

CLYDEBANK **COLLEGE**

**ANNUAL REPORT
TO THE BOARD OF MANAGEMENT AND THE AUDITOR
GENERAL FOR SCOTLAND ON THE EXTERNAL AUDIT FOR
THE YEAR ENDED 31 JULY 2008**

NOVEMBER 2008

**Wylie & Bisset LLP
CHARTERED ACCOUNTANTS
168 Bath Street
Glasgow**

Date of commencement of Final Visit	14 September 2008
Date of Draft Report to College	27 October 2008
Date of Discussion re Draft Report	29 October 2008
Date of College Responses	3 November 2008
Date of Presentation of Report	11 November 2008

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GLOSSARY OF TERMS

Annual Report	-	Report
Clydebank College	-	The College
Governance and Management Appraisal and Policy Directorate	-	GMAP
Code of Audit Practice	-	The Code
Scottish Funding Council	-	SFC
Value for Money	-	VFM

1. INTRODUCTION

- 1.1 Wylie & Bisset LLP were appointed as the External Auditors of Clydebank College with effect from 1 August 2006 for a period of 5 years until 31 July 2011.
- 1.2 The Annual Report has been prepared following the conclusion of our audit of the financial statements of Clydebank College for the year ended 31 July 2008.
- 1.3 Our audit was carried out in accordance with our statutory responsibilities, statements of auditing standards and wider responsibilities contained in the Code of Audit Practice ('the Code') issued by Audit Scotland in March 2007.
- 1.4 Paragraph 24 of the 'Code' states that the auditor's objectives are to:
- Provide an opinion whether the College's financial statements present a true and fair view of the financial position of the College and the regularity of transactions in accordance with standards and guidance issued by the Auditing Practices Board;
 - Review and report on the College's corporate governance arrangements as they relate to:
 - The College's review of its systems of internal control
 - The prevention and detection of fraud and irregularity
 - Standards of conduct, and the prevention and detection of corruption
 - Its financial position, and
 - Review aspects of the College's arrangements to manage its performance.
- 1.5 The responsibilities of the Board of Management with regard to the financial statements are set out in the "Statement of Responsibilities of the Board of Management" included in Appendix A and in the "Independent Auditors' Report" in Appendix B.
- 1.6 The responsibilities of Wylie & Bisset with regard to the financial statements and our audit opinion on the financial statements are included in the "Independent Auditors' Report" included in Appendix B.
- 1.7 Our audit report on the financial statements for the year ended 31 July 2008 is unqualified.

- 1.8 The Annual Report covers the following areas as set out in the Code:
- a) Internal Controls and audit approach
 - b) Internal Audit
 - c) Corporate Governance
 - d) Value for Money
 - e) GMAP visits
 - f) Prevention and detection of fraud and irregularities
 - g) Management letter – 2008
 - h) Management letter – 2007
 - i) Summary of deviations
- 1.9 Our audit findings in each of the above areas are set out in the relevant sections of the report.
- 1.10 Our audit work is designed to enable us to form an audit opinion on the financial statements of the College and should not be relied upon to disclose all weaknesses in internal controls in relation to the Colleges systems and financial statements.
- 1.11 This report has been prepared for the purposes of the Board of Management and the Auditor General for Scotland and should not be issued to third parties without our prior written consent.
- 1.12 We would emphasise that our comments in this report are not intended to be any reflection on the integrity of the College staff whom we would like to thank for their help and assistance throughout our audit visits.
- 1.13 Should you have any queries on the contents of the Annual Report please do not hesitate to contact us.

Yours faithfully

Wylie & Bisset LLP

Wylie & Bisset LLP

2. INTERNAL CONTROLS AND AUDIT APPROACH

- 2.1 We have reviewed in the course of our audit the key elements of the College's systems of internal financial controls including the following areas;
- a) The College's medium and short term planning processes including budgets;
 - b) The College's review of key performance indicators, financial and management accounts;
 - c) The College's controls over income and expenditure;
 - d) The College's financial controls and procedures;
 - e) The input from the Audit Committee and the Finance Committee;
 - f) The College's internal audit service.
- 2.2 In carrying out our audit work we have taken into account the following:
- a) The Code of Audit Practice issued by Audit Scotland;
 - b) The Code of Audit Practice issued by SFC;
 - c) Guidance issued by Audit Scotland;
 - d) Guidance issued by SFC;
 - e) The College's internal control procedures;
 - f) The College's Corporate Governance procedures;
 - g) The College's approach to Value for Money;
 - h) The financial memorandum between SFC and the College.
- 2.3 In reaching our audit opinion we carried out our audit work based on the audit plan with evidence obtained by:
- a) Reviewing previous financial statements;
 - b) Reviewing internal audit plans and reports;
 - c) Discussions with senior management and staff at the College;
 - d) Completing appropriate audit programmes;
 - e) Carrying out analytical review procedures;
 - f) Carrying out substantive and compliance audit tests on a judgemental basis;
 - g) Reviewing the minutes of the principal College committees.
- 2.4 Based on our review the College appears to operate appropriate internal financial controls, subject to the management letter points raised in Sections 9 & 10.
- 2.5 The audit recommendations are included in the appropriate sections of this report.
- 2.6 The recommendations have been graded as High, Medium or Low priority depending upon the degree of risk assessment for each recommendation. Each recommendation has a target date for remedial action and the person responsible for each recommendation has been nominated in the relevant Section.

3. FINANCIAL STATEMENTS

- 3.1 The financial statements of the College are the means by which it accounts for its stewardship of the resources made available to it and its financial performance in the use of these resources. In accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts direction issued by the SFC, it is the responsibility of the College to prepare financial statements, which give a true and fair view of the College's financial position and the income and expenditure for the year.
- 3.2 The Public Finance and Accountability (Scotland) Act 2000 requires that the auditor shall place on the abstract of accounts an audit report, which contains an opinion as to whether the College has fulfilled this responsibility. The format of the audit report directed by the Auditor General for Scotland clarifies the respective responsibilities of management and auditors in relation to the accounts and requires auditors to set out the basis on which they have formed their opinion.

AUDIT REPORT

- 3.3 We are pleased to record that there are no qualifications in our audit report on the College's 2007/08 accounts, as, in our opinion, the financial statements give a true and fair view of the College's financial position and the income and expenditure for the year; and funds received have been applied for their intended purpose.

FINANCIAL PERFORMANCE

- 3.4 The income and expenditure account shows an operating surplus for the year of £2,800,000. This is compared to a restated previous year surplus of £483,000. The accounts presented for audit showed a surplus of £1,286,000 before accounting for an increase in the gain on disposal of the old College Campus from £860,000 to £2,312,000.
- 3.5 This adjustment arose as a result of a change in accounting treatment required by the SFC of retained disposal proceeds. Previous correspondence from the SFC (dated May 2008) had indicated that retention of these amounts by the College could be treated as capital grant received. Further correspondence in September 2008 from the SFC has stated that the disposal proceeds retained cannot be treated as a capital grant and must be treated as sale proceeds. After discussion with the Director of Finance and Estates it was agreed that the amount should be adjusted in line with SFC direction.
- 3.6 The College has fully implemented FRS 17 Retirement Benefits in the financial statements with regards to the disclosure of the Strathclyde Pension Fund, which is a defined benefit pension scheme. The College has, for the previous two years, utilised the exemption under FRS 17 to account for the above as a defined contribution scheme, on the basis that the College was unable to identify its share of the assets and liabilities of the scheme on a

reasonable and consistent basis. The full implementation of the standard represents a change in accounting policy and the comparative figures have been restated accordingly.

- 3.7 The impact of the prior year adjustment on the net assets at 1 August 2006 represents the inclusion of a £1,013,000 pension liability. In addition, the unfunded pension fund contribution creditor relating to the SPF scheme totalling £61,200 was removed from provisions for liabilities and charges at 1 August 2006.
- 3.8 The impact of the prior year adjustment on the income and expenditure account for the year ended 31 July 2007 represents the inclusion of a net pension return of £140,000.
- 3.9 In 2007/08 the College budgeted for an operating surplus of £123,000. The College has budgeted for a £180,000 operating surplus in 2008/09.
- 3.10 The deficit brought forward on the income and expenditure reserve at 1 August 2007 was £(1,809,000). After the surplus for the year of £2,800,000 is taken into account the surplus on the College's income and expenditure reserve at 31 July 2008 is £904,000.
- 3.11 In July 2008 the Scottish Funding Council (SFC) published a series of performance indicators (PIs) assessing the financial performance of further education colleges for 2006/07. The indicators show that in 2006/07 the College was in a stronger financial position than the sector average in regard to:
- ◆ Operating surplus as a % of total income was 2.3% (2005/06; 1.7%) compared to a sector average of 1.6% (2005/06; 0.6%);
 - ◆ Days cash held to total expenditure was 87 days (2005/06; 107 days) compared to a sector average of 79 days (2005/06; 58 days)
- Note also:
- ◆ the reserves (designated reserves plus I&E reserves) were (12.6%) (2005/06; (19.8%)) of total income, compared with a sector average of 17.0% (2005/06; 14.4%);
 - ◆ the liquidity ratio (current assets: current liabilities), was 0.9 (2005-06; 1.0) compared with a sector average of 1.4 (2005-06; 1.3)
- 3.12 In 2008 the SFC is due to publish comparisons of the financial performance of colleges based on 2007/08 PIs. The College is continuing to keep the inter-college comparisons produced by SFC under review.

SUBMISSION OF ACCOUNTS

- 3.13 The accounts were submitted for audit on **14 September 2008**, in line with the agreed timetable. The accounts submitted for audit were substantially complete. Working papers provided have generally been of a high standard and queries arising from the audit have all been resolved. Key staff were readily available for consultation throughout the audit process.

ISSUES ARISING

- 3.14 During the course of the audit a number of issues arose which were resolved in discussion with, or formally reported to the Director of Finance and Estates. This practice is an established part of the audit process. The remainder of this report draws to the attention of the Board of Management and the Auditor General any matters of particular significance or interest, which arose from the audit.
- 3.15 FRS 17: Issues arising discussed above at paragraphs 3.6 and 3.7.
- 3.16 New Campus: The College was due to be completed prior to 31 July 2007. Due to an over-run the College did not take possession until 4 August 2007. Disclosure in the accounts at 31 July 2008 shows the transfer from assets held in the course of construction into Land & Buildings during the current financial year.
- 3.17 Reliance has been placed on the VAT work done by Deloitte regarding the purchase of the new campus. The College received a loan from HMRC of £2,126,000 under the Lennartz mechanism.
- 3.18 Kilbowie Road: The College disposed of its old main campus building at Kilbowie Road in October 2007 for £6,750,000. After netting off expenditure relating to the sale and clearance of the Kilbowie Road site the sale proceeds were distributed as follows: repayment of £4m to the SFC; £1.1m held to be reinvested in the new Queens' Quay building and £0.4m to be reinvested in the new Dumbarton Campus. As at the year end the Dumbarton campus was considered as work in progress and not as yet capitalised.
- 3.19 We are aware of an ongoing dispute between the College and a 3rd party which at the date of this report had not yet been resolved. There is currently a provision of £130,000 in the accounts for any potential liability which may arise as a result of this dispute.

4. INTERNAL AUDIT

Objective and Approach

- 4.1 Internal audit is a key element of the internal control system set up by management. A strong internal audit function is necessary to ensure the continuing effectiveness of the internal control system established. The College, therefore, needs to have in place a properly resourced internal audit service of good quality. To maximise the reliance that may be placed on internal audit and to avoid duplication of effort, the adequacy of internal audit is assessed each year.
- 4.2 The College's internal auditors during 2007/08 were BDO Stoy Hayward.
- 4.3 The College's internal audit strategic and operational plans are set out for the year ending 31 July 2008 in the Audit Needs Assessment.
- 4.4 In the course of the year ended 31 July 2008 the following internal audit reports were issued:
- a) Follow Up Review
 - b) Auto Engineering Cluster – Follow Up Review
 - c) Corporate Governance
 - d) VFM – CMIS Section
 - e) Departmental Review - Refectory
 - f) Asset Management
 - g) Procurement Procedures
 - h) Human Resource Management
- 4.5 The Internal audit work carried out and the reports issued in the year were in line with the Audit Needs Assessment.
- 4.6 The Annual Report from the College's internal auditors gave substantial assurance for the year. No internal audit reports were outstanding at the date of this Annual report.

Opinion

- 4.7 An assessment was made of the adequacy of the Internal Audit function using a bespoke checklist and discussion with the Internal Audit providers. Reports issued by internal audit were also reviewed. Based on this work we concluded that the internal audit function is operating effectively and that we can place formal reliance on work of Internal Audit. Accordingly reliance was placed on the work of Internal Audit in all areas on which reported they reported during 2007/08 as detailed at 4.4.

5. CORPORATE GOVERNANCE

Objective and Approach

- 5.1 A review and assessment of the College's Corporate Governance systems relating to standards of conduct, openness and integrity was carried out using a bespoke checklist. We also reviewed the following:
- a) The College's Corporate Governance Statement included in the financial statements for the year ended 31 July 2008;
 - b) The College's Corporate Governance strategy;
 - c) The minutes of meetings of key College committees issued during the year.

Opinion

- 5.2 Based on our review the College appears to operate appropriate Corporate Governance procedures and that management have adequate arrangements in place covering standards of conduct etc. These include for example Codes of Conduct for both Board Members and Staff. We found no matters therein to impact upon our audit opinion.

Recommendations

- 5.3 There were no recommendations in 2007 and no further recommendations in this area, this year.

6. VALUE FOR MONEY

Objective and Approach

- 6.1 We have reviewed the College's Value for Money systems including the following:
- a) The College's strategy in this area;
 - b) VFM studies carried out by the College's internal auditors.

Opinion

- 6.2 Based on our review the College appears to have established adequate arrangements to secure economy, efficiency and effectiveness in the use of its resources subject to the points noted below.

Recommendations

- 6.3 There were no recommendations in 2007 and no further recommendations in this area this year.

7. GMAP VISITS

- 7.1. The College has not had a GMAP (previously FAMs) visit during the year ended 31 July 2008.
- 7.2. The College last had a FAMs visit during November 2000, which reviewed arrangements for Corporate Governance, Financial Management and Audit.
- 7.3. Of the seventeen recommendations none have still to be implemented.
- 7.4. There are no recommendations in this area.

8. PREVENTION AND DETECTION OF FRAUD AND IRREGULARITIES

Objective and Approach

- 8.1. The Code sets out that the College should establish arrangements for the prevention and detection of fraud and other irregularities as part of its Corporate Governance procedures.
- 8.2. An assessment was made of the adequacy of the systems and controls for the prevention and detection of fraud and irregularities using a bespoke checklist.
- 8.3. In the course of the audit we have reviewed the following areas with regard to the prevention and detection of fraud and irregularities:
 - a) The monitoring and compliance with financial procedures;
 - b) The College's strategy to prevent and detect fraud and other irregularities;
 - c) The internal controls operated for segregation of duties, authorisation and approval processes and reconciliation procedures.
- 8.4. No areas of concern were found during normal audit procedures.
- 8.5. We emphasise that our audit of the financial statements is planned to ensure there is a reasonable expectation of detecting misstatements arising from fraud or other irregularity that are material in relation to those financial statements, but cannot be relied upon to detect all frauds and irregularities.

Opinion

- 8.6. Overall we concluded that management takes fraud prevention and detection seriously and has reliable controls in place to ensure that potential areas for fraud are detected and dealt with.

Recommendations

- 8.7. There were no recommendations in 2007 and no further recommendations in this area, this year.

9 MANAGEMENT LETTER – 2008

- 9.1 The management letter for the year ended 31 July 2008 was issued by Wylie & Bisset following the audit for the year.
- 9.2 Of the one recommendation set out in the management letter, one recommendation is still ongoing and is reported below.
- 9.3 There are no recommendations graded as “High” priority in this area.

Background	Recommendation	Priority	College Response	Responsibility /Timescale
a) Our review of the payroll system found that there had been little change in the way the payroll was being performed and staff were still required to review the payroll each month as confidence in the system was low.	Problems with the current system should be addressed with the service provider. Staff should only perform a sample of payroll checks each month.	<i>Medium</i>	<i>The College is currently working with the software provider to update the system to the latest version. This should address a number of the issues. The College has also engaged a Payroll consultant to assess and recommend the future direction of the payroll/ H.R. software.</i>	Director of H.R. July 2009

10. MANAGEMENT LETTER – 2007

10.1 The recommendations following the audit for the year ended 31 July 2007 by Wylie & Bisset are detailed below.

Background	Recommendations	
(a) Included within fixed assets are 'Assets under construction' which comprise those assets acquired as part of the new build at Queens Quay. Included within this asset is an element of fixtures, fittings & equipment totalling £666K, which has not yet been split from the land & buildings element of the asset.	Fixed assets must be properly allocated to the correct class of asset and depreciated accordingly. Those assets relating to the new campus should be depreciated from the point at which they come into use.	<i>Actioned and cleared during audit process</i>
(b) Monthly payroll is being physically checked in full due to an apparent lack of confidence in the current payroll system.	Problems with the current system should be addressed with the service provider. Staff should only perform a sample of payroll checks each month.	<i>Point carried forward onto 2008 Management Letter</i>

11 SUMMARY OF DEVIATIONS

11.1 During our audit work, we identified a number of issues relating to control matters. The table below outlines these issues and our recommendations concerning them.

Nature of Deviation & Reason for it	Actual Deviation £	Unadjusted I&E Effect £	Unadjusted B/S Effect £
Creditors understated / Debtors understated	12,200	-	-
Trade creditors overstated	20,768	20,768	(20,768)

All of the above unadjusted amounts are immaterial in nature and have no effect on the audit opinion.

12 CURRENT ISSUES

12.1 Code of Audit Practice

The Scottish Funding Council have revised requirements in relation to internal and external audit.

The new requirements represent a fundamental recasting of previous codes of audit practice. In particular, the SFC have taken advantage of the extensive guidance on audit which has been published since previous codes were issued. The new requirements are therefore shorter by 65 pages compared to the longest of the two existing codes of audit practice. Consequently, the new audit requirements can now be simply incorporated within the other material associated with the *Financial memorandum*. The existing codes of audit practice have therefore been withdrawn completely. The SFC believe this rationalisation of their audit requirements is consistent with modern governance good practice and will benefit colleges and their stakeholders.

Wylie & Bisset LLP
CHARTERED ACCOUNTANTS

Clydebank College
Annual Report to the Board of Management and Auditor General for Scotland
November 2008

APPENDIX A

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

(As copied from Annual Accounts)

CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

Statement of Responsibilities of the Board of Management

The members of the Board of Management are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum dated 1 January 2006, agreed between the SFC and the Board of Management of the College, the Board through the Principal is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice - Accounting in Further and Higher Education Institutions and which give a true and fair view of the state of affairs of the College and the results for that year.

In preparing the financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Board of Management is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

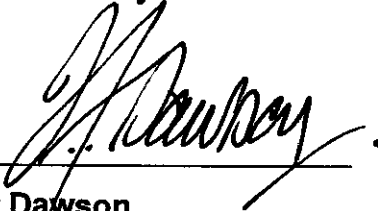
CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

In so far as the Board of Management are aware:

- a. there is no relevant audit information of which the College's auditors are unaware; and
- b. the Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is responsible for ensuring that funds from SFC are used only in accordance with the Financial Memorandum from SFC and any other conditions that the SFC may from time to time prescribe. Members of the Board must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are only used in accordance with the purposes for which they have been provided. In addition, members of the Board are responsible for securing the economical, efficient and effective management of the College's resources and expenditure so that the benefits that should derive from the application of public funds by the SFC are not put at risk.

Approved by order of the members of the Board of Management and signed on its behalf by:



Janet Dawson

Chair of Board of Management

2 December 2008

Wylie & Bisset LLP
CHARTERED ACCOUNTANTS

Clydebank College
Annual Report to the Board of Management and Auditor General for Scotland
November 2008

APPENDIX B

INDEPENDENT AUDITORS REPORT

(As copied from Annual Accounts)

CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF CLYDEBANK COLLEGE, THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND

We have audited the financial statements of Clydebank College for the year ended 31 July 2008 under the Further and Higher Education (Scotland) Act 1992. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Board of Governors, Accountable Officer and Auditor

The Board of Governors and Accountable Officer are responsible for preparing the Annual Report and the financial statements in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued there under by the Scottish Funding Council which requires compliance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions. They are also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of Board and Accountable Officer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

We report our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction. We also report if, in our opinion, the Foreword is not consistent with the financial statements, if the body has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We also report whether in all material respects:

- the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers;
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum dated 1st January 2006 and any other terms and conditions attached to them for the year ended 31 July 2008; and
- funds from whatever source administered by the college for specific purposes have been properly applied for the intended purposes.

In addition, we report to you if, in our opinion, the college has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the Statement of Corporate Governance and Internal Control reflects the college's compliance with the requirements of the Scottish Funding Council and report if, in our opinion, it does not. We are not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the college's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

Basis of audit opinion

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Governors and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the college's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Financial statements

In our opinion

- the financial statements give a true and fair view, in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction, of the state of affairs of the college as at 31 July 2008 and of its surplus, total recognised gains and losses and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction made thereunder;
- information which comprises the Operating and Financial Review included with the Annual Report is consistent with the financial statements.

CLYDEBANK COLLEGE
Financial Statements for the Year Ended 31 July 2008

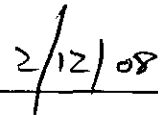
Regularity

In our opinion in all material respects

- the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum dated 1st January 2006 and any other terms and conditions attached to them for the year ended 31 July 2008; and
- funds from whatever source administered by the college for specific purposes have been properly applied for the intended purposes.



Wylie & Bisset LLP
Chartered Accountants and Registered Auditors
168 Bath Street
Glasgow G2 4TP



Date