



Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

2016/17 Annual Audit Report

 AUDIT SCOTLAND

To Members of the Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee and the Controller of Audit

11 September 2017

Who we are

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

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



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

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

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

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Key messages

Audit of the 2016/17 annual accounts

- 1 Our audit opinions were all unqualified. These covered the financial statements, management commentary, remuneration report and the annual governance statement.

Financial management

- 2 Outturn during the year was positive compared to budget and a surplus of £0.029 million was generated.
- 3 The Joint Committee has delivered services within budget over the past 2 years.

Financial sustainability

- 4 The Joint Committee held general reserves of £0.096 million and earmarked reserves of £0.192 million at the end of 2016/17.
- 5 The overall level of useable reserves has decreased over the last 5 years.

Governance and transparency

- 6 The Joint Committee has appropriate governance arrangements in place to support the scrutiny of decision making. However, the contract standing orders require review and update.
- 7 The Joint Committee is open and transparent in the way it conducts its business; the public can attend meetings and access agendas and meeting papers.

Value for money

- 8 An Annual Report on the work of the Joint Committee is presented to members every year.

Introduction

1. This report is a summary of the findings arising from the 2016/17 audit of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee (Clydeplan).
2. The scope of the audit was set out in our Annual Audit Plan presented to the March 2017 meeting of the Joint Committee. This report comprises:
 - an audit of the annual report and accounts
 - consideration of the four dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 1 \(page 5\)](#).

Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

3. The main elements of our audit work in 2016/17 have been:
 - an interim audit of Renfrewshire Council's main financial systems and governance arrangements which are used by Clydeplan
 - an audit of Clydeplan's 2016/17 annual report and accounts including the issue of an independent auditor's report setting out our opinions.
4. Clydeplan is responsible for preparing the annual report and accounts that show a true and fair view in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It is also responsible for establishing effective governance arrangements and ensuring financial management is effective.

- 5.** Our responsibilities as independent auditor are established by the Local Government in Scotland Act 1973 and the [Code of Audit Practice 2016](#) guided by the auditing profession's ethical guidance.
- 6.** As public sector auditors we provide an independent auditor's report on the annual report and accounts. We also review and report on the arrangements within Clydeplan to manage its performance and use of resources such as money, staff and assets. Additionally, we consider Clydeplan's best value arrangements. In doing this, we aim to support improvement and accountability.
- 7.** Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).
- 8.** This report raises matters from the audit of the annual report and accounts, risks or control weaknesses. Communicating these does not absolve management from its responsibility to address the issues we raise, and to maintain adequate systems of control.
- 9.** Our Annual Audit Report contains an action plan at [Appendix 1 \(page 18\)](#). It sets out specific recommendations, responsible officers and dates for implementation.
- 10.** As part of the requirement to provide fair and full disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2016/17 audit fee for the audit was set out in our Annual Audit Plan and as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
- 11.** This report is addressed to both the Joint Committee and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk.
- 12.** We would like to thank all management and staff who have been involved in our work for their co-operational and assistance during the audit.

Part 1

Audit of 2016/17 annual report and accounts



Main judgements

Unqualified audit opinions on Clydeplan's annual report and accounts.

Unqualified audit opinions

13. The annual report and accounts for the year ended 31 March 2017 were approved by the Joint Committee on 11 September 2017. We reported, within our independent auditor's report:

- an unqualified opinion on the financial statements
- unqualified opinions on the management commentary, remuneration report and annual governance statement.

14. Additionally, we have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception.

Submission of Clydeplan's annual report and accounts for audit

15. We received the unaudited annual report and accounts on 12 June, in line with the audit timetable set out in our 2016/17 Annual Audit Plan.

16. The working papers provided with the unaudited report and accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the final accounts process ran smoothly.

Risk of material misstatement

17. [Appendix 2 \(page 19\)](#) provides a description of those assessed risks of material misstatement that were identified during the planning process which had the greatest effect on the overall audit strategy, the allocation of resources to the audit and directing the efforts of the audit team. Also, included within the appendix are wider audit dimension risks, how we addressed these and our conclusions.

Materiality

18. Materiality defines the maximum error that we are prepared to accept and still conclude that our audit objective has been achieved (i.e. true and fair view). The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement.

19. Our initial assessment of materiality for the annual report and accounts was undertaken during the planning phase of the audit and is summarised in [Exhibit 2](#)

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

(page 8). Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

20. On receipt of the annual report and accounts and following completion of audit testing we reviewed our original materiality calculations and concluded that they remained appropriate.

Exhibit 2

Materiality values

Materiality level	Amount
Overall materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It was set at 1 per cent of gross expenditure for the year ended 31 March 2017.	£5,900
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 75 per cent of overall materiality.	£4,400
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount.	£1,000

Source: Audit Scotland

How we evaluate misstatements

21. It is our responsibility to request that all errors are corrected although the final decision on this lies with those charged with governance taking into account advice from senior officers and materiality. No errors were identified during the course of the audit.

Significant findings

22. International Standard on Auditing 260 (UK & Ireland) requires us to communicate to you significant findings from the audit. We have no matters to report in respect of this requirement.

Going concern

23. The financial statements of Clydeplan have been prepared on the going concern basis. No issues were identified with the assessment on going concern.

Other findings

24. Our audit identified a number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual report and accounts.

Objections

25. The Local Authority Accounts (Scotland) Regulations 2014 require a local government bodies to publish a public notice on its website that includes details of

the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. Clydeplan complied with the regulations.

Part 2

Financial management



Main judgements

Outturn during the year was positive compared to budget and a surplus of £0.029 million was generated.

Clydeplan has delivered services within budget over the past 2 years.

Financial performance in 2016/17

26. In December 2015 the Joint Committee approved its budget for 2016/17. Total budget expenditure and total budget income was £0.588 million resulting in a budgeted breakeven position.

27. Actual outturn for the year was total expenditure of £0.568 million and total income of £0.597 million. This resulted in a surplus of £0.029 million for the year compared to the budgeted breakeven position.

28. The largest source of income was requisitions from members of the Joint Committees. This was £0.580 million in 2016/17 which was unchanged from 2015/16.

29. Details of significant variances are summarised in [Exhibit 3 \(page 11\)](#). Over the past 2 years Clydeplan has delivered services within budget. A significant deficit was generated in 2015/16 but this was due to the planned repayment of reserves to members of the Joint Committee. Removing the repayment of the reserves of £0.120 million from outturn would have resulted in a surplus of £0.020 million for 2015/16.

30. The surplus of £0.029 million reported in the Management Commentary is different to the deficit of £0.005 million reported in the Comprehensive Income and Expenditure Statement (CIES). This is due to accounting adjustments required for pension costs and the employee leave accrual. As the budget is prepared and monitored in this way, it is appropriate for it to be detailed in the Management Commentary in this way.

Exhibit 3

Summary of significant over and under spends/recovery against budget

Area	Under/over spend/recovery (£)	Reason(s) for variance
Underspends/over recovery		
Property Costs	£8,831	Due to renting out office space from the year to an external body.
Supplies and Services	£7,118	Due to continued efforts to reduce IT maintenance costs and slower replacement of IT equipment.
Administrative Costs	£5,778	Due to lower than expected printing and stationary costs and conference and course expenses.
Other Income	£9,803	Due to income received from the Glasgow Green Network to cover the administrative support provided by Clydeplan employees.
Overspends/under recovery		
Contractors and Other	£7,006	Due to consultancy costs incurred in respect of the preparation of the proposed plan.

Source: Clydeplan annual report and accounts 2016/17

Budgetary monitoring and control

31. The *Local Government in Scotland: Financial overview 2015/16* (November 2016) highlighted that the need for budgets and forecasts to reflect actual spending becomes increasingly important for local government bodies with decreasing (or low levels) of usable reserves to rely on. An analysis of reserves can be seen in Part 3 of the report.

32. We noted that Clydeplan's budget is aligned to its statutory objectives. Budgets are approved by the Joint Committee and budget monitoring updates are provided at each meeting of the Joint Committee. The budget monitoring updates provide details on variances against the budget and forecast year-end positions. This allows members and officers to take actions to address variances and address forecast over and under spends.

Internal controls

33. As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant for the production of the financial statements. Our objective is to gain assurance that Clydeplan has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

34. The systems in place at Clydeplan are hosted by Renfrewshire Council and were assessed as part of the Renfrewshire Council audit. As part of the Renfrewshire Council audit we concluded that the key controls were operating effectively, although there were areas where improvements could be made.

Overall, no significant control weaknesses were identified which could affect the Council's, and by extension Clydeplan's, ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.

Prevention and detection of fraud

35. We have responsibility for reviewing the arrangements put in place by management for the prevention and detection of fraud. We reviewed Clydeplan's arrangements including policies and codes of conduct for staff and elected members, whistleblowing, and fraud prevention.

36. Based on the evidence reviewed by us, we concluded that the Clydeplan has adequate arrangements in place for the prevention and detection of fraud.

National Fraud Initiative

37. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or error.

38. Clydeplan does not participate in the NFI exercise. This was reported within the Action Plan in the 2015/16 Annual Audit Report. Due to the nature of operations the majority of expenditure incurred relates to staff costs and the majority of income received is from requisitions. These are low risk areas as requisition income is agreed by the members of the Joint Committee and the payroll system is hosted and operated by Renfrewshire Council. This separates and minimises control and opportunities for fraud.

39. Renfrewshire Council participates in the NFI exercise and if any frauds are identified the improvements to systems would also impact on Clydeplan due to the use of Renfrewshire Council's financial systems.

40. While we recognise the reasons why Clydeplan does not currently participate in the NFI exercise, we would recommend Clydeplan and Renfrewshire Council discuss the possibility to participate in the NFI exercise in future.

Part 3

Financial sustainability



Main judgements

Clydeplan held general reserves of £0.096 million and earmarked reserves of £0.192 million at the end of 2016/17.

The overall level of reserves has decreased over the last 5 years.

Financial planning

41. It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to Clydeplan's strategies. Although members only approve the budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on Clydeplan.

42. Clydeplan's budgets are prepared on an annual basis and do not include longer term strategies. The Accounts Commission recommended that when future Scottish Government funding is not known, bodies should plan for a range of scenarios so they are prepared for different levels of funding and income.

43. A review of committee minutes identified that medium term financial planning or scenario planning is not carried out. As a result, there is a risk members do not have sufficient information to inform decision making.

Appendix 1, Action Plan, point 1

Funding position

44. The Joint Committee approved its 2017/18 budget in December 2016 with proposed total income and expenditure of £0.599 million, resulting in a breakeven position. Requisition income is unchanged from 2016/17 at £0.580 million.

Savings plans

45. A review of Clydeplan's budget information and revenue estimates for 2017/18 highlight that the funding settlement for 2018/19 and beyond is uncertain. It is recognised that over the medium term the funding position of local government across Scotland is likely to involve a further period of contraction. The Joint Committee and management recognise there may be a need to seek further efficiencies and will continue to monitor and review operating costs in light of the future uncertainties.

Reserves

46. Like all Joint Committees, Clydeplan has no specific powers to retain reserves to meet future requirements and technically the amounts held are due to local authorities. These balances are used to support medium-term financial planning and address any unforeseen costs.

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

47. In 2016/17 the overall level of useable reserves held by Clydeplan increased by £0.029 million (12 per cent). The closing balance of £0.288 million is 49 per cent of 2016/17 budgeted expenditure. The overall level of reserves is made up of £0.096 million of general reserves and a £0.192 million Strategic Development Plan Contingency Fund which is earmarked for specific use. The purpose of the Strategic Development Plan Contingency Fund is to ensure Clydeplan is able to deliver its statutory mandate and to ensure the pressures of additional resource requirement during the development of the Strategic Development Plan are met. Officers have assessed the level of general reserves as being a prudent level to protect against unforeseen costs.

48. [Exhibit 4 \(page 14\)](#) provides an analysis of useable reserves over the last five years. The usable reserves / balances due to member authorities' have increased since 2014/15. The significant reduction in reserves in 2015/16 was due to the planned repayment of reserves to members of the Joint Committee. The level of reserves is reviewed as part of the budget monitoring report which is reported at every committee meeting. It is recommended that the balance held in reserves continues to be reviewed to ensure there are sufficient funds to address ongoing demand on services.

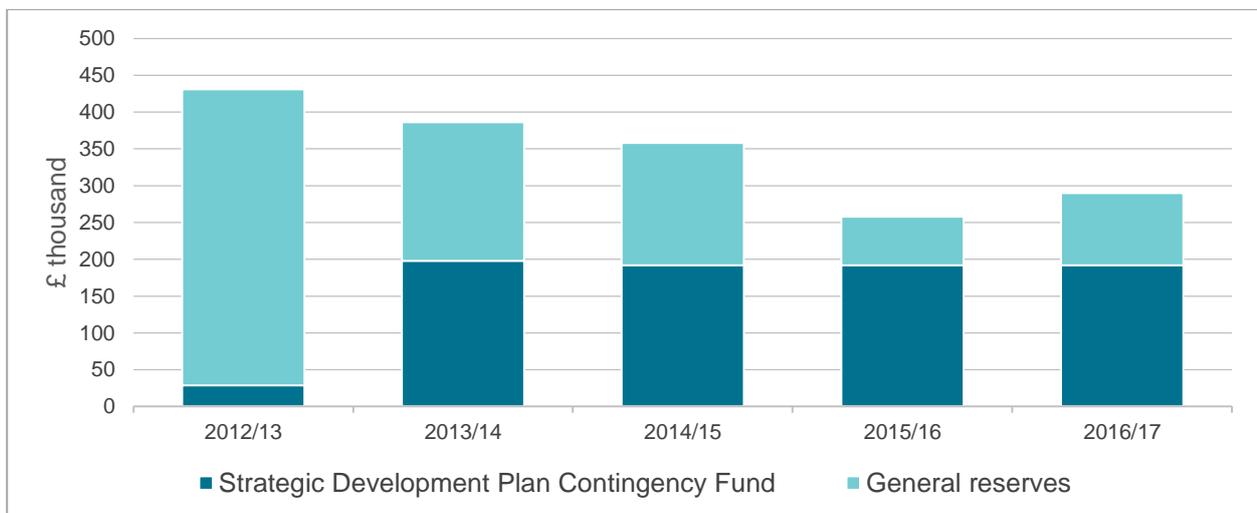
Proposed change to the Scottish planning system

49. An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework. The Scottish Government published its consultation document in January 2017 which outlined proposed changes to the system. The Joint Committee responded to the consultation document outlining its opinions on the changes proposed by the consultation.

50. An independent analysis of the responses to the consultation and a position statement were published in June 2017. It is unclear what Clydeplan's role would be under the new structure and there is a possibility that Clydeplan would not be required under the new structure. A Planning Bill is expected to go to Parliament in winter 2017 which should make Clydeplan's future clearer.

Exhibit 4

Analysis of useable reserves over last five years



Source: Clydeplan annual report and accounts 2012/13 – 2016/17

Part 4

Governance and transparency



Main Judgements

The Joint Committee has appropriate governance arrangements in place to support the scrutiny of decision making. However, the contract standing orders require review and update.

The Joint Committee is open and transparent in the way it conducts its business; the public can attend meetings and access agendas and meeting papers.

Governance arrangements

51. Members and management of Clydeplan are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements. We concluded that Clydeplan has effective governance arrangements which provide an appropriate framework for organisational decision-making.

52. Citizens should be able to hold Clydeplan to account about the services it provides. Transparency means that citizens have access to understandable, relevant and timely information about how the council is taking decisions and how it is using its resources. Overall we concluded that Clydeplan is open and transparent although there are some areas where practices could be improved.

53. As part of audit work we reviewed various governance policies and procedures (e.g. scheme of delegation, contract standing orders, etc.) and found the contract standing orders had not been updated for a number of years. As a result, there is a risk that the policies and procedures in respect of granting contracts are not up to date and in line with legislation.

Appendix 1, Action Plan, point 2

Management commentary, annual governance statement and remuneration report

54. The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 requires Joint Committees to prepare and publish, along with their financial statements, a management commentary, an annual governance statement and a remuneration report that are consistent with the disclosures made in the financial statements. The management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body.

55. Based on our knowledge and work performed, we concluded that the management commentary, annual governance statement and remuneration report are consistent with the financial statements.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

Internal audit

56. Internal audit provides senior management and elected members with independent assurance on Clydeplan's overall risk management, internal control and corporate governance processes.

57. The internal audit function is carried out by Renfrewshire Council's internal audit team. We carried out a review of the adequacy of Renfrewshire Council's internal audit function and concluded that it operates in accordance with the Public Sector Internal Audit Standards (PSIAS). However, there were areas where we identified recommendations for improvement.

58. To avoid duplication, we place reliance on the work of internal audit wherever possible. No specific reviews of Clydeplan's processes and systems were carried out by internal audit in 2016/17. Therefore, we did not place reliance on the work of internal audit.

Risk management

59. Clydeplan's Financial Regulations were updated in December 2016 and these required Clydeplan to implement a risk register. A risk register was implemented and approved by the Joint Committee in March 2017 as part of the Business Continuity Plan. The risk register identifies risks across premises, services and personnel and risks are scored based on likelihood and impact. This would allow members and management to prioritise the most significant risks.

Transparency

60. Transparency means that the public, in particular local residents have access to understandable, relevant and timely information about how Clydeplan is taking decisions and how it is using resources such as money, people and assets.

61. There is evidence from a number of sources which demonstrate Clydeplan's commitment to transparency. Members of the public can attend Joint Committee meetings and minutes of the meetings and supporting papers are readily available through Clydeplan's website.

62. The Joint Committee's website allows the public to access a wide range of information on corporate policies, targets and performance.

63. The Joint Committee makes its annual accounts available on its website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties facing the Joint Committee.

64. Overall, we concluded that the Joint Committee conducts its business in an open and transparent manner.

Equalities

65. The Equality Act 2010 introduced a public sector general duty that encourages public bodies to mainstream equality, that is, ensure it is part of their core work. The Act requires that by no later than 30 April 2015 and every two years thereafter, public bodies must publish a report on the progress made to achieve the quality of outcomes it has set.

66. Under the terms of the Act and supporting legislation, Clydeplan does not have a requirement to fulfil this duty. However, Renfrewshire Council, as lead authority for Clydeplan, is required to fulfil this duty. Therefore, the work done and reports published by Renfrewshire Council will include Clydeplan as Clydeplan is covered by Renfrewshire Council's policies.

Part 5

Value for money



Main judgements

An Annual Report on the work of the Joint Committee is presented to members every year.

Best Value

67. Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. Clydeplan should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.

Following the public pound

68. Local government bodies have a statutory responsibility to comply with the Accounts Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

69. The Joint Committee's financial regulations state that it will continuously strive to secure best value for money and economy, efficiency and effectiveness in their use of resources.

Annual report

70. Clydeplan's minute of agreement requires an Annual Report on its work to be prepared for members each year. The Annual Report 2016 was presented to members at the March 2017 meeting. The report provided a summary of the work carried out by Clydeplan during the previous year and was split across a number of broad and overarching headings (e.g. review of the current Strategic Development Plan, Glasgow City Region and City Deal and personnel).

National performance audit reports

71. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2016/17, a number of reports were issued which are of direct interest to the Joint Committee. These are outlined in [Appendix 3 \(page 24\)](#).

72. The 2015/16 Annual Audit Report action plan outlined there was no formal process in place to review Audit Scotland's national reports pertinent to Clydeplan. A process was put in place whereby the Head of Planning and Housing Services (Renfrewshire Council) and the Treasurer will disseminate any national reports relevant to Clydeplan to the Strategic Development Plan Manager.

Value for money is concerned with using resources effectively and continually improving services.

Appendix 1

Action plan 2016/17

2016/17 recommendations for improvement

Page no.	Issue/risk	Recommendation	Agreed management action/responsible officer/timing
13 para 43	 <p>1. Medium term financial planning</p> <p>A review of committee papers and minutes identified no medium or longer term financial planning is carried out and no scenario planning on savings is carried out either. As a result, there is a risk members have insufficient information to make informed decisions.</p>	 <p>It is recommended scenario planning is carried out to highlight the impact of possible developments to members.</p>	 <p>Scenario planning will be built into the estimate process. Head of Finance 31 March 2018</p>
15 para 53	<p>2. Contract standing orders</p> <p>A review of the contract standing orders was carried out which highlighted information that was not up to date. As a result, there is a risk that the process and procedures in respect of granting contracts are not up to date and in line with legislation.</p>	<p>It is recommended that the contact standing orders are reviewed and updated.</p>	<p>Renfrewshire Council will liaise with Clydeplan regarding reviewing and updating the contract standing orders. Head of Corporate Governance 31 March 2018</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Management override of controls</p> <p>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 the risk of management override of controls in order to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Review of significant management estimates and evaluation of the impact of any variability in key assumptions.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p> <p>Substantive testing of transactions after the year end to confirm expenditure and income has been accounted for in the correct financial year.</p>	<p>Our audit procedures did not uncover evidence of management override of controls.</p>
<p>2 Risk of fraud over income/expenditure</p> <p>ISA 240 presumes a risk of fraud over income, which is expanded to include fraud over expenditure in the public sector by the Code of Audit Practice.</p> <p>The majority of Clydeplan's income is in the form of annual funding from member authorities. Due to the predictable nature of this, the risk of fraud over income has been rebutted.</p> <p>The presumed risk of fraud over expenditure remains relevant and therefore requires an audit response.</p>	<p>Analytical procedures over areas of expenditure.</p> <p>Detailed testing of expenditure transactions focussing on areas of greatest risk.</p>	<p>Our audit procedures did not uncover any evidence of fraud over income or expenditure.</p>
<p>3 Revised format of financial statements</p> <p>The 2016/17 Code of Practice on Local Authority Accounting</p>	<p>Review of structure of CIES and MIRS.</p> <p>Detailed analysis of account code mapping for CIES.</p>	<p>Our audit procedures did not identify any errors in the structure of the CIES or MIRS and all account codes had been mapped</p>

Audit risk	Assurance procedure	Results and conclusions
<p>(the Code) makes changes to the structure of the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS). This will require the restatement of prior year comparatives and presents a risk of misstatement in the financial statements.</p>	<p>Review of prior year comparatives and restatements.</p>	<p>across correctly.</p>
<p>4 New expenditure and funding analysis</p> <p>The Code sets out a new requirement for an expenditure and funding analysis. This will provide a reconciliation of the statutory adjustments between Clydeplan financial performance on a funding basis and the surplus or deficit on the provision of services in the CIES. This presents an increased risk of misstatement as the analysis may not be in line with the requirements of the Code. There is also an increased risk of inconsistencies between the analysis and the financial statements.</p>	<p>Detailed testing of expenditure and funding analysis.</p> <p>Review of prior year comparatives and restatements.</p> <p>Review of consistency between expenditure and funding analysis and information contained elsewhere within the annual accounts.</p>	<p>Our audit procedures did not identify any errors within the Expenditure Funding Analysis statement and all information was consistent with information contained elsewhere within the annual accounts.</p>
<p>5 Changes to governance disclosures</p> <p>The Code makes changes to the requirements of the governance statement. This will require additional information to be disclosed to ensure all requirements of the Code are met. This presents a risk that the governance disclosures may not be complete.</p>	<p>Review of governance statement content.</p> <p>Testing of governance disclosures.</p>	<p>Our audit procedures did not identify any errors with the governance statement and all disclosures required had been included.</p>
<p>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</p>		
<p>6 Proposed changes to Scottish planning system</p> <p>An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework.</p> <p>It is not clear what role Clydeplan will have under the proposed changes. This impacts on the ability of</p>	<p>Review of Clydeplan operational reports presented to the Joint Committee.</p> <p>Monitoring of Scottish Government publications in this area.</p>	<p>The Scottish Government's consultation document was published in January 2017 with all responses to be made by April 2017. The Joint Committee responded to the consultation document outlining its opinions on the changes proposed by the consultation.</p> <p>An independent analysis of the responses to the consultation was published in June 2017. A Planning Bill is expected to go to</p>

Audit risk	Assurance procedure	Results and conclusions
Clydeplan to undertake medium/long term planning to outline its future objectives.		Parliament in winter 2017 which could impact on the role of Clydeplan under the new structure. Until the Planning Bill is published the impact of the changes is not certain.

Appendix 3

Summary of national performance reports 2016/17



Apr			
May		Common Agricultural Policy Futures programme: an update	
Jun		South Ayrshire Council: Best Value audit report	 The National Fraud Initiative in Scotland
Jul		Audit of higher education in Scottish universities	 Supporting Scotland's economic growth
Aug		Maintaining Scotland's roads: a follow-up report	 Superfast broadband for Scotland: a progress update
			 Scotland's colleges 2016
Sept		Social work in Scotland	 Scotland's new financial powers
Oct		Angus Council: Best Value audit report	 NHS in Scotland 2016
Nov		How councils work – Roles and working relationships in councils	 Local government in Scotland: Financial overview 2015/16
Dec		Falkirk Council: Best Value audit report	 East Dunbartonshire Council: Best Value audit report
Jan			
Feb		Scotland's NHS workforce	
Mar		Local government in Scotland: Performance and challenges 2017	 i6: a review
			 Managing new financial powers: an update

Local government relevant reports

[*The National Fraud Initiative in Scotland - June 2016*](#)

[*How councils work - Roles and working relationships in councils - November 2016*](#)

[*Local government in Scotland: Financial overview 2015/16 - November 2017*](#)

[*Local government in Scotland: Performance and challenges 2017 - March 2017*](#)

Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

2016/17 Annual Audit Report

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