



INFRASTRUCTURE, GOVERNMENT AND HEALTHCARE

Mugdock Country Park Joint Management Committee

Annual audit report to the Mugdock Country Park Joint Management Committee and the Controller of Audit

Year ended 31 March 2010

1 October 2010

AUDIT

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About this report

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

This report is for the benefit of the Mugdock Country Park Joint Management Committee and is made available to the Accounts Commission and Audit Scotland (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

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

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

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the beneficiaries) for any purpose or in any context. Any party other than the beneficiaries that obtains access to this report or a copy and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the beneficiaries.

Executive summary

Financial statements

We have issued an unqualified opinion on the annual financial statements of Mugdock Country Park Joint Management Committee for the year ended 31 March 2010.

Use of resources

The financial statements report a net cost of £519,406 in 2009-10. Other than the income and expenditure results for the year, the Committee reported no other gains or losses, or movements on the general fund balance.

The Committee does not hold a general fund balance at the year end.

Governance and accountability

The statement of internal financial control does not disclose any significant weaknesses in the systems of internal control. The content of the statement is consistent with our understanding of the Committee.

The Committee's financial systems are the same as those operated by East Dunbartonshire Council. The reviews of these systems were conducted simultaneously to those carried out as part of the 2009-10 external audit of the Council. No audit findings relating uniquely to the Committee were identified during the audit work carried out at the Council.

Our audit work is undertaken in accordance with Audit Scotland's *Code of Audit Practice* ("the *Code*"). This specifies a number of objectives for our audit.

Audit framework

This year was the fourth of our five-year appointment by the Accounts Commission as external auditors of Mugdock Country Park Joint Management Committee ("the Committee"). This report to the Committee and Controller of Audit provides our opinion and conclusions and highlights any significant issues arising from our work.

The purpose of this report is to report our findings as they relate to:

- the **financial statements** and significant accounting matters and decisions;
- **use of resources**, including financial outturn for the year ended 31 March 2010 and financial plans for 2010-11 and beyond;
- arrangements around **governance and accountability**, including risk management, statement of internal financial control and our consideration of the work of internal audit; and
- **performance management** arrangements.

Given the relative size of the Committee and the way in which its activities are undertaken, we have taken reliance from our audit work on corporate governance and other arrangements undertaken at East Dunbartonshire Council ("the Council") where it was appropriate to do so.

Responsibilities of the Committee and its auditors

External auditors do not act as a substitute for the Committee's own responsibilities for putting in place proper arrangements to account for the stewardship of resources made available to it and its financial performance in the use of those resources, to ensure the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the effectiveness of those arrangements and to make proper arrangements to secure Best Value.

Acknowledgement

We wish to record our appreciation of the continued co-operation and assistance extended to us by your staff.

We have issued an unqualified opinion on the financial statements of Mugdock Country Park Joint Management Committee.

We have not identified any significant recommendations during our procedures.

Reporting arrangements and timetable

The Committee's unaudited financial statements were submitted to the Controller of Audit in advance of the statutory deadline of 30 June 2010, and made available for audit at the same time. The quality of information provided was to a good standard.

On completion of our audit work, the financial statements were certified by the Treasurer on [date] September 2010. We have issued an unqualified opinion on the financial statements of the Committee for the year ended 31 March 2010.

Key issues arising during our audit of the financial statements

There are no significant issues that we wish to bring to your attention.

Recommendations

We did not identify any significant recommendations during the 2009-10 audit.

Use of resources; financial planning

The financial statements report a net cost of £519,406 in 2009-10. Other than the income and expenditure results for the year, the Committee reported no other gains or losses, or movements on the general fund balance.

The Committee does not hold a general fund balance at the year end.

Financial position

The Committee reported a net cost of service of £519,406.

	£
Net operating expenditure	519,406
Income: grants and other income	(125,042)
Income: amounts to be met from constituent authorities	(394,364)
(Surplus) / deficit	-
Net additional amounts required by statute and non-statutory practices to be debited or credited to the general fund balance for the year	-
Result for the year: (Increase) / decrease on general fund balance	-

Other than the income and expenditure results for the year, the Committee reported no other gains or losses, or movements on the general fund balance.

Reserves

The Committee does not hold a general fund balance at the year end.

Corporate governance arrangements

The statement on the system of internal control does not identify any significant weaknesses in the systems of internal control. The content of the statement is consistent with our understanding of the Committee.

The Committee's financial systems are the same as those operated by East Dunbartonshire Council. The reviews of these systems were conducted simultaneously to those carried out as part of the Council's audit. No audit findings relating uniquely to the Committee were identified during the audit work carried out at the Council.

Introduction

Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all bodies.

The head of finance and ICT at the Council acts as the treasurer of the Committee, and has been appointed as the responsible officer for the administration of its affairs.

The responsibilities of the Committee and the treasurer for establishing arrangements for ensuring the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements as outlined in the statement of responsibilities in the financial statements. The *Code* requires auditors to review and report on corporate governance arrangements as they relate to:

- the Committee's review of its systems of internal control, including its reporting arrangements;
- the prevention and detection of fraud and irregularity;
- standards of conduct and arrangements for the prevention and detection of corruption; and
- its financial position.

Statement on internal financial control ("SIFC")

The Committee's statement describes the component parts of the internal financial control framework and the process by which the treasurer has reviewed the effectiveness of the internal financial control system enabling him to conclude that responsible assurance can be placed on the adequacy and effectiveness of the internal financial control system. The statement prepared by the Committee expresses its framework of control and is consistent with our understanding of the established framework.

The Committee's financial transactions are processed by East Dunbartonshire Council. The reviews of these systems were conducted simultaneously to those carried out as part of the Council's audit.

No audit findings relating uniquely to the Committee were identified during the work carried out at the Council, however a number of recommendations to improve the overall control environment within the Council were accepted by management.

Prevention and detection of fraud and irregularity

Management did not identify any significant instances of fraud or irregularity during the year. We have obtained management representations from the Treasurer, in support of enquiries with management to confirm that there have been no instances of fraud or irregularity during 2009-10.

Corporate governance arrangements (continued)

Standards of conduct

The members of the Committee are comprised of elected members from each constituent authority. Members are subject to the Code of Member Conduct which sets out the standards of conduct expected of each member in carrying out their duties.

Performance management

We were not required to carry out any specific performance management audit work during the year. The financial statements of the Committee disclose details in respect of the performance of the Country Park over the year.