

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

Friday, 30 August 2019

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, 09 September 2019**  
**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**

Katy Loudon (Convener), Colm Merrick (Vice Convener), Richard Bell, Martin Brennan, Angela Campbell, Jim Paterson

### **Substitutes**

Lorraine Cameron, Elaine McSporran, Gladys Miller, Natasha Murphy

**Copies to substitute members for information only**

## **BUSINESS**

### **1 Declaration of Interests**

- 2 Minutes of Previous Meeting** 3 - 8  
Minutes of meeting of the Clyde Valley Learning and Development Joint Committee held on 10 June 2019 submitted for approval as a correct record. (Copy attached)

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#### **Item(s) for Noting**

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- 3 Audit Scotland - Clyde Valley Learning and Development Joint Committee - Proposed 2018/2019 Annual Audit Report** 9 - 20  
Report dated September 2019 by Audit Scotland. (Copy attached)

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#### **Item(s) for Decision**

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- 4 Certified Annual Accounts 2018/2019** 21 - 48  
Report dated 5 August 2019 by the Treasurer of the Clyde Valley Learning and Development Joint Committee. (Copy attached)

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#### **Urgent Business**

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- 5 Urgent Business**  
Any other items of business which the Convener decides are urgent.

#### ***For further information, please contact:-***

Clerk Name: Stuart McLeod

Clerk Telephone: 01698 454 815

Clerk Email: [stuart.mcleod@southlanarkshire.gov.uk](mailto:stuart.mcleod@southlanarkshire.gov.uk)

## CLYDE VALLEY LEARNING AND DEVELOPMENT JOINT COMMITTEE

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 10 June 2019

### Convener:

Councillor Katy Loudon, South Lanarkshire Council

### Councillors Present:

East Renfrewshire Council:	Colm Merrick (Vice Convener after item 2)
Inverclyde Council:	Martin Brennan
North Lanarkshire Council:	Angela Campbell

### Councillors' Apologies:

Glasgow City Council:	Richard Bell and Elaine McSporran (Substitute)
Renfrewshire Council:	Jim Paterson and Lorraine Cameron (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

### Project Steering Group

Pauline Cameron, East Renfrewshire Council  
 Tony Mackie, Glasgow City 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:

Dave Richardson, Senior Audit Manager, Audit Scotland

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## 1 Declaration of Interests

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No interests were declared.

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## 2 Minutes of Previous Meeting

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The minutes of the meeting of the Clyde Valley Learning and Development Joint Committee held on 10 December 2018 were submitted for approval as a correct record.

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

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### **3 Position of Vice Convener**

**The Joint Committee decided:** that Councillor Colm Merrick, East Renfrewshire Council be appointed as the Vice Convener of the Joint Committee.

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### **4 Revenue Budget Monitoring 2019/2020 – Clyde Valley Learning and Development Joint Committee**

A report dated 24 May 2019 by the Treasurer to the Clyde Valley Learning and Development Joint Committee was submitted comparing actual expenditure at 24 May 2019 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 10 December 2018 (Paragraph 3)]*

*Councillor Brennan entered the meeting during this item of business*

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### **5 Annual Governance Statement 2018/2019**

A report dated 7 May 2019 by the Treasurer to the Clyde Valley Learning and Development Joint Committee was submitted on the Annual Governance Statement for 2018/2019 which would be included in the Joint Committee's 2018/2019 Annual Accounts.

The Joint Committee's Annual Governance Statement 2018/2019, 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 2018/2019, 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 an appendix to the report, which would be included in the Clyde Valley Learning and Development Joint Committee's 2018/2019 Annual Accounts, be approved.

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### **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.

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## **6 2018/2019 Annual Report and Accounts - Clyde Valley Learning and Development Joint Committee**

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A report dated 13 May 2019 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 2019.

The Annual Report and Accounts, attached as an appendix to the report, detailed the revenue account and balance sheet to 31 March 2019 for the Joint Committee. The Accounts showed that the Joint Committee's total revenue expenditure had amounted to £0.055 million in 2018/2019 and had been met by income of £0.057 million, resulting in a £0.002 million surplus. The surplus would be added to the revenue cash balance of £0.012 million from 2017/2018, leaving a balance of £0.014 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 2019 be noted.

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## **7 Update on the Revised Minute of Agreement for the Clyde Valley Learning and Development Project**

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A report dated 14 May 2019 by the Chair of the Clyde Valley Learning and Development Project Steering Group was submitted requesting approval of the revised Minute of Agreement for the Clyde Valley Learning and Development Project.

At its meeting on 10 December 2018, the Joint Committee had approved the issue of a draft Minute of Agreement for consultation by the full member councils. It was also agreed that, in the event that amendments were required to the Minute of Agreement, a further report would be submitted to the Joint Committee requesting approval of the amended Minute of Agreement prior to it being issued for signing.

The consultation exercise had been concluded and a summary of the amendments made to the Minute of Agreement was provided in the report. The revised Minute of Agreement was attached as Appendix 1 to the report and it was proposed that it be approved and circulated to full member councils for signing.

**The Joint Committee decided:**

- (1) that the revised Minute of Agreement, amended as per the changes summarised at paragraph 4.2 and attached as Appendix 1 to the report, be approved; and
- (2) that the Head of Administration and Legal Services, South Lanarkshire Council, be authorised to circulate the Minute of Agreement to full member councils for signing.

*[Reference: Minutes of 10 December 2018 (Paragraph 5)]*

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## **8 Clyde Valley Learning and Development Project – Delivery of First Aid Training**

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A report dated 14 May 2019 by the Chair of the Clyde Valley Learning and Development Project Steering Group was submitted requesting approval to maintain the current provision of First Aid training by invoking regulation 13(8) of the Public Contracts (Scotland) Regulations 2015.

The provision of First Aid training was the first element to be delivered in partnership by the Clyde Valley Learning and Development Project in 2008. The identified provider at that time was Glasgow City Council's Direct and Care Services (DACs). Following a restructure of Glasgow City Council's services, a separate arm's-length organisation was established to replace DACs under the trading name of Cordia.

Following a public procurement exercise carried out in May 2013, Cordia were successful in securing the contract to continue to provide First Aid training. Having delivered the contract for the initial 4 years, the contract extension had been activated in August 2017. Cordia had subsequently continued to deliver this contract on the same terms as those established in 2008. The contract was due to expire on 11 August 2019.

During 2018, the status of Cordia had changed, with the termination of the existing arm's-length organisation and its functions, staff and contracts returning to Glasgow City Council (Health and Social Care Partnership).

During the period that Cordia had delivered the First Aid training contract, there had been a consistently high level of performance in all aspects of the contract, with an average score of 88% being achieved on the annual contract appraisal. In addition, the provider had consistently demonstrated a creative and flexible approach, with many innovations being introduced proactively and also in response to evaluation and feedback from delegates and contract managers.

The Project Steering Group had been made aware that an opportunity existed to maintain continuity by using the same provider immediately following the completion of the current contract by invoking regulation 13(8) of the Public Contracts (Scotland) Regulations 2015 which permitted the contract to be secured by the Group without conducting a formal procurement exercise.

Glasgow City Council had the capacity to continue to provide First Aid training to member councils and had undertaken to continue to provide the 4 different courses at the delegate rates established in 2008.

Discussions had been held with the member councils that currently accessed the First Aid training and it was proposed that the Clyde Valley Learning and Development Project award a further contract to Glasgow City Council (Health and Social Care Partnership) for the provision of First Aid training and that both parties enter into a Service Level Agreement on the basis that the training was provided at the same rates established in 2008.

### **The Joint Committee decided:**

- (1) that the Clyde Valley Learning and Development Project award a contract to, and enter into a Service Level Agreement with, Glasgow City Council (Health and Social Care Partnership) to provide First Aid training on the basis of the existing and previous contracts; and
- (2) that the contract be awarded to Glasgow City Council (Health and Social Care Partnership) by invoking regulation 13(8) of the Public Contracts (Scotland) Regulations 2015.

*[Reference: Minutes of 9 December 2013 (Paragraph 7)]*

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## **9 Update on Membership and Funding for the Clyde Valley Learning and Development Project for 2019/2020**

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A report dated 14 May 2019 by the Chair of the Clyde Valley Learning and Development Project Steering Group was submitted on the outcome of the restructured membership and funding model for the Clyde Valley Learning and Development Project.

At its meeting on 11 June 2018, the Joint Committee had approved a proposal to restructure the membership of the Project by creating 3 categories of membership which would be open to all full member and associate member councils.

Each member council would be required to pay a tariff based on its category of membership and a sliding scale linked to the number of persons it employed. Details of the membership categories and associated tariffs were provided in the report.

It had also been agreed that a minimum of 5 full member councils and a minimum level of funding of £59,000 per annum would be required to maintain the viability of the Project.

At its meeting on 10 December 2018, the current position, based on the confirmed intentions of councils, had been reported with a projected income of £74,000. It was also agreed that any residual funds obtained from membership contributions would be allocated to project work identified as priorities by the Project Steering Group and Social Care Group.

The membership of the Project for 2019/2020 had since been confirmed and included 6 full member councils. Details of the membership and income from membership contributions, totalling £90,750, were provided in Appendix 1 to the report.

The revised Joint Committee membership would comprise members and substitute members from the 6 full member councils. The Project Steering Group and the Social Care Group would be represented by officers from the 6 full member councils.

The Project Steering Group and the Social Care Group had discussed how the Project fund would be managed and disbursed and it had been agreed that specific project work which might incur costs would be identified, evaluated and prioritised based on overall benefit and need.

The cost of hosting the annual Promoting Positive Behaviour (PPB) Practitioners' Seminar at Glasgow City Halls on 25 June 2019 had been identified as an immediate priority and funding of £3,000 would be made available to cover the cost of staging the event.

Any unspent element of the funding at the end of each financial year would be carried forward for use in future years. The funding balance would be reviewed annually as part of the review of the funding model, membership structure and membership contributions.

### **The Joint Committee decided:**

- (1) that it be noted that the revised model of membership and funding had been well received by the Project's member councils;
- (2) that it be noted that 6 full member councils had confirmed their continued participation in the Project and a total of £90,750 in income from membership fees had been confirmed for 2019/2020, exceeding the targets of 5 full member councils and £59,000 of funding respectively;
- (3) that it be noted that the additional income of £31,750 would be allocated to appropriate projects by the Project Steering Group and the Social Care Group following consultation; and

- (4) that it be noted that the funding model, including balances, would be carried forward and the charging structure and level of membership would be reviewed annually.

*[Reference: Minutes of 9 December 2013 (Paragraph 4)]*

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## **10 Clyde Valley Learning and Development Project – Update on Progress with the e-Learning Work Plan**

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A report dated 15 May 2019 by the Chair of the Clyde Valley Learning and Development Project Steering Group was submitted on progress that had been made in delivering the e-Learning work plan.

E-learning was at the forefront of the Clyde Valley Learning and Development Project's activities and was co-ordinated and managed by the e-Learning Sub-group. The Sub-group, which had been re-established following the restructure of the Project, was led by representatives of the full member councils and attended by representatives of participating member councils.

The purpose of the Sub-group was to maximise the opportunities to share resources and develop best practice and a new work plan had been developed by the Project Steering Group to provide a focus for the Sub-group's work. The work plan would be delivered over the coming year in tandem with the routine activities associated with managing the Brightwave shared learning platform and further developing its functionality.

The revised work plan had been broken down under the following 5 objectives and an update in relation to each objective was provided in the report:-

- ◆ implementation of the Tessello Go shared learning platform
- ◆ improving course sharing (content wiki)
- ◆ skills development in authoring tools and techniques
- ◆ e-learning for “hard to reach” employees
- ◆ single sign-on (SSO) – a technique for use in organisations where multiple systems were used
- ◆ digital transformation

Achieving the objectives of the work plan would significantly benefit learners from all full member and participating member councils.

### **The Joint Committee decided:**

- (1) that it be noted that the e-Learning Sub-group had been re-established and its revised membership comprised representatives from full member and participating member councils;
- (2) that it be noted that significant progress had been achieved in delivering the objectives of the e-Learning work plan; and
- (3) that it be noted that achieving the objectives of the e-Learning work plan would significantly benefit learners from all full member and participating member councils.

*[Reference: Minutes of 11 June 2018 (Paragraph 9)]*

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## **11 Urgent Business**

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There were no items of urgent business.



# Clyde Valley Learning and Development Joint Committee

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2018/19 Proposed Annual Audit Report



 AUDIT SCOTLAND

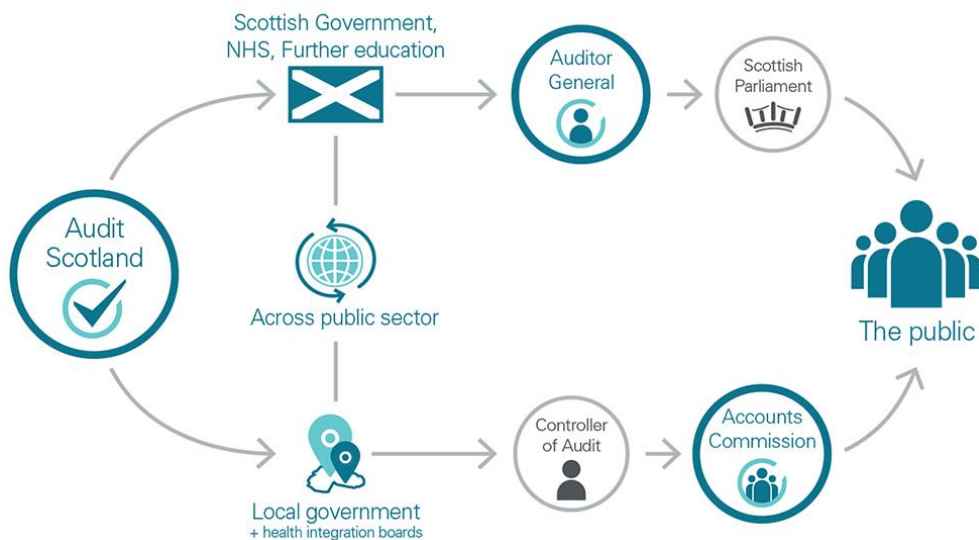
Prepared for the members of the Clyde Valley Learning and Development Joint Committee and the  
Controller of Audit

September 2019

## 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.
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## 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

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## 2018/19 annual accounts

- 1** The financial statements of the Clyde Valley Learning and Development Joint Committee for 2018/19 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 in accordance with the applicable requirements and were consistent with the financial statements.

## Financial sustainability and governance

- 3** We concluded that given the evidence of continued support from member authorities Clyde Valley Learning and Development Joint Committee's financial position is sustainable in the foreseeable future.
- 4** The Joint Committee's annual governance statement is consistent with the financial statements and complies with guidance.

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# Introduction

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1. This report summarises the findings from our 2018/19 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 not to be appropriate to an audited body then audit work can focus on 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 circulated to members by email of 28 February 2019. We applied the small body provisions of the Code to the 2018/19 audit of 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. We did not find any issues arising from our 2018/19 audit work which merited a recommendation and action plan point.
7. We comply with the Financial Reporting Council's Ethical Standard. We have not undertaken non-audit related services. No work was undertaken beyond that set out in our annual audit plan, therefore our audit fee of £1,880 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](http://www.audit-scotland.gov.uk) in due course.
9. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

# Part 1

## Audit of 2018/19 annual accounts



### Main judgements

The financial statements of the Clyde Valley Learning and Development Joint Committee for 2018/19 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 in accordance with the applicable requirements and were consistent with the financial statements.

### Audit opinions on the annual accounts

**10.** The annual accounts for the year ended 31 March 2019 were approved by the board on 09 September 2019. We reported in our independent auditor's report:

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

### Submission of annual accounts for audit

**11.** We received the unaudited annual accounts on 07 June 2019 in line with our agreed audit timetable.

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

### Risks of material misstatement

**13.** [Appendix 1](#) 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.

### 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 perceptions and decisions of users of the financial statements. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law).

**15.** We carried out our initial assessment of materiality for the annual accounts during the planning phase of the audit. On receipt of the annual accounts and following completion of audit testing we reviewed our planning materiality calculations and concluded that they remained appropriate.

## Exhibit 1

### Materiality levels

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

Source: Annual Audit Plan 2018/19

### Significant findings

**16.** 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. The qualitative aspects of the agency’s accounting practices, accounting policies, accounting estimates and financial statements disclosures are satisfactory and appropriate to the agency.

### Misstatements

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

# Part 2

## Financial sustainability and governance



### Main judgements

**The Joint Committee has secured contribution of £90,750 towards the running costs for 2019/20. 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 is consistent with the financial statements and complies with guidance.**

### Financial performance in 2018/19

**18.** The Joint Committee have secured contributions totalling £32,000 from the member authorities towards the running costs for 2018/19. As the administering authority, South Lanarkshire Council is responsible for managing the Joint Committee's running costs within the allocated budget.

**19.** During 2018/19, the Comprehensive Income and Expenditure Statement (CIES) reported expenditure of £55,000. This comprised expenditure on training, on behalf of participating councils, of £25,000, and running costs of £30,000.

**20.** The income reported in the CIES is £57,000. This represents training costs recharged to users and the contributions of participating councils. The £2,000 underspend against running costs has been carried forward for use in future years.

### Restructuring and future funding

**21.** Proposal regarding the restructuring of the Clyde Valley Learning and Development Project were taken to members in December 2017 and the new structure was agreed in December 2018. This involved the creation of three categories of membership; full members, participating members, and procurement members, (6, 11 and 2 respectively). The changes of membership categories and funding tiers were updated in the Minute of Agreement.

**22.** The Joint Committee's sustainability is dependent on the participating councils continued support. The Joint Committee secured contributions totalling £90,750 from the member authorities towards the running costs of the project for 2019/20. There is evidence that participating councils will continue to support the existence of the Joint Committee for the foreseeable future.

### Governance

**23.** South Lanarkshire Council, as host authority, provides support in some key areas of business, particularly in providing management and finance and administrative support. 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.



**24.** 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.

**25.** We concluded that the information in the annual governance statement is consistent with the financial statements and our knowledge of the Joint Committee's operations and had been prepared in accordance with the CIPFA/SOLACE guidance: Delivering Good Governance in Local Government: Framework (2016).

### **National performance reports**

**26.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. National performance reports, published in 2018/19, which may be of interest to members are listed at [appendix 2](#).

# Appendix 1

## 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.

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<b>1 Management override of controls (example)</b>  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 includes consideration of the risk of management override of controls.	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates.</li> <li>• Focused testing of accruals and prepayments.</li> <li>• Evaluation of significant transactions that are outside the normal course of business.</li> </ul>	Our audit procedures did not detect evidence of management override of controls.
<b>2 Risk of fraud over expenditure</b>  The Code of Audit Practice expands the ISA 240 assumption on fraud over income to aspects of expenditure	<ul style="list-style-type: none"> <li>• Substantive testing of expenditure</li> </ul>	Our audit procedures did not detect any evidence of fraud over expenditure.

# Appendix 2

## List of national performance reports 2018/19

### 2018/19 Reports

Local government in Scotland:  
Challenges and performance 2018



Apr

Councils' use of arm's-length  
organisations



May



Scottish Fire and Rescue Service:  
an update

Scotland's colleges 2018



Jun

Jul



The National Fraud Initiative  
in Scotland 2016/17

Forth Replacement Crossing



Aug



Major project and procurement lessons

Children and young people's  
mental health



Sept



Superfast broadband for Scotland:  
further progress update

NHS in Scotland 2018



Oct

Health and social care integration:  
update on progress



Nov



Local government in Scotland:  
Financial overview 2017/18

Dec

Jan

Feb

Mar



Local government in Scotland:  
Challenges and performance 2019

# Clyde Valley Learning and Development Joint Committee

## 2018/19 Proposed Annual Audit Report

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# Report

Report to: **Clyde Valley Learning and Development Joint Committee**  
 Date of Meeting: **9 September 2019**  
 Report by: **Treasurer to Clyde Valley Learning and Development Joint Committee**

Subject: **Certified Annual Accounts 2018/2019**

## 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
- ♦ advise members of the requirement to approve the Annual Accounts for 2018/2019 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 2018/2019 received a clean audit certificate (section 4.2); and
- (2) that the audited Annual Accounts for 2018/2019, 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 2018/2019.

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 30 September 2019. 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 3.2 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 2018/2019 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 £0.055 million in 2018/2019 and was funded by other income of £0.057 million. This resulted in a £0.002 million surplus, which can be added to the revenue cash balance of £0.012 million brought forward from 2017/2018.
- 6.2. After taking account of any accruals and commitments, this leaves a revenue cash balance of £0.014 million to be carried forward into 2019/2020, 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 Services and the Project 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**

5 August 2019

## **Previous References**

- ◆ Clyde Valley Learning and Development Joint Committee, 10 June 2019

## **List of Background Papers**

- ◆ Clyde Valley Learning and Development Joint Committee Annual Accounts 2018/2019 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***

***2018/19***



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

## **ANNUAL ACCOUNTS 2018/2019**

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

The Clyde Valley Learning and Development Project has just completed its twelfth year of operation, and its second year of governance for the current Joint Committee. The year has also been characterised by the first radical change in the structure, governance and funding of the Project since it was first established in 2007.

As funding and savings targets continue to provide a challenging environment for all the councils associated with the Clyde Valley Learning and Development Group, it was only right and fitting that the viability of maintaining the Project should be considered and evaluated.

As a result of this process the new structure that has been agreed over the past year gives great cause for optimism. The number of members who will be participating in the Project going forward has exceeded initial expectations, resulting in a stronger foundation for development and consolidation for the coming year.

As this new structure has been established, the ongoing project work has continued to deliver benefits to those involved and it is a testament to these positive outcomes that the new categories of membership have been taken up so enthusiastically.

As the Convenor of the Clyde Valley Learning and Development Joint Committee, I would like to recognise and thank all of the partner Councils involved for maintaining the Project's unique partnership. It is clear that the Project has been consistently successful in delivering real outcomes and shared benefits to Members during its time in existence.

It is now more important than ever that Project should continue to develop and deliver value to Members from all three of our new categories. The challenge now for the Group is to build on past successes while moving the agenda forward.

I look forward optimistically to the coming year for the Clyde Valley Learning and Development Group and would once again 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 2018/19**

### **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 2018/2019 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 2018/2019, 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 2018/19 (continued)**

### **Performance Review 2018/2019**

The Clyde Valley Councils continue to 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, the collaborative approach to learning and development continues to demonstrate added value to the Member Councils.

In the financial year 2018/2019, 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
- ◆ Learning and training for Social Care
- ◆ Food hygiene online training and award
- ◆ 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.

The Project remains a source of interest for other organisations seeking to participate in Clyde Valley activities. Historically this has been demonstrated through the admission of Associate Members to the Group, resulting in an increased network for sharing best practice and for delivery of benefits further afield.

In addition, the recognition of the strategic significance and contribution to the project from the Social Care Group has resulted in this group taking on a shared governance role along with the project Steering Group. This approach reflects the scope of influence of each dimension of the project as well as the resourcing implications of delivering the Project's programmes.

Due to the operational success of the project and consequent number of additional organisations wishing to participate, it was agreed that a review of the current funding structure should take place, with the new fee structure being introduced in 2019/20.

Following an evaluation of a number of options, a new three tier fee structure has been agreed which will reflect the level of participation by each of the members. The 2 new tiers – Participating and Procurement Membership will complement the existing Full Membership category. The evident benefits on offer has resulted in a healthy update in membership for all three categories.

The Project's membership going into 2019/20 currently stands at:

- 6 Full Members
- 11 Participating Members
- 2 Procurement Members

This will result in sustainable income which supports a contribution to running costs for South Lanarkshire Council as lead authority, (£0.059m) and also provides a modest project fund of £0.032m for specific project activities incurring costs. The allocation and disbursement of this fund will be managed by consensus between the Project Steering Group and the Social Care Group.

Projects already under consideration include the evaluation of the Promoting Positive Behaviour (PPB) Programme, a Continuous Professional Development (CPD) event for PPB practitioners and development sprints to add additional functionality to the Clyde Valley Learning Management System (Brightwave).

### **Existing Programmes**

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 active aspects of the Group's work, such as e-learning and Promoting Positive Behaviour.

In August 2018, the existing contract for the provision of an e-learning management system (LMS) reached the end of its four year cycle. The majority of Full and Associate Members opted to trigger the contract extension for a further three years. In addition to the continued sharing and development of content, a more modern platform has also been widely introduced to reflect the changing needs of learners across the membership.

Existing contracts have been maintained for accessing online portfolios for the delivery of SVQs, and there is now a widespread uptake of 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:

#### Development of e-learning:

This workstream remains at the centre of the Clyde Valley Project work. A new workplan was identified by the e-learning Group and approved by the Steering Group. This workplan will be the focus of the agenda for the newly constituted group over the next year. The delivery of the workplan has been allocated to separate working groups in order to encourage greater participation and allow each work stream to develop simultaneously. The activity and participation in this Group reflects the new membership structure with both Full and Participating members working as equal partners.

The bi-monthly meetings of the Group continue to be well attended with an average of 12 councils meeting on a regular basis, either in person, via conference call or by online virtual meeting. 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).

#### Promoting Positive Behaviour (PPB)

Both the governance structure and the PPB programme itself is firmly established within the core group of Clyde Valley Councils. The programme is jointly owned and governed by the original eight full member councils who are the signatories of the PPB Minute of Agreement.

As the eight councils are now actively delivering programmes the emphasis has turned to building internal capacity for the programme to remain sustainable in the future. Each council has been asked to nominate additional Principal Trainers as part of this process to manage continued and increasing demand.

The potential to access the PPB programme has been instrumental in driving the decision of Participating Members to retain membership and it is anticipated that the ongoing discussions with Falkirk, City of Edinburgh and Dundee City Councils will lead to the establishment of further programmes in some or all of these councils in the coming year.

### **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 2018/2019, the Revenue Expenditure results for the Committee are shown on page 10 – an underspend position (£0.002m) on the Comprehensive Income and Expenditure Statement which will be carried forward into 2019/2020.

Support expenses of £0.028m were paid to South Lanarkshire Council. The majority of the remainder of the Project's expenditure is incurred in respect of Training Costs incurred on behalf of Member Councils (£0.025m, 45.45%). This is a minor decrease of £0.006m from 2017/2018. The training costs relate to accredited management training which is provided to employees across Member Councils by the Chartered Management Institute, and annual City and Guilds subscriptions. These costs are incurred by Clyde Valley and recharged to individual Member Councils at the end of the financial year. Costs associated with other streams of Clyde Valley activity are incurred directly by individual authorities.

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 2017/2018 has been carried forward into 2018/2019 as a Creditor (£0.012m). The underspend of £0.002m for 2018/2019 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.

## **Management Commentary 2018/19 (continued)**

### **Outlook**

The Clyde Valley Learning and Development Group 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 are still demonstrably adding value to Member Councils.

The introduction of the new funding model has been positively received and the challenge for the future will be to maintain the high standards of delivery and innovation through partnership working which will encourage retained membership from all three categories of membership.

The new governance and management structure being shared between the Steering Group and the Social Care Group has generated a renewed enthusiasm to continue and develop the Project's work and to share best practice. The goodwill, time and resources allocated to the work by members remains central to the success of the Project and shows every sign of being maintained over the coming year.

Although the funding from the Scottish Government has now come to an end, financial contributions from member Councils have been secured for 2019/2020, and as such the accounts have been prepared on a going concern basis.

**Jackie Taylor**

**Treasurer - Clyde Valley Learning and Development Joint Committee**

**9 September 2019**

## **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 full member 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 2018/2019, 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, with a revised Minute of Agreement drafted to reflect the changes in membership and fee structure for 2019/20.
- 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 2018/2019 and I will continue to review these as appropriate during 2019/2020.

### **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 twelfth year of the Clyde Valley Learning and Development Joint Committee (financial year 2018/2019), 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**

**9 September 2019**

### **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 2019 is zero.

## Comprehensive Income and Expenditure Statement For the Year Ended 31 March 2019

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

2017/18		2018/19	
£000		£000	Notes
28	Support Expenses paid to South Lanarkshire Council	28	
31	Training Costs for Member Councils	25	
2	Payments to Other Bodies	2	1
<hr/>		<hr/>	
61	Total Expenditure	55	
<hr/> (62)	Income	<hr/> (57)	
<b>(1)</b>	<b>(Surplus) / Deficit on Provision of Service</b>	<b>(2)</b>	
<hr/> (1)	<b>Total Comprehensive Income and Expenditure</b>	<hr/> (2)	
<hr/> 1	Transfer of Surplus to Creditors	<hr/> 2	
<hr/> <b>0</b>		<hr/> <b>0</b>	

## **Balance Sheet as at 31 March 2019**

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

<b>31 March 2018 £000</b>		<b>31 March 2019 £000</b>	Notes
	<b><u>Current Assets</u></b>		
0	Debtors	0	
41	Short Term Investments	72	2
<b>41</b>	<b>Total Current Assets</b>	<b>41</b>	
	<b><u>Current Liabilities</u></b>		
(41)	Creditors	(72)	3
<b>0</b>	<b>Net Current Assets</b>	<b>0</b>	
	<b><u>Represented By :</u></b>		
0	General Fund Balance	0	
<b>0</b>		<b>0</b>	

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

The unaudited accounts were approved for issue by the Treasurer on 10 June 2019, and the audited accounts were authorised for issue on 9 September 2019.

**Jackie Taylor**  
**Treasurer – Clyde Valley Learning and Development Joint Committee**  
**9 September 2019**

**Cash Flow Statement**  
**For the year ended 31 March 2019**

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.

<b>2017/18</b>		<b>2018/19</b>
<b>£000</b>		<b>£000</b>
0	Net (surplus) on the provision of services after year end transfer	0
(1)	Adjust net surplus or deficit on the provision of services for non cash movements	(31)
(1)	Net cash flows from Operating Activities	(31)
1	Investing Activities (note below)	31
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	<b>Cash and cash equivalents at the end of the reporting year</b>	<b>0</b>

**Cash Flow Statement Note - Non Cash Movements**

<b>2017/18</b>		<b>2018/19</b>
<b>£000</b>	<b>Description</b>	<b>£000</b>
0	Movement in Debtors	0
(1)	Movement in Creditors	(31)
(1)		(31)

**Cash Flow Statement Note – Investing Activities**

<b>2017/18</b>		<b>2018/19</b>
<b>£000</b>		<b>£000</b>
1	Purchase or (Sale) of short-term and long-term investments	31
1	<b>Net cash flows generated from/(used in) investing activities</b>	<b>31</b>

## Notes to the Accounts

### 1 Auditors' Remuneration

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

	2018/19 £000	2017/18 £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 £1,880 for the statutory audit of the financial statements by Audit Scotland. The comparable figure for 2017/2018 was £1,820. Fees payable in respect of other services provided by the appointed auditor were £nil. (2017/2018: £nil)

### 2 Financial Instruments

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

	31 March 2019 £000	31 March 2019 £000	31 March 2019 £000	31 March 2018 £000	31 March 2018 £000	31 March 2018 £000
	Long Term	Current	Total	Long Term	Current	Total
Investments	0	72	72	0	41	41
Loans and Receivables						
<b>Total</b>						
<b>Investments</b>	<u>0</u>	<u>72</u>	<u>72</u>	<u>0</u>	<u>41</u>	<u>41</u>

### 3 Creditors

The Creditors figure is analysed as follows:

	2018/19 £000	2017/18 £000
Training invoices	0	1
Audit fee	1	1
Prepaid Contributions from Local Authorities	57	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	9	7
	<u>72</u>	<u>41</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:

	<b>Receipts 2018/19 £000</b>	<b>Payments 2018/19 £000</b>	<b>Receipts 2017/18 £000</b>	<b>Payments 2017/18 £000</b>
South Lanarkshire Council	7	28	12	28
East Dunbartonshire Council	3	0	3	0
East Renfrewshire Council	5	0	5	0
Glasgow City Council	6	0	6	0
Inverclyde Council	3	0	3	0
North Lanarkshire Council	9	0	11	0
Renfrewshire Council	13	0	10	0
West Dunbartonshire	7	0	7	0
<b>Total</b>	<b>53</b>	<b>28</b>	<b>57</b>	<b>28</b>

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

	<b>Short Term Investment Balances 2018/19 £000</b>	<b>Creditors Balances 2018/19 £000</b>	<b>Short Term Investment Balances 2017/18 £000</b>	<b>Creditors Balances 2017/18 £000</b>
South Lanarkshire Council	72	15	41	13
East Dunbartonshire	0	0	0	3
East Renfrewshire Council	0	0	0	3
Glasgow City Council	0	10	0	5
Inverclyde Council	0	0	0	3
North Lanarkshire Council	0	10	0	5
Renfrewshire Council	0	7	0	5
West Dunbartonshire	0	0	0	3
<b>Total</b>	<b>72</b>	<b>42</b>	<b>41</b>	<b>40</b>

## **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 9 September 2019, by the Treasurer to the Clyde Valley Learning and Development Joint Committee.

## **8 Post Balance Sheet Events**

No events occurred between 1 April 2019 and 9 September 2019 that would have an impact on the 2018/2019 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 Local Authorities has been received for 2019/2020.



## **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 2018/2019, 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 2019 or services have been received but not paid for by end 31 March 2019, 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

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 2019 and its income and expenditure for the year ended 31 March 2019

**Jackie Taylor**

**Treasurer – Clyde Valley Learning and Development Joint Committee**  
**9 September 2019**

## **Independent auditor's report to the Members of Clyde Valley Learning and Development Joint Committee and the Accounts Commission**

### **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 2019 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 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Clyde Valley Learning and Development Joint Committee as at 31 March 2019 and of its income and expenditure 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 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is three years. I am independent of the Clyde Valley Learning and Development 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 Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Lanarkshire Valuation Joint Board. 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 Clyde Valley Learning and Development 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.

### **Risks of material misstatement**

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

### **Responsibilities of the Treasurer and Clyde Valley Learning and Development 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 Clyde Valley Learning and Development 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 Clyde Valley Learning and Development 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website

<http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of 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**

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

I have nothing to report in respect of these matters.

### **Use of my report**

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

**Dave Richardson FCCA  
Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT**

**9 September 2019**

## **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. 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.

### **2018/2019 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

### **2019/2020 Clyde Valley Learning and Development Joint Committee Members**

#### **Council**

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

#### **Member**

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