

West of Scotland Archaeology Service

Report to Consortium Members and the Controller of Audit
on the 2007/08 Audit



September 2008



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Key messages

Introduction

In 2007/08 we audited the West of Scotland Archaeology Service's (the Service) financial statements and governance arrangements. This report sets out our main findings, summarising key outcomes from the 2007/08 audit and the outlook for the period ahead.

Key outcomes from 2007/08 audit

We have given an **unqualified** opinion on the financial statements of the West of Scotland Archaeology Service.



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Financial position

1. The service's surplus was £15,481 in 2007/08. Expenditure was £240,931 and total income in the year was £256,412, the largest component of this being contributions from participating authorities of £170,596. Income has increased by 4% on the prior year and this has largely been due to additional work undertaken in relation to the M74 extension project.
2. The accumulated surplus at 31 March 2008 is £136,965.

Financial statements

Auditor's opinion

3. We audit the financial statements and give an opinion on:
 - whether they present fairly the financial position of the service and its expenditure and income for the year
 - whether they have been prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements.
4. We also review the statement on the system of internal financial control by considering the adequacy of the process put in place by the service to obtain assurances on systems of internal financial control and assessing whether disclosures in the statement are consistent with our knowledge of the service.
5. We have given an **unqualified** opinion on the financial statements of the West of Scotland Archaeology Service for 2007/08.
6. The service's unaudited financial statements were submitted to the Controller of Audit prior to the deadline of 30 June. Audited financial statements will be available for publication prior to the target date of 30 September 2008.
7. Each year we request written confirmation that the service's financial transactions accord with relevant legislation and regulations. There are no legality issues arising from the audit which require to be brought to the service's attention.



Statutory objection

8. Citizens have the right to make a statutory objection under section 101(2) of the Local Government (Scotland) Act 1973. No objections were received in relation to West of Scotland Archaeology Service's 2007/08 financial statements.

Accounting practice

9. The service is required to follow the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice (the 'SORP'). Overall, we were satisfied that the service had prepared the financial statements in accordance with the revised SORP.
10. The service adjusted the financial statements to reflect our audit findings. As is normal practice, immaterial unadjusted errors have been reported to the executive director of financial services via our letter issued in line with International Standard on Auditing 260 (ISA 260) *communication of audit matters with those charged with governance*.

Pension Disclosures

11. Service staff are Glasgow City Council employees and the council is an admitted body of the Strathclyde Pension Fund. The service staff pension costs are reflected in the council's financial statements.

Group financial statements

12. The service is disclosed within Glasgow City Council's group financial statements as a non-material interest in a joint committee.

Governance

13. Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviours at the upper levels of the organisation. The service has a responsibility to put in place arrangements for the conduct of its affairs, ensure the legality of activities and transactions and to monitor the adequacy and effectiveness of these arrangements in practice. As auditor I have responsibility to report on the service's corporate governance arrangements and review the statement on the system of internal financial control.



14. In accordance with the service's minute of agreement financial transactions are processed through Glasgow City Council's financial systems. It is the responsibility of the service's management to maintain adequate financial systems and associated internal controls, both for the purpose of giving an opinion on the financial statements, and in order to report on the adequacy of such systems and controls.
15. Our review of these statements was conducted as part of the audit of Glasgow City Council and supplemented by specific audit work on the service's financial statements. Audit's conclusions are that overall Glasgow City Council's financial systems are adequate for the purpose of producing the financial statements. No areas of concern were identified relating to the transactions.
16. The statement on the system of internal financial control states that reasonable assurance can be placed upon the adequacy and effectiveness of the service's internal financial control system. The statement complies with accounting requirements and is not inconsistent with the findings of our audit.

Final remarks

17. The members of West of Scotland Archaeology Service are invited to note this report. We would be pleased to provide any additional information that members may require.
18. The co-operation and assistance given to us by the relevant officers within Glasgow City Council, is gratefully acknowledged.