

**Council Offices
South Lanarkshire Council
Almada Street
Hamilton
ML3 0AA**

Monday, 05 November 2018

Dear Councillor

Clyde Valley Learning and Development Joint Committee

The Members listed below are requested to attend a meeting of the above Joint Committee to be held as follows:-

Date: Monday, 10 September 2018
Time: 14:00
Venue: Audio Conference Call,

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Paul Manning
Clerk to the Joint Committee

Members

Council

East Dunbartonshire
East Renfrewshire
Glasgow City
Inverclyde
North Lanarkshire
Renfrewshire
South Lanarkshire
West Dunbartonshire

Member

Councillor Jim Gibbons
Councillor Colm Merrick
Councillor Richard Bell
Councillor Martin Brennan
Councillor Angela Campbell
Councillor Jim Paterson
Councillor Katy Loudon
Councillor Karen Conaghan

Substitute

To be advised
To be advised
Councillor Elaine McSporran
Councillor Natasha Murphy
To be advised
Councillor Lorraine Cameron
Councillor Gladys Miller
Councillor Caroline McAllister

Copies to substitute members for information only

BUSINESS

1 Declaration of Interests

2 Minutes of Previous Meeting

3 - 10

Minutes of meeting of the Clyde Valley Learning and Development Joint Committee held on 11 June 2018 submitted for approval as a correct record. (Copy attached)

Item(s) for Noting

3 Audit Scotland - Clyde Valley Learning and Development Joint Committee - Proposed 2017/2018 Annual Audit Report

11 - 22

Report dated September 2018 by Audit Scotland. (Copy attached)

Item(s) for Decision

4 Certified Annual Accounts 2017/2018 and External Auditor's Report to the Joint Committee

23 - 50

Report dated 22 August 2018 by the Treasurer of the Clyde Valley Learning and Development Joint Committee. (Copy attached)

Urgent Business

5 Urgent Business

Any other items of business which the Chair decides are urgent.

For further information, please contact:-

Clerk Name: Stuart McLeod

Clerk Telephone: 01698 454 815

Clerk Email: stuart.mcleod@southlanarkshire.gov.uk

CLYDE VALLEY LEARNING AND DEVELOPMENT JOINT COMMITTEE

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 11 June 2018

Convener:

Councillor Katy Loudon, South Lanarkshire Council

Councillors Present:

East Dunbartonshire Council:	Jim Gibbons (Vice Convener)
East Renfrewshire Council:	Colm Merrick
North Lanarkshire Council:	Angela Campbell

Councillors' Apologies:

Glasgow City Council:	Richard Bell and Elaine McSporran (Substitute)
Inverclyde Council:	Martin Brennan and Natasha Murphy (Substitute)
Renfrewshire Council:	Jim Paterson and Lorraine Cameron (Substitute)
West Dunbartonshire Council:	Karen Conaghan and Caroline McAllister (Substitute)

Attending:

Clerk's Office

Gordon Bow, Administration Manager, South Lanarkshire Council

Treasurer's Office

Amanda Murray, Finance Adviser, South Lanarkshire Council

Clyde Valley Learning and Development Project

Gerry Farrell, Project Manager

Margaret Quinn, Project Development Officer

Project Implementation Steering Group

Bob Jones, East Dunbartonshire Council

Pauline Cameron, East Renfrewshire Council

Alex Hughes, Inverclyde Council

Pauline McCafferty, North Lanarkshire Council

Simon Hall and Lenore Robson, Renfrewshire Council

Gill Bhatti (Chair), South Lanarkshire Council

Also Attending:

Tony Mackie, Principal Officer, Learning and Development, Glasgow City Council

Karen Moore, Legal Services Adviser, South Lanarkshire Council

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Clyde Valley Learning and Development Joint Committee held on 4 December 2017 were submitted for approval as a correct record.

The Joint Committee decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring 2018/2019 - Clyde Valley Learning and Development Joint Committee

A report dated 14 May 2018 by the Treasurer to the Clyde Valley Learning and Development Joint Committee was submitted comparing actual expenditure at 27 April 2018 against budgeted expenditure for the Clyde Valley Learning and Development Joint Committee's revenue budget.

The Joint Committee decided: that the breakeven position on the revenue budget, as detailed in Appendix A to the report, be noted.

[Reference: Minutes of 4 December 2017 (Paragraph 4)]

4 Annual Governance Statement 2017/2018

A report dated 18 May 2018 by the Treasurer to the Clyde Valley Learning and Development Joint Committee was submitted on the Annual Governance Statement for 2017/2018 which would be included in the Joint Committee's 2017/2018 Annual Accounts.

The Joint Committee's Annual Governance Statement 2017/2018, which was attached as an appendix to the report, provided details of the systems for internal control which were in place to ensure a robust governance structure. For 2017/2018, the Treasurer's opinion was that reasonable assurance could be placed on the adequacy and effectiveness of the Joint Committee's framework of governance, risk management and control arrangements.

The Joint Committee decided: that the Annual Governance Statement, attached as Appendix 1 to the report, which would be included in the Clyde Valley Learning and Development Joint Committee's 2017/2018 Annual Accounts, be approved.

5 2017/2018 Annual Report and Accounts - Clyde Valley Learning and Development Joint Committee

A report dated 15 May 2018 by the Treasurer to the Clyde Valley Learning and Development Joint Committee was submitted on the Annual Report and Accounts of the Joint Committee for the year ending 31 March 2018.

The Annual Report and Accounts, attached as an appendix to the report, detailed the revenue account and balance sheet to 31 March 2018 for the Joint Committee. The Accounts showed that the Joint Committee's total revenue expenditure had amounted to £0.061 million in 2017/2018 and had been met by income of £0.062 million, resulting in a £0.001 million surplus. The surplus would be added to the revenue cash balance of £0.011 million from 2016/2017, leaving a balance of £0.012 million to be carried forward for use in future years.

The Annual Report and Accounts would be passed to the External Auditor for consideration.

The Joint Committee decided: that the Annual Report and Accounts for the Clyde Valley Learning and Development Joint Committee for year ended 31 March 2018 be noted.

Councillor Gibbons entered the meeting during this item of business

6 Update on the Future and Funding for the Clyde Valley Learning and Development Project 2018/2019

A report dated 21 May 2018 by the Chair of the Clyde Valley Learning and Development Project Implementation Steering Group was submitted on proposals to restructure the membership and funding model of the Clyde Valley Learning and Development Project.

At its meeting on 4 December 2017, the Joint Committee had tasked the Project Implementation Steering Group with evaluating options for the continued sustainability and success of the Project. Following consultation with the member councils, the Project Implementation Steering Group had proposed that the membership and funding of the Project be restructured based on the following principles:-

- ◆ that the opportunity to be a Full Member of the Project would be available to all current member councils and associate member councils and organisations
- ◆ that opting to be a Full Member of the Project would require an annual financial contribution based on an agreed tariff
- ◆ that being a Full Member would involve assuming a strategic management and governance role in the Project as well as access to all Clyde Valley initiatives, projects and delivery models
- ◆ that a second tier membership category would be available to councils who would not have responsibility for Project management or governance. It was proposed that councils opting for this category of membership would be known as Participating Members
- ◆ that Participating Members would have access to all Clyde Valley procurement initiatives, strategic programmes, delivery models and participation in Clyde Valley Sub-groups
- ◆ that a third tier of membership would be available to councils who wished to participate in Clyde Valley procurement initiatives only. It was proposed that councils opting to join this category of membership would be known as Procurement Members
- ◆ that each category of membership would be renewable on an annual basis and that the agreed fee would require to be paid in advance of each year that any of the project models were accessed (including procurement)
- ◆ that the tariff for all categories, as detailed in the report, would vary depending on the size of the council
- ◆ that, in recognition of the distinct strategic direction of the Social Care Sub-group, the status of this Sub-group be raised to have a parallel management and governance role similar to the Project Implementation Steering Group
- ◆ that strategic decisions on programmes, workplan and direction of travel would be reserved for Full Member councils only
- ◆ that a minimum of 5 Full Members be required to retain the Project's viability and ensure effective governance

If approved, the Clyde Valley Learning and Development Project Minute of Agreement (MoA) would require to be updated to reflect the revised structure of the membership and funding model. The revised MoA would also detail the implications, responsibilities and contributions that would be expected from members and the additional data protection requirements associated with the General Data Protection Regulation (GDPR).

Subject to guaranteeing the agreed minimum annual contribution to the running costs of the project, South Lanarkshire Council would continue to act as lead authority for the Project and, in addition to its continued direct financial support, would continue to provide the necessary resources to manage the administration of the Project.

Depending on the uptake in membership of the Project, consideration required to be given to the membership of the Joint Committee and the Project Implementation Steering Group as well as the relationship between the Steering Group and the Social Care Sub-group. If other councils opted to become Participating Members, there would be resource implications for cascade training of the Promoting Positive Behaviour (PPB) Programme for Social Care staff and this would be the subject of a future report to the Joint Committee.

Having fully considered the available options and the unanimous agreement amongst member councils that associate membership should entail a financial contribution to access the Project's associated benefits, the Project Implementation Steering Group recommended that:-

- ◆ the proposals to reshape the Project's membership structure be trialled on a pilot basis
- ◆ the pilot include the adoption of the proposed funding model
- ◆ the funding model be subject to the constraints of a minimum number of 5 Full Members and that the tariff should be reviewed on an annual basis
- ◆ each council sign up to a charter of responsibilities for each category of membership
- ◆ the Joint Committee Minute of Agreement be revised to reflect the amended membership structure, categories of membership and charter of membership responsibilities
- ◆ the Social Care Sub-group's status be raised to an equal level of governance as that of the Project Implementation Steering Group in order to reflect its own strategic direction and management of resources

Based on the current number of 8 member councils retaining their full membership status of the Project, the proposed funding model would increase the annual contribution to the Project from the current £32,000 to £59,000. Any additional income would be dependent on the uptake of the membership categories.

Given that the annual financial contribution to the Project could potentially fluctuate year by year, it was proposed that a minimum level of funding be set at £59,000 per annum to allow the Project to continue.

The Joint Committee decided:

- (1) that the new categories of membership of the Project and the associated responsibilities and benefits, as detailed above, be trialled on a pilot basis with immediate effect;
- (2) that the revised funding model, as detailed in the report, be trialled on a pilot basis with immediate effect;
- (3) that a minimum level of funding be set at £59,000 per annum to allow the Project to continue;
- (4) that the Clyde Valley Learning and Development Project Minute of Agreement be revised to reflect the changes and the additional data protection requirements associated with the General Data Protection Regulation (GDPR);
- (5) that a minimum number of 5 Full Member councils be required in order to maintain the Project's viability; and
- (6) that the revised structure and funding model for the Project be reviewed on an annual basis.

[Reference: Minutes of 4 December 2017 (Paragraph 5)]

7 Charging for Services Provided by the Clyde Valley Learning and Development Project

A report dated 17 May 2018 by the Chair of the Clyde Valley Learning and Development Project Implementation Steering Group was submitted on the legal position regarding charging for services provided by the Clyde Valley Learning and Development Project.

The established principle for the Project was that there should be no charging for services between the Clyde Valley councils and that, where possible, all contributions to development and delivery should be in-kind.

The ongoing success of the Promoting Positive Behaviour (PPB) programme had attracted interest from several parties outwith the member councils who had enquired about gaining access to the Programme and, following discussion at the meeting of the Joint Committee on 4 December 2017, it had been agreed that the possibility of charging associate member councils and third parties for access to the Programme be explored.

The following advice had since been obtained from South Lanarkshire Council's Administration and Legal Services:-

- ◆ The Local Authorities (Goods and Services) Act 1970 provided that local authorities could sell goods or services to other local authorities or bodies which had functions of a public nature.

Should this course of action be taken in relation to other public bodies, this would need to be declared to all member councils' insurance providers and all would require to purchase professional indemnity cover. This was not an additional requirement when dealing solely with local authorities.

In addition, local authorities were not permitted to make profits on goods or services sold and could only recover the costs incurred in relation to that product whether selling to other public bodies (including local authorities).

- ◆ Selling to private persons or companies could only be done as part of "a relevant trading operation" carried out by the authority. A trading operation was defined as one for which, "in accordance with proper accounting practices (within the meaning of section 12 of the Local Government in Scotland Act 2003) the authority keeps trading accounts."

As a result, if the Project was considering selling to the private sector, a separate trading operation would require to be set-up, managed and monitored by the lead authority's Finance Services. In addition, a further requirement would be to find a statutory power to justify carrying out such a trading operation, however, the development and public selling of training materials was not within the statutory functions of local government.

The general power to advance well-being in Section 20 of the Local Government in Scotland Act 2003 could not be used for this purpose as it:-

- ◆ was subject to the restrictions in the 1970 Act
- ◆ could not be used by an authority to raise money

The Joint Committee decided:

- (1) that the legal position in terms of charging for services be noted;
- (2) that it be noted that any charges applicable to selling services to other local authorities would be on the basis of cost recovery;

- (3) that it be noted that any charges applicable to selling services to other public bodies would be on the basis of cost recovery, and could only be considered after each authority had adjusted their respective insurance professional indemnity cover accordingly; and
- (4) that it be noted that the member councils did not have legal power to sell their services (including the Promoting Positive Behaviour Programme) to private sector organisations.

[Reference: Minutes of 4 December 2017 (Paragraph 6)]

8 Clyde Valley Learning and Development Project - Contract Extension for e-Learning Service (Learning Management System)

A report dated 17 May 2018 by the Chair of the Clyde Valley Learning and Development Project Implementation Steering Group was submitted advising of the intention to exercise the option to extend the contract for the continued provision of an e-learning service on behalf of the Clyde Valley Learning and Development Group (CVLDG).

Brightwave Limited had been the preferred supplier of e-learning services to the member councils since August 2009. During this period, 2 contracts had been awarded following competitive tendering processes. The current contract had been awarded in June 2014 and was effective from 1 August 2014 to 31 July 2018, with an option to extend the contract for up to a further 3 years.

Over the 9 year period and, in particular, during the last 4 years, Brightwave Limited had demonstrated a consistently high level of reliability and excellent customer support.

Based on Brightwave Limited's consistently high performance levels and continued value for money due to the shared discount for the participating members, it was intended to exercise the option to extend the contract for a period of up to 3 years.

Member councils were not bound to accept the majority decision of the CVLDG to extend the current contract and some member councils had indicated that they were opting out of the contract extension. Of the member councils that had opted to remain with the current provider, the period of the extension of the contract varied between 1 and 3 years.

Based on the number of member and associate member councils that had committed to their continued participation in the contract, the overall discount on the base price during the extension period was projected as follows:-

- ◆ Year 1 - 32.5% discount
- ◆ Year 2 - 32.5% discount
- ◆ Year 3 - 30% discount

In addition to the continued discounts based on economies of scale, Brightwave Limited had added further value to the Learning Management System choices as participating councils could either continue using the existing Launch and Track system, in which case a further discount would be available or, alternatively, by using Tessello Go which was a more modern learner interface and was further incentivised through a sliding scale of discounts for the installation fee.

The Joint Committee decided:

- (1) that it be noted that the existing contract to provide e-learning services would reach the end of its 4 year term on 31 July 2018;

- (2) that it be noted that it was the intention of the Clyde Valley Learning and Development Group to activate the option to extend the contract with Brightwave Limited for a period of up to 3 years from 1 August 2018; and
- (3) that it be noted that the discount offered by the contract continued to incentivise other councils to join the contract to the mutual benefit of all.

[Reference: Minutes of 9 June 2014 (Paragraph 6)]

9 Clyde Valley Learning and Development Project - Update on e-Learning Sub-group Developments

A report dated 18 May 2018 by the Chair of the Clyde Valley Learning and Development Project Implementation Steering Group was submitted on the plans and priorities to be addressed by the e-Learning Sub-group during the next year.

The report detailed a number of challenges and opportunities that were being faced by the Clyde Valley Learning and Development Group (CVLDG) and the e-Learning Sub-group. In light of those, a review had been undertaken of the role, responsibilities and strategic impact of e-learning and the e-Learning Sub-group.

The following recommendations had been made by the e-Learning Sub-group and approved by the Project Implementation Steering Group:-

- ◆ that the ground rules of membership of the e-Learning Sub-group be established based on the revised structure of membership of the CVLDG
- ◆ that a course sharing audit be carried out and the process for accessing available training content be improved
- ◆ that a clear strategy and timeline be developed for the e-Learning Sub-group
- ◆ that different ways of engaging with individual members and the Sub-group as a whole be considered
- ◆ that greater input from Sub-group members and a wider range of individuals taking the lead on delivery of projects be encouraged
- ◆ that opportunities for greater networking with similar groups, such as the Digital Partnership for Scottish Local Government, Improvement Service, NHS and Education Scotland (NES), be encouraged
- ◆ that a library of courses be created to remove the reliance on purchased training content

The Joint Committee decided:

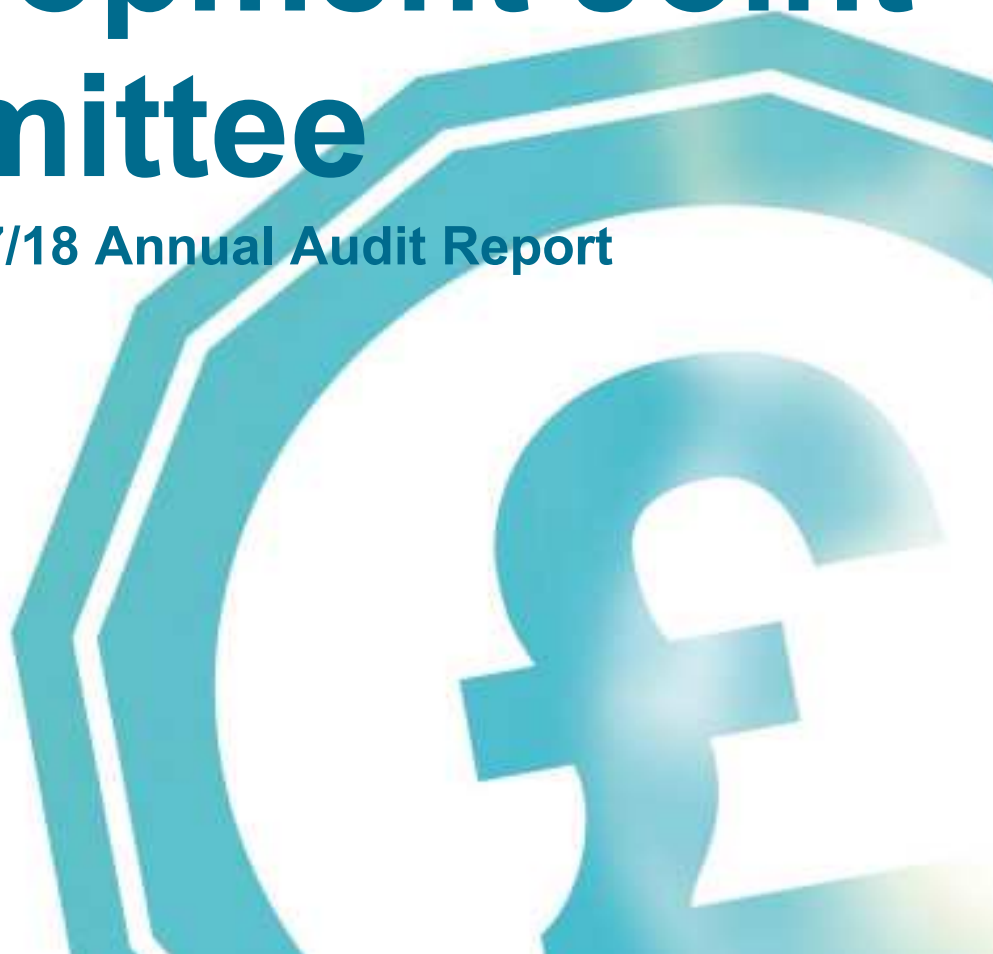
- (1) that it be noted that a review of activities and priorities of the e-Learning Sub-group had been undertaken;
- (2) that it be noted that the challenges facing the Clyde Valley Learning and Development Group and e-Learning Sub-group required to be addressed and opportunities exploited in order to continue to realise the benefits of collaborative working; and
- (3) that it be noted that the recommendations detailed above, which had been made by the e-Learning Sub-group and approved by the Project Implementation Steering Group, would be addressed and implemented.

10 Urgent Business

There were no items of urgent business.

Clyde Valley Learning and Development Joint Committee

Proposed 2017/18 Annual Audit Report

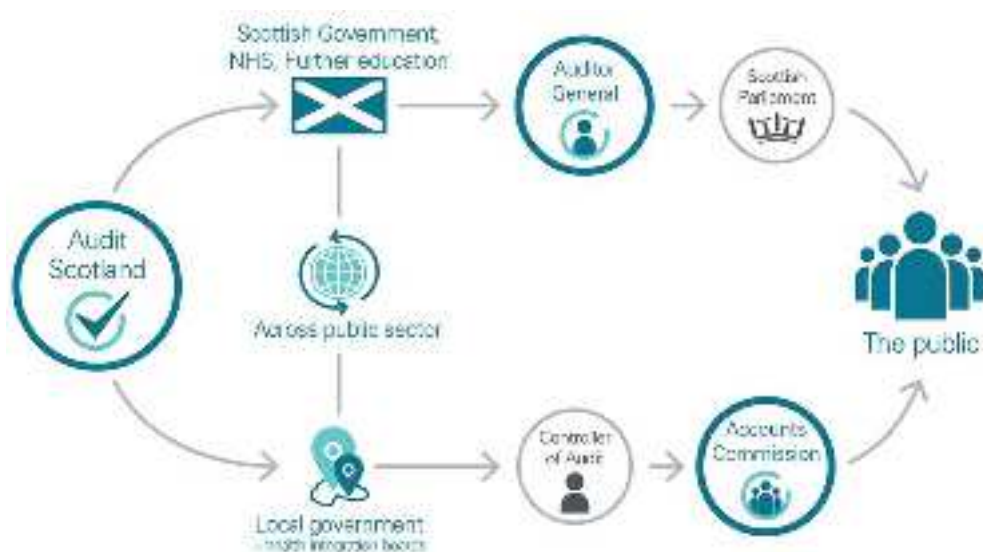


Prepared for the members of the Clyde Valley Learning and Development Joint Committee
and the Controller of Audit
September 2018

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

Audit of 2017/18 annual accounts

- 1** The financial statements of the Clyde Valley Learning and Development Joint Committee for 2017/18 give a true and fair view of the state of its affairs and of its net expenditure for the year.
- 2** The narrative reports forming part of the annual accounts were properly prepared and consistent with the financial statements.

Financial sustainability and governance statement

- 3** Given the evidence of continued support from members we conclude that the Joint Committee's financial position is sustainable in the foreseeable future.
- 4** The Joint Committee's Annual Governance Statement complies with guidance.

Introduction

1. This report summarises the findings from our 2017/18 audit of Clyde Valley Learning and Development Joint Committee. The [Code of Audit Practice 2016](#) (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services.
2. The scope of our audit was set out in our Annual Audit Plan presented to the February meeting of the Joint Committee. We applied the small body provisions of the Code to the 2017/18 audit of the Clyde Valley Learning and Development Joint Committee.
3. Management of the Joint Committee is responsible for, inter alia:
 - preparing financial statements which give a true and fair view
 - putting in place proper arrangements for the conduct of its affairs
 - ensuring that the financial position is soundly based.
4. Our audit of the annual accounts is not designed to identify all matters that may be relevant to those charged with governance. 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. It is the auditor's responsibility to express an opinion on the annual accounts prepared by management. This does not relieve management of the responsibility for the preparation of the annual accounts.
5. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).
6. The action plan at [appendix 1](#), sets out the outstanding actions from last year and updates. There were no specific recommendations arising from our 2017/18 audit.
7. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2017/18 audit fee of £1,820 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.
8. This report is addressed to the members of the Joint Committee and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.
9. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

Part 1

Audit of 2017/18 annual accounts



Main judgements

The financial statements of the Clyde Valley Learning and Development Joint Committee for 2017/18 give a true and fair view of the state of its affairs and of its net expenditure for the year.

The narrative reports forming part of the annual accounts were properly prepared and consistent with the financial statements.

Audit opinions on the annual accounts

10. The annual accounts for the year ended 31 March 2018 were approved by the Joint Committee on 10 September 2018. We reported, in our independent auditor's report:

- an unqualified opinion on the financial statements
- unqualified opinions on the management commentary and the annual governance statement

11. We have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception

Submission of annual accounts for audit

12. We received the unaudited annual accounts on 11 June 2018 in line with our agreed audit timetable.

13. The unaudited annual accounts provided for audit were complete and of an adequate standard and finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

The Joint Committee's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Risks of material misstatement

14. [Appendix 2](#) provides a description of areas we assessed as being at risk of material misstatement at the planning stage, how we addressed them and our conclusions thereon. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and how the efforts of the audit team were directed.

Materiality

15. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to influence the economic decisions of users of the financial statements. When deciding on what is material we consider both the amount and nature of the misstatement. 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).

16. We carried out our initial assessment of materiality for the financial statements during the planning phase of the audit. On receipt of the financial statements we reviewed our planning materiality calculations and concluded that they remained appropriate and these are summarised in [exhibit 1](#).

Exhibit 1

Materiality

Materiality level	Amount
Overall materiality	£1,000
Performance materiality	£500
Reporting threshold	£100

Source: Annual Audit Plan 2017/18

Misstatements

17. There were no material adjustments to the unaudited annual accounts arising from our audit.

Significant findings from the audit (ISA 260)

18. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance. There are no significant findings to report.

Part 2

Financial sustainability and governance statement



Main judgements

The Joint Committee has secured contribution of £32,000 towards the running costs for 2018/19. Given the evidence of continued support from participating councils we conclude that the Joint Committee's financial position is sustainable in the foreseeable future.

The Joint Committee's Annual Governance Statement complies with guidance.

Financial performance 2017/18

19. In December 2016, the Joint Committee secured contributions totalling £32,000 from the eight member authorities towards the running costs for 2017/18. As the administering authority, South Lanarkshire Council are responsible for managing the Joint Committee's running costs within the available budget.

20. During 2017/18, the Comprehensive Income and Expenditure Statement (CIES) reported expenditure of £61,000. This comprised expenditure on training, on behalf of participating councils, of £31,000, and running costs of £30,000.

21. The income reported in the CIES is £62,000. This represents training costs recharged to users and the contributions of participating councils. The £1,000 underspend against running costs has been carried forward for use in future years.

Future funding

22. In December 2017 the Joint Committee secured contributions totalling £32,000 from the eight member authorities towards the running costs of the project for 2018/19. This will ensure the project can continue to operate for the next 12 months.

23. Proposals regarding the future and funding of the Clyde Valley Learning and Development Project were presented to members in December 2017. Members were asked to consider whether the Clyde Valley Learning and Development Project still provides value for money and appropriate outcomes and benefits when set against the financial contributions made by the participating councils.

24. An increased minimum level of funding was agreed in principle and the Project Minute of Agreement is to be updated accordingly. It was also agreed in principle that the structure and funding model for the project was to be reviewed on an annual basis. As part of the review of the funding model the Joint Committee should ensure that a formal agreement is in place which specifies the level of service, and costs therefor, to be provided by South Lanarkshire Council as administering authority.

25. The Joint Committee's sustainability is dependent on the participating councils continued support. There is evidence that participating councils will continue to support the existence of the Joint Committee for the foreseeable future.

Annual governance statement

26. We concluded that the information in the annual governance statement is consistent with the financial statements and had been prepared in accordance with the CIPFA/SOLACE guidance: ***Delivering Good Governance in Local Government: Framework (2016)***.

Internal controls

27. South Lanarkshire Council, as host authority, provides support in some key areas of business, particularly in finance, legal and information technology.

28. As part of our audit, we reviewed the high-level controls in a number of the systems used by South Lanarkshire Council for the processing and recording of transactions and the preparation of the financial statements of the Joint Committee.

29. Our overall conclusion was that the key controls within the council's main financial systems were operating satisfactorily, and no significant risks to the Joint Committee were identified.

Appendix 1

Action plan 2017/18



No. Issue/risk



Recommendation



Agreed management action/timing

Follow up of prior year recommendations

b/f	<p>1. Accumulated Funds</p> <p>2016/17 is the third year in a row that contributions from member authorities towards running costs have exceeded the actual costs. As a result, £6,000 has now been accumulated and carried forward as a creditor at 31 March 2017.</p> <p>There is a risk that funds are retained by the project which should be returned to the member authorities.</p>	<p>The Joint Committee should monitor the level of the accumulated funds and consider reimbursing the contributing authorities with their share of the balance or reducing future contributions.</p>	<p>2017/18 Update:</p> <p>The Joint Committee has resolved to apply the funds to approved projects.</p>
b/f	<p>2. Attendance of members at Joint Committee meetings</p> <p>The elected members representing two of the member authorities did not attend any of the meetings held during 2016/17.</p> <p>There is a risk that the non-attendance of members reduces the effectiveness of the governance arrangements.</p>	<p>Representatives from all member authorities should attend the Joint Committee meetings to ensure that the scrutiny and governance arrangements in place can operate effectively.</p>	<p>2017/18 Update:</p> <p>Letters were issued to all Member Councils regarding attendance at meetings. An exercise is currently underway to determine the type of membership each Council wishes to hold going forward and this will determine whether they are required to attend the meetings of the Joint Committee.</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
1 Risk of management override of controls 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. This include consideration of the risk of management override of controls.	Owing to the nature of this risk, assurances from management are not applicable in this instance.	No unusual transactions were identified. Concluded that there was no risk to the integrity of the financial statements.
2 Financial sustainability CVLDJC relies on contributions from the participating councils each financial year. There is a risk that in future years the Joint Committee will no longer be able to secure the same level of funding from participating councils.	Commitment of participating councils to the CVLDJC forward programme.	From the minutes of the Joint Committee there is no evidence that the Joint Committee lacks support to deliver a forward programme of training. A level of funding similar to previous years has been secured for 2018/19.

Clyde Valley Learning and Development Joint Committee

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Report

4

Report to: **Clyde Valley Learning and Development Joint Committee**
 Date of Meeting: **10 September 2018**
 Report by: **Treasurer to Clyde Valley Learning and Development Joint Committee**

Subject: **Certified Annual Accounts 2017/2018 and External Auditor's Report to the Joint Committee**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise members of the outcome of the audit by the Joint Committee's external auditor, Audit Scotland; and
- ◆ advise members of the requirement to approve the Annual Accounts for 2017/2018 for signature

2. Recommendation(s)

2.1. The Joint Committee is asked to approve the following recommendation(s):-

- (1) that it be noted that the Annual Accounts for 2017/2018 received a clean audit certificate (section 4.2); and
- (2) that the audited Annual Accounts for 2017/2018, be approved for signature (Appendix 1).

3. Background

- 3.1. The auditor, Audit Scotland, is required to supply an audit certificate outlining the findings of the audit process undertaken in relation to the Annual Accounts 2017/2018.
- 3.2. Following the publication of The Local Authority Accounts (Scotland) Regulations 2014, the members of the Board are required to meet to consider whether to approve the audited Annual Accounts for signature, no later than the 30 September 2018. The members are also required to have regard to any report made or advice provided on the Annual Accounts by the auditor.

4. Audited Accounts

- 4.1. As noted in 2.3 above, members are now required to approve the audited Annual Accounts for signature. Appendix 1 attached provides a copy of the Annual Accounts for members' consideration.

- 4.2. The Joint Committee's external auditors, Audit Scotland, have completed an audit which extends across the 2017/2018 Annual Accounts and related matters. In summary, the report provides a clean audit certificate with no audit actions identified. A full copy of the report has been provided to members at this meeting.
- 4.3 Copies of the audited Annual Accounts are attached at Appendix 1 to this report and will be available on South Lanarkshire Council's website.

5. Employee Implications

- 5.1 None

6. Financial Implications

- 6.1. The audited Annual Accounts indicate that the Committee's total revenue expenditure amounted to £0.061 million in 2017/2018 and was funded by other income of £0.062 million. This resulted in a £0.001 million surplus, which can be added to the revenue cash balance of £0.011 million brought forward from 2016/2017.
- 6.2. After taking account of any accruals and commitments, this leaves a revenue cash balance of £0.012 million to be carried forward into 2018/2019, for use in future years.
- 6.3. This position has been confirmed by the Joint Committee's external auditors, Audit Scotland.

7. Other Implications

- 7.1. The main risk associated with the Clyde Valley Learning and Development Joint Committee Annual Accounts was a qualified audit report. The risk was assessed as low due to the detailed preparation in relation to the year end process, technical training undertaken by key finance staff and the roll out of this to Resource finance staff as appropriate. Finance and the Project Implementation Steering Group work together to achieve key deadlines and actions set from timetables.
- 7.2. There are no implications for sustainability in terms of the information contained in this report

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Jackie Taylor
Treasurer

22 August 2018

Previous References

- ◆ Clyde Valley Learning and Development Joint Committee, 11 June 2018

List of Background Papers

- ◆ Clyde Valley Learning and Development Joint Committee Annual Accounts 2017/2018 and External Auditor's report.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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***CLYDE VALLEY LEARNING AND DEVELOPMENT
JOINT COMMITTEE***

ANNUAL ACCOUNTS

2017/2018

CLYDE VALLEY LEARNING AND DEVELOPMENT JOINT COMMITTEE

ANNUAL ACCOUNTS 2017/2018

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Introduction by the Convener of Clyde Valley Learning and Development Joint Committee

The Clyde Valley Learning and Development Project has now been in operation for eleven years. As might be expected after such a relatively long period, the last year has been characterised by change.

Following the local government elections on 7 May 2017, a new Joint Committee was formed drawing on the Elected Members of the eight Clyde Valley Member Councils. The inaugural meeting of the new Joint Committee took place in August 2017.

As the new Convenor of the Clyde Valley Learning and Development Joint Committee, I have become aware that the Project stands unique as a collaboration within local government in the field of learning and development. It is clear that the Project has been consistently successful in delivering real outcomes and shared benefits to both its Members and Associate Members during the past eleven years.

I would like to take the opportunity to thank my predecessors on the Joint Committee for everything that has been achieved. The challenge now for the Group is to build on past successes while moving the agenda forward with a sustainable and successful model of delivery.

I look forward to the future with optimism for the Clyde Valley Learning and Development Group and would encourage all Joint Committee Members and officers from the Member Councils to continue to take an active role in ensuring the continued success of the Project.

Councillor Katy Loudon
Convener
Clyde Valley Learning and Development Joint Committee

Management Commentary 2017/2018

Introduction

The Management Commentary of the Clyde Valley Learning and Development Joint Committee will provide the reader with information on the environment in which the Joint Committee operates and on the Joint Committee's performance, both operationally and financially.

The following commentary relates to the 2017/2018 financial year, which within the context of the challenges facing all our public services, Clyde Valley Learning and Development Joint Committee continues to maintain a strong presence.

Objectives

The overall objective of the project remains to establish and deliver a number of shared approaches to training, learning and development between the Clyde Valley Councils (South Lanarkshire, North Lanarkshire, East Dunbartonshire, West Dunbartonshire, Glasgow City, East Renfrewshire, Inverclyde and Renfrewshire Councils) which will result in:

- ◆ Greater efficiency due to shared working rather than a council-by-council approach
- ◆ Reduced duplication of effort
- ◆ The identification, development and sharing of best practice
- ◆ Setting, achieving and maintaining the highest standards of service delivery
- ◆ Modernising service delivery by improving practice and making best use of information technology
- ◆ A consistent approach to training, learning and development,
- ◆ Ensuring equality of opportunity for all Clyde Valley employees in accessing appropriate learning and development.
- ◆ Developing centres of excellence from which to deliver models suitable for replication nationally

Financial Statements

The purpose of the financial statements is to demonstrate stewardship of the public monies which fund the work of the Committee.

The financial statements have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/2018, supported by International Financial Reporting Standards (IFRS) which ensures a set of statements is produced, each statement with a single clear objective.

The cumulative underspend at the end of the year will be held by the Committee for utilisation in future years. These monies are reflected as a creditor balance on the Balance Sheet.

Management Commentary 2017/2018 (continued)

Performance Review 2017/2018

The Clyde Valley Member Councils continue to measure and monitor the benefits and outcomes they achieve through their involvement in the project on an ongoing basis. As the project's stability is maintained and the achievements are considered each year, several themes emerge which demonstrate the added value delivered to Member Councils through a collaborative approach.

In the financial year 2017/2018, benefits have been realised through making cost savings and developing best practice in the following areas:

- ◆ Ongoing contracts achieved through joint procurement
- ◆ E-Learning development, improvements and content sharing
- ◆ Savings in delivery of Scottish Vocational Qualifications
- ◆ Social Care
- ◆ Promoting Positive Behaviour
- ◆ Accredited Front Line Management training (CMI)

In addition to the recurring benefits identified by the Members, it is clear that the established infrastructure, culture and practice prevalent within the Clyde Valley Project, promotes and facilitates countless opportunities for networking, exploring new opportunities and sharing best practice. This remains a source of interest for other organisations further afield, as enquiries continue to be received from external organisations seeking to participate in Clyde Valley activities. Where possible this results in additional Associate Members joining the Group, thereby providing an ever increasing network for sharing best practice.

During this year, the emphasis has continued to focus on consolidation of activities carried out by the Group. Again these were primarily focused on the most productive aspects of the Group's work, such as e-learning and Promoting Positive Behaviour. As the existing contract for the provision of an e-learning management system (LMS) approaches the end of its four year cycle, the Group has been reviewing the performance of the existing provider prior to triggering the option to extend the contract by another three years.

Existing contracts have been maintained for accessing online portfolios for the delivery of SVQs, and there has been a significant uptake in the Royal Environmental Health Institute of Scotland (REHIS)/Clyde Valley Joint Award in introductory food hygiene. The Clyde Valley's Chartered Management Institution (CMI) accredited centre for the delivery of Front Line Management continues to thrive and is used by six Councils.

Other examples of Clyde Valley activities undertaken this year include the following:

Existing Programmes

Development of e-learning:

This workstream remains at the centre of the Clyde Valley Project work. The agenda for the development of good practice is driven by participation in the bi-monthly e-learning group meetings, which are attended by an average of 12 councils on a regular basis, either in person or via conference call/ video link. This remains a powerful forum for problem solving, developing and sharing new skills and techniques and for managing the ongoing improvements to the Brightwave product set (known as sprints).

During this year, the continued use of Webinar has provided an alternative medium to facilitate attendance at meetings remotely. This new dimension has huge potential to deliver formal training sessions, briefings, seminars and meetings very efficiently. Typically this has allowed multiple participants to share documents, training materials, meeting notes and to participate in discussions from multiple remote locations simultaneously.

Promoting Positive Behaviour (PPB)

The PPB programme is now firmly established within the core group of Clyde Valley Member Councils, with all eight councils now actively delivering programmes and building internal capacity to be self sustainable through the train the trainer programmes. The ongoing success of the programme continues to hinge on strong systems of governance at all levels. The establishment of this structure is central to embedding PPB as a viable long term project which is owned by, managed, resourced, delivered and quality assured by the member councils of the Clyde Valley Learning and Development Group.

For this reason, in tandem with the ongoing delivery of programmes in each council, a significant amount of time has been devoted to developing a Minute of Agreement (MoA) which clearly delineates ownership of the PPB programme. This approach is similar to that taken by private training providers to protect their own intellectual property and to clearly establish the ownership of the content. The MoA sets out that the programme is jointly and severally owned by the eight Member Councils of the Clyde Valley Learning and Development Joint Committee, and that the owners have joint responsibility for maintaining and governing all aspects of the programme and its usage.

Having signed off this document, the opportunity now exists to share the programme further afield with Associate Members of the Group and potentially with all councils in Scotland.

Other Developments

The Clyde Valley Councils are all experiencing unprecedented pressure on budgets and expenditure, and it is in this context that the funding and delivery model is constantly under review. In recent months all parties have been asked to consider whether the Project still provides value for money and appropriate outcomes and benefits when set against the financial contributions made by the Member Councils.

The Clyde Valley Project Implementation Steering Group has been tasked with proposing a more sustainable funding model based on Member contributions.

Although funding based on the historical contributions from Members has been secured to ensure the continuation of the Project in the short term, work has commenced to look at the future funding of the Project.

Financial Performance

The Comprehensive Income and Expenditure Statement and its accompanying notes and statements summarise the costs and sources of funding in carrying out the Committee's activities.

For 2017/2018, the Revenue Expenditure results for the Committee are shown on page 10 – an underspend position (£0.001m) on the Comprehensive Income and Expenditure Statement which will be carried forward into 2018/2019.

The major element of the Project's expenditure is incurred in respect of Training Costs incurred on behalf of Member Councils (£0.031m, 50.82%). This is a minor decrease of £0.006m from 2016/2017. In addition, support expenses of £0.028m were paid to South Lanarkshire Council.

The Committee's income is mainly made up of contributions from Member Councils. There is a small amount of funding remaining from the Scottish Government (via South Lanarkshire Council) who contributed to the start-up costs of the project. This contribution totalled £0.560m in 2007/2008 and the unutilised balance, along with underspends in the years 2014/2015 to 2016/2017 has been carried forward into 2017/2018 as a Creditor (£0.011m). The underspend of £0.001m for 2017/2018 will be added to this Creditor balance and these monies will be used for future progress on the project.

This reflects the practical arrangement that exists between the Joint Committee and South Lanarkshire Council where the Council's Loans Fund lends or borrows according to the required cash flow and activities of the Committee.

The Statement of Accounting Policies has been included which details the policies implemented when compiling and presenting the Comprehensive Income and Expenditure Account, Balance Sheet and related statements. The accounting policies are those recommended by the Code of Practice on Local Authority Accounting in the United Kingdom, as supported by the International Financial Reporting Standards.

The Statement of Responsibilities advises that the Head of Finance for South Lanarkshire Council is the designated Treasurer to the Committee and is responsible for the proper administration of the Committee's financial affairs. Full details of the Treasurer's responsibilities are included in the statement.

Outlook

The Clyde Valley Learning and Development Joint Committee continue to seek out opportunities to deliver innovation in learning and development through collaborative working. Although the work remains extremely challenging in the context of significant savings target for all, the outcomes achieved still add value for both Member and Associate Councils alike, while keeping the Clyde Valley Group at the forefront of innovation and good practice.

Seeking a change to the funding model is still a work in progress for the Steering Group; however the goodwill remains in place to continue with the project and to seek a viable way to fund its activities more equitably. The mutual support of the Member Councils to achieve this remains central to the success of the Project and as such remains its greatest strength.

Although the funding from the Scottish Government has now come to an end, financial contributions from each of the Councils who are members of the Joint Committee have been secured for 2018/2019, and as such the accounts have been prepared on a going concern basis. Should arrangements not be agreed in the future with the Council members, outstanding monies will be returned and service provision will return to a Council level.

Jackie Taylor

Treasurer - Clyde Valley Learning and Development Joint Committee

10 September 2018

Annual Governance Statement

This statement sets out the framework within which the Joint Committee has proper arrangements for the governance of the Joint Committee's affairs, thereby facilitating the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and appropriate systems of internal control are in place. While the Joint Committee's governance arrangements have not been consolidated in a formal Code of Corporate Governance, the Annual Governance Statement has been prepared within the context of the Joint Committee's governance framework and meets legislative requirements to include the Annual Governance Statement within the Annual Accounts.

Scope of Responsibility

In delivering its aims and objectives, the Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Governance Framework

The Joint Committee operates a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised.

The main features of our governance arrangements are:

- All eight Councils continue to be represented on the Joint Committee.
- The scheme of delegation, terms of reference, standing orders, financial regulations and stakeholder roles and responsibilities defined in 2007/2008 remain in place, and have been reviewed for relevance and to determine if they are still appropriate.
- Meetings of the Joint Committee are held three times a year chaired by the elected Convener of the Joint Committee. For 2017/2018, this was Councillor Katy Loudon (South Lanarkshire Council).
- Scheme of delegation allows for Clyde Valley Implementation Steering Group to manage, direct and prioritise the work programme.
- Minute of agreement has been produced and signed by each of the participating Councils.
- Effective risk management arrangements are embedded within the Member Councils.

The system of internal controls is based on a framework of regular management information, financial regulations, administrative procedures, management and supervision and a system of delegation and accountability.

These arrangements follow the systems of financial management in place within the lead authority, South Lanarkshire Council and are subject to the relevant controls in place which are reviewed by the Internal/External Audit through a programme of audit work.

The system includes:

- Centralised invoicing and re-charging administered through South Lanarkshire Council.
- Financial Management arrangements through South Lanarkshire Council's FMS Ledger system supported by Financial Regulations.
- Risks are identified and managed by the Project Manager on an ongoing basis.
- Preparation of financial reports that compare actual expenditure and income against budgets.

Statement on the Role of the Chief Financial Officer

CIPFA published the statement on the role of the Chief Financial Officer in 2010 and under the Code, the Joint Committee is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact.

The Joint Committee's financial management arrangements comply with the principles set out in CIPFA's statement on the Role of the Chief Financial Officer.

Continuous Improvement

As the work of the Clyde Valley Learning and Development Joint Committee develops, I am aware of our governance duties and will continue my commitment to transparency and openness in our governance arrangements. No issues have been identified during 2017/2018 and I will continue to review these as appropriate during 2018/2019.

Assurance

The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

It is my view that in the eleventh year of the Clyde Valley Learning and Development Joint Committee (financial year 2017/2018), reasonable assurance can be placed on the adequacy and effectiveness of the Committee's framework of governance, risk management and control arrangements.

Jackie Taylor

Treasurer - Clyde Valley Learning and Development Joint Committee

10 September 2018

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into useable reserves and other reserves. This gives a summary of the changes that have taken place in the funding section of the Balance Sheet over the financial year.

A statement of Movement in Reserves has not been included as there is no movement in the funding section of the balance sheet and the General Fund balance for year ended 31 March 2018 is zero.

Comprehensive Income and Expenditure Statement For the Year Ended 31 March 2018

The Comprehensive Income and Expenditure Statement gives a summary of resources generated and consumed by the Joint Committee in the year.

2016/17		2017/18	
£000		£000	Notes
28	Payment to South Lanarkshire Council	28	
37	Training Costs for Member Councils	31	
2	Payments to Other Bodies	2	1
<hr/> 67	Total Expenditure	<hr/> 61	
<hr/> (69)	Income	<hr/> (62)	
(2)	(Surplus) / Deficit on Provision of Service	(1)	
<hr/> (2)	Total Comprehensive Income and Expenditure	<hr/> (1)	
<hr/> 2	Transfer of Surplus to Creditors	<hr/> 1	
<hr/> 0		<hr/> 0	

Balance Sheet as at 31 March 2018

The Balance Sheet summaries the assets and liabilities of the Joint Committee at the Balance Sheet date.

31 March 2017 £000		31 March 2018 £000	Notes
	<u>Current Assets</u>		
0	Debtors	0	
40	Short Term Investments	41	2
40	Total Current Assets	41	
	<u>Current Liabilities</u>		
(40)	Creditors	(41)	3
0	Net Current Assets	0	
	<u>Represented By :</u>		
0	General Fund Balance	0	
0		0	

The notes on pages 13-15 form part of the financial statements.

The unaudited accounts were approved for issue by the Treasurer on 11 June 2018, and the audited accounts were authorised for issue on 10 September 2018.

Jackie Taylor
Treasurer – Clyde Valley Learning and Development Joint Committee
10 September 2018

Cash Flow Statement
For the year ended 31 March 2018

The Cash Flow Statement shows the changes in cash and cash equivalents held by the Clyde Valley Learning and Development Joint Committee during the reporting year. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities.

2016/17		2017/18
£000		£000
0	Net (surplus) on the provision of services after year end transfer	0
(2)	Adjust net surplus or deficit on the provision of services for non cash movements	(1)
(2)	Net cash flows from Operating Activities	(1)
2	Investing Activities (note below)	1
0	Net increase or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting year	0
0	Cash and cash equivalents at the end of the reporting year	0

Cash Flow Statement Note - Non Cash Movements

2016/17		2017/18
£000	Description	£000
0	Movement in Debtors	0
(2)	Movement in Creditors	(1)
(2)		(1)

Cash Flow Statement Note – Investing Activities

2016/17		2017/18
£000		£000
2	Purchase or (Sale) of short-term and long-term investments	1
2	Net cash flows generated from/(used in) investing activities	1

Notes to the Accounts

1 Auditors' Remuneration

The auditors' remuneration is included in the Payments to Other Bodies' expenditure.

	2017/18 £000	2016/17 £000
Auditors' Remuneration:		
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditors	2	2
	<u>2</u>	<u>2</u>

Clyde Valley Learning and Development Joint Committee has incurred fees of £1,820 for the statutory inspection of the financial statements by Audit Scotland. The comparable figure for 2016/2017 was £1,790. Fees payable in respect of other services provided by the appointed auditor were £nil. (2016/2017: £nil)

2 Financial Instruments

The following category of financial instrument is carried in the balance sheet:

	31 March 2018 £000	31 March 2018 £000	31 March 2018 £000	31 March 2017 £000	31 March 2017 £000	31 March 2017 £000
	Long Term	Current	Total	Long Term	Current	Total
Investments						
Loans and Receivables	0	41	41	0	40	40
Total Investments	<u>0</u>	<u>41</u>	<u>41</u>	<u>0</u>	<u>40</u>	<u>40</u>

3 Creditors

The Creditors figure is analysed as follows:

	2017/18 £000	2016/17 £000
Training invoices	1	0
Audit fee	1	2
Prepaid Contributions from Local Authorities	27	27
Balance of Efficiency and Reform Monies held on behalf of constituent councils and the Training Project	5	5
Balance of funding held on behalf of constituent councils and the Training Project	7	6
	<u>41</u>	<u>40</u>

4 Related Parties

The Clyde Valley Learning and Development Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

All transactions with Councils were entered into under the terms of the Joint Committee and, where appropriate, reported through the Joint Committee. During the year the Joint Committee transacted with the following Councils:

	Receipts 2017/18 £000	Payments 2017/18 £000	Receipts 2016/17 £000	Payments 2016/17 £000
South Lanarkshire Council	12	28	15	28
East Dunbartonshire Council	3	0	3	0
East Renfrewshire Council	5	0	5	0
Glasgow City Council	6	0	7	0
Inverclyde Council	3	0	3	0
North Lanarkshire Council	11	0	14	0
Renfrewshire Council	10	0	8	0
West Dunbartonshire Council	7	0	7	0
Total	57	28	62	28

At the year end the Joint Committee held Short Term Investments and creditor balances with the Local Authorities detailed below:

	Short Term Investment Balances 2017/18 £000	Creditors Balances 2017/18 £000	Short Term Investment Balances 2016/17 £000	Creditors Balances 2016/17 £000
South Lanarkshire	41	13	40	11
East Dunbartonshire	0	3	0	3
East Renfrewshire	0	3	0	3
Glasgow City Council	0	5	0	5
Inverclyde Council	0	3	0	3
North Lanarkshire	0	5	0	5
Renfrewshire Council	0	5	0	5
West Dunbartonshire	0	3	0	3
Total	41	40	40	38

5 Financing and Management of Liquid Resources

Liquid Resources are held by South Lanarkshire Council as lead authority and are available to Clyde Valley Learning and Development Joint Committee as required.

6 Remuneration Report

The Local Authority Accounts (Scotland) Amendment Regulations 2011 require local authorities in Scotland to prepare a Remuneration Report as part of the Financial Statements.

In accordance with the Regulations, and the relevant definition of individuals that are to be disclosed in this report, Clyde Valley Learning and Development Joint Committee has no employees that require to be disclosed.

Clyde Valley Learning and Development Joint Committee makes no payment of salary, allowances or pension contributions to any of the Councillors who are appointed as members of the Joint Committee.

7 Date of Signing of the Accounts

The audited accounts were authorised for issue on 10 September 2018, by the Treasurer to the Clyde Valley Learning and Development Joint Committee.

8 Post Balance Sheet Events

No events occurred between 1 April 2018 and 10 September 2018 that would have an impact on the 2017/2018 financial statements. The later date is the date on which the audited accounts were authorised for issue by the Treasurer to the Clyde Valley Learning and Development Joint Committee.

9 Going Concern

The accounts have been prepared on the going concern basis on the basis that funding from partner Local Authorities has been received for 2018/2019.

Statement of Accounting Policies

(a) General

The general policies adopted in compiling and presenting the financial statements are those required by the Local Authority Accounts (Scotland) Regulations 2014, section 12 of the Local Government in Scotland Act 2003, requires they be prepared in accordance with proper accounting practices. These practices primarily comprise Code of Practice on Local Authority in the United Kingdom 2017/2018, issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC), supported by International Financial Reporting Standards (IFRS). There are no significant departures from those recommendations.

The accounts have been prepared under the historic cost convention and accounting policies have been applied consistently.

(b) Accruals basis

The Comprehensive Income and Expenditure Statement is compiled on an accruals basis. Income and expenditure activities are accounted for in the year which they take place, not simply when payments are made or received. Where services have been provided but the income not received by end 31 March 2018 or services have been received but not paid for by end 31 March 2018, then the income and expenditure account has been amended to reflect the outstanding amounts and a debtor or creditor for the relevant amount is recorded in the balance sheet.

(c) Debtors and Creditors

All specific and material sums payable to and paid by the Clyde Valley Learning and Development Joint Committee have been brought into account.

(d) Allocation of Support Expenses

The allocation of Support Expenses is the cost of those South Lanarkshire employees who provide a direct service to the Clyde Valley Learning and Development Joint Committee. The individual support department is Personnel Services where employees are directly involved in the operations of the Clyde Valley Learning and Development Joint Committee. The recharge is made on a consistent basis.

(e) Borrowing Facilities

The Clyde Valley Learning and Development Joint Committee is a separate legal entity and has South Lanarkshire Council as its lead authority. The loans' fund of South Lanarkshire Council acts as banker to the Joint Committee and consequently lends or borrows according to the required cash flow and activities of the Joint Committee.

(f) Financial Instruments

For investments due within 12 months, prevailing benchmark rates have been used to provide the fair value. Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding. Creditors due within 12 months are not classed as a financial instrument.

Statement of Responsibilities for the Annual Accounts

The Clyde Valley Learning and Development Joint Committee's responsibilities

The Clyde Valley Learning and Development Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Committee, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Annual Accounts for signature

I confirm that the Annual Accounts were approved for signature by the Clyde Valley Learning and Development Joint Committee at its meeting on 10 September 2018.

Signed on behalf of Clyde Valley Learning and Development Joint Committee

Chair - Clyde Valley Learning and Development Joint Committee

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Clyde Valley Learning and Development Joint Committee's Annual Accounts in accordance with proper practices set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Joint Committee at 31 March 2018 and its income and expenditure for the year ended 31 March 2018

Jackie Taylor

Treasurer – Clyde Valley Learning and Development Joint Committee

10 September 2018

Independent Auditor's Report to the Members of Clyde Valley Learning and Development Joint Committee and the Accounts Commission

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

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Clyde Valley Learning and Development Joint Committee for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the Clyde Valley Learning and Development Joint Committee as at 31 March 2018 and of its surplus on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis of opinion

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

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Treasurer and Joint Committee for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing the Joint 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 deemed inappropriate.

The Joint Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other information in the annual accounts

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

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Dave Richardson FCCA
 Senior Audit Manager, Audit Services
 Audit Scotland
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 The Athenaeum Building
 8 Nelson Mandela Place
 GLASGOW
 G2 1BT

10 September 2018

Glossary of Terms

Much of the terminology used in this Report is intended to be self-explanatory, however, the following additional definition and interpretation of terms used may be helpful:

1. Administration Costs

This includes training expenditure, printing and stationery, advertising, postages, telephone costs and central support services allocations for administration.

2. Borrowing Facilities and Temporary Interest on Revenue Balances

The loans fund of South Lanarkshire Council lends or borrows according to the cash flow of the Clyde Valley Learning and Development Joint Committee. This temporary interest credited / debited to the Clyde Valley Learning and Development Joint Committee's Income and Expenditure Account reflects the interest earned or charged to the Committee for funds lent to or borrowed from the loans fund of South Lanarkshire Council.

2017/2018 Clyde Valley Learning and Development Joint Committee Members

Council

East Dunbartonshire Council
East Renfrewshire Council
Glasgow City Council
Inverclyde Council
North Lanarkshire Council
Renfrewshire Council
South Lanarkshire Council
West Dunbartonshire Council

Member

Councillor Jim Gibbons (Vice Convener)
Councillor Colm Merrick
Councillor Richard Bell
Councillor Martin Brennan
Councillor Angela Campbell
Councillor Jim Paterson
Councillor Katy Loudon (Convener)
Councillor Karen Conaghan

