
Clyde Valley Learning and Development Joint Committee Audit of 2019/20 annual accounts

7 September 2020

Independent auditor's report

1. Our audit work on the 2019/20 Annual Accounts is now substantially complete. Subject to the receipt of a revised set of annual accounts for final review, we anticipate being able to issue an unqualified and unmodified audit opinion in the independent auditor's report following approval of the Annual Accounts by the Joint Committee on 7th September (the proposed report is attached at **appendix A**).

Annual Audit Report

2. We also present for your consideration our proposed Annual Audit Report on the 2019/20 audit. International Standard on Auditing (UK and Ireland) 260 (Communication with those charged with governance) requires auditors to report specific matters arising from the audit of the annual accounts to those charged with governance, in sufficient time to enable appropriate action to be taken where necessary. Within the proposed Annual Audit Report (page 7), the section headed "Significant findings" sets out an issue which we consider requires to be drawn to your attention. The Annual Audit Report will be issued in its final form after the Annual Accounts have been approved for issue and the independent auditor's report has been signed.

Unadjusted misstatements

3. There are no unadjusted misstatements.

Fraud, subsequent events and compliance with laws and regulations

4. In presenting this report to the Joint Committee we seek confirmation that we have been informed of:
 - instances of any actual, suspected or alleged fraud;
 - events that have occurred since 31 March 2020 which could have a significant impact on the financial statements;
 - instances of non-compliance with legislation.

Representations from management

5. International Standard on Auditing (UK and Ireland) 580 (Management representations) requires auditors to obtain representations on certain matters from management. Accordingly, as part of the completion of our audit we seek written assurances from the Treasurer on aspects of the Annual Accounts and the judgements and estimates made. A draft letter of representation is attached at **appendix B**; this should be reviewed for accuracy and any proposed amendment

discussed with us. Once satisfied, the letter should be signed and returned by the Treasurer with the signed Annual Accounts.

Concluding remarks

6. I take this opportunity to record my thanks for the patient and courteous assistance extended to the audit team. Staff of South Lanarkshire Council finance department provided good support to the audit team which helped to ensure that the audit process ran smoothly.

Dave Richardson
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Appendix A: Proposed Independent Auditor's Report

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. 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.

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07 September 2020

Appendix B: Letter of representation

Dave Richardson
Senior Audit Manager
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Dear Dave

Clyde Valley Learning and Development Joint Committee - Annual Accounts 2019/20

1. This representation letter is provided about your audit of the annual accounts of Clyde Valley Learning and Development Committee for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions as required by the Accounts Commission.
2. I confirm to the best of my knowledge and having made appropriate enquiries of the Joint Committee, the following representations given to you in connection with your audit of Clyde Valley Learning and Development Joint Committee Annual Accounts for the year ended 31 March 2020.

Financial reporting framework

3. The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and relevant legislation.
4. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the state of affairs and income and expenditure of Joint Committee for the year ended 31 March 2020.

Accounting policies and estimates

5. All material accounting policies adopted are as shown at page 17 of the Annual Accounts. The continuing appropriateness of those policies has been reviewed and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. All accounting policies applied are appropriate to the Joint Committee's circumstances and have been consistently applied.
6. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates were based on the latest available, reliable information. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

Going concern

7. I have assessed Clyde Valley Learning and Development Joint Committee's ability to carry on as a going concern and concluded that it is appropriate to prepare the financial statements on a going concern basis.

Assets

8. The Joint Committee does not own or lease any assets.

Liabilities

9. All know liabilities have been provided for in the financial statements, including the liabilities for all purchases to which title has passed prior to 31 March 2020.

Provisions and contingent liabilities

10. There is no requirement for provisions. There are no contingent liabilities.

Accruals

11. I have assessed the method of calculating accruals and consider it appropriate and confirm that a firm obligation to expend the funds exists.

Corporate governance

12. I acknowledge, as Treasurer and S95 officer, my responsibility for the corporate governance arrangements. I confirm that I have disclosed to you all deficiencies in internal control of which I am aware.

Related Party Transactions

13. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions. I am not aware of any other matters that require disclosure in order to comply with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Fraud

14. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I confirm that there have been no actual or allegations of fraud or suspected fraud relating to the Joint Committee's business.

Laws and Regulations

15. I confirm that there are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

General

16. I acknowledge my responsibility for the preparation of the Annual Accounts. All of the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the Joint Committee have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.

17. I confirm that the narrative reports have been prepared in accordance with relevant guidance and the information is consistent with the financial statements.
18. I am not aware of any uncorrected misstatements.

Events Subsequent to the Date of the Balance Sheet

19. There have been no material events since 31 March 2020 which necessitate revision of the figures in the financial statements or notes thereto. Since 31 March 2020 no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Yours sincerely

Jackie Taylor
Treasurer, Clyde Valley Learning and Development Joint Committee