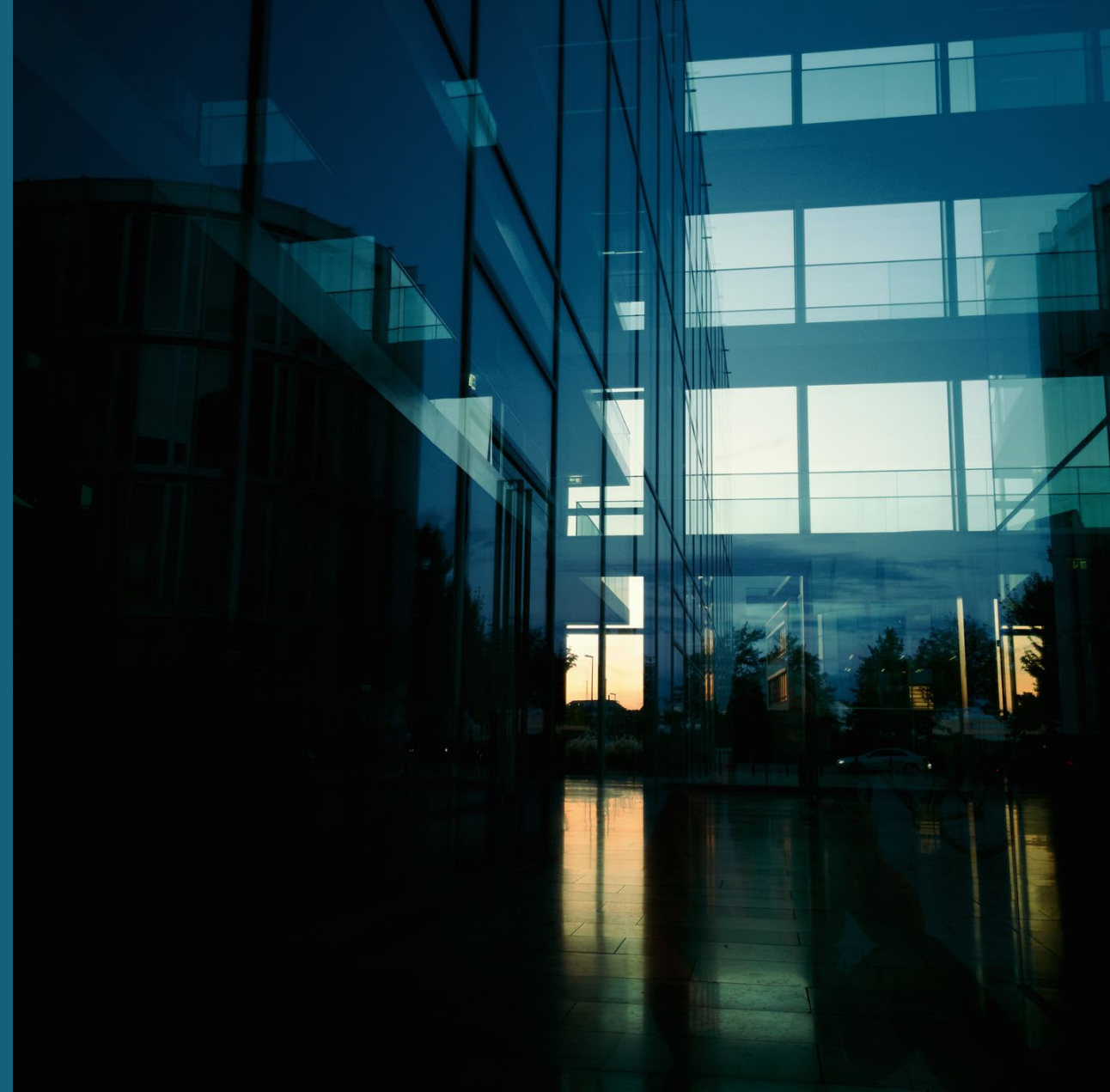


Annual Audit Report

Mugdock Country Park Joint Management Committee – Year ended 31 March 2023

April 2024



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Our reports are prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 18 May 2022 through which the Accounts Commission has appointed us as external auditor of Mugdock Country Park Joint Management Committee (the Park) for financial years 2022/23 to 2026/27. We undertake our audit in accordance with Part VII of the Local Government (Scotland) Act 1973, as amended; and our responsibilities as set out within Audit Scotland's Code of Audit Practice 2021.

Reports and letters prepared by appointed auditors and addressed to the Park are prepared for the sole use of the Park and made available to Audit Scotland and the Accounts Commission, the Controller of Audit. We take no responsibility to any member or officer in their individual capacity or to any other third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

25 April 2024

Dear Committee Members and Controller of Audit,

Annual Audit Report – Year ended 31 March 2023

We are pleased to present our Annual Audit Report for the year ended 31 March 2023. The purpose of this document is to summarise our audit conclusions and findings from our considerations of the wider scope audit specified in the Code of Audit Practice 2021 namely, financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 20 June 2023 to the Joint Management Committee. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of the Park's team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07816354994.

Yours faithfully



Tom Reid (Audit Director)

Mazars LLP

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Glasgow
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We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: 839 8356 73

01

Section 01:

Executive summary

1. Executive summary

Audit conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2022/23 is set out in the Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from Part VII of the Local Government (Scotland) Act 1973 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Fraud over expenditure recognition;
- Fraud over recognition of revenue.

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements. Section 7 outlines our work on the Park's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have completed our audit in respect of the financial statements for the year ended 31 March 2023.

Conclusions from our audit testing and audit opinion

Based on our audit work completed to date we have the following conclusions:



Audit opinion

We issued an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Matters on which we report by exception

We are required by to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Governance Statement

We are required to report on whether the information given in the Annual Governance Statement is materially inconsistent with the financial statements; has not been properly prepared in accordance with the Delivering Good Governance in Local Government Framework 2016; or is materially misstated.

We have no matters to report in respect of the Annual Governance Statement.

1. Executive summary (continued)

Conclusions from our audit testing and audit opinion (continued)



Other information

We are required to report on whether the other information (comprising of Management's Commentary and Statement of Responsibilities), is materially inconsistent with the financial statements; has not been properly prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; or is materially misstated.

No inconsistencies have been identified and we have issued an unmodified opinion in this respect.

1. Executive summary (continued)

Best Value and Wider Scope conclusions

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allows us to use a risk-based approach to report on our consideration of the Park's performance of Best Value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the Park's performance.

The Code's wider scope framework is categorised into four areas:

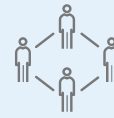
financial management;

financial sustainability;

vision, leadership and governance; and

use of resources to improve outcomes.

It remains the responsibility of the Park to ensure that it makes proper financial stewardship of public funds, complies with relevant legislation, and establishes effective governance of their activities. The Park is also responsible for ensuring that it establishes arrangements to secure continuous improvement in performance and, in making those arrangements, ensures resources are being used to improve strategic outcomes and demonstrate the economy, efficiency, and effectiveness throughout the use of its resources. These arrangements should be proportionate to the size and type of the Park, appropriate to the nature of the Park and the services and functions that it has been created to deliver.



Wider Scope

We have concluded that there are no risks in arrangements to report in relation to the financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes that the Park has in place.

Further detail on our Wider Scope work is provided in section 7 of this report including any significant risks identified.



Best Value

We have concluded that there are no risks in arrangements to report in relation to the arrangements that the Park has in place to secure economy, efficiency and effectiveness in its use of resources.

Further detail on our Best Value work is provided in section 8 of this report including any significant risks identified.

02

Section 02:

Status of the audit

2. Status of the audit

We have concluded our audit in respect of financial statements for the year ended 31 March 2023 and there are no outstanding matters of which we are aware that would require modification of our audit opinion.

03

Section 03: **Audit approach**

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in June 2023. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £10.7k using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements and qualitative factors, is £12.1k using the same benchmark.

04

Section 04: **Significant findings**

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 17 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit.

4. Significant findings (continued)

Significant risks

Management override of controls

Description of the risk

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

How we addressed this risk

We addressed this risk by:

- reviewing the key areas within the financial statements where management has used judgement and estimation techniques and consider whether there is evidence of unfair bias;
- examining accounting policies;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; and
- consideration and testing any significant transactions outside the normal course of business or otherwise unusual.

Audit conclusion

Our work has provided the assurance we sought in each of these areas and based on the results of testing to date, there are no significant issues to bring to your attention.

4. Significant findings (continued)

Significant risks

Fraud over expenditure recognition**Description of the risk**

Practice Note 10: *Audit of financial statements and regularity of public sector bodies in the United Kingdom* highlights that, as most public-sector bodies are net spending bodies, the risk of fraud related to expenditure may be greater than the risk relating to revenue recognition.

The majority of the Park's expenditure is salaried staff costs, which are well controlled and made up of low value individual transactions. However, the Park has material expenditure on trading and events and operating costs. The nature of this expenditure means there is an increased risk of fraud in its recognition which could result in a material misstatement in the financial statements.

How we addressed this risk

We addressed this risk by:

- undertaking substantive procedures to ensure trading and events and operating costs are recorded appropriately in the financial statements.

Audit conclusion

We obtained the assurance sought and there are no significant issues arising that we are required to report to you.

4. Significant findings (continued)

Significant risks

Fraud over income recognition**Description of the risk**

As set out in International Standard on Auditing (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

The majority of the Park's income is funding contributions from East Dunbartonshire Council and Stirling Council. However, the Park also has material income from trading and events. The nature of this income means there is an increased risk of fraud in its recognition which could result in a material misstatement in the financial statements.

How we addressed this risk

We addressed this risk by:

- undertaking substantive procedures to ensure trading and events income is recorded appropriately in the financial statements.

Audit conclusion

Subject to the adjusted misstatements reported in section 6, we have obtained the assurance sought and there are no significant issues arising that we are required to report to you.

4. Significant findings (continued)

Qualitative aspects of the Mugdock Country Park Joint Management Committee's accounting practices

We have reviewed the Park's accounting policies and disclosures and concluded they comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), appropriately tailored to the Park's circumstances.

The unaudited annual report and accounts were received from the Park on 25 July 2023 and were of reasonable quality.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

First year audit procedures. Auditing standards require us to carry out additional specific procedures in the first year of an audit. These included: seeking professional clearance confirmations from the predecessor auditor, reviewing the predecessor auditor's working papers and reports and specific additional procedures over brought forward balances. As part of this work, we discussed controls in place for key information systems with management.

Related party disclosure. We challenged management on whether a related party note should be disclosed in the annual accounts as the Park receives funding contributions from East Dunbartonshire Council and Stirling Council. We also discussed what controls management has in place to review related party declarations for senior officers who perform duties relating to the Park.

We recommended that related party disclosures are included in the accounts to set out more clearly the key related parties for the Park and any material transactions with these. The related parties note has now been added in the final set of accounts.

Cash Flow Statement:- We challenged management on whether the presentation of the Cash Flow Statement was in accordance with the Code. The Cash Flow Statement included in the unaudited annual report and accounts did not comply with either the direct or indirect method presentations per the Code. We shared the minimum presentational requirements for the indirect method presentation chosen by management and officers

updated the Cash Flow Statement to ensure compliance with the Code. This included adding narrative lines such as net surplus/deficit on provision of services, adjustment for non-cash movements, net cash flow from operating/investing/financing activities. Officers also corrected the disclosure of current assets and liabilities and cash and cash equivalents to ensure consistency with the Balance Sheet.

Payroll work:- We experienced significant delays in receiving payroll information from officers. This included sample testing evidence, backup for staff numbers and payroll reports. Officers were unable to provide payroll reports from the HR system, iTrent, due to the system not being able to generate backdated reports. As a result, we had to carry out additional testing to ensure payroll information reconciled to the general ledger. We have made an internal control recommendation relating to this in Section 5.

Significant difficulties during the audit

During the course of the audit we have had the co-operation of management and we recognise the challenges associated with the first year of an audit.

4. Significant findings (continued)

Wider responsibilities

We are required to notify the Controller of Audit when circumstances indicate that a statutory report may be required.

- Section 102(1) of the 1973 Act allows us to prepare a report to the Commission about the Park's accounts; matters that have arisen during the audit that should be brought to the attention of the public; or the performance of the Park's duties relating to Best Value and community planning.
- Section 102(3) of the 1973 Act allows us to make a special report to the Commission if an item of account is contrary to law; there has been a failure on someone's part to bring into account a sum which ought to have been brought into account; a loss has been incurred or deficiency caused by the negligence or misconduct of a person, or by the failure of a body to carry out a duty imposed on them by any enactment; or a sum which ought to have been credited or debited to one account of a body has been credited or debited to another account and the body has not taken, or is not taking, steps to remedy the matter.
- Section 97A of the 1973 Act allows us to undertake or promote comparative and other studies to make and publish recommendations for the securing by local government bodies of Best Value, improving economy, efficiency and effectiveness in the provision of services by local government bodies and improving the financial or other management of local government bodies.

We confirm that no such reports have been prepared or any examinations have been initiated.

05

Section 05:

Internal control recommendations

5. Internal control recommendations

As part of our audit of the financial statements, we obtained an understanding of internal controls sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to the Park any significant deficiencies identified during the course of our work.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	2
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0

5. Internal control recommendations (continued)

Other deficiencies in internal control – Level 2

Description of deficiency

Related parties' transactions – Register of Interest/Declaration of Interest

Officers could not provide declaration of interest forms for Committee members and senior officers of East Dunbartonshire Council and Stirling Council in respect of Mugdock Country Park.

Potential effects

Failure to review the declaration of interest may result in conflicts of interest going undisclosed leading to incorrect or incomplete disclosure of related party transactions.

Recommendation

Officers should implement procedures to review disclosure of related party interests in respect of Mugdock Country Park and ensure the register is regularly updated for all relevant individuals.

Management response

The Council maintains that suitable controls are in place within this area. Elected Members declarations are publicly available with Officers making declarations where appropriate. We will work with External Audit to ensure that current procedures are understood with any adjustments being made to enhance existing processes.

Other deficiencies in internal control – Level 2

Description of deficiency

Payroll reports/reconciliation to General Ledger

We understand that officers could not provide payroll reports from the HR system, iTrent, for the Park's staff because the system cannot generate backdated reports.

Potential effects

Failure to adequately reconcile payroll information to the general ledger may result in incorrect or incomplete disclosure of employee costs in the annual accounts.

Recommendation

Officers should put arrangements in place to perform regular payroll reconciliations to the general ledger and retain payroll reports from the HR system on a monthly basis.

Management response

The Council's financial procedures are based on strong controls around the processing of each individual payrun. Basing controls and reconciliations on the reports produced when the payrun is processed offers more detail than a separate and additional monthly report and helps to identify when issues occur. The Council is moving to a payroll/HR system that will be integrated with the Council's financial system, commencing in late 2024, which will provide strong system controls and greater assurance than separate systems can.

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £363.

Unadjusted misstatements

None identified.

Adjusted misstatements – current year

		CIES Debit (£)	CIES Credit (£)	Balance Sheet Debit (£)	Balance Sheet Credit (£)
1	Dr Audit fee Cr Payables	630			630
	Amendment made to disclose correct audit fees in accounts.				
2	Dr Trading and Events (Income) Cr Receivables	1,075			1,075
	Cut off errors arising from trading & events income testing arising due to income recorded in current year (22/23) when it should be accounted for in prior year (21/22). Reversal of the entry made.				
	Total adjusted misstatements – current year	1,705			1,705

The above adjustments have led to correction of £1,705 in “Amount to be met from East Dunbartonshire Council” in the CIES from £322,777 to £324,482 as this is a balancing figure in the CIES.

Similarly, in the Balance Sheet “Temporary advance to East Dunbartonshire Council” has been corrected by £630 i.e., from £4,975 to £5,605.

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £363.

Adjusted misstatements – prior year

	CIES Debit (£)	CIES Credit (£)	Balance Sheet Debit (£)	Balance Sheet Credit (£)
1				
In 2021/22 accounts				
Dr Receivables			1,075	
Cr Trading and Events (Income)		1,075		
Being the cut off error incorrectly recognised in 2022/23 accounts reversed and added back in 2021/22 accounts.				
Total adjusted misstatements – prior year		1,075	1,075	

The above adjustments have led to correction of £1,075 in “Amount to be met from East Dunbartonshire Council” in the CIES from £333,469 to £332,393 as this is a balancing figure in the CIES.

Similarly, in the Balance Sheet “Temporary advance to East Dunbartonshire Council” has been corrected by £1,075 i.e., from £36,391 to £35,316.

6. Summary of misstatements (continued)

Disclosure amendments

We identified the following adjustments during our audit that have been corrected by management:

- **Annual Governance Statement:-** Amendments made to ensure compliance with the Delivering Good Governance in Local Government Framework 2016:
 - Inclusion of explanations on financial management arrangements, counter fraud and anti-corruption and assurance arrangements.
- **Shop Trading Account (note 5):-** Correction of the account balances within the note to be in line with other disclosures, adding the prior year comparatives to the disclosure note.
- **Net Cash Flow from Revenue Activities (note 6):-** Updating the amounts to be consistent with other notes and the balance sheet.
- **Cash Flow Statement:-** Amendments made to disclosure of Cash Flow Statement to be in line with the Code including addition of narratives lines such as net surplus/deficit on provision of services, adjustment for non-cash movements, net cash flow from operating/investing/financing activities. Adequate disclosure of current assets and liabilities as well as cash and cash equivalents were also corrected to be in line with the Balance sheet.
- **Related Parties Note (note 8):-** Addition of the note in the accounts to reflect East Dunbartonshire Council and Stirling Council as related parties and disclosure of nature of relationship with Mugdock Country Park as well as material transactions with the parties.
- **Temporary advance (to)/from East Dunbartonshire Council (note 7):-** Inclusion of explanation in respect of prior year adjustments/restatements made due to the errors identified from our income testing.

There were also adjustments to the annual report and accounts for other minor disclosure, consistency or presentational matters.

07

Section 07: **Wider scope**

7. Commentary on Wider Scope

Overall summary



7. Commentary on Wider Scope

Wider scope summary

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allows us to use a risk-based approach to report on our consideration of the Mugdock Country Park Joint Management Committee's performance of best value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the Mugdock Country Park Joint Management Committee's performance.

The Code's wider scope framework is categorised into four areas:



- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

The Code of Audit Practice permits an alternative audit approach where an audited body is considered less complex due its size and limited financial activity. In the Audit Strategy Memorandum, we documented our judgement that the Park is a less complex body. We have reviewed this assessment and confirmed that it remains appropriate. We therefore restricted our wider scope work to:

- a review of the Annual Governance Statement
- concluding on the financial sustainability of the Park and the services that it delivers in the medium to longer term.

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

	Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
	Financial sustainability	29	No	No	No
	Annual Governance Statement	31	No	No	No

7. Commentary on Wider Scope

Financial sustainability

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



7. Financial sustainability

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial planning	<p>Most 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 covers the period 2019-24 and confirms that funding will continue to be provided on the same basis year on year.</p> <p>The CIES for the year ended 31 March 2023 reports expenditure for the year of £604,462. This is £67,882 more than in 2021/22, and approximately £49,000 more than budgeted. The expenditure incurred in 2022/23 was higher than the previous year primarily due to an increase in employee expenditure, operating expenditure and publicity expenditure. At the same time, trading and events expenditure decreased substantially.</p> <p>The CIES for the year ended 31 March 2023 reports income for the year of £229,980. This is approximately £74,000 more than the budget and is mainly due to grants being awarded not initially budgeted for, increased rent & recharges income and increased trading & events income.</p> <p>Overall, the net revenue expenditure was approximately £25,000 lower than budget.</p> <p>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 using elected member technical notes which include budget monitoring reports.</p>	<p>The Minute of Agreement secures the current levels of funding from EDC and SC for the period 2019 - 2024.</p>	<p>No significant risks identified.</p>

7. Commentary on Wider Scope

Annual Governance Statement



7. Annual Governance Statement

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Annual Governance Statement	<p>We confirmed that the Annual Governance Statement:</p> <ul style="list-style-type: none"> • is consistent with the financial statements; • prepared in accordance with the CIPFA/SOLACE guidance : Delivering Good Governance in Local Government Framework (2016); • is consistent with our knowledge obtained through the audit; • does not contain any misleading information. 	<p>The Park has amended the Annual Governance Statement to ensure compliance with the CIPFA/SOLACE guidance : Delivering Good Governance in Local Government Framework (2016).</p>	<p>No significant issues identified.</p>

08

Section 08: **Best Value**

8. Best Value

Best Value summary

Under the Code of Audit Practice, the audit of Best Value is fully integrated within our annual audit work. We are required to report on how the Park demonstrates and reports that it has Best Value arrangements in place, to secure continuous improvement.

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
Best Value	35	No	No	No

8. Best Value (continued)

Overall commentary on the Best Value reporting criteria

The Park is keen to maintain services and support development in a manner that secures Best Value through high quality and efficient service delivery. Mugdock Country Park has an important and growing role in the delivery of constituent Council objectives in; maximising the use of the outdoor environment and greenspace assets, encouraging higher levels of physical activity, supporting health and well-being and other organised and informal leisure activity.

The Park continues to work with external partners to secure funding that supports investment and offsets its revenue costs. Activities include commercial operations through the café and retail operations, land leases for public and private events and filming, event rentals, and long-term leases.

The Park's new strategy covering the period 2022-27 was approved by the Joint Management Committee at its December 2022 meeting. The strategy includes a revised capital programme for the Park, which sets out those projects which will best deliver the aims of the masterplan. These developments will take place over five years and will be dependent on external funding and capital funding from East Dunbartonshire and Stirling Councils.

Overall, we have concluded that the Park has appropriate arrangements in place for managing and monitoring performance and reporting on its efforts to secure Best Value.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

E: Wider scope and Best Value ratings

Appendix A: Draft management representation letter

Tom Reid
Mazars LLP
100 Queen Street
Glasgow
G1 3DN

June 2024

Dear Tom

Mugdock Country Park Joint Committee - Audit for the Year Ended 31 March 2023

This representation letter is provided in connection with your audit of the financial statements of Mugdock Country Park Joint Committee for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the section 12 of the Local Government in Scotland Act 2003 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the section 12 of the Local Government in Scotland Act 2003 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Park you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Treasurer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions undertaken by the Park have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and Board meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Park's financial position, financial performance and cash flows.

Appendix A: Draft management representation letter

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Park in making the accounting estimates, including those measured at fair value are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired, or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Park have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with section 12 of the Local Government in Scotland Act 2003 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Treasurer for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Park involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Park's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with section 12 of the Local Government in Scotland Act 2003 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I have disclosed to you the identity of the Park's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Ultimate parent company

I confirm that the ultimate parent company for Mugdock Country Park Joint Committee is the East Dunbartonshire Council.

Appendix A: Draft management representation letter

Other Matters

I confirm in relation to the following matters that:

- COVID-19 – I have assessed the continued impact of the COVID-19 Virus pandemic on the Park and the financial statements, including the impact of mitigation measures and uncertainties, and am satisfied that the financial statements and supporting notes fairly reflect that assessment.
- Ukraine – I confirm that I have carried out an assessment of the potential impact of the continued conflict in Ukraine on the Park and there is no significant impact on the Park’s operations from restrictions or sanctions in place.
- I confirm that I have assessed the impact on the Park of the on-going Global Banking challenges, in particular whether there is any impact on the Park’s ability to continue as a going concern, and on the post balance sheet events disclosures.

Going concern

To the best of my knowledge there is nothing to indicate that the Park will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Performance related allocations

I confirm that I am not aware of any reason why the Park’s funding allocation limits would be changed.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which section 12 of the Local Government in Scotland Act 2003 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), require adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Governance Statement

I am satisfied that the Governance Statement fairly reflects the Park’s risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the Governance Statement.

Annual Report

The disclosures within the Annual Report fairly reflect my understanding of the Park’s financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

I confirm that there are no uncorrected misstatements.

Yours faithfully

.....

Jamie Robertson
Treasurer

Appendix B: Draft audit report

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

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the annual accounts of Mugdock Country Park Joint Committee for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Cash Flow Statement, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Mugdock Country Park Joint Committee as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the Mugdock Country Park Joint Management Committee in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Mugdock Country Park Joint Management Committee. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the Mugdock Country Park Joint Management Committee's current or future financial sustainability. However, we report on the Mugdock Country Park Joint Management Committee's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Treasurer and the Mugdock Country Park Joint Management Committee for the financial statements

Appendix B: Draft audit report

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 each year 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 there is an intention to discontinue Mugdock Country Park Joint Management Committee's operations.

The Mugdock Country Park Joint Management Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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 decisions of users taken on the basis of these financial statements.

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

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Mugdock Country Park Joint Management Committee;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Mugdock Country Park Joint Management Committee;
- inquiring of the Treasurer concerning the Mugdock Country Park Joint Management Committee's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Mugdock Country Park Joint Management Committee's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

Other information

Appendix B: Draft audit report

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In our 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 we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our 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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Tom Reid
For and on behalf of Mazars LLP
100 Queen Street
Glasgow, G1 3DN
June 2024

Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix C: Independence (continued)

Fees for work as the Mugdock Country Park Joint Management Committee's auditor





We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Joint Management Committee on 20 June 2023. We were appointed as auditors for the Mugdock Country Park Joint Management Committee in the 2022/23 financial year therefore no comparatives have been provided in the below table. Having completed our work for the 2022/23 financial year, we can confirm that our fees are as follows:

Area of work	2022/23 fees
Auditor remuneration	£15,450
Pooled costs	£0
Contribution to PABV costs	£0
Audit support costs	£590
Sectoral cap adjustment	(£12,430)
Total fees	£3,610




Fees for other work

We confirm that we have not undertaken any non-audit services for the Mugdock Country Park Joint Management Committee in the year.

Appendix D: Other communications

Other communication	Response
 Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none">they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; andthey have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 Going concern	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that Mugdock Country Park Joint Management Committee will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications (continued)

Other communication	Response
 <p>Subsequent events</p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We have obtained written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
 <p>Matters related to fraud</p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition, we have assessed the adequacy of the Mugdock Country Park Joint Management Committee's arrangements for preventing and detecting fraud or other irregularities as part of the wider scope audit and concluded that they are sufficiently designed and implemented.</p> <p>We have obtained written representations from management, and Those Charged With Governance, confirming that:</p> <ol style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
 <p>National Fraud Initiative</p>	<p>The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the UK's Cabinet Office, designed to prevent and detect fraud. The NFI uses data analytics to compare information held on individual by different public bodies to highlight the existence of fraud or error.</p> <p>Mugdock Country Park Joint Management Committee does not directly participate in the NFI exercise.</p>

Appendix E: Wider scope and Best Value ratings

We need to gather sufficient evidence to support our commentary on the Park's arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to the Mugdock Country Park Joint Management Committee and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

Tom Reid (Audit Director)

Mazars

100 Queen Street
Glasgow
G1 3DN

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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