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03 October 2006

Ms Lynn Brown
Director of Financial Services
Glasgow City Council
285 George Street
Glasgow
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Dear Lynn

**West of Scotland European Consortium
Accounts 2005/06**

1. I enclose a copy of the certified financial statements for the above consortium for the year ended 31 March 2006. The audit opinion is unqualified. I would however like to draw your attention to the following matters.
2. A number of transactions totalling £1,888 were processed through the financial ledger although no supporting back up documentation could be provided for audit purposes. Travel and subsistence and miscellaneous ledger codes are the two main ledger codes affected. Conversely, there were a number of transactions documented in WOSEC's management records that could not be matched to individual postings in the financial ledger.
3. Assurance on the overall level of expenditure has been obtained by reconciling total ledger postings to the expenditure recorded in the account. As such, the problem appears to be associated with maintaining accurate posting trail to the general ledger throughout the year on an individual account basis. This point was raised last year and recommendations were made to try and improve matters. We again recommend that regular reconciliations between WOSEC records and the financial ledger are undertaken by officers to ensure that figures posted to cost centres within the financial ledger are accurate.
4. We repeat our recommendation made last year on recording exchange gains or losses on currency dealings on the face of the financial statements.

Please call Mark Ferris at this office if you have any queries on this matter.

Yours sincerely

Robert Kirkwood.
Senior Audit Manager
Enc
CC Malcolm Leitch West of Scotland European Consortium
John Shevlin Glasgow City Council