
WEST OF SCOTLAND EUROPEAN FORUM

ANNUAL ACCOUNTS

For the year ended 31 March 2022

WEST OF SCOTLAND EUROPEAN FORUM

Financial Statements for the Year ended 31 March 2022

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❖ Management Commentary

The West of Scotland European Forum (WSEF) was set up in 2007. Its purpose is to develop positive links between the communities of the region and the institutions of the European Union. In this task it follows on from the work previously undertaken by the West of Scotland European Consortium (WSEC).

Covering a geographically diverse region stretching from the Southern Uplands to the Highlands and Islands, this varied territory covered by forum members includes the Clydeside conurbation, the City of Glasgow, and several important industrial areas.

In 2021/22 the Forum delivered on its work programme for the year which had been agreed at the Forum meeting held on 29th March 2021. The work programme focused on 2 main issues – the delivery of the 2014-2020 Scottish EU funding programmes and in particular the proposed UK Shared Prosperity Fund (UKSPF) the intended replacement for EU Structural Fund programmes in the UK following “Brexit”. In carrying out these tasks the Forum continued its long standing collaboration with The Industrial Communities Alliance (ICA). The UK Government published its UKSPF guidance on 2nd February 2022 – this confirmed an overall budget for the fund of £2.6bn over the 3 year period to March 2025.

With regard to the longer term role and remit of the Forum, it remitted this matter to the incoming councils to be elected in May 2022. At its first meeting following these elections, held on 10th August 2022, the decision was taken to wind down the Forum by the end of 2022/23.

In respect of its financial affairs, 2021/22 marked the fourth year in which the Forum sought to achieve a general balance in its budget having run down its accumulated reserves in a managed fashion over the preceding years. This objective was substantially met in 2021/22 and the maintenance of the balance will protect the organisation in light of the current economic climate. The accounts for 2021/22 have been prepared on a going concern basis.

It should be noted that the Forum’s activities continued to be significantly impacted by the Covid-19 pandemic and the associated restrictions. Communication by email was continued throughout the year and the Forum was able to maintain a regular cycle of meetings using video conferencing. In terms of the impact on the Forum’s finances, the restrictions on travel and in person meetings generated some modest savings to the Forum budget.

Financial results

In 2021/22 total income was £41,398 and total expenditure was £41,972, resulting in a deficit for the year of £574 leaving a balance of funds carried forward of £41,446.

Councillor Annette Christie
Chair of West of Scotland European Forum

Martin Booth BA CPFA MBA
Executive Director of Finance

❖ **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 Forum's financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). 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.
- To Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 and the Coronavirus (Scotland) Act 2020), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Scotland Act 2003); and
- To approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Forum at its meeting on 15 December 2022.

Councillor Annette Christie
Chair of West of Scotland European Forum

2. The Executive Director of Finance responsibilities

The Executive Director of Finance is responsible for the preparation of the Forum's Annual Accounts, 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 these Annual Accounts, the Executive Director of Finance has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates on a reasonable basis;
- Complied with legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Finance has also:

- Kept adequate 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 Annual Accounts give a true and fair view of the financial position of West of Scotland European Forum as at 31 March 2022 and the transactions for the year then ended.

Martin Booth BA CPFA MBA
Executive Director of Finance

❖ Movement in Reserves Statement for the Year ended 31 March 2022

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

The balance held by the Forum stands at £41,446 as at 31 March 2022, a decrease of £574 from last year, due to the deficit on the provision of services in the year.

	Total Reserves £
Balance at 31 March 2020	41,435
Movement in reserves during 2020/21:	
Surplus or (Deficit) on the Provision of Services	585
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	585
Balance at 31 March 2021	42,020
Movement in reserves during 2021/22:	
Surplus or (Deficit) on the Provision of Services	(574)
Other Comprehensive Income and (Expenditure)	0
Increase or (Decrease) in the year	(574)
Balance at 31 March 2022	41,446

❖ Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

2020/21 Net Exp. £	Service	Note	2021/22 Net Expenditure £
41,463	Gross expenditure	3	41,965
(41,798)	Gross income	3	(41,398)
(335)	Cost of Services		567
(250)	Interest and investment (income)/expenditure		7
(250)	Financing and Investment Income and Expenditure		7
(585)	(Surplus) or Deficit on the Provision of Services		574
0	Other Comprehensive (Income) and Expenditure		0
(585)	Total Comprehensive (Income) and Expenditure		574

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

❖ **Balance Sheet as at 31 March 2022**

31 March 2021 £		Note	31 March 2022 £
44,741	Net short-term debtors	6	42,859
44,741	Current Assets		42,859
(2,721)	Short-term creditors	7	(1,413)
(2,721)	Current Liabilities		(1,413)
42,020	Net Assets / (Liabilities)		41,446
42,020	Usable Reserves		41,446
0	Unusable Reserves		0
42,020	Total Reserves		41,446

Balance Sheet – represents the value of the assets and liabilities of WOSEF as at 31 March 2022. The net assets (assets less liabilities) are matched by the total Usable and Unusable Reserves.

The unaudited accounts were issued on 30 June 2022 and audited accounts were authorised for issue on

Martin Booth BA CPFA MBA
Executive Director of Finance

❖ 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 2022 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 2021/22 (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 Forum.
- 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 Forum has decided to wind down its activities by the end of 2022/23, however the Forum considers the going concern basis of accounting remains appropriate. Wherever accounting principles and legislative requirements are in conflict, the latter shall apply.
- 1.3** Suppliers' invoices received up to 31 March 2022 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 2022. Salaries and wages earned to 31 March 2022 are included in the accounts for 2021/22 irrespective of when the actual payments were made.
- 1.4** 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 2022.
- 1.5** There were no complex transactions or potential future uncertainties requiring critical judgements or estimations of uncertainty in preparing the 2021/22 accounts.
- 1.6** Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue. Two types of events may be identified:
- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events; and

- Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where this would have a material effect, the nature and estimated financial impact of such events is disclosed in the notes.

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. This applies to the adoption of the following new or amended standards within the 2022/23 Code:

- Annual Improvements to IFRS Standards 2018 – 2020 Cycle.
- Amendments to IAS16 Property, Plant and Equipment: Proceeds before Intended use.

The Code requires implementation from 1 April 2022 therefore there is no impact on the 2021/22 annual accounts.

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts.

3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Forum during 2021/22:

2020/21 Net Exp. £		Note	2021/22 Net Expenditure £
Income			
(250)	Interest		-
(41,798)	Contributions from participating local authorities	4	(41,398)
(42,048)	Total income		(41,398)
Expenditure			
13,403	Employee costs		13,560
Administration costs:			
26,000	Subscriptions		26,000
-	Travel and operational costs		285
-	Interest		7
2,060	Audit fee	10	2,120
41,463	Total expenditure		41,972
(585)	(Surplus) or deficit for year		574
(41,435)	(Surplus) brought forward		(42,020)
(42,020)	Accumulated (surplus) or deficit		(41,446)

4. Local authority subscriptions

The majority of income received by WOSEF is derived from contributions received from the local authorities and other organisations who are members of the Forum.

A detailed breakdown of each member's contribution to the Forum in respect of 2021/22 and the previous year is shown in the table below:-

Annual Subscription 2020/21 £	Local Authority	Annual Subscription 2021/22 £
2,176	East Ayrshire Council	2,176
2,004	South Ayrshire Council	2,004
2,552	Renfrewshire Council	2,552
1,822	West Dunbartonshire Council	1,822
2,004	East Dunbartonshire Council	2,004
2,552	North Ayrshire Council	2,552
1,632	East Renfrewshire Council	1,632
10,880	Glasgow City Council	10,880
1,632	Argyll and Bute Council	1,632
5,440	South Lanarkshire Council	5,440
5,440	North Lanarkshire Council	5,440
1,632	Inverclyde Council	1,632
1,632	Strathclyde Partnership for Transport	1,632
400	Other contributions	0
41,798	Total	41,398

5. Employee benefits

The staff member of the Forum is a Glasgow City Council employee 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 Forum'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 employee working on the Forum's activities is 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. Short-term debtors

The net short-term debtors figure of £42,859 for 2021/22 is comprised of the following:-

31 March 2021 £	Short-term debtors	31 March 2022 £
44,741	Balance held by GCC on behalf of WOSEF	42,511
-	Pay accrual	334
-	Employee benefits accrual	14
44,741	Total sundry debtors	42,859

7. Short-term creditors

The short-term creditors figure for 2021/22 of £1,413 (2020/21 £2,721) comprises the following:-

31 March 2021 £	Short-term creditors	31 March 2022 £
2,060	Accrued audit fees	1,413
661	Pay accrual	-
2,721	Total sundry creditors	1,413

8. Remuneration Report

West of Scotland European Forum is a Joint Committee comprised of several local authorities and other organisations. 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 is available in the remuneration report included within GCC's financial statements. The employee working on the project does not earn more than £50,000. No remuneration was paid to the members of the Forum.

9. Related Parties

Glasgow City Council is the administering body responsible for WOSEF. The related party transactions between WOSEF and Glasgow City Council are shown in the table below:

2020/21 Net Exp/(Inc) £	Debtor/(Creditor) at 31 March 2021 £	Related Party transactions and balances	2021/22 Exp £	2021/22 Inc £	Debtor/(Creditor) at 31 March 2022 £
		Related bodies			
(10,880)	44,741	Glasgow City Council	0	10,880	42,511

10. Auditor remuneration

WOSEF incurred fees of £2,120 (2020/21 £2,060) for the statutory inspection of the financial statements by Audit Scotland. Fees payable in respect of other services provided by the appointed auditor were £nil (2020/21 £nil).

11. Events after the balance sheet date

At its first meeting following May 2022 local authority elections, held on 10th August 2022, the Forum decided to wind down its activities the end of 2022/23. This decision did not impact on the financial position disclosed in the annual accounts.

Annual Governance Statement

Scope of responsibility

The West of Scotland European Forum 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. Under the Local Government in Scotland Act 2003, the Forum also has a statutory duty to make arrangements to secure best value, which is to ensure continuous improvement in the way its functions are exercised, and to ensure public funds and assets are used economically, efficiently and effectively.

In discharging these responsibilities, elected members and senior officers must ensure proper arrangements for the governance of the Forum's affairs and facilitate the effective exercise of its functions, which includes the management of risk and stewardship of the resources at its disposal.

WOSEF's financial management arrangements complies with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit and the role of the Chief Financial Officer in Local Government (2016) 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 is regularly reviewed and evidences the Council's commitment to achieving good governance and demonstrates how it complies with recommended standards.

The Forum 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 Council has assessed its compliance with the CIPFA Financial Management Code (2019), which became mandatory from 2021/22 onwards. The assessment in August 2022 indicated the Council was compliant with each of the requisite financial management standards.

The Council has a publicised Whistleblowing Policy in place and effective counter fraud and anti-corruption arrangements are in place and are consistent with the main principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014).

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Forum is directed and controlled. Through the framework it is accountable to, engages with and leads the community. It enables the Forum 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 and outcomes. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.

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

- A formal document outlining the Forum's objectives, membership, lead and support authority arrangements, budgetary processes and meeting frequency
- The Forum is supported by a Steering Group of officers from the member councils and other bodies
- Compliance with Glasgow City Council's Standing Orders, Scheme of Delegation and Financial Regulations
- Regular meetings of WOSEF
- A budget setting process which includes the agreed local authority and other bodies contributions to the annual running costs of the organisation
- The regulation of employee matters through the Council's Code of Conduct for employees

Review of Effectiveness

The Council's governance arrangements, across 2021/22 and were regarded as fit for purpose in accordance with the governance framework. The 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:

- (a) The work of the members of the Corporate Management Team, including statutory officers, who have responsibility for the development and maintenance of the governance environment. Throughout 2021/22, arrangements continued to operate to ensure that officers were clear on their role and responsibilities and that officers were compliant with the CIPFA Statements on "The Role of the Chief Financial Officer in Local Government" and "The Role of the Head of Internal Audit in Public Service Organisations 2019".

- (b) Oversight by the Director of Legal and Administrative Services, who was the Council's Monitoring Officer for 2021/22.

- (c) The Head of Audit and Inspection's annual report and the work of the Internal Audit section. The latest external quality review of the section was completed in April 2021 and reported to the Finance and Audit Scrutiny Committee on [5 May 2021](#). This report concluded that the section conforms with the requirements of the Public Sector Internal Audit Standards 2017 (PSIAS). The Internal Audit section continues to hold BSi quality accreditation under ISO9001:2015 and Audit Scotland continue to use the work of the section in the execution of their annual audit plan. Internal Audit continue to present a register of all outstanding audit recommendations to the Finance and Audit Scrutiny Committee on a regular basis. The Internal Audit Plan for 2021/22 was approved by the Finance and Audit Scrutiny Committee on 17 March 2021 and all required fieldwork has been completed.

- (d) Observations made by external auditors and other review agencies and inspectorates.

- (e) The completion of a self-assessment questionnaire by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates. This questionnaire is aligned to the principles contained in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, and requires assessments to be made of the extent to which arrangements within each Service/organisation comply with these principles. The responses to the questionnaires are confirmed on a sample basis by Internal Audit, as part of a rolling programme of corporate governance reviews.

- (f) The completion of signed statements of internal control by all Service Directors and the Managing Directors/Chief Executives of subsidiaries and relevant associates. Such statements were received for 2021/22, 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 2021/22, as it is my opinion that the procedures which have been designed to ensure proper governance and financial control are operating adequately".

- (g) The exercising, by the two Scrutiny Committees, 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 GCPP Community Plan, 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. In accordance with the Council's Standing Orders, all Committees are required to undertake an annual evaluation of effectiveness. An independent assessment of each Council Committee was undertaken during 2021/22, having been delayed due to the COVID-19 pandemic. These reviews were completed by senior officers independent of the Committee to be reviewed and the results were consolidated and reported to the Operational Performance and Delivery Scrutiny Committee on 9 February 2022.

Senior officers 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.

Governance Developments and Future Activity

The following activity is planned, in relation to the governance framework, in 2022/23:

- Develop a new Council Plan following the May 2022 Local Government elections, incorporating any residual actions from the Council's existing Renewal Programme, and reflecting the Glasgow Community Plan.
- Review of the Council's Performance Management Framework, incorporating the work of the Operational Performance and Delivery Scrutiny Committee from 2021/22.
- Continued implementation of the recommendations arising from the Best Value Assurance Report.
- Continuation of the Council Family Review, finalising the review of Glasgow Life, and enhancing the Council's ALEO Governance framework.
- Progressing implementation of a new pay and grading scheme.

Update on significant governance issues previously reported

There remains an ongoing disconnect between the Council's Business Continuity (BC) Plan assumptions for ICT recovery times, and the provisions for Disaster Recovery (DR) in DR plans. Whilst it is recognised that the inherent resilience of the corporate network and key applications has been enhanced in recent years, gaps continue to be identified between BC plan requirements and application level DR plans provided by the Council's ICT provider. There is also still inadequate formal DR plan testing taking place.

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 2021/22 one unsatisfactory report was issued by Internal Audit relating to the Council's current ICT arrangements. A detailed report was presented to the Finance and Audit Scrutiny Committee on 26 January 2022, outlining concerns relating to ICT security and ICT contract management arrangements. A detailed action plan has been agreed with management and these actions will be monitored by Internal Audit and progress reported to the Finance and Audit Scrutiny Committee during 2022/23.

Internal Audit Opinion

The Council has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

Based on the audit work undertaken, the assurances provided by Service Directors 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 control environment which operated during 2021/22 in the council and its subsidiaries and relevant associates.

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 European Forum and that the arrangements in place for the whole of 2021/22 were fit for purpose.

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

Councillor Annette Christie
Chair of West of Scotland European Forum

Martin Booth BA CPFA MBA
Executive Director of Finance



Independent auditor's report to the members of West of Scotland European Forum and the Accounts Commission

Reporting 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 European Forum for the year ended 31 March 2022 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 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 UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the body as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 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)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is six years. I am independent of the body 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. Non-audit services prohibited by the Ethical Standard were not provided to the body. 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 concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Executive Director of Finance and West of Scotland European Forum 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 body'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 there is an intention to discontinue the body's operations.

The West of Scotland European Forum Joint Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud.

Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the West of Scotland European Forum;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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.

Reporting on other requirements

Other information

The Executive Director of Finance is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement and Statement of Responsibilities.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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.
- I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Stephen O'Hagan CPFA

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