
**GLASGOW CITY REGION - CITY DEAL CABINET
JOINT COMMITTEE**

Audited Annual Accounts

For the year ended 31 March 2018

GLASGOW CITY REGION – CITY DEAL CABINET JOINT COMMITTEE

Unaudited Annual Accounts Year ended 31 March 2018

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❖ Management Commentary

History and Statutory Background

The Glasgow City Region is the largest city-region in Scotland and one of the largest in the United Kingdom, with a population of 1.75 million people. As such, Glasgow City Region is a key engine of economic growth for both the Scottish and UK economies, generating around 32% of Scotland's Gross Value Added, 33% of Scottish jobs and is home to 29% of all businesses in Scotland.

In 2014 eight Councils agreed in principle to establish a Joint Committee to govern the City Deal and determine the strategic economic development priorities for Glasgow City Region.

The Glasgow City Region – City Deal is an agreement between the UK government, the Scottish government and the 8 local authorities across Glasgow City Region.

The £1.13bn City Deal will fund major infrastructure projects, drive innovation and growth and address challenges in the region's labour market.

Glasgow City Region - City Deal Cabinet Joint Committee is comprised of eight local authorities: East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council and West Dunbartonshire Council.

An Assurance Framework sets out the operational structure of the Joint Committee and how its functions are governed.

Glasgow City Council is the Lead Authority.

Structure

The Joint Committee is known as the Glasgow City Region City Deal Cabinet which meets bi-monthly, with six meetings taking place in 2017/18.

The Cabinet comprises the Leaders of the participating authorities and is responsible for the strategic direction of the City Deal and for approving the annual budget and business plan.

The Programme Management Office (PMO) provides administrative and technical support services to the Cabinet as may be required and acts as the central point for appraisal and monitoring of all aspects of City Deal.

The Cabinet is supported by a Chief Executives Group, which oversees the management of the PMO in its delivery of the operational functions of the Cabinet. The Group also proposes a programme of works and where required provide recommendations.

The Chief Executives Group is also supported by Sub-groups, comprised of officers from the participating councils, to provide advice as required, including a set of policy portfolios led by the respective Councils. The Cabinet takes advice from the Independent Commission on Urban Economic Growth (The Commission) and the Glasgow City Region Economic Leadership Board. The Commission is Chaired by Professor Muscatelli, Principal of Glasgow University, and 5 panel members.

Consultation and engagement with the UK and Scottish Governments takes place through the Glasgow City Region Programme Liaison Group.

Strategic Aims

The City Deal is one of the largest agreed. It is an agreement between the UK Government, the Scottish Government and the eight local authorities across Glasgow City Region. Over its 20 year lifetime, local leaders in Glasgow City Region estimate that the City Deal will:

- Support an overall increase in the economy of around 29,000 jobs in the city region.
- Work with 19,000 unemployed residents and support over 5,500 back into sustained employment.
- Secure £1 billion of Scottish Government and UK Government capital funding to support the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Glasgow City Region City Deal local authorities.
- Leverage an estimated £3.3 billion of private sector investment into the proposed infrastructure investment programme.
- Spread the benefits of economic growth across Glasgow City Region, ensuring deprived areas benefit from this growth.

Programme Performance

The £1.13bn infrastructure fund will deliver 21 projects focusing on improving connectivity including public transport and unlocking new sites across the region for residential and commercial development over the next 10 – 20 years. Together with a further six projects for innovation, skills and employment:- the City Deal will enable a programme of work which will greatly add to the value of the local economy over the next 20 years.

August 2017 marked the three-year anniversary of the formal signing of the Glasgow City Region City Deal agreement between the eight City Region councils and the UK and Scottish Governments, one of the largest in the UK and the first in Scotland. Now almost four years into a twenty year programme, the partnership is working well and good progress continues to be made across all themes with significant funding of £228m approved by Cabinet to date.

The majority of our Infrastructure projects are underway to one extent or another, with the completion of Newton Farm Primary School in South Lanarkshire included in the period and the start of public realm works in Glasgow, at Sauchiehall Street and on the Collegelands Calton Baras Project. A number of public consultation events were also completed including for Ocean Terminal in Inverclyde, the Clyde Waterfront Riverside Project in Renfrewshire and the Metropolitan Glasgow Strategic Drainage project in Glasgow. In relation to the Airport Access Project this continues to be flagged as red in the recognition of the risk to project delivery that will require all stakeholders to work effectively to deliver the project by 2024.

All three Innovation projects are now completed and work is underway to evaluate outcomes. These projects will support the growth of small and medium sized businesses and enhance the life sciences' sector. Amongst these is the world-leading Imaging Centre of Excellence, a unique medical research facility which will translate science into economic and patient benefit for Glasgow, Scotland and the UK. The project will bring 396 new high-value jobs to the city region over a seven year period and has been independently assessed to contribute £88 million to the local economy.

Over its lifetime the City Deal is expected to create thousands of new jobs and support many people back into work. Local employment challenges are being addressed through our three labour market projects, providing targeted support to 16-24 year olds; to vulnerable residents; and through a pilot for staff in low income jobs in the Care sector. The Working Matters and In Work Progression projects are currently well underway. Youth Gateway completed in the period and significantly exceeded all its targets. The three year programme, led by Renfrewshire Council and delivered locally by each council's employability team - helped 8,085 people aged 16-29 into sustained employment - 61 per cent above target. A further 18,644 people benefited from its tailored support, 25 per cent higher than originally anticipated.

A principal areas of focus over the next 12 months will include preparation for the one year out report on our first Gateway Review, an important milestone in our City Deal and of certain interest to others. The approach to Gateway Review 1 in the National Evaluation Framework and Local Evaluation Framework was presented to Cabinet in October 2017. These documents were developed by the National Evaluation Panel in partnership with the Commission on Economic Growth, the PMO and the Member Authorities and they provide a structure to the evaluation for Gateway Review 1. Work is ongoing to develop a Local Evaluation Plan which will detail the evaluation tasks that will be carried out by the PMO and each of the Member Authorities documents prior to the first Gateway Review. It is anticipated that three reports will be submitted to the Glasgow City Region Cabinet:

- Baseline Report - Summer 2018;
- One-Year Out Report – December 2018;
- Gateway Review Report - December 2019.

In partnership with our government funders, partners and the Commission, work will continue to develop our understanding, approach and delivery of inclusive growth - another key priority over the coming year. The website www.glasgowcityregion.co.uk provides more detail on the Glasgow City Region City Deal.

The main risks reflected in the risk register were largely unchanged over the year. The top financial risks include ensuring financial projections are realistic, delays in overall programme delivery leading to non-achievement of milestones and delay in development and approval of business cases leading to pressure on programme delivery and milestone achievement. More immediate operational risks are reviewed in a programme of internal audit. The City Deal Programme is funded over a twenty year period. The PMO is funded by the eight member authorities and this contribution is managed within each authorities financial resources. The PMO budget is set and recharged to member authorities annually and on the grounds of materiality the long-term funding of the PMO is currently not considered to be a major financial risk.

Financial Performance

The cost of running the PMO is the main item of expenditure of the Cabinet. Salary costs and any administrative expenses incurred by the PMO are re-imbursed in full from the participating authorities.

The total gross budget for the PMO was set at £1,101,628 with an additional £117,400 Intelligence Hub and Portfolio Development costs making a total £1,219,028. There was an underspend of £216,735 on the total gross budget for 2017/18. This was in the main due to savings in employee costs and reductions in external consultant costs.

Expenditure of **£1,002,293** was incurred for the period and was re-charged in total to the participating authorities on the basis set out in the Joint Committee Agreement. There was a nil balance of funds as at 31 March 2018. The accounts have been prepared on a going concern basis.

Councillor Susan Aitken
Council Leader and Chair
Glasgow City Region Cabinet

14 August 2018

Annemarie O'Donnell
Chief Executive
Glasgow City Council

14 August 2018

Martin Booth
Executive Director
of Financial Services

14 August 2018

❖ **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 financial affairs of the Joint Committee and to ensure 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 Finance.
- 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.

I certify that the Annual Accounts have been approved for signature by Glasgow City Region City Deal Cabinet at its meeting on 14 August 2018.

Councillor Susan Aitken
Council Leader and Chair,
Glasgow City Region Cabinet
14 August 2018

2. Responsibilities of the Executive Director of Finance, Glasgow City Council

The Executive Director of Finance in Glasgow City Council is responsible for the preparation of the statement of accounts of the Joint Committee , in accordance with proper practices as required by legislation and as set out in the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing the Annual Accounts, the Executive Director of Finance has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the legislation; and
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Executive Director of Finance has also:

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

I certify that the financial statements give a true and fair view of the financial position of Glasgow City Region City Deal Cabinet Joint Committee as at 31 March 2018 and the transactions for the year then ended.

Martin Booth BA, CPFA, MBA
Executive Director of Finance
Glasgow City Council
14 August 2018

3. **Comprehensive Income and Expenditure Statement for the year ended 31 March 2018**

2016/17 £	Service	Note	2017/18 £
978,080	Gross expenditure	3	1,002,293
(978,080)	Gross income	3	(1,002,293)
0	Cost of Services		0
0	Interest and investment income		0
0	Financing and Investment Income and Expenditure		0
0	(Surplus) or Deficit on the Provision of Services		0
0	Other Comprehensive (Income) and Expenditure		0
0	Total Comprehensive (Income) and Expenditure		0

Comprehensive Income and Expenditure Statement – shows income and expenditure incurred in the year relating to the provision of services for the Joint Committee.

4. Balance Sheet as at 31 March 2018

31 March 2017 £		Note	31 March 2018 £
228,710	Short-term debtors	6	0
0	Cash and cash equivalents		392,700
228,710	Current Assets		392,700
(228,710)	Short-term creditors	6	(392,700)
(228,710)	Current Liabilities		(392,700)
0	Net Assets / (Liabilities)		0
0	Usable Reserves		0
0	Unusable Reserves		0
0	Total Reserves		0

Balance Sheet – The balance sheet of the Joint Committee shows that there were no reserve balances as at 31 March 2018.

The unaudited accounts were issued on 14 June 2018 and the audited accounts were authorised for issue on 14 August 2018.

Martin Booth BA, CPFA, MBA
Executive Director of Finance
Glasgow City Council
14 August 2018

5. Cash Flow Statement for the Year ended 31 March 2018

2016/17 £	Revenue Activities	2016/17 £
0	Surplus or (Deficit) on the Provision of Services	0
	Adjustments for non-cash items:	
(228,710)	(Increase) / decrease in debtors	228,710
86,905	Increase / (decrease) in creditors	163,990
(141,805)		392,700
(141,805)	Net cash inflow / (outflow) from activities	392,700
141,805	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	392,700

Cash Flow Statement – details the changes in cash and cash equivalents of the Joint Committee.

❖ 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 2018 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 2017/18 (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 Joint Committee.
- 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 Joint Committee will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.
- 1.3** Suppliers' invoices received up to 31 March 2018 have been included in the accounts. In addition, expenditure has been accrued, in accordance with the Code, where the goods or services were received prior to 31 March 2018. Salaries and wages earned to 31 March 2018 are included in the accounts for 2017/18 irrespective of when the actual payments were made.
- 1.4** Income includes all sums due in respect of contributions from participating authorities. No interest was earned on fund balances for the year ended 31 March 2018.
- 1.5** There were no complex transactions or potential future uncertainties requiring critical judgements or estimations of uncertainty in preparing the 2017/18 accounts.
- 1.6** Cash and cash equivalents represent monies held at the bank for short-term commitments.

2. Accounting Standards Issued not Adopted

There are no accounting standards which have been issued, but not adopted, that would have a material effect on the 2017/18 Financial Statements of the Joint Committee.

3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Joint Committee during 2017/18.

	Note	2016/17 £	2017/18 £
Income			
Expenditure re-imburement from participating local authorities	4	(978,080)	(1,002,293)
Total income		(978,080)	(1,002,293)
Expenditure			
Employee costs		694,283	701,764
Transport		335	190
Supplies and services		275,582	292,349
Third Party Payments		7,880	7,990
Total expenditure		978,080	1,002,293
(Surplus) or deficit for period		0	0
(Surplus) brought forward		0	0
Accumulated (surplus) or deficit		0	0

4. PMO Budget and Funding

Based on the initial agreement signed by participating authorities, parameters were set out to determine the method for funding of the Programme Management Office (PMO). The Contribution Sum is to be calculated as a proportion of the PMO budget, based on the population of each Member Authority's area and expressed as a percentage of the total population within the areas of the Member Authorities.

A detailed breakdown of each member's contribution towards the cost of running the PMO is shown in the table below:-

Local Authority	Contribution 2017/18 £
East Dunbartonshire Council	58,864
East Renfrewshire Council	50,753
Glasgow City Council	332,734
Inverclyde Council	45,647
North Lanarkshire Council	189,467
Renfrewshire Council	98,059
South Lanarkshire Council	175,925
West Dunbartonshire Council	50,844
Total	1,002,293

5. Employee benefits

All 13 full time members of staff of the Joint committee were employed on a secondment basis. A total of 11 members of staff were employed by Glasgow City Council and 2 members of staff by Renfrewshire Council.

In accordance with International Accounting Standard 19 (IAS 19) – Employee Benefits, the employing councils are required to disclose certain information concerning assets, liabilities, income and expenditure, of the pension scheme. As the Cabinet does not directly employ staff, the staff pension costs of the PMO will be reflected in the figures disclosed in the financial statements of Glasgow City Council and Renfrewshire Council.

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 2018. Employees providing professional services to the PMO are contracted to Glasgow City Council and Renfrewshire Council and therefore any notional liability will have been included within the accounts of these two Councils who hold the contracts of employment.

6. Short-term debtors and creditors

Short-term debtors are nil. The short-term creditors figure for 2017/18 of £392,700 comprises the following:-

Short-term creditors	31 March 2018
	£
Gleeds Consultancy Services	24,951
Audit Scotland Audit Fee 17/18	7,990
EKOS	29,025
National Panel and Commission	39,643
South Lanarkshire Council	53,805
Skills Development Plan	18,000
Training Bytesize	9,215
Renfrewshire Council	54,120
City Region 17/18 Credit Recharge	155,951
Total sundry creditors	392,700

7. Remuneration Report

Glasgow City Region – City Deal Cabinet is a Joint Committee comprising eight participating local authorities. The Cabinet does not directly employ any members of staff, with all services being provided by staff of the participating authorities on a secondment basis.

A remuneration report providing disclosures in respect of elected members and chief officers of the Councils, including those with authority and responsibility for the Cabinet are included in the Annual Accounts of each of the participating local authorities.

8. Related Parties

Glasgow City Council is the administering body responsible for the Joint Committee. The Joint Committee uses the administering body's financial and payroll systems and banking facilities. The related party transactions between the Joint Committee and Glasgow City Council are shown in the table below:

Related Party transactions and balances	2017/18 Expenditure	2017/18 Income	Cash and Cash Equivalents at 31 March 2018
	£	£	£
Related bodies			
Glasgow City Council	332,734	332,734	392,700

9. Auditor remuneration

Audit Scotland has agreed with the Joint Committee that the audit fee would be £7,990 for the 2017/18 financial year. No fees were payable in respect of other services provided by the appointed auditor.

10. Events after the balance sheet date

There were no material events between 31 March 2018 and the date of signing that require to be reflected in the Financial Statements.

Annual Governance Statement 2017/18

Role and responsibilities

The Glasgow City Region Cabinet is a Joint Committee established under Section 57 of the Local Government (Scotland) Act 1973, by the eight member authorities.

The lead body of the Joint Committee is Glasgow City Region Cabinet which meets six times annually. The Cabinet comprises the Leaders of the participating authorities and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan. The Cabinet is supported by a Chief Executives' Group, and the Programme Management Office acts as a secretariat. The Cabinet takes advice from the Independent Commission on Urban Growth and the Glasgow City Region Economic Leadership Board.

The matters reserved to the member authorities for decision making which cannot be dealt with by the Cabinet are as follows:

- Any material financial decisions over and above what has been committed through the City Deal.
- Any amendment of the Joint Committee.
- Any requests for the addition of another local authority as member authority.
- Approval by a member authority to enter into a grant agreement in relation to a specific City Deal project.

Lead Authority

Glasgow City Council is the lead authority for the Glasgow City Region Cabinet and City Deal. As lead authority, the Council holds and disburses the City Deal grant funding through grant agreements with member authorities; manages the budget for the Project Management Office (PMO); signs grant offers with the Scottish and UK Governments, and where appropriate the Department for Work and Pensions (DWP) and the Department for Business Innovation and Skills (BIS); and makes disbursements to member authorities and other bodies as appropriate under the terms of the grant agreement.

Cabinet meetings

Regular meetings of the Glasgow City Region Cabinet are held on an 8 weekly basis. Occasional ad hoc meetings are also held as required. Cabinet meeting dates are listed in the Council Diary which is available at: <http://www.glasgow.gov.uk/councillorsandcommittees/calendar.asp>

Representation

The Glasgow City Region Cabinet is comprised of the Council Leaders (or their nominee) of each of the eight member authorities, and is chaired by the Leader of Glasgow City Council as lead authority.

Chief Executives' Group

A management group has been established comprising the Chief Executive of each of the member authorities (or their nominee). The group has responsibility on a collective basis for the overall supervision and management and for the monitoring of the performance of the PMO in delivering the City Deal. The group is chaired by the Chief Executive of Glasgow City Council as lead authority.

Programme Management Office

The PMO undertakes the administrative role required to support the Cabinet, its sub-groups and portfolios. The PMO is delivered by Glasgow City Council as lead authority, and the role includes:

- Provision of administrative and technical support services
- Preparation and circulation of meeting minutes and agendas
- Publishing the Cabinet processes and outcomes
- Facilitating engagement by the stakeholders, and
- Managing Cabinet communications including the Glasgow City Region website.

Support Groups

A number of support groups have been created to support the delivery of the City Deal and share knowledge and information. The remit of these groups has been agreed by the Chief Executives and cover the following areas:

- Lead Officers Group
- Finance Strategy Group
- Legal and Procurement Support Group
- Skills and Employment Working Group
- Communications and Marketing Group
- Transport
- Audit

Scope of responsibility

As the lead authority for the Glasgow City Region Cabinet, Glasgow City Council is responsible for ensuring that its business, including that of the PMO, is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Cabinet is responsible for putting in place proper arrangements (known as the governance framework) for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Key elements of the governance framework are noted below. The framework was in place throughout 2017/18.

The Council has approved and adopted a Local Code of Corporate Governance (the Code), 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. A copy of The Code is available on the council's website at:

<https://glasgow.gov.uk/index.aspx?articleid=17539>

The work of the Cabinet is governed by the Code and by its Assurance Framework. This includes requirements for the preparation and production of a number of key policy documents including an Economic Strategy, a Procurement Strategy and a Risk Management Strategy. These documents set out the Cabinet's objectives together with the main risks facing the programme and the key controls in place to mitigate those risks. A Risk Register is maintained to facilitate detailed risk monitoring, and an Annual Implementation Plan is produced each year to support the Programme Business Case, which is the business case for overall delivery of the Programme. Scrutiny is provided by Internal Audit and by the Cabinet's External Auditor, Audit Scotland.

The Cabinet complies with the CIPFA Statement on "*The Role of the Chief Financial Officer in Local Government 2010*". The Glasgow City Council Executive Director of Finance has overall responsibility for the PMO's financial arrangements and is professionally qualified and suitably experienced to lead the finance function and to direct finance staff.

Review of effectiveness

The Council and Glasgow City Region Cabinet have systems of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of the Glasgow City Region Cabinet's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Assurance Framework is subject to regular review to ensure that it provides an effective governance platform for the Cabinet. Elements of the Assurance Framework are expected to be revised during 2018/19.

Update on Significant Governance Issues Previously Reported

There were no significant governance issues reported in 2016/17.

Internal Audit Opinion

Assurance work undertaken within the Glasgow City Region Cabinet in 2017/18 included:

- The arrangements for the governance and management of the skills and employability programme.
- The roles and responsibilities of the PMO and sought assurance that the functions are being carried out effectively.
- The arrangements in place to ensure compliance with the Assurance Framework by all member authorities, in relation to programme and project governance management arrangements.
- The implementation of recommended actions arising from previous audit work.

Glasgow City Council's Head of Audit and Inspection has confirmed that there are no significant governance issues that require to be reported as a result of the work undertaken by Internal Audit in 2017/18 in relation to the remit of the Glasgow City Region Cabinet, and no significant governance issues have been reported by the Internal Audit teams of the member authorities during the year.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance that operate in the Glasgow City Region Cabinet. We consider the governance and internal control environment operating during 2017/18 to provide reasonable and objective assurance that any significant risks impacting on the Glasgow City Region Cabinet's ability to achieve its objectives will be identified and actions taken to avoid or mitigate the impact.

Where areas for improvement have been identified and action plans agreed, we will ensure that they are treated as priority and progress towards implementation is reviewed by the Chief Executives' Group and the Cabinet.

We will continue to review and enhance, as necessary, our governance arrangements.

**Council Leader and
Chair, Glasgow City Region Cabinet
(Susan Aitken)
14 August 2018**

**Chief Executive
Glasgow City Council
(Annemarie O'Donnell)
14 August 2018**

Independent Auditor's Report

Independent auditor's report to the members of Glasgow City Region – City Deal Cabinet Joint Committee 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 Glasgow City Region – City Deal Cabinet Joint Committee for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, 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 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the Glasgow City Region – City Deal Cabinet Joint Committee as at 31 March 2018 and of its income and expenditure 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 2017/18 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 for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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 Glasgow City Region – City Deal Cabinet Joint Committee 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 Standard, 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.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs

(UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Director of Finance has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Glasgow City Region – City Deal Cabinet Joint Committee’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Executive Director of Finance and Glasgow City Region – City Deal Cabinet Joint Committee for the financial statements

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

In preparing the financial statements, the Executive Director of Finance is responsible for assessing the Glasgow City Region – City Deal Cabinet Joint Committee’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Glasgow City Region – City Deal Cabinet Joint Committee is responsible for overseeing the financial reporting process.

Auditor’s responsibilities for the audit 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) 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.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the annual accounts

The Executive Director of Finance is responsible for the other 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, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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
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17 August 2018