

West of Scotland European Forum

**Report to Members and the Controller of Audit
on the 2008/09 Audit**

September 2009



 **AUDIT SCOTLAND**



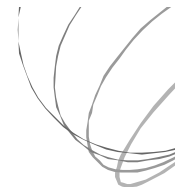
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Key Messages

Introduction

In 2008/09 we audited the West of Scotland European Forum's financial statements and governance arrangements. This report sets out our main findings, summarising key outcomes from the 2008/09 audit.

Key outcomes from 2008/09 audit

We have given an unqualified opinion on the financial statements of the West of Scotland European Forum for 2008/09.



September 2009



Financial statements

Audit Opinion

1. We have given an **unqualified** opinion on the financial statements of the West of Scotland European Forum for 2008/09. The financial statements:
 - give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2008 SORP, of the financial position of West of Scotland European Forum as at 31 March 2009 and its income and expenditure for the year then ended
 - have been properly prepared in accordance with the Local Government (Scotland) Act 1973.
2. We are also satisfied with disclosures made in the statement on the system of internal financial control and the adequacy of the process put in place by the Forum to obtain assurances.
3. The Forum's unaudited financial statements were submitted to the Controller of Audit by the deadline of 30 June. Audited accounts were finalised prior to the target date of 31 September 2009 and are now available for presentation to members and publication. The financial statements are an essential means by which the Forum accounts for its stewardship of the resources made available to it and its financial performance in the use of those resources.

Statutory objection

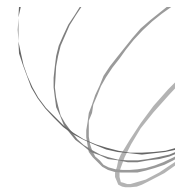
4. Citizens have the right to make a statutory objection under section 101(2) of the Local Government (Scotland) Act 1973. No objections were received in relation to the West of Scotland European Forum's 2008/09 financial statements.

Accounting issues

5. Local authority bodies in Scotland are required to follow the *Code of Practice on Local Authority Accounting in the United Kingdom – a Statement of Recommended Practice* (the SORP). No major changes were introduced by the 2008 SORP. We were satisfied that the Forum prepared the accounts in accordance with the 2008 SORP.

Pension Disclosures

6. Staff of West of Scotland European Forum are Glasgow City Council employees and the council is an admitted body of the Strathclyde Pension Fund. The Forum staff pension costs are reflected in the council's financial statements.



Group Accounts

7. West of Scotland European Forum is disclosed within Glasgow City Council's group financial statements as a non-material interest in a joint committee.

Prevention and detection of fraud and irregularities

8. The Forum does not have in place its own arrangements for the prevention and detection of fraud and corruption, but complies with the relevant policies of Glasgow City Council.

Legality

9. Each year we request written confirmation that the Forum's financial transactions accord with relevant legislation and regulations. There are no additional legality issues arising from our audit which require to be brought to members' attention.



Use of resources

Financial results

10. In 2008/09, the West of Scotland European Forum's total income amounted to £139,243, comprising of contributions from participating authorities of £134,750 and bank interest of £4,493.
11. The total expenditure during the year was £109,469, compared with £69,987 in 2007/08. The main reason for the increase is that the Forum paid for the services of a consultant during 2008/09.

Reserves and balances

12. The accumulated surplus held by the Forum as at 31 March 2009 was £102,769, compared to £72,995 in 2007/08. These funds are invested within Glasgow City Council. The main reason for the increase in the accumulated surplus is that participating authorities were given a contribution holiday in 2007/08 which drew on the funds held by the Forum.
13. We note that the Forum engages Mr Bill Miller as consultant representing its interests in Brussels. Mr Miller was appointed by the Clyde Valley Community Planning Partnership in March 2006, subject to annual review, but his services are now funded by WOSEF. As it is now over three years since his appointment we consider there is a case for re-advertising these services and subjecting them to a test of competitiveness. This would also enable the terms on which Mr Miller is engaged to be clarified, including the basis of payment of 1,000 per month for office accommodation, which now appears to be paid in lieu of subsistence expenses. This forms the majority of the £20,991 recorded as "travel and operational costs" in the income and expenditure account.

Going concern

14. Auditing standards require auditors to consider an organisation's ability to continue as a going concern when forming an opinion on the financial statements. The West of Scotland European Forum has considered it appropriate to adopt a going concern basis for the preparation of the financial statements.



Governance and accountability

Overview of arrangements in 2008/09

15. The Forum 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 Forum's corporate governance arrangements and review the Statement on the System of Internal Financial Control.
16. In accordance with the Forum's minute of agreement, financial transactions are processed through Glasgow City Council's financial systems. It is the responsibility of the council's management to maintain adequate financial systems and associated internal controls, both for the purpose of giving an opinion on the statements of accounts, and in order to report on the adequacy of such systems and controls.
17. My review of these systems was conducted as part of the audit of Glasgow City Council and supplemented by specific audit work on the Forum's financial statements. My 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.
18. The statement on the system of internal financial control states that reasonable assurance can be placed upon the adequacy and effectiveness of the Forum's internal financial control system. The statement complies with accounting requirements and is not inconsistent with the findings of our audit.



Final Remarks

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

