



Mugdock Country Park Joint Management Committee

Annual audit report to
Members and the
Controller of Audit

September 2015

The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies. (www.audit-scotland.gov.uk/about/ac)

Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General. (www.audit-scotland.gov.uk)

The Accounts Commission has appointed Elaine Boyd as the external auditor of Mugdock Country Park Joint Management Committee (“the Park”) for the period 2011/12 to 2015/16.

This report has been prepared for the use of Mugdock Country Park Joint Management Committee and no responsibility to any member or officer in their individual capacity or any third party is accepted.

This report will be published on our website after it has been considered by the council. The information in this report may be used for the Accounts Commission’s annual overview report on local authority audits published on its website and presented to the Local Government and Regeneration Committee of the Scottish Parliament.

Key contacts

Elaine Boyd, Senior Audit Manager
eboyd@audit-scotland.gov.uk

Blyth Deans, Senior Auditor
bdeans@audit-scotland.gov.uk

Karen Cotterell, Senior Auditor
kcotterell@audit-scotland.gov.uk

Ray Buist, Trainee Auditor
rbuist@audit-scotland.gov.uk

4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT




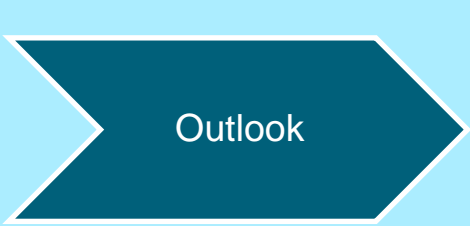
Telephone: 0131 625 1500

Website: www.audit-scotland.gov.uk

Contents

Key messages	4	Best Value	16
Introduction	5	Appendix I – Significant audit risks	17
Audit of the 2014/15 financial statements	6	Appendix II - Summary of local audit reports 2014/15	22
Financial management and sustainability	11	Appendix III - Summary of national report 2014/15	23
Governance and transparency	14	Appendix IV - Action Plan	24

Key messages

 <p>Audit of financial statements</p>	<ul style="list-style-type: none">• Unqualified auditor's report on the 2014/15 financial statements.• Quality control improvements are required in the preparation of financial statements and supporting working papers.
 <p>Financial management and sustainability</p>	<ul style="list-style-type: none">• The Park reported an underspend against budget of £65,952 for 2014/15.• Overspend noted against publicity budget at year end of £3,300. Utilities also overspent by £16,145.• An updated Minute of Agreement between the constituent authorities is required to confirm funding arrangements and to ensure the financial sustainability of the Park.
 <p>Governance and transparency</p>	<ul style="list-style-type: none">• The Park continues to utilise the financial systems of East Dunbartonshire Council.• Improvements could be made to transparency by making committee papers and minutes publicly available on the Park or Council websites.• No specific internal audit work was carried out on the transactions of the Park in 2014/15.
 <p>Outlook</p>	<ul style="list-style-type: none">• The outlook for public spending for the period 2015/16 to 2016/17 remains very challenging. The Park will continue to face financial constraints which may increase the pressure on them to deliver their statutory duties and meet established performance targets. The Park will again need to be prepared to face the challenging financial environment ahead.

Introduction

1. This report is a summary of our findings arising from the 2014/15 audit of Mugdock Country Park Joint Management Committee. The report is divided into sections which reflect our public sector audit model.
2. The management of the Park is responsible for:
 - preparing financial statements which give a true and fair view
 - implementing appropriate internal control systems
 - putting in place proper arrangements for the conduct of its affairs
 - ensuring that the financial position is soundly based.
3. Our responsibility, as the external auditor of the Mugdock Country Park Joint Management Committee, is to undertake our audit in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.
4. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements; this does not relieve management of their responsibility for the preparation of financial statements which give a true and fair view.
5. A number of reports, both local and national, have been issued by Audit Scotland during the course of the year. These reports, summarised at **appendices II and III**, include recommendations for improvements.
6. **Appendix IV** is an action plan setting out our recommendations to address the high level risks we have identified during the course of the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". We recognise that not all risks can be eliminated or even minimised. What is important is that Mugdock Country Park Joint Management Committee understands its risks and has arrangements in place to manage these risks. The Park and Joint Management Committee members should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.
7. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.
8. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

Audit of the 2014/15 financial statements

Audit opinion	<ul style="list-style-type: none">• We have completed our audit and issued an unqualified independent auditor's report.
Going concern	<ul style="list-style-type: none">• The financial statements of the Park have been prepared on the going concern basis. Action is required to formalise an updated Minute of Agreement between the constituent authorities to ensure the future operation and financial sustainability of the Park.
Other information	<ul style="list-style-type: none">• We review and report on other information published with the financial statements, including the management commentary, annual governance statement and the remuneration report. We have nothing to report in respect of these statements.

Submission of financial statements for audit

9. We received the unaudited financial statements on 8 June 2015, in accordance with the agreed timetable. Although working papers were also provided, these were not subject to a suitable quality control process and a number of errors were identified. This had an adverse impact on audit progress, with additional work required by the audit team as a result. East Dunbartonshire Council staff provided support to the audit team which assisted the delivery of the audit to deadline.

Overview of the scope of the audit of the financial statements

10. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in our Annual Audit Plan issued to management on 23 March 2015.
11. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2014/15 agreed fee for the audit was set out in the Annual Audit Plan and this remains unchanged.
12. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a

number of key audit risks which involved the highest level of judgement and impact on the financial statements and consequently had the greatest effect on the audit strategy, resources and effort. We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. **Appendix I** sets out the significant audit risks identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

13. Our audit involved 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.

Materiality

14. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, an item contrary to law).
15. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

16. We summarised our approach to materiality in our Annual Audit Plan. Based on our knowledge and understanding of Mugdock Country Park Joint Management Committee we set our planning materiality for 2014/15 at £4,900 (1% of gross expenditure). We report all misstatements greater than £200. Performance materiality was calculated at £3,900, to reduce to an acceptable level the probability of uncorrected and undetected audit differences exceeding our planning materiality level.
17. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that our original calculation remained appropriate.

Evaluation of misstatements

18. All misstatements identified during the audit, which exceeded our misstatement threshold, have been amended in the financial statements.
19. A number of presentational and monetary adjustments were identified within the financial statements during the course of our audit. These were discussed with relevant officers who agreed to amend the unaudited financial statements.

Significant findings from the audit

20. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:

- The auditor’s views about significant qualitative aspects of the entity’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
 - Significant difficulties encountered during the audit.
 - Significant matters arising from the audit that were discussed, or subject to correspondence with management.
- Written representations requested by the auditor.
 - Other matters which in the auditor’s professional judgment, are significant to the oversight of the financial reporting process.
21. During the course of the audit we identified the following significant issues that, in our view, require to be communicated to you.

Significant findings from the audit

Issue	Resolution
<p>Minute of Agreement</p> <p>The Minute of Agreement between East Dunbartonshire Council and Stirling Council expired in March 2014. The Management Commentary within the annual accounts states that there is an agreement in place between the councils which splits the Administrative and Funding Arrangements on an 87.5%:12.5% basis. However, in the absence of a formalised Minute of Agreement, there is a risk that the Park may not receive the required level of funding in order to continue providing essential services.</p>	<p>Directors from East Dunbartonshire Council and Stirling Council met in July 2015 to discuss this issue, and a further meeting will take place in September/October 2015 to agree the percentage split. Anticipated this will be concluded by December 2015.</p>

Issue	Resolution
<p>Internal Audit coverage</p> <p>Internal Audit have not carried out any specific work on the Park’s transactions during the year. Although reference is made to the work carried out by Internal Audit on East Dunbartonshire Council’s systems within the Management Commentary, this does not guarantee that those transactions specific to the Park have received suitable coverage. It is not therefore possible to take specific assurance from this work.</p>	<p>Audit Scotland have carried out transactional testing on key council systems, reporting this through their annual systems report. Internal audit testing has focused on systems with work being initiated within the service to look at the management of income. It is intended that this will cover key financial areas. This work was deferred in the 2014/15 audit plan whilst an operational service review was undertaken, however, work is now being progressed. Internal auditors did not attend the stock count at Mugdock as this was deemed to be immaterial (around £800), although we were advised that representatives from Audit Scotland were due to attend.</p>
<p>Invoices accounted for in incorrect financial year</p> <p>Audit testing of post year end payments identified that all items in the sample had been accounted for in the incorrect financial year. Each invoice in the sample related to 2014/15 but had been accounted for in 2015/16. An adjustment was required to accrue these invoices into 2014/15. There is a risk that this incorrect accounting treatment has been applied across all post year end invoices.</p>	<p>In 2014/15, the council undertook to achieve an earlier closure for East Dunbartonshire Council’s Accounts, including Mugdock. This was successfully achieved, with unaudited Accounts being available in early June 2015. This resulted in deadlines being set for the accrual of invoices in early April, and the majority of invoices being picked up through this process. Although the Finance team spent some time later in the process reviewing accruals, materiality levels meant that the focus was on significant sums. Although a number of Mugdock invoices failed to be accrued, the total sum was only around £1.5k, and therefore would be well below any materiality thresholds. However, the Finance team will ensure that 2015/16 process has low threshold for Mugdock invoices.</p>

Issue	Resolution
<p>Misposting of year end accrued income journal</p> <p>Testing identified that there was a misposting relating to the year end accrued income journal. Following an incorrect posting, the adjustment was posted the wrong way round resulting in a total variance on the receivables balance of £23,274. This indicates a weakness in control over journal entry processing and is consistent with findings included in the East Dunbartonshire Council Internal Controls Report for 2014/15.</p>	<p>Journal processing is being reviewed by the Finance team, following the findings of the Internal Controls report. Revised process will be introduced during 2015/16.</p>
<p>Balance sheet in unaudited accounts did not balance</p> <p>The unaudited accounts included a Balance Sheet that did not balance. A balance of £1 was disclosed for Total Assets less Current Liabilities. Although this only required a small presentational adjustment, it is clear that such an error should have been picked up prior to submission for audit.</p>	<p>This was the result of minor rounding error, but agree that this should have been picked up prior to submission to audit. Will ensure there is quality control process built into 2015/16 Accounts.</p>
<p>Shop closure</p> <p>The shop within the visitor centre at the Park was closed at the year end. As at 16 July 2015, the shop remained closed awaiting Building Control sign off prior to re-opening. There is therefore a risk that the Park are not maximising revenue potential during the busy summer months.</p>	<p>Although the shop has been closed, the former premises has been leased out to a Cycle Hire company. This arrangement will increase the rental income to the park.</p>

Financial management and sustainability

Financial management

22. In this section we comment on the Park's financial outcomes and assess the financial management arrangements.
23. The Park sets an annual budget to meet its service and other commitments for the forthcoming financial year. Regular monitoring of expenditure and income against agreed budgets is central to effective financial management.

Financial outcomes

24. Overall the Park reported an underspend against budget of £65,952. To achieve this, the Park were able to manage spend in areas such as operating costs. However, it was noted that publicity costs have exceeded budget by £3,300. A £16,145 overspend was also noted against the utilities budget.
25. The Park has also experienced a significant decrease in income levels during 2014/15. This is explained by a decrease in the number of planned events taking place at the Park, as well as the property recharge being lower than anticipated.
26. The Park's balance sheet as at 31 March 2015 reflects net assets of £0. However, this includes a temporary advance from East Dunbartonshire Council of £746. This reflects the net position of current assets and liabilities at the year end and represents a cash outflow position.
27. Net revenue expenditure to be met by constituent authorities in 2014/15 was £50,115 lower than in the previous year.

Financial management arrangements

28. As auditors, we need to consider whether the Park have established adequate financial management arrangements. We do this by considering a number of factors, including whether:
 - the Treasurer has sufficient status to be able to deliver good financial management
 - financial regulations are comprehensive, current and promoted within the Park
 - reports monitoring performance against budgets are accurate and provided regularly to budget holders
 - monitoring reports do not just contain financial data but are linked to information about performance
 - members provide a good level of challenge and question budget holders on significant variances.
29. We assessed the role and status of the proper officer against CIPFA's "Statement on the role of the Chief Financial Officer in Local Government" and concluded that the Park complies with the statement's five principles.

30. The Park is covered by East Dunbartonshire Council's financial regulations. We concluded that these are comprehensive and current. The council's financial regulations are available on the council's website.
31. Financial monitoring reports are submitted to the Joint Management Committee on a quarterly basis. However, although most variances are explained in terms of underlying service delivery there remains areas where explanations are absent or unclear. Furthermore, action is not always taken to address areas of projected adverse variance throughout the year. There is a requirement for the service to work in conjunction with Finance to construct meaningful budgets that monitor current service delivery.

Action plan 1

32. As auditors we attend a number of committee meetings each year. Members provide an adequate level of challenge and question budget holders on significant variances and service performance issues.

Conclusion on financial management

33. We have concluded that the Park's financial management arrangements are broadly satisfactory. However, there are some areas where improvements could be made to enhance existing arrangements. Whilst overall financial management is broadly satisfactory, there remains an issue with budgets not reflecting actual outturn. Action should be taken to ensure that appropriate

budgets are set in order to minimise the potential for significant over or underspends.

Financial sustainability

34. Financial sustainability means that the Park has the capacity to meet the current and future needs of its users. In assessing financial sustainability we are concerned with whether:
- spending is being balanced with income in the short term
 - long term financial pressures are understood and planned for
 - investment in services and assets is effective.
35. Effective long-term financial planning, asset management and workforce planning are crucial to sustainability. It is also vital that the Park finalise an updated Minute of Agreement between the constituent authorities. Without this, there is a significant risk that essential funding may not be provided and the longer term financial sustainability of the Park cannot be confirmed. This issue was also reported in 2013/14. It is disappointing to note that progress since then has been limited.

Action plan 2

Financial planning

36. The Park set its 2015/16 budget in March 2015. The 2015/16 budget was set at £328,137 and reflects the budget reduction process which was reported to the Joint Management Committee on 16 December 2014.

Outlook

37. Looking ahead, it is clear that the outlook for public spending for the period 2015/16 to 2016/17 remains very challenging. The Park will continue to face financial constraints which may increase the pressure on them to deliver their statutory duties and meet established performance targets. The Park will again need to be prepared to face the challenging financial environment ahead. Decisions must be based on a clear understanding of the current financial position and the longer-term implications of decisions on services and finances.

Governance and transparency

38. Members and management of the Park's Joint Management Committee are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements. We concluded that the Park has effective overarching and supporting governance arrangements which provide an appropriate framework for organisational decision making.
39. Citizens should be able to hold the Park to account about the services it provides. Transparency means that citizens have access to understandable, relevant and timely information about how the Park is taking decisions and how it is using its resources. Overall we concluded that the Park is open and transparent although there are some areas where practices could be improved.

Internal control

40. As part of our audit we reviewed the high level controls in a number of systems fundamental to the preparation of the financial statements. Our objective was to obtain evidence to support our opinion on the Park's financial statements.

41. Financial transactions are processed through East Dunbartonshire Council's financial systems. The Annual Governance Statement for the year 2014/15, signed by the Treasurer, outlines these arrangements. It is therefore the responsibility of the Council's management to maintain adequate financial systems and associated internal controls. The Governance Statement concludes that the council has an adequate system of internal financial controls with a number of weaknesses identified.

Internal audit

42. Internal audit provides members and management with independent assurance on risk management, internal control and corporate governance processes. We are required by international auditing standards to make an assessment of internal audit to determine the extent to which we can place reliance on its work. To avoid duplication, we place reliance on internal audit work where possible.
43. Internal audit is an important element of the East Dunbartonshire Council governance structure. Our review established that the work of internal audit is of an adequate quality allowing us to place reliance in a number of areas. However, no specific work on the Park was carried out. As a result, assurances could not be taken in relation to these transactions.

Arrangements for the prevention and detection of fraud

44. In our Annual Audit Plan we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In our opinion the overall arrangements for the prevention of fraud within the Park are satisfactory, although it should be noted that no system can eliminate the risk of fraud entirely.

Arrangements for maintaining standards of conduct and the prevention and detection of corruption

45. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and instructions. Auditors consider whether bodies have adequate arrangements in place. No issues have been identified by us for inclusion in this report.

Transparency

46. When assessing transparency we consider if:
- Meetings are held in public
 - Papers and corporate documents are available online and there is only limited use of taking papers in private

- Financial statements are clearly presented and budget monitoring papers are concise and clear

47. Meetings of the Park's Joint Management Committee are held in public but papers and minutes are not available from the website. The website should also publish information on corporate policies, targets and performance. However, no such information is included.

Action Plan 3

48. The financial statements are clearly presented and reflect the budget monitoring papers presented to committee throughout the year. However, improvements could be made in terms of the quality of variance analysis included as part of these monitoring reports in order to ensure appropriate action is taken to address projected adverse variances.

Best Value

49. Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. The Park should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.

Performance management

50. Audited bodies have a specific responsibility to ensure that arrangements have been made to secure Best Value. Auditors of local government bodies also have a responsibility to review and report on the arrangements that specified audited bodies have made to prepare and publish performance information in accordance with directions issued by the Accounts Commission.
51. The number of visitors to the Park is monitored on a monthly basis and presented to the Joint Management Committee as part of the General Progress Report. The total number of visitors for 2014/15 was calculated to be 628,620. This was an increase of 24,917 on the total recorded in 2013/14.

National performance audit reports

52. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. The reports issued in 2014/15 are outlined in appendix III.

Equalities

53. The Equality Act 2010 introduced a new public sector 'general duty' which encourages equality to be mainstreamed into public bodies' core work. The Act requires that by no later than 30 April 2015 and every two years thereafter, public bodies must publish a report on the progress made to achieve the quality of outcomes it has set.
54. The Park follows the Equalities Policy in place at East Dunbartonshire Council. A report was published in April 2015 in accordance with the direction as set out in the Act.

Outlook

55. We confirm the financial sustainability of the Park on the basis of its financial position. However, the operation of the Park is dependent on Local Authority funding. As their funds are projected to decrease in the next few years this may have a negative impact on funding available to the Park. It is important that the Park secures funding to support service needs and monitors this closely against expenditure. As local government bodies are facing a funding environment which is subject to sustained pressure to deliver more with less this may also impact on funding and service delivery.

Appendix I – Significant audit risks

The table below sets out the financial statement audit risks we identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit Risk	Assurance procedure	Results and conclusions
Risk of material misstatement		
<p>Risk of material misstatement due to fraud in revenue recognition</p> <p>ISA 240 presumes an inherent risk of fraud where income streams are significant.</p> <p>East Dunbartonshire Council and Stirling Council are the constituent authorities of the Park. Each body receives a significant amount of income in addition to SG funding.</p> <p>The extent and complexity of income means there is an inherent risk of fraud in accordance with ISA240.</p>	<ul style="list-style-type: none"> • Evaluation of accounting policies for income and expenditure • Detailed testing of journal entries • Review of accounting estimates • Analytical review of income streams to confirm completeness and identify any unusual transactions or variations in income. • Substantive testing of income transactions to confirm occurrence and accuracy of amounts in the financial statements. 	<p>No issues have arisen as part of out audit work that would indicate fraud in revenue recognition.</p>

Audit Risk	Assurance procedure	Results and conclusions
<p>Risk of management override of control</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. Management’s ability to manipulate accounting records and prepare fraudulent or biased financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries • Review of accounting estimates • Evaluating significant transactions that are outside the normal course of business 	<p>No issues have arisen as part of out audit work that would indicate management override of controls affecting the outturn or year-end position.</p>
<p>Risks identified from the auditor’s wider responsibility under the Code of Audit Practice</p>		
<p>Expiration of Minute of Agreement</p> <p>The Park’s Minute of Agreement between the constituent authorities expired on 31 March 2014.</p> <p>The ongoing management of the Park remains uncertain while a formal Minute of Agreement has not been agreed.</p>	<ul style="list-style-type: none"> • Monitor developments throughout the audit. • Engage in discussions with key officers. 	<p>Updates received from officers indicate that a formal Minute of Agreement has yet to be agreed. As a result, the risk and uncertainty remain.</p>
<p>Organisational Structure</p> <p>The Park are currently operating without an approved organisational structure. The absence of an approved organisational structure for the Park represents a risk that key roles have not been identified and filled.</p>	<ul style="list-style-type: none"> • Monitor developments through review of committee papers and minutes. 	<p>A review of committee papers and minutes was carried out. The organisational structure was approved at the East Dunbartonshire Council meeting on 25 June 2015.</p>

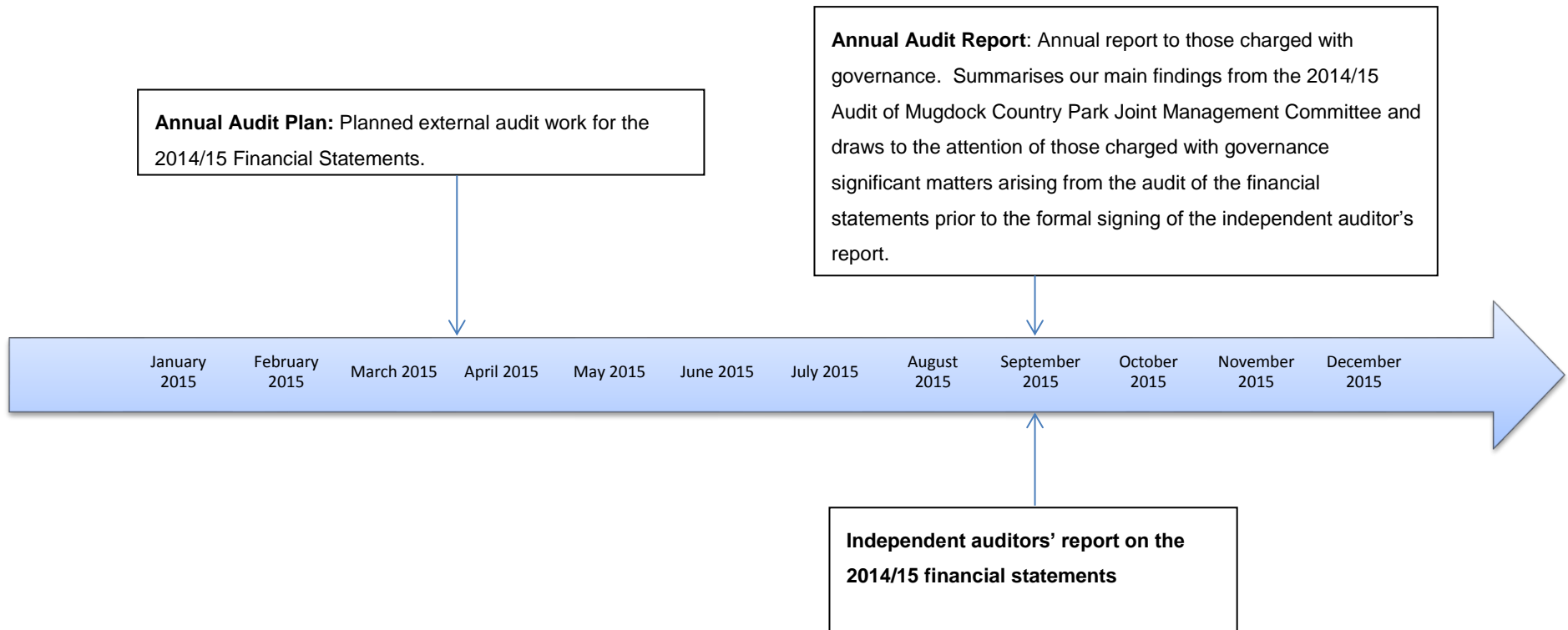
Audit Risk	Assurance procedure	Results and conclusions
<p>Financial Pressures</p> <p>Limitations in the ability of the Park to generate external income may negatively impact on the ongoing operation of service or place additional financial burden on the Joint Management Committee to cover costs.</p>	<ul style="list-style-type: none"> Review as part of 2014/15 audit work. 	<p>No issues noted as part of 2014/15 audit. Although income has reduced from 2013/14 levels, this has been offset by a significant reduction in expenditure.</p>
<p>Local Authority Funding</p> <p>The increasing budget deficit represents a risk to the ongoing operations of the Park, and requires additional funding to be provided by the Joint Management Committee.</p>	<ul style="list-style-type: none"> Monitor developments through review of committee papers and minutes. 	<p>No issues noted as part of 2014/15 audit. Amount to be met by constituent authorities has reduced from the prior year.</p>

Audit Risk	Assurance procedure	Results and conclusions
<p>Budget profiling</p> <p>Actual costs for utilities and publicity are on course to exceed budget, increasing the likelihood that additional funding will be required from the Joint Management Committee.</p>	<ul style="list-style-type: none"> • Monitor developments through review of committee papers and minutes. • Assess budget performance through testing of financial statements at year end. 	<p>A review of committee papers highlighted further weaknesses in budget profiling and monitoring. Finance reports highlighted large overspends in Utilities and Trading & Events at the year end. A large underspend against budget for Employee Costs was also recorded but this relates to a reduction in costs associated with exit packages as opposed to a reduction in employee costs. The employee costs budget was not suitably adjusted to reflect this.</p>

Audit Risk	Assurance procedure	Results and conclusions
<p>Constituent Authority Contributions</p> <p>Current spending levels in utilities and publicity will result in a budget deficit at the year end with additional funding required from constituent authorities. Constituent authorities may be unable to fund higher levels of expenditure and may have to consider a more effective and efficient operating model for the Park.</p>	<ul style="list-style-type: none"> • Monitor developments through review of committee papers and minutes. 	<p>A significant underspend against employee costs has resulted in lower than expected constituent authority contributions. However, as noted above, this underspend is actually as a result of fewer exit packages during the year and a budget that did not reflect this. In real terms, employee costs have actually risen.</p>

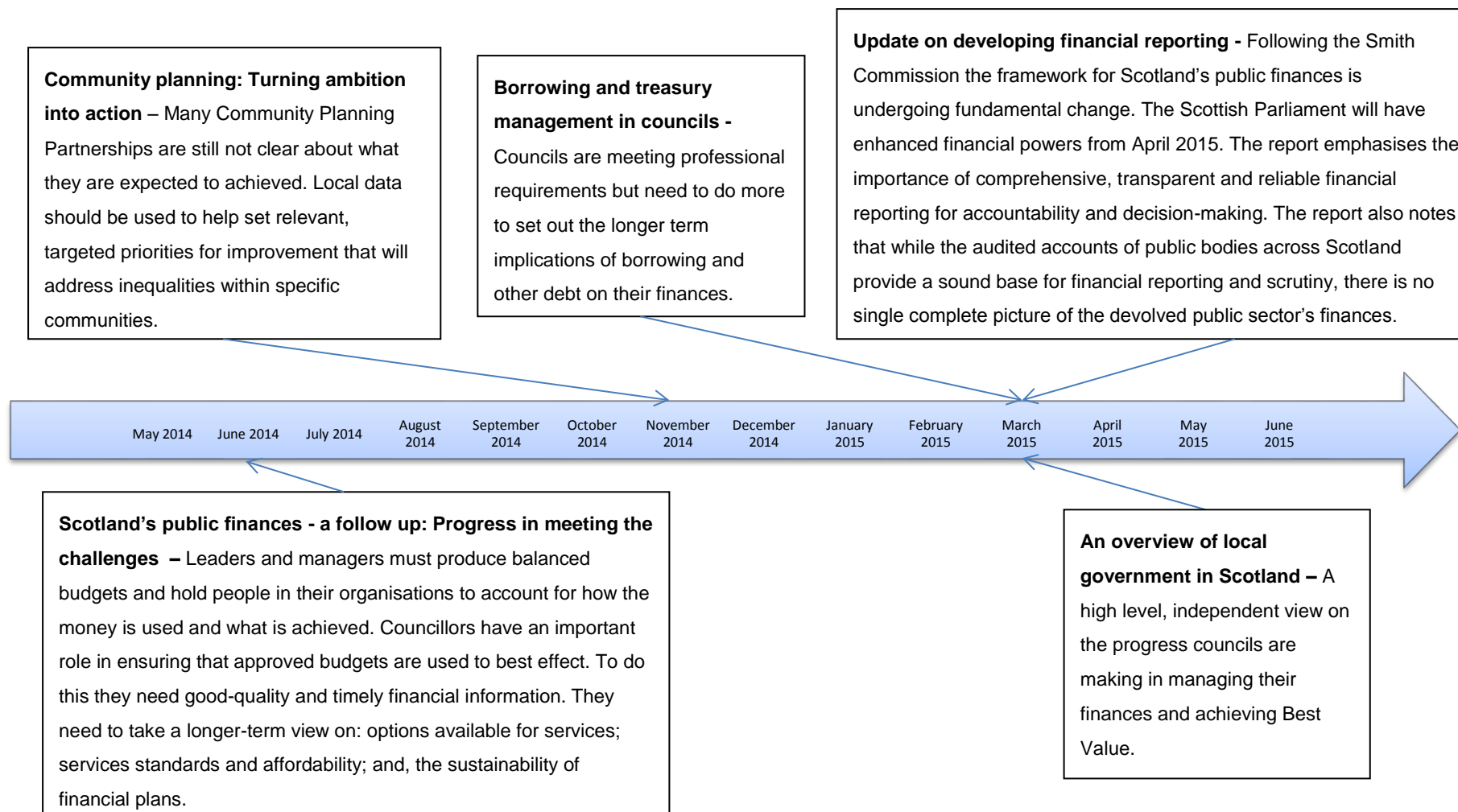
Appendix II

Summary of Mugdock Country Park Joint Management Committee local audit reports 2014/15



Appendix III

Summary of Audit Scotland national reports 2013/14



Appendix IV

Action plan

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
1 12/31	<p>Budget monitoring</p> <p>Financial monitoring reports are submitted to the Joint Management Committee on a quarterly basis. Although most variances are explained in terms of underlying service delivery, action is not always taken to address areas of projected adverse variance throughout the year. There is a requirement for the service to work in conjunction with Finance to construct meaningful budgets that monitor current service delivery.</p> <p>Risk</p> <p>There is a risk that significant under and overspends will continue if budget monitoring arrangements are not improved.</p> <p>Recommendation</p> <p>Budget variances should be analysed in detail to allow appropriate action to be taken to address areas of projected adverse variance.</p>	<p>Monthly meetings take place to monitor spend and these will continue. Adverse variances will be more closely monitored and explained.</p> <p>Finance will take responsibility for preparing the financial report to the Joint Committee, and will update the appendix to make this more relevant to information received by officers on a monthly basis.</p>	Mary Coulshed/Gail Morrison	September 2015

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
2 12/35	<p>Minute of Agreement</p> <p>The Park's Minute of Agreement between East Dunbartonshire Council and Stirling Council expired on 31 March 2014. This was also highlighted within the 2013/14 Annual Audit Report. It is vital that the Park finalise an updated Minute of Agreement between the constituent authorities. Without this, there is a significant risk that essential funding may not be provided and the longer term financial sustainability of the Park cannot be confirmed. It is disappointing to note that little progress has been made on this issue.</p> <p>Risk</p> <p>There is a risk that the Park will become unsustainable.</p> <p>Recommendation</p> <p>An updated Minute of Agreement should be agreed to confirm the funding arrangements for the Park over the short, medium and long term.</p>	<p>A meeting took place between Thomas Glen from EDC and Robert Steenson of Stirling Council in July 2015 to discuss Mugdock Park. The Minute of Agreement and Variation to the Minute was central to discussions and all points were agreed, with a further meeting to be scheduled to confirm the percentage split of funding for the park.</p>	Mary Coulshed	December 2015

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
3 15/47	<p>Transparency of committee meetings</p> <p>Meetings of the Park's Joint Management Committee are held in public but papers and minutes are not readily available from the website. The website should also publish information on corporate policies, targets and performance. However, no such information is included.</p> <p>Risk</p> <p>There is a risk that the public do not have the required level of access to committee discussions and decisions</p> <p>Recommendation</p> <p>Committee papers and minutes should be made available on the Park or council websites.</p>	Agreed that these should be on website, and this will be addressed.	Mary Coulshed	September 2015