal control procedures were generally found to operate as intended with reasonable assurance being provided on the integrity of Council controls. Where recommendations have been made to further improve controls subsequent action plans developed with management actions initiated to address the risks identified.

The level of assurance provided by the Audit & Risk Team 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 'Review of the Internal Controls Systems', 'Report to those Charged with Governance' and the 'Annual Report on the 2015/16 Audit'.

In the prior year audit testing identified significant delays in raising a number of debtor invoices at the Park. Auditors highlighted that the failure to raise debtor invoices on a timely basis previously contributed to a large year-end receivables balance. As a result, there is a risk of under recovery of income with the Park being directed to ensure that all debtor invoices are issued promptly. In the current year income receivable has fallen from £37,000 to £2,000 with significant work by the finance team being applied to ensure the integrity of income; such support will continue in future years to ensure that this position is maintained.

Additionally, the Audit Scotland interim audit report for 2016/17 reported on the following key issues: controls on supplier details; recording of reconciliations; system access controls on the council tax system; payroll verification and exception reports; recording of line manager access to HR systems; improved financial reporting; and the report of the Information Commissioner's Office (ICO) as reported above. All Council actions to address these issues will be reviewed by Internal Audit, with a specific piece of work being undergone to address the outcomes of the ICO report.

Our opinion also considers the work of Audit Scotland's Best Value Team, their Targeted Best Value follow up Audit work, the Council's response and evidencing improvements. These reports continue to highlight risks faced by the Council and where appropriate action plans have been developed to mitigate these. The Park Management provides a twice yearly update report on park activities and performance to the relevant Council 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; that material errors or irregularities are either prevented or would be detected within a timely period; and that significant risks impacting on the achievement of our strategic priorities and outcomes have been mitigated.

## **Conclusion**

We consider the governance and internal control environment operating during 2016/17 to provide reasonable and objective assurance that significant risks impacting on the achievement of our principal strategic priorities and outcomes will be identified and actions taken to avoid or mitigate their impact. A number of improvements have been identified that will further strengthen our governance arrangements and these are set out above. Systems are in place for regular review and improvement of the governance and internal control environment. 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 (2010)*.

## **Councillor Jim Gibbons**

Chairperson, Mugdock Country Park Joint Management Committee

19 September 2017

## **Thomas Glen**

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

19 September 2017

## 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.

### **Councillor Jim Gibbons**

Chairperson, Mugdock Country Park Joint Management Committee

19 September 2017

### 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 2017 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; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Jamie Robertson**

Treasurer, Mugdock Country Park Joint Management Committee

19 September 2017

## Principal Financial Statements

### Movement in Reserves Statement

31 March 2016		31 March 2017
£		£
0	Balance at the 1 April	0
0	Surplus / (Deficit) for the Financial Year	0
<b>0</b>	<b>Balance at the 31 March</b>	<b>0</b>

### Comprehensive Income and Expenditure Statement

2015/16		2016/17
£		£
	<b>Expenditure</b>	
378,104	Employees	419,693
30,530	Maintenance	28,280
37,016	Utilities	33,124
47,822	Trading & Events	47,403
16,154	Operating	26,348
4,654	Publicity	1,509
3,480	External Audit Fees	3,110
<b>517,760</b>		<b>559,468</b>
	<b>Income</b>	
71,722	Rents & Recharges	89,590
43,320	Trading & Events	81,119
<b>115,042</b>		<b>170,709</b>
<b>402,717</b>	<b>Net Revenue Expenditure</b>	<b>388,759</b>
	<b>Amount to be met from constituent authorities</b>	
453,255	East Dunbartonshire Council	338,862
(50,537)	Stirling Council	49,897
<b>402,717</b>		<b>388,759</b>
<b>0</b>	<b>Net Surplus (Deficit) for the year</b>	<b>0</b>

### Cash Flow Statement

2015/16		2016/17
£		£
	<b>Cash Outflows</b>	
375,705	Employee Costs	419,768
140,761	Other Operating Costs	148,673
<b>516,466</b>		<b>568,441</b>
	<b>Cash Inflows</b>	
(394,355)	Requisitions from Constituent Authorities	(410,306)
(43,897)	Reecieved for Goods and Services	(81,119)
(67,863)	Other Operating Reciepts	(103,086)
<b>(506,115)</b>		<b>(594,511)</b>
<b>10,351</b>	<b>Net Cash Flow from Revenue Activities</b>	<b>(26,070)</b>

**Balance Sheet**

<b>31 March 2016</b>		<b>31 March 2017</b>
£		£
	<b>Current Assets</b>	
37,043	Receivables	391
6,795	Inventory	6,056
0	Temporary Advance to East Dunbartonshire Council	16,582
<b>43,838</b>		<b>23,029</b>
	<b>Current Liabilities</b>	
32,740	Payables	23,029
11,097	Temporary Advance from East Dunbartonshire Council	0
<b>43,838</b>		<b>23,029</b>
<b>0</b>	<b>Total Assets less Current Liabilities</b>	<b>0</b>

The audited accounts were issued on 19 September 2017.

I certify that this presents fairly the financial position of Mugdock Country Park Joint Management Committee at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.

**Jamie Robertson**

Treasurer, Mugdock Country Park Joint Management Committee

19 September 2017

## 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 2016/17 financial year, and its position at the year-end of 31 March 2017. 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 2016/17* (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 2016/17. Comparative figures for 2015/16 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 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.

#### 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 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 2017, the total net book value of the Park's buildings & equipment was £625,202 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. 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 to be 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 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 2016/17 were £44,679 (2015/16 £52,006).

#### 4. Exit Packages

During 2016/17 there was one exit package as a result of voluntary redundancy for £26,863. There were no exit packages in 2015/16.

#### 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. The Visitor Centre and shop was closed for refurbishment for the majority of 2015/16, and only opened again for business at Christmas 2015. This has resulted in sales income in 2016/17 being higher than the previous year. The gross profit for the year to 31 March 2017 is as follows:

2015/16			2016/17	
£	£		£	£
	3,340	<b>Sales</b>		17,956
835		Inventory at the start of the year	6,795	
7,187		Purchases	10,357	
(6,795)		Less: Inventory at the end of the year	(6,056)	
	1,227	<b>Cost of Goods Sold</b>		11,095
	<b>2,113</b>	<b>Gross Profit / (Loss)</b>		<b>6,861</b>

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

2015/16				2016/17	
£	£			£	£
835		Change in Inventory	Opening balance	6,795	
6,795			Closing balance	6,056	
	5,960				(739)
25,398		Change in Receivables	Opening balance	37,043	
37,043			Closing balance	2,000	
	11,645				(35,043)
25,487		Change in Payables	Opening balance	32,740	
32,741			Closing balance	23,029	
	(7,254)				9,711
	<b>10,351</b>	<b>Net Cash Flow from Revenue Activities</b>			<b>(26,070)</b>

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

2015/16	2016/17	Movement
£	£	£
11,097	(16,582)	(27,679)

## Independent Auditor's Report

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

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

#### Report on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Mugdock Country Park Joint Management Committee for the year ended 31 March 2017 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, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the body as at 31 March 2017 and of its surplus on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis of opinion

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

##### Responsibilities of the Treasurer for the financial statements

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

##### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the body and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Other information in the annual accounts**

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

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Report on other requirements**

#### **Opinions on other prescribed matters**

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

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

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

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

#### **Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.

Peter Lindsay  
Senior Audit Manager  
Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT  
19 September 2017