
WEST OF SCOTLAND ARCHAEOLOGY SERVICE

Annual Accounts

For the Year Ended 31 March 2017

WEST OF SCOTLAND ARCHAEOLOGY SERVICE

Financial Statements for the Year ended 31 March 2017

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❖ Management Commentary

The West of Scotland Archaeology Service (WoSAS) was set up in 1997 as a Joint Committee of 12 Local Authorities in the region. However, North Lanarkshire Council left the Joint Committee on 31 March 2009, as did Inverclyde Council on 31 March 2013, in both cases after service of the requisite two year notice period.

The primary purpose of the Archaeology Service is to provide planning related archaeological advice to its remaining member councils to allow them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process.

Since 2003, an archaeological advice service has also been provided to the Loch Lomond and Trossachs National Park Authority (originally in conjunction with Perth & Kinross Heritage Trust and with the Stirling Council archaeologist, but as sole service provider since 1 July 2012), and since 2004 to West Lothian Council. At various stages the service has also provided advice to the Forestry Commission and to the Scottish Rural Development Programme and has done specific archaeological advice contract work for a number of other public sector clients. It has also received grant aid from Historic Scotland for specific projects.

The service covers a large geographically diverse region stretching from the Southern Uplands to Argyll and its islands. This varied territory includes the Clydeside conurbation and the City of Glasgow with its strong industrial archaeological heritage, many important towns with medieval cores, and a large rural area containing many significant archaeological sites. The service plays a key role in identifying for its member councils and other clients archaeological issues arising from development within this diverse area. For this purpose, the service curates a detailed Historic Environment Record which contains the most up to date archaeological knowledge. The Historic Environment Record is a key tool for the Service in its own work while selected data from the Record is made available online to the public through both a Geographical Information System based interface and a searchable database. The service also responds to direct enquiries from the public.

Not all archaeological sites are currently known – some areas of Scotland have still to be systematically surveyed. Many sites remain to be discovered below ground level, for example in the rich agricultural lands in Ayrshire where all surface traces have been ploughed flat over the centuries. Over the past twenty years the service has identified and handled around 20,000 planning applications and as a result a number of significant archaeological sites have been discovered and have been excavated with developer funding, as advised in the Scottish Government policy.

All archaeological fieldwork arising from the planning process is undertaken by private sector commercial archaeologists on behalf of developers. The service undertakes no fieldwork itself but oversees the implementation of archaeological conditions attached to planning consent for

development. The service has continually refined and updated how it deals with the historic environment in the planning system, receiving Commendations for the Development Management category in the Scottish Awards for Quality in Planning on two occasions, most recently in 2014.

The substantial growth in the number of private sector commercial archaeological organisations in Scotland after 1990 created a significant number of archaeological jobs, and although the recent economic recession and the subsequent downturn in construction projects impacted on jobs in this field, there have been signs of stability and modest growth in jobs in the sector over the last few years.

In the coming period, during the Scottish Government's Year of History, Heritage and Archaeology and beyond, the service will continue to monitor, identify, and handle archaeological issues arising through the planning process on behalf of its member councils and clients and will continue to make its Historic and Environment Record information available to the public.

East Renfrewshire and South Lanarkshire Councils have both submitted two years notice of withdrawal from the service which came into effect on the 1st April 2016. The contributions from these two organisations are £7,619 and £17,784 respectively and represent 20% of the total value of membership contributions (see note 4). The withdrawals are subject to the outcome from a current review of options for service delivery. In the short to medium term the WOSAS reserve policy which is reviewed annually accommodates for this risk to the service as an ongoing concern.

Financial Results

The balance of usable reserves at the 1 April 2016 was £100,013. In 2016-17 total expenditure was £164,638 and total income was £159,578, resulting in a deficit for the year of £5,060. The balance of usable reserves at 31 March 2017 was £94,953.

Rhiannon Spear
Convener, WOSAS
26th September 2017

Morag Johnston CIPFA
Executive Director of Financial Services
26th September 2017

Statement of Responsibilities for the Statement of Accounts

1. The lead authority's responsibilities

The lead authority is required:

- To make arrangements for the proper administration of the Service's financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Glasgow City Council, that officer is the Executive Director of Financial Services.
- To manage its affairs to secure economic, efficient and effective use of the resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003; and
- Approve the Annual Accounts for signature.

The unaudited accounts were issued on the on the 19th June 2017 and the audited accounts were authorised for issue on 21st September 2017

Rhiannon Spear
Convener, WOSAS
26th September 2017

2. The Executive Director of Financial Services responsibilities

The Executive Director of Financial Services is responsible for the preparation of the Service's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), is required to present a true and fair view of the financial position of the Service at the accounting date and its income and expenditure for the year ended 31 March 2017.

In preparing this statement of accounts, the Executive Director of Financial Services has:

- Selected suitable accounting policies and then applied them consistently
- Made judgments and estimates that were reasonable and prudent
- Complied with legislation
- Complied with the Code

The Executive Director of Financial Services has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the accounts give a 'true and fair view' of the financial position of West of Scotland Archaeology Service as at 31 March 2017 and the transactions for the year then ended.

Morag Johnston, CPFA
Acting Executive Director of Financial Services
26th September 2017

Movement in Reserves Statement for the Year ended 31 March 2017

The Code requires reserves to be summarised as usable and unusable. The balance in WOSAS is the sole useable reserve and represents the accumulated surplus of the organisation.

The balance on the fund stands at £94,953 as at 31 March 2017, a decrease of £5,060 from last year, due to the deficit on the provision of services in the year.

	Total Reserves £
Balance at 1 April 2015	103,562
Movement in reserves during 2015/16:	
Surplus or (Deficit) on the Provision of Services	(3,549)
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	(3,549)
Balance at 31 March 2016	100,013
Movement in reserves during 2016/17:	
Surplus or (Deficit) on the Provision of Services	(5,060)
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	(5,060)
Balance at 31 March 2017	94,953

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2017

2015/16 Net Exp. £	Service Note	2016/17 Net Expenditure £
163,163	Gross expenditure 3	164,638
(158,962)	Gross income 3	(158,969)
4,201	Cost of Services	5,669
(652)	Interest and investment income 7	(609)
(652)	Financing and Investment Income and Expenditure	(609)
3,549	(Surplus) or Deficit on the Provision of Services	5,060
0	Other Comprehensive (Income) and Expenditure	0
3,549	Total Comprehensive (Income) and Expenditure	5,060

Comprehensive Income and Expenditure Statement – shows income and expenditure incurred in the year relating to the provision of WOSAS and other unrealised gains and losses. In total, this reflects the movement in the overall WOSAS reserves shown in the Balance Sheet.

Balance Sheet as at 31 March 2017

31 March 16 £		Note	31 March 17 £
101,287	Net short-term debtors	8	96,206
101,287	Current Assets		96,206
(1,274)	Short-term creditors	9	(1,253)
(1,274)	Current Liabilities		(1,253)
100,013	Net Assets / (Liabilities)		94,953
100,013	Usable Reserves		94,953
0	Unusable Reserves		0
100,013	Total Reserves		94,953

Balance Sheet – represents the value of the assets and liabilities of WOSAS as at 31 March 2017. The net assets (assets less liabilities) are matched by the total Usable and Unusable Reserves.

The unaudited accounts were issued on 19th June 2017 and the audited accounts were authorised for issue on 21st September 2017

Morag Johnston, CPFA
Acting Executive Director of Financial Services
26th September 2017

Cash Flow Statement for the Year ended 31 March 2017

2015/16 £	Revenue Activities	2016/17 £
(3,549)	Surplus/ (deficit) on the provision of service	(5,060)
	Adjustments for non-cash items:-	
3,549	(Increase) / decrease in debtors	5,081
0	Increase / (decrease) in creditors	(21)
3,549		5,060
0	Net cash inflow / (outflow) from activities	0

Cash Flow Statement – details the changes in cash and a cash equivalent of the service.

❖ **Notes to the accounts**

The main objective of these notes is to provide further explanation for certain aspects of the core Financial Statements.

1. Statement of accounting policies

- 1.1 The financial statements for the year ended 31 March 2017 have been compiled on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code). The Code is based on International Financial Reporting Standards (IFRS) with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the Service.
- 1.2 The accounting concepts of 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements' have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the Service will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.
- 1.3 The accounting convention adopted is historical cost modified by the revaluation of certain categories of long-term assets and the fair value of investments and pensions.
- 1.4 Suppliers' invoices received up to 31 March 2017 have been included in the accounts. In addition, various items of expenditure have been accrued in accordance with the Code where the goods or services were received prior to 31 March 2017. Salaries and wages earned to 31 March 2017 are included in the accounts for 2016/17 irrespective of when the actual payments were made.
- 1.5 Income includes all sums due in respect of subscriptions from member authorities and other organisations and interest earned on fund balances for the year ended 31 March 2017.
- 1.6 There were no complex transactions or potential future uncertainties requiring critical judgments or estimations of uncertainty in preparing the 2016/17 accounts.

2. New standards issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. In relation to the 2017/18 code there are no disclosures required.

3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Service during 2016/17.

2015/16 Net Exp. £		Note	2016/17 Net Expenditure £
Income			
(128,095)	Contributions from participating local authorities	4	(128,095)
(30,867)	Fees and charges	6	(30,874)
(652)	Interest on balances	7	(609)
(159,614)	Total income		(159,578)
Expenditure			
147,632	Employee costs	5	150,841
140	Fees and subscriptions		140
3,764	Travel and subsistence		2,145
6,700	Rents		6,700
0	Building repairs and security		0
2,900	Equipment purchase and maintenance		2,900
117	Catering		32
0	Purchase of services		0
1,910	Audit fee	12	1,880
163,163	Total expenditure		164,638
3,549	(Surplus) or deficit for year		5,060
(103,562)	(Surplus) brought forward		(100,013)
(100,013)	Accumulated (surplus) or deficit		(94,953)

4. Local authority subscriptions

The majority of income received by WOSAS is derived from contributions received from the local authorities who are members of the Service.

A detailed breakdown of each member's contribution to the Service is shown in the table below:-

Annual Subscription 2015/16 £	Local Authority	Annual Subscription 2016/17 £
(22,971)	Argyll and Bute Council	(22,971)
(8,647)	Glasgow City Council	(8,647)
(12,691)	East Ayrshire Council	(12,691)
(7,619)	East Renfrewshire Council	(7,619)
(12,691)	North Ayrshire Council	(12,691)
(12,691)	Renfrewshire Council	(12,691)
(12,691)	South Ayrshire Council	(12,691)
(17,784)	South Lanarkshire Council	(17,784)
(7,619)	West Dunbartonshire Council	(7,619)
(12,691)	West Lothian Council	(12,691)
(128,095)	Total	(128,095)

Note: - The contribution received from Glasgow City Council is net of an agreed lead authority administrative charge of £5,000.

5. Employee benefits

The staff members of the Service are Glasgow City Council employees and the Council is an admitted body of the Strathclyde Pension Fund.

In accordance with International Accounting Standard 19 (IAS 19) – Employee Benefits, the Council is required to disclose certain information concerning assets, liabilities, income and expenditure, of the pension scheme. The Service's staff pension costs are reflected in the figures disclosed in Glasgow City Council's financial statements.

The Code requires that employee benefits are recognised in the accounts when they are earned rather than when they are paid. As a result, there is a requirement to consider notional entitlements to annual leave earned but not taken as at 31 March. The employees working on the Service's activities are contracted to Glasgow City Council and therefore any notional liability has been included within the accounts of Glasgow City Council who holds the contract of employment.

6. Fees and Charges

The £30,874 total for fees and charges includes £16,667 for an archaeological advice service provided to the Loch Lomond and Trossachs National Park Authority.

7. Interest

Interest is calculated on an annual basis at 31 March using an average of the Base Rate interest over the year, the rate Glasgow City Council have paid to borrow monies throughout the year and the rate Glasgow City Council have received when lending throughout the year.

8. Short-term debtors

The net short-term debtors figure for 2016/17 of £96,206 (2015/16 £101,287) comprises the following:-

31 March 2016 £	Short-term debtors	31 March 2017 £
92,087	Balance held by Glasgow City Council on behalf of WOSAS	83,672
5,000	Outstanding payments from Loch Lomond and Trossachs	10,000
4,200	Other outstanding payments	2,534
101,287	Total sundry debtors	96,206

9. Short-term creditors

The short-term creditors figure for 2016/17 of £1,253 (2015/16 £1,274) comprises the following:-

31 March 2016 £	Short-term creditors	31 March 2017 £
1,274	Accrued audit fees	1,253
1,274	Total sundry creditors	1,253

10. Remuneration Report

West of Scotland Archaeology Service is a Joint Committee comprised of several local authorities. Given that Glasgow City Council (GCC) is the lead authority, the senior management are deemed to be from GCC. Details of remuneration paid to senior management at GCC are available in the remuneration report included within GCC's financial statements. None of the employees working on the project earn more than £50,000. No remuneration was paid to the members of the Joint Committee.

11. Related Parties

Glasgow City Council is the administering body responsible for WOSAS. The key management personnel of WOSAS is the Acting Executive Director of Financial Services at Glasgow City Council and their role is outlined in the Statement of Responsibilities. The related party transactions between WOSAS and Glasgow City Council are shown in the table below:-

2015/16 Net Exp/(Inc) £	Debtor/(Creditor) at 31 March 2016 £	Related Party transactions and balances	2016/17 Exp £	2016/17 Inc £	Debtor/(Creditor) at 31 March 2017 £
		Related bodies			
(1,947)	92,087	Glasgow City Council	6,700	8,647	83,672

12. Auditor remuneration

WOSAS incurred fees of £1,880 for the statutory inspection of the financial statements by Audit Scotland. The comparable figure for 2015/16 was £1,910. Fees payable in respect of other services provided by the appointed auditor were £nil (2015/16 £nil).

13. Events after the balance sheet date

There were no material events between 31 March 2017 and the date of signing that require to be reflected in the Financial Statements.

❖ Annual Governance Statement

Scope of Responsibility

The West of Scotland Archaeology Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Joint Committee also has a statutory duty to make arrangements to secure best value, to ensure public funds are used economically, efficiently and effectively and to ensure continuous improvement in the way its functions are exercised.

In discharging this responsibility, members are responsible for ensuring proper arrangements for the governance of the Forum's affairs and facilitating the effective exercise of its functions, which includes the management of risk.

WOSAS's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) by virtue of the adoption by Glasgow City Council of a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government.

The Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. The Code is regularly reviewed, and most recently refreshed in March 2017.

The Joint Committee relies on the Council which has embedded a system of risk management and internal control. While providing reasonable assurance, these systems cannot, however, provide absolute assurance or certainty in entirely eliminating the risk of the Council failing to achieve its aims and objectives; incurring material errors; losses; fraud or breaches of laws and regulations.

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. Through the framework it is accountable to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its objectives against its plans and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.

The Joint Committee has responsibility for ensuring the continuing effectiveness of its governance framework and system of internal control. The main features of the Joint Committee's governance arrangements are as follows:-

- A Minute Of Agreement between the member councils of WOSAS
- The Joint Committee is supported by a Steering Group of officers and councillors from the member councils and other bodies
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations
- Public performance reporting through the Annual Report
- Regular meetings of the WOSAS Officer Steering Group and the Joint Committee
- A budget setting process which includes the agreed local authority and other bodies contributions to the annual running costs of the organization
- The regulation of employee matters through the Council's Code of Conduct for employees

Review of Effectiveness

The City Council's governance framework is continually reviewed to reflect best practice, new legislative requirements and the expectations of stakeholders. The effectiveness of the framework, including the system of internal control, is considered at least annually and is informed by:

- The work of the members of the Extended Corporate Management Team, who have responsibility for the development and maintenance of the governance environment.
- Oversight by the Director of Governance and Solicitor to the Council.
- The Head of Audit and Inspection's annual report. Internal Audit adheres to standards and guidelines laid down by relevant bodies and professional institutions and complies with the Public Sector Internal Audit Standards (PSIAS) which have been adopted by the Relevant Internal Audit Standard Setters (RIASS). The RIASS includes, among others, HM Treasury, the Scottish Government and the Chartered Institute of Public Finance and Accountancy (CIPFA).
- Observations made by external auditors and other review agencies and inspectorates.
- The completion of signed statements of internal control by all Service Executive Directors and the Managing Directors/Chief Executives of subsidiaries and relevant associates. Such statements were received for 2016/17, declaring that "There are, in my opinion, no significant matters that require to be raised in this Certificate, which is provided to support Glasgow City Council's Statement of Internal Control for the financial year 2016/17, as it is my opinion that the procedures which have been designed to ensure proper governance and financial control are operating adequately".

The exercising, by the Operational Delivery Scrutiny Committee and the Finance and Audit Scrutiny Committee, of respective remits including scrutiny of the performance of Services, subsidiaries and relevant associates, including financial management, statutory and other performance, and outcomes set through the SOA, which are relevant to partnership working and

monitoring internal financial control, corporate risk management and corporate governance, and receiving and considering summaries of internal and external audit reports.

Senior officers of Glasgow City Council have been advised on the implications of the result of the review of the effectiveness of the governance framework by Internal and External Audit, and plans to address weaknesses and ensure continuous improvement of the systems are in place.

Due to the 2017 Council elections, the first meeting of a Committee of the Council, whose remit includes audit, is not scheduled until after the unaudited Annual Accounts are submitted for external audit. However, the first meeting of such a Committee will be asked to consider the Head of Audit and Inspection's Annual Report for 2016/17, which includes consideration of the effectiveness of the system of internal control and Internal Audit.

Governance Developments and Future Activity

The following activity is planned, in relation to the governance framework, in 2017/18:

- Following the Local Government election in May 2017, the Committee structure of Glasgow City Council may be subject to review and change. This may result in changes to the Committee Terms of Reference and the Scheme of Delegated Functions.
- The Council's Corporate Risk Management Policy and Strategy will be subject to review and update.
- The Council's Business Continuity Policy is undergoing refresh as part of the development of a wider Business Continuity Management Framework that will be implemented in 2017/18.

Update on significant governance issues previously reported

During 2015/16 an Internal Audit into Disaster Recovery and Business Continuity controls concluded that the control environment was unsatisfactory and identified a number of improvement actions for the Council and its ICT partner ACCESS. During 2016/17, a number of actions have been undertaken to strengthen the Council's resilience:

- Remedial action has taken place to improve Disaster Recovery arrangements at the Council's data centre;
- There has been a successful migration to a new purpose built back-up site, providing more storage capacity and scalability to meet future Disaster Recovery and resilience needs, and
- An IT Disaster Recovery policy is now in place and Business Continuity is now a standing agenda items at both the Council's IT Asset and ICT Advisory Boards.

Work is ongoing to determine the Council's priority applications and the required recovery timescales for these. A new Business Continuity Management Framework has been agreed and is expected to go live in June 2017. A programme of Business Continuity Plan testing has also been developed, with the first Council wide test scheduled for June 2017. Internal Audit will review the effectiveness of the new arrangements as part of the 2017/18 audit plan.

Significant Governance Issues

Where the audit opinion arising from an audit states that the control environment has been assessed as unsatisfactory the concerns highlighted are reported in the Annual Governance Statement. During 2016/17 there were no unsatisfactory opinions issued.

Internal audit Opinion

Based on the audit work undertaken, the assurances provided by Executive Directors of Services and Managing Directors/Chief Executives of subsidiaries and relevant associates and, excluding the significant issues noted above, it is the Head of Audit and Inspection's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and internal control environment which operated during 2016/17 in the West of Scotland Archaeological Service.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance and internal control that operate in the West of Scotland Archaeological Service and that these arrangements were in place for the whole of 2016/17. We will continue to review and enhance, as necessary, our governance arrangements.

Rhiannon Spear
Convener, WOSAS
26th September 2017

Morag Johnston, CPFA
Acting Executive Director of Financial Services
26th September 2017

Independent auditor's report to the members of West of Scotland Archaeology Service and the Accounts Commission

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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 West of Scotland Archaeology Service for the year ended 31 March 2017 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 accounts, 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 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of the affairs of the West of Scotland Archaeology Service as at 31 March 2017 and of its deficit on the provision of services 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 2016/17 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 of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs(UK&I)). 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 am independent of the West of Scotland Archaeology Service 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 Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Executive Director of Financial Services for the financial statements

As explained more fully in the Statement of Responsibilities, the Acting Executive Director of Financial Services is responsible for the preparation of the financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Acting Executive Director of Financial Services determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the West of Scotland Archaeology Service and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Acting Executive Director of Financial Services; and the overall presentation of the financial statements.

My objectives are to achieve 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&I) 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.

Other information in the annual accounts

The Acting Executive Director of Financial Services is responsible for the 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 in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other prescribed matters

I am required by the Accounts Commission to express an opinion on the following matters.

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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Stephen O'Hagan
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

29th September 2017

