

# Report

Report to:	<b>Clyde Valley Learning and Development Joint Committee</b>
Date of Meeting:	<b>7 September 2020</b>
Report by:	<b>Treasurer to Clyde Valley Learning and Development Joint Committee</b>

Subject:	<b>Certified Annual Accounts 2019/2020</b>
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## 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 2019/2020 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 2019/2020 received a clean audit certificate (section 4.2); and
- (2) that the audited Annual Accounts for 2019/2020, 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 2019/2020.

3.2. Following the publication of The Local Authority Accounts (Scotland) Regulations 2014, the members of the Joint Committee are required to meet to consider whether to approve the audited Annual Accounts for signature, no later than 30 September 2020. 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 2019/2020 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 £0.126 million in 2019/2020 and was funded by other income of £0.112 million. This resulted in a £0.014 million surplus, which can be added to the revenue cash balance of £0.014 million brought forward from 2018/2019.
- 6.2. After taking account of any accruals and commitments, this leaves a revenue cash balance of £0.028 million to be carried forward into 2020/2021, for use in future years.
- 6.3. This position has been confirmed by the Joint Committee's external auditors, Audit Scotland.

**7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

**8. Other Implications**

- 8.1. 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.

**9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. 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.
- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Jackie Taylor**  
**Treasurer**

20 August 2020

**Previous References**

- ♦ Clyde Valley Learning and Development Joint Committee, 22 June 2020

**List of Background Papers**

- ◆ Clyde Valley Learning and Development Joint Committee Annual Accounts 2019/2020 and External Auditor's report.

**Contact for Further Information**

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

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

***ANNUAL ACCOUNTS***

***2019/2020***

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

## **ANNUAL ACCOUNTS 2019/2020**

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

It is impossible to consider the events of the past year without referencing the current and ongoing emergency facing us all as a result of the global pandemic virus Covid-19. In this context the health and wellbeing of our workforce and communities remains at the forefront of all our thoughts. It is with this backdrop that the accounts and annual report have been prepared, and which represents a huge challenge for the Clyde Valley Learning and Development Project in the coming year.

The Project has just completed its thirteenth year in operation and its third year of governance for the current Joint Committee. I am encouraged that the radical changes to the structure, governance and funding of the Project introduced in the previous year have resulted in more streamlined management of the Project as well as yielding tangible outcomes through the judicious use of the Project fund.

As priorities for funding, redeployment of staff and the challenges of remote and home working continue to be the new norm, the coming year will see a challenging environment for all the councils associated with the Clyde Valley Learning and Development Group. Despite this, the number of members re-joining the Project and contributing membership fees continues to exceed initial projections, and thereby maintains a strong foundation for development and consolidation as we move forward.

I remain confident that the exceptional networks established through the Project over more than a dozen years will provide many opportunities for mutual support and shared delivery of learning and development to support our combined hard-working workforce.

As the Convenor of the Clyde Valley Learning and Development Joint Committee, I would like to recognise and thank all the partner Councils involved for maintaining the Project's unique partnership, particularly in the current circumstances. It is now more important than ever that the Project should continue to develop and deliver value to Members. The challenge now for the Group is to build on past successes while moving the emergency agenda forward.

I continue to 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 2019/2020**

### **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 2019/2020 financial year, which within the context of the unprecedented 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, 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 2019/2020, 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 2019/2020(continued)**

### **Performance Review 2019/2020**

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 2019/2020, 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
- ◆ Developing skills capacity through investment in e-learning authoring skills
- ◆ 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, 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 has never been more relevant when seen in the context of the recent emergency and contingency arrangements implemented to maintain services during the corona virus crisis. The established infrastructure and networks within the Group have allowed collaborative work to continue through virtual meetings and learning events, shared content for front line and redeployed services and the delivery of online learning in unprecedented numbers across the Clyde Valley Group.

The change in the governance structure of the project involving elevating the Social Care Group to the same level of authority as the Project Steering Group has worked effectively in terms of supporting and guiding the Project's strategic direction. This approach continues to reflect the scope of influence over each dimension of the project as well as the resourcing implications of delivering the Project's programmes.

2019/2020 was the first year of operation under the new streamlined membership and fee structure. Both have been successful in delivering effective project governance structures, and in providing a suitable fund to enable additional key Project support activities to be commissioned.

The membership for 2019/2020 comprised:

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



The income met the designated minimum level to support a contribution to running costs for South Lanarkshire Council as lead authority (£0.059m). Other monies from the remaining membership contributions to the project of £0.032m were allocated through consultation between the Project Steering Group and the Social Care Group. Details of the allocation of Project funds is described below.

### **Existing Programmes**

The primary focus has continued to be on consolidation of established Project work implemented by the Group. These reflect those activities which were initiated through the Clyde Valley Project and which are now integrated into standard business practice for the Councils. These include e-learning, Promoting Positive Behaviour, Social Care training and accredited management and leadership training.

Existing contracts have been maintained for accessing online portfolios for the delivery of SVQs, and there is a strong uptake of the Royal Environmental Health Institute of Scotland (REHIS)/Clyde Valley Introductory Joint Award in 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 work undertaken this year include those activities which were funded from the membership contributions:

#### Evaluation of Promoting Positive Behaviour (PPB)

The PPB programme was first established in June 2013 and has grown to be the programme of choice for managing challenging behaviour in the context of Social Care for all eight of the original Clyde Valley Member Councils. Despite the perceived success of the programme, a comprehensive evaluation of the impact on service delivery had not been carried out. With the availability of extra funding through the revised membership contributions, an external consultant was commissioned to evaluate the programme and present the results to the Joint Committee. The results of the evaluation, reported to the Joint Committee in December 2019, demonstrated a highly effective programme which has met the initial objectives for its introduction and which has helped to deliver a safe environment for social care service users and staff alike.

#### Development of e-learning capacity through skills development

It was an identified strategy for the e-Learning Sub Group to increase capacity through skills development. The importance of this project was brought into sharp focus by the fact that the existing contract with the Group's Learning Management System provider (Brightwave) is now in its penultimate year. This will result in the withdrawal of Brightwave's proprietary e-learning authoring tool (BILD) in July 2021, as well as the Group's primary means of sharing content.

The Group identified which authoring software would best provide an approach which would maintain the principle of sharing content and which would no longer leave the Clyde Valley Group dependent on one learning management service (LMS) provider. In February 2020, an external training provider was commissioned to deliver training in the Articulate authoring product for 16 delegates representing nine Clyde Valley Member Councils. It is now planned for the Clyde Valley to consolidate this investment in skills by purchasing licences for the product for those Councils.

This investment in skills is a direct objective of the Project and goes a long way towards extending the life cycle of the e-learning content library being developed now and in the future.

### **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 2019/2020, the Revenue Expenditure results for the Committee are shown on page 11. This shows an underspend position of £0.014m on the Comprehensive Income and Expenditure Statement which will be carried forward into 2020/2021.

Support expenses of £0.059m 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 (£0.035m, 31.25%). This is an increase of £0.010m compared to 2018/2019. 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 also incurred spend in relation to Project Work undertaken in 2019/2020 (£0.016m).

The Committee's income is mainly made up of contributions from Member Councils (£0.091m in 2019/2020). 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 2018/2019 has been carried forward into 2019/2020 as part of the General Fund Balance (£0.014m). The underspend of £0.014m for 2019/2020 will be added to this General Fund 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 recent global outbreak of the corona virus Covid-19 and its impact on society has dominated recent times and is likely to do so for the foreseeable future. In this context the Clyde Valley Learning and Development Group will continue to seek out opportunities to deliver innovation in learning and development through collaborative working, which will support the changes to service delivery particularly through online learning and development. Although this presents unique challenges for everyone the Group remains competent, capable and motivated to address these issues and to provide support for the network in each of the Clyde Valley workstreams.

The new funding model will continue to be monitored and evaluated in terms of achieving best value for the Member Councils. Further projects will be identified to maximise the benefits achieved from the Project fund.

With the impact of the ongoing crisis the immediate challenge for now and over the coming year will be to maintain the high standards of delivery and innovation through partnership working which will allow services to be maintained and improved. The goodwill, time and resources allocated to the work by members remains central to the success of the Project.

**Jackie Taylor**

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

**7 September 2020**

## **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, 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. The standing orders were updated and approved in 2019/2020.
- Meetings of the Joint Committee are held three times a year chaired by the elected Convener of the Joint Committee. For 2019/2020, 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 being approved to reflect the changes in membership and fee structure for 2019/2020.
- 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 2019/2020 and I will continue to review these as appropriate during 2020/2021.

### **COVID-19**

While there will be disruption to the ability to undertake training courses in-person as a result of the ongoing pandemic the work of the Clyde Valley Learning and Development Joint Committee will continue to be progressed. South Lanarkshire Council staff continue to have access to IT systems and are able to provide ongoing support to the Joint Committee in the normal way.

Due to the cancellation of the 8 June 2020 meeting Clyde Valley Learning and Development Joint Committee the approval process for the annual governance statement has been amended for 2019/2020. Approval for the annual governance statement has been confirmed by Joint Committee members in writing.

## **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 thirteenth year of the Clyde Valley Learning and Development Joint Committee (financial year 2019/2020), 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**

**7 September 2020**

## 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.

<b>2019/2020</b>	General Fund Balance	<b>Total Usable Reserves</b>	Total Unusable Reserves	<b>Total Reserves</b>
	£000	£000	£000	£000
<b>Balance at 31 March 2019</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>Movement in Reserves during 2019/2020</b>				
Surplus on the provision of services	14	14	-	14
Other comprehensive income and expenditure	-	-	-	-
<b>Total comprehensive income and expenditure</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>
Adjustments between accounting basis and funding basis	-	-	-	-
Net increase before transfers to / from other statutory reserves	-	-	-	-
Transfers to / from other statutory reserves	-	-	-	-
<b>Increase / (Decrease) in 2019/2020</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>Balance as at 31 March 2020</b>	<b>28</b>	<b>28</b>	<b>-</b>	<b>28</b>

	General Fund Balance	<b>Total Usable Reserves</b>	Total Unusable Reserves	<b>Total Reserves</b>
	£000	£000	£000	£000
<b>Balance at 31 March 2018</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>12</b>
<b>Movement in Reserves during 2018/2019</b>				
Surplus on the provision of services	2	2	-	2
Other comprehensive income and expenditure	-	-	-	-
<b>Total comprehensive income and expenditure</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>
Adjustments between accounting basis and funding basis	-	-	-	-
Net increase before transfers to / from other statutory reserves	-	-	-	-
Transfers to / from other statutory reserves	-	-	-	-
<b>Increase / (Decrease) in 2018/2019</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Balance as at 31 March 2019</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>

## Comprehensive Income and Expenditure Statement For the Year Ended 31 March 2020

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

2018/19		2019/20	
£000		£000	Notes
28	Support Expenses paid to South Lanarkshire Council	59	
25	Training Costs for Member Councils	35	
0	Project Work	16	
2	Payments to Other Bodies	2	1
<hr/> 55	Total Expenditure	<hr/> 112	
<hr/> (57)	Income	<hr/> (126)	
<b>(2)</b>	<b>(Surplus) / Deficit on Provision of Service</b>	<b>(14)</b>	
<hr/> <b>(2)</b>	<b>Total Comprehensive Income and Expenditure</b>	<hr/> <b>(14)</b>	



## **Balance Sheet as at 31 March 2020**

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

<b>31 March 2019 £000</b>		<b>31 March 2020 £000</b>	Notes
	<b><u>Current Assets</u></b>		
0	Debtors	0	
72	Short Term Investments	79	2
<b>72</b>	<b>Total Current Assets</b>	<b>79</b>	
	<b><u>Current Liabilities</u></b>		
(58)	Creditors	(51)	3
<b>14</b>	<b>Net Current Assets</b>	<b>28</b>	
	<b><u>Represented By :</u></b>		
14	General Fund Balance	28	
<b>14</b>		<b>28</b>	

Note 1: The 2018/19 Balance Sheet presentation was amended to move the surplus funds held on behalf of Members from the Creditors line to the General Fund Balance. There is no change to the funds being carried forward of £0.028m.

The notes on pages 14-18 form part of the financial statements.

The unaudited accounts were approved for issue by the Treasurer on 8 June 2020 and the audited accounts were authorised for issue on 7 September 2020.

**Jackie Taylor**  
**Treasurer – Clyde Valley Learning and Development Joint Committee**  
**7 September 2020**

**Cash Flow Statement**  
**For the year ended 31 March 2020**

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>2018/19</b>		<b>2019/20</b>
<b>£000</b>		<b>£000</b>
(2)	Net (surplus) on the provision of services	(14)
(31)	Adjust net surplus or deficit on the provision of services for non cash movements	(7)
(33)	Net cash flows from Operating Activities	(21)
33	Investing Activities (note below)	21
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>	0

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

<b>2018/19</b>		<b>2019/20</b>
<b>£000</b>	<b>Description</b>	<b>£000</b>
0	Movement in Debtors	0
(31)	Movement in Creditors	(7)
(31)		(7)

**Cash Flow Statement Note – Investing Activities**

<b>2018/19</b>		<b>2019/20</b>
<b>£000</b>		<b>£000</b>
33	Purchase or (Sale) of short-term and long-term investments	21
33	<b>Net cash flows generated from/(used in) investing activities</b>	21

## Notes to the Accounts

### 1 Auditors' Remuneration

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

	2019/20 £000	2018/19 £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 £1,920 for the statutory audit of the financial statements by Audit Scotland. The comparable figure for 2018/2019 was £1,880. Fees payable in respect of other services provided by the appointed auditor were £nil. (2018/2019: £nil)

### 2 Financial Instruments

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

	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000	31 March 2019 £000	31 March 2019 £000	31 March 2019 £000
	Long Term	Current	Total	Long Term	Current	Total
Investments	0	79	79	0	72	72
Loans and Receivables						
<b>Total</b>						
<b>Investments</b>	<u>0</u>	<u>79</u>	<u>79</u>	<u>0</u>	<u>72</u>	<u>72</u>

### 3 Creditors

The Creditors figure is analysed as follows:

	2019/20 £000	2018/19 £000
Training invoices	1	0
Audit fee	1	1
Prepaid Contributions from Local Authorities	49	57
	<u>51</u>	<u>58</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 2019/20 £000</b>	<b>Payments 2019/20 £000</b>	<b>Receipts 2018/19 £000</b>	<b>Payments 2018/19 £000</b>
South Lanarkshire Council	11	59	7	28
East Renfrewshire Council	7	0	5	0
Glasgow City Council	11	0	6	0
Inverclyde Council	5	0	3	0
North Lanarkshire Council	16	0	9	0
Renfrewshire Council	17	0	13	0
East Dunbartonshire Council*	n/a	n/a	3	0
West Dunbartonshire Council*	n/a	n/a	7	0
<b>Total</b>	<b>67</b>	<b>59</b>	<b>53</b>	<b>28</b>

\*For 2019/20 East Dunbartonshire Council and West Dunbartonshire Council are no longer considered to be related parties of the Joint Committee due to the change in membership structure for 2019/20.

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 2019/20 £000</b>	<b>Creditors Balances 2019/20 £000</b>	<b>Short Term Investment Balances 2018/19 £000</b>	<b>Creditors Balances 2018/19 £000</b>
South Lanarkshire Council	79	30	72	15
Glasgow City Council	0	10	0	10
North Lanarkshire Council	0	10	0	10
Renfrewshire Council	0	7	0	7
<b>Total</b>	<b>79</b>	<b>57</b>	<b>72</b>	<b>42</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 7 September 2020, by the Treasurer to the Clyde Valley Learning and Development Joint Committee.

## **8 Post Balance Sheet Events**

No events occurred between 1 April 2020 and 7 September 2020 that would have an impact on the 2019/2020 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 2020/2021.

## **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 2019/2020, 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 2020 or services have been received but not paid for by end 31 March 2020, 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.

**(g) Reserve – General Fund Balance**

The Joint Committee Members agreed that any surplus on the Income and Expenditure Account at the end of the financial year will be carried forward and held in a General Fund Reserve for use on Clyde Valley projects in future financial years. The value of the funding being carried forward will be reviewed on an annual basis.

## **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 2020 and its income and expenditure for the year ended 31 March 2020

**Jackie Taylor**

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

**7 September 2020**



# **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 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, 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 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Clyde Valley Learning and Development Joint Committee as at 31 March 2020 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 2019/20 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 four 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 Clyde Valley Learning and Development Joint Committee. Non-audit services prohibited by the Ethical Standard were not provided to the Clyde Valley Learning and Development Joint Committee. 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;
- 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.

### **Risks of material misstatement**

I report in a separate Annual Audit Report, 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 [www.frc.org.uk/auditorsresponsibilities](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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

### **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**

**07 September 2020**

## **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.

## **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 (Vice Convener)  
Councillor Richard Bell  
Councillor Martin Brennan  
Councillor Angela Campbell  
Councillor Jim Paterson  
Councillor Katy Loudon (Convener)