



Annual Audit Report
West Dunbartonshire Council– year ended 31 March 2023

December 2024

Audit Committee
West Dunbartonshire Council
16 Church Street
Dumbarton
G82 1QL

19 December 2024

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

Dear Committee Members and Controller of Audit,

Annual Audit Report – Year ended 31 March 2023

We are pleased to present our Annual Audit Report for the year ended 31 March 2023. The purpose of this document is to summarise our audit conclusions and findings from our considerations of the wider scope audit specified in the Code of Audit Practice 2021 namely, financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Annual Audit Plan, which we presented to you on 20 April 2023.

We have reviewed our Annual Audit Plan and concluded that the significant audit risks and other key judgement areas set out in that report remain appropriate.

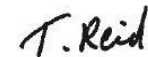
We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07816 354 994 or via tom.reid@mazars.co.uk

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Yours faithfully



Tom Reid (Audit Director)

Forvis Mazars LLP

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Our reports are prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 18 May 2022 through which the Accounts Commission has appointed us as external auditor of West Dunbartonshire Council (the Council) for financial years 2022/23 to 2026/27. We undertake our audit in accordance with Part VII of the Local Government (Scotland) Act 1973, as amended; and our responsibilities as set out within Audit Scotland's Code of Audit Practice 2021.

Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and made available to Audit Scotland and the Accounts Commission, the Controller of Audit. We take no responsibility to any member or officer in their individual capacity or to any other third party.

Executive Summary



Executive summary

Audit conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2022/23 is set out in Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from Part VII of the Local Government (Scotland) Act 1973 and, as outlined in our Annual Audit Plan, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Annual Audit Plan, which include:

- Management override of controls;
- Valuation of property, plant and equipment;
- Valuation of the net defined benefit liability/surplus; and
- Liabilities from service concession arrangements.

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £6.302 million. Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have completed our audit in respect of the financial statements for the year ended 31 March 2023.

Based on our audit work, we have the following conclusions:



Audit opinion

We issued an unqualified opinion, without modification, on the financial statements of the Council, its group, and the Charitable Trusts. Our audit opinion is included in the draft auditor's report in Appendix B.



Matters on which we report by exception

We are required by the Accounts Commission to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Executive summary (continued)

Conclusions from our audit testing and audit opinion (continued)



Other information

We are required to report on whether the other information (comprising of Management's Commentary, Statement of Responsibilities and the unaudited parts of the Remuneration Report), is materially inconsistent with the financial statements; is materially inconsistent with our knowledge obtained in the course of the audit; or is materially misstated. No inconsistencies have been identified and we have issued an unmodified opinion in this respect.



Wider powers

Section 101 of the Local Government (Scotland) Act 1973 requires us to give any person interested, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We confirm that no such correspondence from electors has been received.



Management Commentary and Annual Governance Statement

We are required to report on whether the information given in the Management Commentary and Annual Governance Statement is consistent with the financial statements; and has been properly prepared in accordance with the statutory guidance issued under the Local Government in Scotland Act 2003 and Delivering Good Governance in Local Government Framework 2016. We have no matters to report in respect of the Management Commentary and Annual Governance Statement.



Whole of Government Accounts (WGA)

The Council is below the threshold for auditor assurance set by the Scottish Government for all public bodies in Scotland. We are therefore not required to perform any examination of the Council's WGA return. However, we will submit the required assurance statement to the National Audit Office on conclusion of our audit.

Executive summary (continued)

Best Value and Wider Scope conclusions

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed in the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allows us to use a risk-based approach to report on our consideration of the Council's performance of Best Value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the Council's performance.

The Code's wider scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

It remains the responsibility of the Council to ensure proper financial stewardship of public funds, it complies with relevant legislation, and establishes effective governance of their activities. The Council is also responsible for ensuring that it establishes arrangements to secure continuous improvement in performance and, in making those arrangements, ensures resources are being used to improve strategic outcomes and demonstrate the economy, efficiency, and effectiveness throughout the use of its resources. These arrangements should be proportionate to the size and type of the Council, appropriate to the nature of the Council and the services and functions that it has been created to deliver.



Wider Scope

We have not identified any significant risks in arrangements to report in relation to the financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes arrangements that the Council has in place.

Further detail on our Wider Scope work is provided in section 7 of this report including any significant risks identified.



Best Value

We have not identified any significant risks in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.

Further detail on our Best Value work is provided in section 8 of this report including any significant risks identified.

Status of the audit



Status of our audit

Our audit work is complete and there are currently no matters of which we are aware that would require modification of our audit opinion.

Audit Approach



Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Annual Audit Plan, issued on 20 April 2023.

Materiality

Our provisional materiality at the planning stage of the audit was set at £11.862 million for the Council and £11.924 million for the Group using a benchmark of 2% of gross revenue expenditure at surplus/deficit level. Our Performance materiality was set at £7.117 million for the Council and £7.155 million for the Group.

Based on the final financial statement figures and other qualitative factors, the final overall materiality for Council we applied was £11.989m, final performance materiality: £7.193m. For group accounts, the final overall materiality we applied was £12.081m, final performance materiality: £7.249m.

We set our clearly trivial level at the planning stage of the audit at £0.350m for the Council and the group. We have revised this to £0.250m to comply with the maximum threshold allowed by Audit Scotland for 2022/23 audits.

Our specific materiality of £1,000 for the Remuneration Report remains unchanged.

Use of experts

We used the experts to assist us to obtain sufficient appropriate audit evidence on specific items of the financial statements. In addition to the experts listed in our Annual Audit Plan, we used Forvis Mazars Real Estate Valuation team to review the Council's

valuation methodology on Depreciated Replacement Cost (DRC) and Existing Use Value (EUV) assets, consider the Council's non-revalued assets methodology on DRC assets and review the Council's approach to non-revalued EUV assets.

Charitable Trusts

At the planning stage of the audit, we set separate materialities for each of the charitable trusts. We have reviewed our methodology and set a single materiality to reflect that the charitable trusts financial statements are covered by a single audit opinion.

Our provisional materiality at the planning stage of the audit was set at £5,250. Our final assessment of materiality based on the final financial statements is £5,152 using the same benchmark, final performance materiality: £3,606.

We have provided our consideration of our independence as part of the Council engagement and Charitable Trust engagement in Appendix C.

Audit Approach (continued)

Group audit approach

Group component	Approach adopted	Key points or matters to report
Strathclyde Partnership for Transport	Review procedures	Consolidation basis challenged and financial statements amended.
Strathclyde Concessionary Travel Scheme Joint Board	Review procedures	Consolidation basis challenged and financial statements amended.
Dunbartonshire and Argyll and Bute Valuation Joint Board	Review procedures	No matters to report.
West Dunbartonshire Health & Social Care Partnership	Review procedures	No matters to report.
Dr. A.K Glen and West Dunbartonshire Trust Funds	Review procedures	Reclassification adjustments for the Trust cash and cash equivalent and investments balances to 'Other assets' to reflect the council's custody of these balances.
Clydebank Property Company	Review procedures	No matters to report.
WDC Common Good	Review procedures	No matters to report.
West Dunbartonshire Energy Limited Liability Partnership	Review procedures	No matters to report.
West Dunbartonshire Leisure Trust	Audit of one or more account balances, classes of transactions or disclosures. i.e. pensions related transactions, balances and disclosures	No matters to report.

Full audit - Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality

Audit of balances and/or disclosures - Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality

Specific audit procedures - Performance of specific audit procedures on the component's financial information

Review procedures - Review of the component's financial information prepared for group reporting purposes using the component materiality assigned

Significant findings



Significant findings

Significant findings, including key areas of management judgement

The significant findings from our audit include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Annual Audit Plan;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 19 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant findings

Management override of controls

Description of the risk

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

How we addressed this risk

We addressed this risk through:

- Reviewing the key areas within the financial statements where management has used judgement and estimation techniques and considering whether there is evidence of unfair bias;
- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; and
- Considering and testing any significant transactions outside the normal course of business or otherwise unusual.

Audit conclusion

Our work has provided the assurance we sought in each of these areas and there are no material issues to bring to your attention.

Significant findings (continued)

Valuation of property, plant and equipment

Description of the risk

The council held land and buildings (including council dwellings), with a net book value of £836 million as at 31 March 2022. The council has adopted a rolling revaluation model with an external valuer carrying out valuations of land and buildings on a five-year cycle. This may result in individual assets not being revalued for several years. This creates a risk that the carrying value of those assets that have not been revalued in year is materially different from the year end fair value.

Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations. Due to the high degree of estimation uncertainty associated with valuations, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk through:

- Assessing the scope and terms of engagement with the Valuer;
- Assessing the competence, skills and objectivity of the Valuer;
- Assessing how management use the Valuer's report to value land and buildings included in the financial statements;
- Testing the accuracy of the data used in valuations;
- Challenging the Council and Valuer's assumptions and judgements applied in the valuations;
- Reviewing the valuation methodology used, including the appropriateness of the valuation basis; and
- Considering the reasonableness of the valuation by comparing the valuation output with market intelligence.

We also engaged the Mazars Real Estates Valuation team who assisted us with the above.

Audit conclusion

We identified that the fixed asset register provided to audit did not reconcile to the non-current asset balances in the annual accounts and still does not fully reconcile, see internal control recommendation in section 5.

The council revalued its depreciated replacement cost assets during the audit, resulting in a £54.0 million increase in the value of other land and buildings, see section 6.

Significant findings (continued)

Valuation of the net defined benefit liability/surplus

Description of the risk

The Council had a net pension liability of £55.7 million at 31 March 2022. Estimation of the net pension asset or liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. Due to the high degree of estimation uncertainty associated with the valuations, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk through:

- Reviewing the controls that the Council has in place over the information sent to the Scheme Actuary by the fund administrators (Strathclyde Pension Fund);
- Assessing the skill, competence and experience of the Fund's actuary;
- Challenging the reasonableness of the assumptions used by the actuary as part of the annual IAS 19 valuation; and
- Carrying out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation.

Audit conclusion

Our work has provided the assurance we sought in each of these areas and there are no material issues to bring to your attention.

We also obtained assurances from the auditor of Strathclyde Pension Fund. The pension fund auditor identified a net understatement in the fund's assets. When applied to the Council, based on the proportion of the Council's pension assets to the total pension fund assets, this resulted in an unadjusted error of £2.958 million. See section 6.

Significant findings (continued)

Other areas of management judgement and enhanced risk

Liabilities from service concession arrangements

Description of the risk

The council has a Public Private Partnership (PPP) contract for the provision of three secondary schools and one primary school, and a Design-Build-Finance-Maintain (DBFM) contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract.

The assets used to provide services at the schools are recognised on the council's Balance Sheet as operational assets and as a finance lease liability. The council recognised an asset of £104 million and a liability of £92 million for service concession arrangements in its 2021/22 financial statements.

The method of accounting for service concession arrangements can be complex and involves management judgement. The council has identified it as a critical accounting judgement. There is a potential risk of material misstatement if the Council does not appropriately account for its service concession arrangements.

How we addressed this risk

We addressed this risk through reviewing the Council's adopted approach for accounting for its service concession arrangements.

Audit conclusion

As a result of an audit query, Council officers identified that an adjustment was required to correctly state the PPP liability in line with its accounting model. The Comprehensive Income and Statement has been adjusted by £1.4 million and the Balance Sheet has also been adjusted by £1.4 million, see section 6.

We also found that the Council had not fully complied with Scottish Government Finance Circular 10/2022 in reporting to Council on application of flexibilities over accounting for service concession arrangements, see section 7.

Significant findings (continued)

Qualitative aspects of the Council's accounting practices

We reviewed the Council's accounting policies and disclosures to confirm they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets, published in November 2022, appropriately tailored to the Council's circumstances.

We received unaudited accounts from the Council on 3 July 2023. We identified several issues including:

- terminology and account transaction and balance descriptions in the primary financial statements and notes that did not comply with the Code;
- accounting policies which were not Code compliant;
- a movement in reserves statement which didn't reconcile to other areas of the financial statements;
- a primary statement omitted from the group accounts;
- transposition errors in one of the primary statements.

We have reviewed the revised accounts and can confirm that all these issues have now been resolved.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- **First year audit procedures.** Auditing standards require us to carry out additional specific procedures for the first year of an audit. These include: seeking professional clearance confirmations from the predecessor auditor, reviewing the predecessor auditor's working papers and reports and specific procedures over brought forward balances. As part of this work, we discussed controls in place for key information systems with management.
- **Audit of areas with Complex Accounting Estimates.** As outlined in the previous section, we discussed with management and tested the areas of valuation of defined benefit liability/asset and property, plant and equipment as areas involving

complex estimations and judgement. These areas took significant audit effort.

- **Consideration of Consolidation Basis.** We discussed with management in detail the consolidation basis for its related parties, in particular the Strathclyde Partnership for Transport (SPT) and the Strathclyde Concessionary Travel Scheme Joint Committee (SCTS). These were initially accounted for as associates in the Group Accounts of the Council but did not appear to meet the criteria for associates set in the Code and accounting standards. Officers agreed to remove SPT and SCTS from the Group consolidation. This resulted in a £19.6 million reduction in the assets recorded in the Group balance sheet. This has been treated as a prior year restatement, see section 6.
- **Pension asset ceiling.** Following submission of the unaudited accounts, we discussed the requirement to determine if an asset ceiling should be applied to the net defined pension asset initially recognised in the accounts, as well as the need to ascertain its value. Where bodies can access the economic benefit arising from the asset in terms of reduced contributions or a refund, they should recognise the net defined benefit as an asset. The net defined benefit asset recognised should be the surplus, adjusted for the effect of any asset ceiling. Following our discussions, officers obtained an asset ceiling calculation from the pension fund actuary and reduced the pension asset by £275.6 million to the asset ceiling, see section 6.
- **Reinforced Autoclaved Aerated Concrete (RAAC).** Safety concerns relating to the use of RAAC led the Scottish Government to require local authorities to complete a survey to assess their level of risk. We have considered the Council's response to the Scottish Government and considered its conclusion that there was no requirement for a provision or impairment in its 2022/23 accounts. We have also taken into account representations from management on the matter and have not identified any matters that affect our audit report.
- **Application of flexibilities to service concession arrangements.** The Scottish Government, through Finance Circular 10/2022, introduced flexibilities in accounting for service concession arrangements in 2022/23. We reviewed the approach taken by the Council and confirmed it had been appropriately applied.

Significant findings (continued)

Significant difficulties during the audit

During the course of the audit, we have had the co-operation of management. The first year of any audit after rotation presents additional challenges. This includes setting out and agreeing expectations in relation to audit evidence, including working papers. Not all the information we required was available at the start of the audit. This included:

- transactions listings provided at batch rather than transaction level
- evidence to demonstrate that the assets held for sale met the conditions stated in IFRS 5
- supporting documentation for the council tax reconciliation.

In our view, some of the working papers provided by the Council to support the annual accounts were not of sufficiently high quality. This included:

- numerous versions of the fixed assets register with errors identified in each version
- incorrect floor plans supporting valuations
- absence of supporting documentation for capital commitments
- lease schedules with the wrong lease terms and leases that had ended
- an inaccurate schedule provided for grants and other taxation
- creditors working papers which did not reflect the correct in-year position.

Officers satisfactorily resolved these issues over the course of the audit.

Significant findings (continued)

Significant difficulties during the audit

The Council did not meet the submission date of 30 September 2023, specified in the Local Authority Accounts (Scotland) Regulations 2014, for approval of its audited annual accounts. Forvis Mazars has discussed the implications of this with Audit Scotland who confirmed there are no consequences for the Council.

The main reasons the submission date was not met include:

- Significant difficulties with Forvis Mazars recruiting auditors with relevant skills and experience. Whilst these have been resolved, the delay in recruitment significantly impacted on our ability to deliver the audit on a timely basis.
- The need to undertake additional work in the first year of the audit to gain assurance over the opening balances in the financial statements and understand the Council.
- The need to address the implementation of International Standard on Auditing (ISA) 315 Revised. This required the audit team to spend additional time on the audit.
- Areas of the audit that required further attention upon commencement of the fieldwork phase due to complexity/judgement.

We will work with the Council to identify areas for improvement for the 2023/24 audit.

Significant findings (continued)

Wider responsibilities – statutory reporting

The 1973 Act allows any persons interested to inspect the accounts to be audited and the underlying accounting records of the Council. The act also allows any persons interested to object to the accounts. No such objections have been raised.

We are required to notify the Controller of Audit when circumstances indicate that a statutory report may be required.

- Section 102(1) of the 1973 Act allows us to prepare a report to the Commission about the Council's accounts; matters that have arisen during the audit that should be brought to the attention of the public; or the performance of the Council in their duties relating to Best Value and community planning.
- Section 102(3) of the 1973 Act allows us to make a special report to the Commission if an item of account is contrary to law; there has been a failure on someone's part to bring into account a sum which ought to have been brought into account; a loss has been incurred or deficiency caused by the negligence or misconduct of a person, or by the failure of a body to carry out a duty imposed on them by any enactment; or a sum which ought to have been credited or debited to one account of a body has been credited or debited to another account and the body has not taken, or is not taking, steps to remedy the matter.
- Section 97A of the 1973 Act allows us to undertake or promote comparative and other studies to make and publish recommendations for the securing by local government bodies of Best Value, improving economy, efficiency and effectiveness in the provision of services by local government bodies and improving the financial or other management of local government bodies.

We have no indication that a statutory report may be required.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We will submit this information to the NOA after the conclusion of our audit.

Internal control conclusions



Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of Council's internal controls, we are required to communicate to the Audit Committee any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A necessary control to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The deficiencies Council's internal controls that we have identified as at the date of this report are set out on the following pages. See Appendix E for the rating descriptions.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of the Audit Committee.

We have not identified any significant deficiencies in the Council's internal controls.

Other observations

We also record our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

Our other internal control observations, as at the date of this report, are set out in this section. These will be reported to management directly and have been included in this report for your information.

Whether internal control observations merit attention by the Audit Committee and/ or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Internal control conclusions (continued)

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Fixed Assets Register – Level 2

The fixed asset register provided to audit did not reconcile to the non-current asset balances in the annual accounts. Over the course of the audit officers updated the register and, although the overall difference is now trivial, it still does not fully reconcile.

Potential effects

Discrepancies between the fixed asset register and the annual accounts may result in incorrect or incomplete disclosures

Recommendation

Officers should review and update the fixed asset register to ensure it is accurate and complete.

Management response

The Council have commenced a project to upgrade or replace their financial ledger system. The intention is to fully incorporate a fixed asset register as part of this new/upgraded system which will reduce the risk of error associated with using a spreadsheet based fixed asset register. The new ledger system is expected to take approximately two years to complete. In the interim the Finance team are considering how the spreadsheet can be improved however due to the late completion of the 2022/23 audit these improvements are not reflected in the 2023/24 financial statement working papers.

Internal control conclusions (continued)

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Bank reconciliations – Level 2

Our review of bank reconciliations identified a significant number of unmatched reconciling items dating back to the 2019/20 financial year. This had resulted from challenges officers had matching transactions relating to virtual credit cards between the financial ledger and bank statements.

Potential effects

Delays in clearing reconciling items identified in bank reconciliations increases the risk of fraud and error in the financial statements.

Recommendation

Officer should work to complete the exercise to review and clear all historic transactions with the virtual credit cards.

Management response

The creditors bank reconciliation shows items that are in the financial ledger but not on the bank statement and vice versa. There are compensating values which cannot be cleared until all transactions are posted for the virtual embedded cards. Officers are working together to resolve the action required to clear all earlier transactions with the virtual embedded cards.

This does not represent a weakness in the bank reconciliation as the reconciliation is identifying the differences that require action to be taken.

Internal control conclusions (continued)

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

IT General Control: User Access Review – Level 3

We identified that the Council is not following its policy of performing periodic review of user access to the Agresso, Financial Ledger, system. We found, at the time of testing, that the last review was carried out in November 2021. The last comprehensive review, where managers were asked to review if system users in their team had changed post, responsibilities or left, was carried out in 2019.

Potential effects

Unauthorised users could have inappropriate access to systems which increases the risk of data breaches and fraud.

Recommendation

The Council should ensure Agresso user accounts are reviewed on a regular basis to verify:

- that the user account is still valid (i.e. that the user account should be active);
 - access rights granted to the user account are aligned with the employee's functions within the Council.
-

Management response

Management accept that regular large scale reviews of Agresso user access are not being carried out. This is due to a need to commit limited resource to those areas of work where most value can be delivered. It is further noted there are compensatory controls in place to minimise risk including segregation between the three key types of entry (General ledger journals, creditor invoice posting and sales order invoicing) which means no single user can prepare an entry and approve it.

Internal control conclusions (continued)

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

IT General Control: Backup management policy– Level 3

We noted that, while systems are subject to backup protocols, the Council has no central backup policy.

Potential effects

The absence of clear guidance could increase the risk of data loss and impact business continuity.

Recommendation

The Council should implement a central backup policy covering:

- location of backups
 - monitoring of backup jobs
 - retention timelines
 - testing of data restoration
 - disaster recovery (including testing).
-

Management response

A review of the full back up strategy is underway including related technical infrastructure and licences. A backup policy will be prepared to support this review. Timescale for completion of Back Up Policy is approx. 31/03/2025.

Responsible officer – Chief Officer People & technology

Timing – 31 March 2025

Internal control conclusions (continued)

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Accounting for non-current assets

We identified significant errors on the processing of non-current assets. This included the valuation of council dwellings, depreciation calculations, the capitalisation of staff costs and misclassification of assets.

Potential effects

If the accounting for non-current assets is not improved, future accounts could be materially misstated.

Recommendation

The council should review its capital accounting procedures for non-current assets, with a view to improving the systems used to record entries, compliance with accounting requirements, review processes, and communication with asset owners.

Agreed Management action/timing

A review will be carried out to properly understand any process failures relating to the management of the Council's asset register. This will include giving consideration to the cost/benefit of replacing the current spreadsheet based asset register with a more robust bespoke system.

2022/23 update

Ongoing. The recommendation and management proposed action is yet to be implemented. A spreadsheet-based asset register is still being maintained.

Internal control conclusions (continued)

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Debtors and creditors overstatement

We identified a number of errors in the disclosures of debtors and creditors. This had the effect of reducing both assets and liabilities by £3.222 million.

Potential effects

There is a risk that the figures in the Balance Sheet are overstated.

Recommendation

Management should review the year-end procedures to ensure that debtors and creditors are correctly accounted for.

Agreed Management action/timing

An exercise will be carried out to review the audit adjustments required during the audit of the 2021/22 annual accounts which will inform improvement actions in advance of the preparation of the 2022/23 accounts.

2022/23 update

Ongoing. There was no evidence to demonstrate that a detailed review of the creditors ledger and accompanying schedule was performed during the year. We identified material variances due to the schedules not being updated.

Internal control conclusions (continued)

Follow up on previous internal control points - Recommendations for charities administered by West Dunbartonshire Council

We set out below an update on internal control points raised in the prior year.

Description of deficiency

CH1. Governance documentation and dormant activity

As previously reported, some of the trusts have been dormant for a number of years, and new deeds of trust or governing documentation is required for the Dunbartonshire Educational Trust Scheme, the UIE award and the McAuley Prize for Mathematics.

Potential effects

There is a risk that funds are lying dormant and do not provide public benefit.

Recommendation

The trustees of the charities should continue to seek a resolution to legal and administrative barriers which prevent charitable objectives being achieved.

This should include taking steps to make their existence more widely known, and applications more accessible.

Agreed Management action/timing

Further action will be taken to raise the profile of the charitable trusts in an attempt to encourage greater applications from qualifying parties.

2022/23 update - Closed

The Dunbartonshire Educational Trust Scheme has most recently been amended by the Supplemental Deed of Trust of 2 December 2022. The amendments to the Trust brought about by the supplemental deed were approved by OSCR.

Further to the Deed of Trust by U.I.E. Shipbuilding (Scotland) Limited dated 9 May 1983, a petition was granted on 5 September 2023 at Dumbarton Sheriff Court appointing new trustees.

The McAuley Prize for Mathematics is a separate trust that is administered by the Governors (i.e. trustees) of the Dunbartonshire Educational Trust.

06

Summary of misstatements



Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £0.250m.

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Annual Audit Plan, issued on 20 April 2023. Any subsequent changes to those figures are set out in the section 3 of this report.

Summary of misstatements

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Pension assets			2,958	
Cr: Pension reserve				2,958
To adjust for error apportioned to West Dunbartonshire Council from Strathclyde Pension Fund for understatement of private equity, debt infrastructure and direct impact portfolio.				
Dr: Property, plant and equipment			3,344	
Cr: Revaluation surplus		3,344		
To adjust for the understatement of property, plant and equipment resulting from use of a different methodology by the Council for revaluation of assets valued on a Depreciated Replacement Cost (DRC) basis.				
Aggregate effect of unadjusted misstatements		6,302	6,302	

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

Summary of misstatements (continued)

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe the Audit Committee should be made aware of.

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Interest Payables and Similar Charges		370		
Mortgage Loans			370	
Financial Instrument Adjustment Account				370
Appropriation to Financial Instrument Adjustment Account	370			
Adjustment to reverse historical Effect Interest Rate on repaid loans.				
Pension Reserve			275,632	
Net Pension Assets				275,632
Adjustment to Net pension asset for asset ceiling				
Revenue Support Grant	2,135			
Education Services		2,135		
Adjustment to reclassify revenue.				

Summary of misstatements (continued)

Adjusted misstatements (continued)

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
PPP Admin Charges	363			
CFR Principal Repayments	1,080	74		286
PPP Finance Liability			1,080	74
Interest Payables and Similar Charges		1,369		
Capital Adjustment Account			360	1,080
Adjustment to correctly state the PPP service concession balance in line with the model.				
Property, Plant and Equipment (Other land and building)			24,908	
Revaluation Reserve				24,908
Adjustment to correct the carrying value of other land and buildings for six DRC revalued assets.				
Property, Plant and Equipment (Other land and building)			29,061	
Revaluation Reserve				28,228
Capital Adjustment Account				833
Revaluation of other land and buildings to address risk of material misstatement in assets not valued in year under rolling programme.				

Summary of misstatements (continued)

Adjusted misstatements (continued)

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Gain/Loss on Fixed Assets Disposals Property, plant and equipment	337			337
Adjustment to correctly state the gain/loss on disposals of property, plant and equipment.				
Aggregate effect of adjusted misstatements	4,285	3,948	331,411	331,748

Summary of misstatements (continued)

Adjusted misstatements (continued)

Adjusted misstatements - Prior year comparatives

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Share of other Comprehensive Income and Expenditure of Associates and Joint Ventures	182			
Investment in Associates & Joint Ventures				19,554
Group Usable Reserves			6,910	
Group Unusable Reserves			12,462	
Removal of associates from group accounts.				
Aggregate effect of adjusted misstatements	182		19,372	19,554

Summary of misstatements (continued)

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management.

Management commentary:

- Update to the management commentary to include non-financial key performance indicators.

Remuneration and staff report:

- Update to the remuneration disclosures to cover all senior councillors in post at any point during the year.

Balance sheet:

- Correction of transposed numbers in the Group balance sheet.
- Update to carrying amount of Long-Term Investment in the Group balance sheet.
- Reclassification adjustment to correctly state Health and Social Care Partnership reserves and advances.

Cash flow statement:

- Missing figures for repayment of short-term and long-term borrowing.
- Inclusion of Group cash flow statement in the financial statements.
- Inclusion of disclosure of the reconciliation of the liabilities arising from financing activities to both the Council and Group cash flow statements.

Movement in reserve statement:

- Correction of a net movement of £0.466 million between total usable reserves and unusable reserves of the Group.

Summary of misstatements (continued)

Disclosure misstatements (continued)

We identified the following disclosure misstatements during our audit that have been corrected by management.

Accounting policies:

- Update to accounting policies to ensure compliance with the Code.

Significant judgements and uncertainties:

- Removal of uncertainty over future funding from significant uncertainties.
- Removal of Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee under entities which Council exerts significant influence over.

Related parties:

- Update to disclosure for capital grants balance and related disclosures.
- Update to voluntary bodies being disclosed as related parties.
- Update to disclosure of related party balances and transactions with West Dunbartonshire Leisure Trust, Clydebank Property Company and West Dunbartonshire Energy LLP.

Pensions:

- Inclusions about the judgements made in recognising or measuring the net pension assets.
- Update to pension disclosure around the perpetuity basis of measurement of the potential future benefits.

Summary of misstatements (continued)

Disclosure misstatements (continued)

We identified the following disclosure misstatements during our audit that have been corrected by management.

Financial instruments:

- Update to disclosures to reflect IFRS 9, including reclassification of temporary investments.

Dr. A.K Glen and West Dunbartonshire Trust Funds Accounts

We identified the following disclosure misstatements during our audit that have been corrected by management.

Balance Sheet Presentation :

- Cash and bank heading to be changed to other assets given there are no funds held by the Trust itself.

There were other adjustments to the annual report and accounts of the Council and Charitable Trusts for minor disclosure, consistency or presentational matters.

We will obtain written representations confirming that, after considering the unadjusted disclosure misstatements, both individually and in aggregate, in the context of the annual report and financial statements taken as a whole, no adjustments are required.

Wider scope



Commentary on Wider Scope

Overall Summary



Commentary on Wider Scope

Wider scope summary





As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Code of Audit Practice 2021 and sits alongside Best Value requirements detailed in the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allow us to use a risk-based approach to report on our consideration of the Council's performance of best value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the Council's performance.

The Code's wider scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

Overall summary by reporting criteria

From the satisfactory conclusion of our work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
 Financial management	45	No	No	Yes – see commentary on page 50
 Financial sustainability	51	Yes – see risk 1 on page 52	No	No
 Vision, leadership and governance	54	No	No	No
 Use of resources to improve outcomes	58	No	No	No

Commentary on Wider Scope

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.



Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial management culture	<p>The Council has approved a Local Code of Corporate Governance. This sets out its commitment to achieving good governance. The Code covers how the Council will manage risks and its performance through robust internal control and strong public financial management.</p> <p>The Council has a system of internal control which is designed to manage risk to a reasonable level. Key features include:</p> <ul style="list-style-type: none"> • Codes of conduct for employees and members • Scheme of delegation, standing orders and financial regulations • Regular management information, financial regulations and a system of delegation and accountability • A risk management framework and strategic risk register • An induction programme for new and returning councillors and regular training seminars. 	<p>The Council has an appropriate financial management culture in place. It reviews its system of internal financial control annually.</p>	<p>No significant issues identified.</p>

Financial management (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
<p>Accountability</p>	<p>In 2022/23, the Council recorded a deficit of £6.6 million after a planned use of reserves of £9.1 million, resulting in an overall decrease in the Council’s general fund of £15.7 million.</p> <p>During 2022/23, the Scottish Government issued Finance Circular 10/2022, permitting councils to apply flexibility for service concession arrangements entered into prior to April 2022. The Council applied this, resulting in repayment of the liability being reprofiled over the asset life, therefore extending the repayment period. This resulted in the General Fund balance increasing by £29.7 million to £44.8 million.</p> <p>The Council approved application of the service concession flexibility in December 2022. Finance Circular 10/2022 requires that reporting to Council is explicit that this change is prudent, sustainable and affordable over the life of the asset. The Council paper does not make this clear.</p> <p>The Council’s general fund reserves at 31 March 2023 were £29.1 million. The Council has a policy of holding a minimum uncommitted balance of 2% of its budgeted net annual running costs. At 31 March 2023 it had £4.5 million of free reserves, which is 2.6% of annual running costs. In December 2022, the Council agreed to increase the target level of free reserves to 3% for 2023/24.</p>	<p>Officers report financial performance to the Council on a regular basis. The Council has significantly increased its general fund reserves through application of the service concession flexibility. It could have reported the implications of this change more clearly to members.</p> <p>The Council has an effective process for setting and agreeing its budget with savings options considered by members in two tranches.</p>	<p>Compliance with Finance Circular 10/2022 – Level 2</p> <p>Officers should ensure significant changes in accounting arrangements are clearly reported to Council with justification that these are prudent, sustainable and affordable.</p> <p>See page 53 for further information and our recommendations made to the Council.</p>

Financial management (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Accountability (continued)	<p>The Council continues to report significant slippage on the capital plan. The Council reported an underspend of £70 million against its £132 million capital budget for 2022/23. In response, it has improved management of its capital plan and is reviewing capital reporting arrangements. See page 56 for further details.</p> <p>Officers presented regular financial updates and budgetary control reports to Council meetings through the year. These explained significant budget variances and provided updates on the progress of agreed savings.</p> <p>The Council agreed its 2023/24 budget in March 2023. The budget included agreed savings of £11.8 million and use of reserves of £5.2 million as the main measures to meet a funding gap of £22.1 million.</p> <p>The Council considers savings options in two tranches, at the meeting prior to the budget setting meeting and at the budget meeting. This is effective in giving councillors more opportunity to consider savings options.</p>		

Financial management (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption	<p>The Council has established arrangements for preventing and detecting fraud and corruption. These include:</p> <ul style="list-style-type: none">• Whistleblowing policy• Anti-fraud strategy• Codes of conduct for councillors and officers. <p>The Council has a dedicated fraud team to investigate fraudulent claims covering tenancy, procurement, council tax reduction, Scottish Welfare Fund, social care, employee, insurance, council tax exemptions and discounts and blue badges. Individuals can report concerns by phone, email or through an online form on the Council's website.</p> <p>.</p>	The Council has appropriate arrangements to prevent and detect fraud and corruption.	No significant issues identified.

Financial management (continued)

Identified risks in financial management arrangements and recommendations for improvement

As a result of our work we have identified risks in the Council's financial management arrangements. These identified risks have been outlined in the table below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix E for further details.

	Financial management risks identified	Recommendation for improvement	Council response and implementation timescale
1	<p>Compliance with Finance Circular 10/2022 – Level 2 The Council approved application of the service concession flexibility in December 2022. Scottish Government Finance Circular 10/2022 requires that reporting to Council is explicit that this change is prudent, sustainable and affordable over the life of the asset. The Council paper does not make this clear.</p>	<p>The Council should ensure significant changes in accounting arrangements are clearly reported to Council with justification that these are prudent, sustainable and affordable.</p>	<p>Management's response The financial and operational impact of any future material changes to accounting arrangements will be reported to Council as required by the relevant Finance Circular, or equivalent.</p> <p>Responsible officer Chief Officer Resources</p> <p>Implementation date 1 April 2024</p>

Commentary on Wider Scope

Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.



Financial sustainability

Significant risks

We have outlined below the significant risks in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

	Significant Risk in Arrangements Identified	Work undertaken and the results of our work
1	<p>Financial sustainability The Council faces significant financial challenges in the years ahead. It has high rates of borrowing, so rising interest rates have had a disproportionate impact on its finances. The Council will have to absorb inflationary pressures, pay award increases and higher energy costs. It has had to use reserves to fund budget gaps. Looking ahead, the Council is forecasting a budget gap of £9.7 million for 2024/25.</p> <p>This represents a risk to the Council's financial sustainability, which could impact the future provision of services in its area.</p>	<p>Work undertaken We reviewed the Council's:</p> <ul style="list-style-type: none"> • medium to long term financial strategy; • financial position and track record in delivering planned recurrent and non-recurrent savings in 2022/23; • financial performance in 2023/24 and updates to its financial planning during the year, including the implications for general reserves balances; • regular reporting to members on financial performance, savings plans and financial risks; and • progress in developing plans to address future year budget gaps. <p>Results of our work</p> <ul style="list-style-type: none"> • The Council updated its long term financial strategy in December 2023. The strategy estimates budget gaps over a five year period to 2028/29. It also provides contextual information on the economic and national environment the Council is operating in. • The Council achieved planned savings in 2022/23. However, it reported an overall deficit which it funded from reserves. • The Council agreed a balanced budget for 2023/24. The budget included agreed savings of £11.8 million and use of reserves of £5.2 million as the main measures to meet a funding gap of £22.1 million. The Council has significantly increased its general fund reserves through application of the service concession flexibility. It has also used the one off benefit of this change to establish a £6 million smoothing fund to support a three year service transformation programme. • Officers present regular financial updates and budgetary control reports to Council meetings. These provide an update on the general services revenue budget and the Council's capital programme. Reports include additional information on budget variances greater than £50,000 and updates on the progress of agreed savings. • The Council has established budget working groups to ensure budget options and savings are identified and discussed early, and in line with its priorities. These start in August and continue until the budget is agreed by Council. The Council considers savings options in two tranches, at the Council meeting in December and at the budget setting meeting in March. This is effective in giving councillors more opportunity to consider savings options.

Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial planning	<p>Officers present four financial updates a year to Council meetings. These provide an update on the financial challenges facing the Council and estimated revenue budget gaps under best case, worst case and mid-range scenarios. Scenarios are based on financial planning assumptions that are updated by officers on an ongoing basis.</p> <p>The Council faces a very challenging financial position. It is forecasting cumulative budget gaps rising from £17 million in 2024/25 to £49.3 million in 2028/29.</p> <p>The Council approved an updated long-term financial strategy in December 2023. This uses the same methodology as the financial updates to forecast future budget gaps.</p> <p>The Council has established a budget working group as a sounding board to assist in the savings identification process and provide a degree of scrutiny over options as they are developed. The group has no decision-making authority. The meetings involve the Leader, Deputy Leader, Chief Executive and chief officers. These start in August and continue until the budget is agreed by Council.</p>	<p>The Council has effective financial planning, with an established process to ensure budget decisions and savings are agreed early. Councillors and officers need to continue working together to make the difficult decisions to respond to the Council's challenging financial position.</p>	<p>No significant issues identified.</p>

Commentary on Wider Scope

Vision, leadership and governance

Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.



Vision, leadership and governance

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
<p>Clarity of plans to implement the vision</p>	<p>The Council adopted its Strategic Plan 2022 – 2027 in October 2022. This sets a clear vision and key commitments for the Council over the five-year period. It has three outward looking priorities:</p> <ul style="list-style-type: none"> • Our communities are resilient and thriving. • Our environment promotes a greener future. • Our economy is strong and flourishing. <p>It also has an inward facing priority; our Council is inclusive and adaptable.</p> <p>The Council’s strategic plan and delivery plans set out actions to tackle inequality and poverty in West Dunbartonshire. This includes commitments to support young people and create employment opportunities for disadvantaged people.</p>	<p>The Council has a clear vision with three outward facing priorities and one inward looking.</p>	<p>No significant issues identified.</p>
<p>Strategy and priorities</p>	<p>The Council has described what success will look like for each of its objectives. The strategic plan also includes measures of success for each priority and sets out key commitments.</p> <p>The strategic plan measures are based on improving key performance indicators over the five years of the plan. Services are responsible for setting targets for these measures in delivery plans and regularly monitoring and reporting progress.</p>	<p>The Council’s strategic plan sets out objectives, measures of success and key commitments under each priority.</p>	<p>No significant issues identified.</p>

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
<p>Governance arrangements</p>	<p>The Council's governance arrangements are centred on Council meetings, service committees and the Audit Committee. The Audit Committee is chaired by the Leader of the largest opposition party in line with accepted good practice.</p> <p>Council and Audit Committee meetings are well attended by councillors and papers are subject to a good level of scrutiny. Audit Committees are held in person and Council meetings can be attended in person or remotely.</p> <p>Council and committee meeting papers and minutes are available on the Council's website and meetings are open to the public. Council meetings include an open forum where members of the public can ask pre-submitted questions.</p>	<p>The Council has appropriate governance arrangements in place. We found evidence of effective scrutiny and challenge, and transparent decision making at Council and Audit Committee meetings.</p>	<p>No significant issues identified.</p>

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Financial and performance information	<p>Officers present regular financial updates and budgetary control reports to Council meetings. The budgetary control reports provide an update on the general services revenue budget and the Council's capital programme. These reports include additional information on budget variances greater than £50,000 and updates on the progress of agreed savings.</p> <p>The Council reports mid and year-end progress against delivery plans to councillors through its service committees. These reports show the performance of each service against its performance indicator targets and progress in delivering agreed actions.</p> <p>The annual performance report is presented to the Council and is published on the Council's website. The report includes, for each strategic priority:</p> <ul style="list-style-type: none"> • an overview of progress against targets; • key achievements; • a snapshot of residents' feedback; <p>and an overview of what Local Government Benchmarking Data says about the Council's performance.</p>	<p>The Council provides councillors with sufficient information to allow effective scrutiny of its finances and performance. The Council's annual performance report is clearly presented and accessible.</p>	<p>No significant issues identified.</p>

Commentary on Wider Scope

Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.



Use of resources to improve outcomes

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
<p>Resources deployed to improve strategic outcomes</p>	<p>The Council’s People First Strategy 2022-2027 sets out how its people will support delivery of the strategic plan. The strategy is based on the employee life cycle and focuses on a different stage each year.</p> <p>The Council implemented an updated workforce planning and strategy in February 2023. This aims to ensure council services have:</p> <ul style="list-style-type: none"> • The right shape • The right skill set • The right number of employees • People in the right location • People at the right time and within budget. <p>In recent years, the Council’s challenging financial position and ageing workforce has affected capacity. The Council has found recruitment into some roles to be challenging and is looking at different approaches. For example, through graduate, school leaver and modern apprenticeship programmes.</p> <p>The Council’s 2023/24 budget, agreed in March 2023, reflected its strategic priorities. There is evidence of budget decisions that support the council’s four priorities. The council also made revenue and capital budget available to reduce inequalities, for example by supporting cost-of-living funds and providing financial assistance to disadvantaged tenants.</p>	<p>The Council’s resource plans are aligned with its strategic plan. It can demonstrate 2023/24 budget decisions which reflected its strategic priorities.</p>	<p>No significant issues identified.</p>

Use of resources to improve outcomes (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
<p>Needs of service users being met</p>	<p>The Council's delivery plans set out how it will achieve its strategic priorities. Each service has a delivery plan with:</p> <ul style="list-style-type: none"> • actions to be taken by the service to support the strategic plan • work to address performance challenges • service priorities identified in the planning process. <p>The delivery plans include action plans aligned to the Council's strategic priorities and objectives. These have performance indicators and annual targets to measure improvement.</p> <p>The Council reports mid and year-end progress against delivery plans to councillors through its service committees. This information is also available to the public on the Council's website.</p> <p>The Council consults with its people and communities on local service design and delivery through:</p> <ul style="list-style-type: none"> • Public consultations • Citizens Panel – a group of residents who have volunteered to give their views on local issues and priorities • Monthly telephone surveys. <p>The findings are published on the Council's website.</p>	<p>The Council, through its delivery plans, has identified how services will contribute to achievement of its strategic priorities and objectives. The Council consults regularly with service users to understand how it can meet their needs.</p>	<p>No significant issues identified.</p>

Use of resources to improve outcomes (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Arrangements to deliver continuous improvements in priority services	<p>The Council's strategic plan sets clear objectives and highlights the services it plans to prioritise. The strategic plan measures are based on improving key performance indicators over the five years of the plan. Services are responsible for setting targets for these measures in delivery plans and regularly monitoring and reporting progress.</p> <p>Fit for Future is the Council's approach to service innovation. Subject matter experts are brought into a service to review it, make recommendations, and identify savings. Seven Fit for Future reviews have been carried out across seven service areas. The review team reports findings back to the service using infographics and show and tell presentations. The reviews have helped services to identify budget savings options.</p>	<p>The Council has clear priorities and suitable arrangements in place to measure improvement. The Council is looking at opportunities to make efficiencies through service innovation.</p>	<p>No significant issues identified.</p>

08

Best Value



Best Value

Overall summary by reporting criteria

Following the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
 Best Value	64	No	No	No
 Thematic reviews	70	No	Yes – see recommendation on page 73	Yes – see commentary on page 73
 Climate change	74	No	No	No
 Statutory Performance Indicators	75	No	Yes – see recommendation on page 76	Yes – see commentary on page 76
 Service Performance	77	No	No	No

Best Value (continued)

Best Value summary

Under the Code of Audit Practice, the audit of Best Value is fully integrated within our annual audit work. We are required to assess the seven Best Value themes at the Council over the period of the audit appointment. We have used a risk-based approach that is proportionate to the size and type of the body, to assess whether the Council has made proper arrangements for securing Best Value and is complying with its community planning duties. We have also followed up on previously reported Best Value findings which has assessed the pace and depth of improvement implemented by the Council.

We will also conduct thematic reviews as directed by the Accounts Commission. In 2022/23 this will be on the effectiveness of council leadership in developing new strategic priorities following the elections in May 2022. We have prepared a separate management report to document the findings of this work which can be found on Audit Scotland's website.

At least once every five years, the Controller of Audit will report to the Accounts Commission on the Council's performance in meeting its Best Value duties. The Council is included in the first year of the programme which runs from October 2023 to August 2024.

At the planning stage of the audit, we undertook work to understand the arrangements that the Council has in place under each of the reporting criteria and we considered whether there were any risks to our audit in those arrangements. We have kept our understanding of arrangements under review and updated our risk assessment throughout the audit to reflect emerging issues that may suggest significant risks in arrangements exist. The following slides outline the work that we have undertaken for each of the seven Best Value themes and any improvements or risks in arrangements that have been identified as part of our assessment. We have reported recommendations for the risks identified.

Best Value (continued)

Our overall assessment of the Best Value themes

Best Value theme	Our findings	Our judgements	Service improvement considerations	Risks identified
Vision and leadership	<p>Our 2022/23 Best Value thematic review considered:</p> <ul style="list-style-type: none"> • How clear is the new Council vision and its priorities? • Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them? 	<p>The Council has a clear vision with three outward facing priorities and one inward looking.</p> <p>The Council needs to maintain effective leadership to continue to achieve its priorities and to make the difficult decisions to respond to its challenging financial position</p>	None identified.	No significant issues identified.
Governance and accountability	<p>Our 2022/23 wider scope work considered:</p> <ul style="list-style-type: none"> • Whether the Council can demonstrate that its governance arrangements are appropriate and operating effectively? • Is there evidence of effective scrutiny, challenge and transparency on decision making at governance committees? <p>See page 56.</p>	The Council has appropriate governance arrangements in place. We found evidence of effective scrutiny and challenge, and transparent decision making at Council and Audit Committee meetings.	None identified.	No significant issues identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Best Value theme	Our findings	Our judgements	Service improvement considerations	Risks identified
Effective use of resources	<p>Our 2022/23 Best Value thematic review considered:</p> <ul style="list-style-type: none"> How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities? 	<p>The Council's delivery plans, and workforce and digital strategies are aligned with its strategic plans. It can demonstrate 2023/24 budget decisions which reflected its strategic priorities.</p>	None identified.	No significant issues identified.
Partnerships and collaborative working	We did not assess this theme in 2022/23.	N/A	N/A	N/A
Working with communities	<p>Our 2022/23 Best Value thematic review considered:</p> <ul style="list-style-type: none"> How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council? 	<p>The Council knows it needs to work effectively with citizens and communities to achieve its strategic objectives. Community budgeting and participatory budgeting are two ways it is involving local people in decision making.</p>	None identified.	No significant issues identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Best Value theme	Our findings	Our judgements	Service improvement considerations	Risks identified
Sustainability	We did not assess this theme in 2022/23.	N/A	N/A	N/A
Fairness and equality	<p>Our 2022/23 Best Value thematic review considered:</p> <ul style="list-style-type: none"> How effectively do the Council priorities reflect the need to reduce inequalities? 	<p>Actions to reduce inequalities underpin the Council's priorities and objectives. The Council is focussing on providing support to communities affected by the cost-of-living crisis.</p> <p>The Council's Equality Impact Assessments (EIA) incorporate the Fairer Scotland duty and consider human rights implications. Officers are required to complete EIAs before recommending decisions which affect the community and equality groups.</p>	None identified.	No significant issues identified.

Best Value (continued)

Follow up of previously-reported recommendations

We are required to follow up Accounts Commission findings, Controller of Audit recommendations and any outstanding improvement actions reported in Best Value Assurance Reports and Annual Audit Reports.

In June 2018 Audit Scotland reported recommendations to the Council/Authority to address risks identified from our Best Value audit. As part of our work in 2022/23, we followed up the progress made by the Council/Authority against the recommendations made, and determined whether the risk remained during the year.

	Best Value finding as reported by previous auditor	Management response and implementation timeframe	Work undertaken and judgements made in 2022/23	Conclusions reached
1	<p>Capital plan slippage To reduce the level of slippage on the capital plan, the Council should review its project management processes.</p>	<p>Management Response: (West Dunbartonshire Council Best Value Assurance Improvement Plan – July 2018):</p> <p>Carry out review of current practice against good practice guide and identification of improvement actions.</p> <p>Analysis of drivers of slippage in capital projects (previous five years) to identify common issues and improvement actions.</p> <p>Update project management framework and supporting policies/ guidance.</p> <p>Put in place review programme for project management framework.</p> <p>Implementation timescale: January 2019</p>	<p>Progress against the recommendation We discussed progress with Council officers and reviewed supporting documentation.</p> <p>The Council has improved the management of its capital plan by:</p> <ul style="list-style-type: none"> • Reviewing the ten-year capital plan to reduce capital commitments. • Strengthening the process to assess future bids for additions to the capital programme. • Regular reporting to council and service committees through budgetary control reports. <p>Officers planned to review capital reporting arrangements in 2023/24 to ensure clearer reporting on the progress of projects and reduce the resource required to prepare reports.</p> <p>It will take time for these actions to have an impact. The Council reported an underspend of £70 million against its £132 million capital budget for 2022/23.</p>	<p>Conclusions The Council continues to report significant slippage on the capital plan. In response, it has improved management of its capital plan and is reviewing capital reporting arrangements.</p> <p>We understand that officers have now implemented the new arrangements. We will review these as part of our 2023/24 audit.</p>

Best Value (continued)

Follow up of previously-reported recommendations (continued)

	Best Value finding as reported by previous auditor	Management response and implementation timeframe	Work undertaken and judgements made in 2022/23	Conclusions reached
2	<p>Staff absence Some staff are finding the pace of change challenging and staff absence remains an issue. The Council is taking positive steps to try and address this and should continue to explore opportunities for improvement.</p>	<p>Management Response: (West Dunbartonshire Council Best Value Assurance Improvement Plan – July 2018):</p> <p>Implement action plans supporting employee wellbeing strategy with focus specifically on physical and mental health.</p> <p>Additional functionality to be added to workforce management system to enable more effective reporting/ management of sickness absence.</p> <p>Target team specific change support/ training on a project-by-project basis.</p> <p>Introduce routine scrutiny of attendance management process compliance through workforce management system reports.</p> <p>Lean process improvement approach embedded in wider strategic improvement framework.</p> <p>Implementation timescale: October 2019</p>	<p>Progress against the recommendation The Council has taken a range of actions to support staff and reduce absence. This includes forming groups and networks to improve employee wellbeing.</p> <p>Employee wellbeing is part of the council's People First Strategy. The Council is working to ensure its people have regular open and honest conversations with managers about wellbeing and can proactively access help and support for their mental and physical health.</p> <p>It will take time for the impact of this work to be reflected in sickness absence data. The 2022/23 Local Government Benchmarking Framework (LGBF) data shows that sickness absence days per employee have increased to 6.4 days for teachers and 15.3 days for other local government employees.</p> <p>The Council's position against other councils has declined to 12th for teachers and 27th for other local government employees. The Council's own performance data shows that there has been a small improvement in full time equivalent days lost per employee for all staff (14 full time equivalent average days lost in 2022/23 compared to 14.55 average days in 2021/22).</p>	<p>Conclusions The Council has taken action to support staff and reduce absence. It has a longer-term plan to improve employee wellbeing over the next five years.</p> <p>It will take time for this work to have an impact and the latest LGBF data shows that the Council's sickness absence rates have increased and its performance relative to other Scottish councils has declined.</p>

Best Value (continued)

Thematic reviews The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. As appointed auditors of the Council we are required to report on Best Value and related thematic work as prescribed by the Accounts Commission. For the thematic work in 2022/23, we are required to carry out an overview of the effectiveness of the Council's leadership (officers and elected members) in developing new local strategic priorities following the elections in May 2022. As part of this review, we are required to report on the areas documented in the table below. The full thematic review report for the Council can be found on Audit Scotland's website.

Thematic themes	Our findings	Our judgements	Risks identified
<p>Council vision and priorities</p>	<p>The Council adopted its Strategic Plan 2022 - 2027 in October 2022. This sets a clear vision and key commitments for the Council over the five-year period.</p> <p>The Council developed its strategic priorities with partners and communities. This started before the May 2022 elections with a review of all consultations, benchmarking, engagement with the Citizens Panel and telephone surveys leading to the development of a strategic needs assessment.</p> <p>The Council has described what success will look like for each of its objectives. The strategic plan also includes measures of success for each priority.</p>	<p>The Council has a clear vision with three outward facing priorities and one inward looking. The Council's strategic plan sets out objectives, measures of success and key commitments under each priority.</p>	<p>No significant issues identified.</p>

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Citizen and community engagement	<p>The Council developed its Community Empowerment Strategy and Action Plan with the community to provide a shared vision of empowerment. The Council aims to improve community empowerment by understanding the barriers that prevent or delay it.</p> <p>The Council is using community budgeting and participatory budgeting to involve local people in decision making.</p> <p>The Council is considering how it can support more local participation in decision making and is finding more flexible ways to involve communities in decision making.</p>	<p>The Council knows it needs to work effectively with citizens and communities to achieve its strategic objectives. Community budgeting and participatory budgeting are two ways it is involving local people in decision making.</p>	<p>No significant issues identified.</p>
Reducing inequalities and tackling climate change	<p>Chief officers and elected members are very aware of the high levels of inequality experienced by West Dunbartonshire citizens. The Council's strategic plan and delivery plans set out actions to tackle inequality and poverty in West Dunbartonshire. This includes commitments to support young people and create employment opportunities for disadvantaged people.</p> <p>One of the Council's new strategic priorities covers environmental sustainability, "Our environment promotes a greener future". The Council's environmental outcomes include reducing CO2 emissions in the local area by working with residents and businesses. It also aims to ensure the economy and infrastructure of the area are low carbon and environmentally friendly.</p>	<p>Actions to reduce inequalities and combat climate change underpin the Council's priorities and objectives. One of its strategic priorities specifically covers environmental sustainability. The Council is focussing on providing support to communities affected by the cost-of-living crisis.</p>	<p>No significant issues identified.</p>

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
<p>Alignment of delivery plans</p>	<p>The Council's delivery plans set out how it will achieve its strategic priorities. The delivery plans include action plans aligned to the Council's strategic priorities and objectives.</p> <p>The Council's People First Strategy 2022-2027 sets out how its people will support delivery of the strategic plan. The Council has also implemented an updated workforce planning strategy and framework.</p> <p>The Council has recently reviewed and updated its digital strategy. It is aiming to use technology better to support service delivery and provide employees with the technology needed to do their jobs effectively.</p> <p>The Council's 2023/24 budget reflected its strategic priorities. There is evidence of budget decisions that support the council's four priorities. The Council also made revenue and capital budget available to reduce inequalities, for example by supporting the cost-of-living funds and providing financial assistance to disadvantaged tenants.</p>	<p>The Council's delivery plans, and workforce and digital strategies are aligned with its strategic plan. It can demonstrate 2023/24 budget decisions which reflected its strategic priorities.</p>	<p>No significant issues identified.</p>

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
<p>Leadership</p>	<p>The Council's Chief Executive and Council Leader have a good working relationship and meet regularly. The Chief Executive, Leader and chief officers have weekly meetings covering areas including the Council's finances, emerging issues and communications. They also have monthly or bi-monthly meetings focused on performance and transformation.</p> <p>Officers and administration elected members worked together to develop a strategic plan with clear priorities, objectives, and measures of success.</p> <p>The cost-of-living working group is another example of elected members (including opposition councillors) and officers collaborating to make decisions that benefit the community.</p> <p>The number of chief officers reduced by 0.5 full time equivalent in 2023. The Chief Executive reviewed the organisational structure at chief officer level. Following this review, the Council agreed a new organisational structure with the remaining senior officers all taking on additional responsibilities. There is a risk that the new structure could impact on the capacity of the leadership team with chief officers having a wide range of duties.</p> <p>The Council is using its new structure to ensure services are better aligned. It hopes this will create efficiencies and increase chief officer capacity by encouraging services to work more closely together. The council should continue to review the capacity of its leadership team to deliver its strategic priorities and objectives.</p>	<p>Administration elected members and officers worked together to agree clear strategic priorities, objectives, and measures of success. The council needs to maintain effective leadership to continue to achieve its priorities and make the difficult decisions to respond to its challenging financial position.</p>	<p>Leadership capacity (Level 2) Risk – Senior officers do not have the capacity to support the Council to achieve its priorities.</p> <p>Recommendation – The Council should review whether its leadership team has sufficient capacity to deliver its strategic priorities and objectives.</p> <p>Management's response – The Chief Executive carried out an extensive review in June 2023 prior to the revised structure being presented to Committee. This included consultation with all Chief Officers and the Council administration. The review considered capacity, revised workloads and which services would work best within the same Chief Officer area to enable the Council to achieve its strategic objectives. As with any senior structure it will be kept under review however it is considered premature to undertake a more formal review until the structure has been in place for sufficient time to test the new arrangements. Accordingly we agree that a review is appropriate in the timescale indicated.</p> <p>Responsible officer – Chief Executive</p> <p>Implementation date – The Chief Executive has reviewed leadership capacity and confirmed that the current structure remains appropriate.</p>

Best Value (continued)

Climate change

In October 2021, the Scottish Government issued 'Public Sector Leadership on the Global Climate Emergency' guidance. This recommended that public bodies should consider climate risk and adaptation; reporting to external frameworks; and climate change performed linked to their objectives to ensure clear accountability on performance.

In September 2022, Audit Scotland issued 'Scotland's councils' approach to addressing climate change' guidance which highlighted the critical role that Councils have in meeting Net Zero targets by 2045. Councils should consider their plans to make sure they are adequate, there is transparency in what is included in targets, ensure actions are clear, and that detail is included about how the Council will deal with residual emissions. They should also be more transparent about any gaps between the level of impact their planned actions will have and the scale of the challenge. The guidance also highlights the importance of collaboration across councils, key partners and local communities.

The Auditor General and Accounts Commission are developing a programme of work on climate change. This involves a blend of climate change-specific outputs that focus on key issues and challenges as well as moving towards integrating climate change considerations into all aspects of audit work.

Our commentary of the Council's climate change arrangements

The Council's environmental outcomes include reducing CO2 emissions in the local area by working with residents and businesses. The Council also aims to ensure the economy and infrastructure of the area are low carbon and environmentally friendly. It has set itself three targets:

- an interim target of a 61% reduction in CO2 emissions by 2030/31 (against the 2012/13 baseline)
- an interim target of an 87% reduction by 2040/41
- net zero by 2045/46.

The Council has developed a Climate Change Strategy which is its route map to net zero emissions. This outlines the Council's plans for reducing its environmental impact over five years from 2021/22 and beyond. It also has a Climate Change Action Plan setting out actions it will take now and in the longer term to mitigate climate change and adjust to its impact. This includes overarching and service specific actions.

The Council monitors the progress of the Climate Change Action Plan through annual reporting to the Infrastructure, Regeneration & Economic Development Committee and mid year and year end reporting against the Regulatory and Regeneration Services Delivery Plan. The Council's Climate Change Action Group also monitors progress. The senior management team receive updates through the Recovering and Renewal Board on a quarterly basis.

Officers have not considered the specific impact of climate change on the financial statements. However, the annual accounts include relevant income and expenditure relating to the climate change response.

The management commentary in the annual report and accounts discloses the Council's performance against its Carbon Management Plan. It also provides details of the Council's carbon emissions targets and how the Council will monitor progress against the Climate Change Action Plan.

Best Value (continued)

Statutory Performance Indicators

We are required to report on the Council's effectiveness and appropriateness of arrangements in place for complying with the Direction issued in December 2021, including the balance and timeliness of reporting to members along with its accessibility for citizens and communities.

The table below details our overall assessment of the Council's statutory performance indicators arrangements:

Council's arrangements	Our findings	Our judgements	Risks identified
<p>Statutory Performance Indicator 1: Improving local services and local outcomes</p>	<p>Statutory Performance Indicator (SPI) 1 requires a council to report its performance in improving local public services and progress against agreed desired outcomes</p> <p>The Council's website includes a section with information to help the public measure its performance. This includes:</p> <ul style="list-style-type: none"> • The strategic plan and related performance indicators • Annual performance report • Service annual delivery plans • Mid year service performance • Historical performance information • Links to the Local Government Benchmarking Framework and My Local Council tool. <p>The Council reports mid and year-end progress against delivery plans to councillors through its service committees. The annual performance report is presented to the Council.</p>	<p>The Council has appropriate arrangements in place for complying with SPI 1.</p>	<p>No significant issues identified.</p>

Best Value (continued)

Statutory Performance Indicators (continued)

Council's arrangements	Our findings	Our judgements	Risks identified
<p>Statutory Performance Indicator 2: Demonstrating Best Value</p>	<p>SPI 2 requires a council to report its own assessment and audit, scrutiny and inspection body assessments of how it is performing against its duty of Best Value, and how it has responded to these assessments.</p> <p>The Council's website includes a section on external audit and inspection reports with links to where reports can be found. School information webpages also have links to inspection reports and performance information. The Council's website does not include information on how it has responded to assessments made by audit, scrutiny and inspection bodies.</p> <p>Officers have agreed to update the education webpages to integrate the West Dunbartonshire improvement framework, school performance statistics, school inspection reports, standards and quality reports, and school improvement plans. The Council will also publish information on how it is responding to external assessments across its services.</p> <p>The Council publishes its performance against its duty of Best Value through reporting against its strategic plan objective, "Our Council is adaptable and focused on delivering best value for our residents". The Council monitors and reports progress and performance through the annual performance report and service annual delivery plans.</p>	<p>Officers are working to improve the accessibility of information to strengthen the Council's compliance with SPI 2.</p>	<p>SPI 2: Demonstrating Best Value (Level 2) Risk – The Council does not fully comply with the requirements of SPI 2.</p> <p>Recommendation – The Council should ensure it publishes details of how it has responded to external audit and inspection reports.</p> <p>Management's response – Going forward external inspection reports and correlating action/school improvement plans will be published on the individual service pages of the Council website. This information will also be highlighted on the performance pages of the website.</p> <p>Responsible officer – Chief Officer Citizen Culture & Facilities</p> <p>Implementation date – We understand that officers have now implemented the management response. We will review the Council's compliance with SPI 2 as part of our 2023/24 audit.</p>

Best Value (continued)

Service Performance

We are required to provide a summary of the information each Council's reports publicly on its service performance. The table below details the Council's publicly available information on its service performance:

Council's performance information	Details of information	Location of information
Annual report	Looks at how the Council has performed against the priorities set out in its Strategic Plan 2022-2027.	PPR Strategic Performance West Dunbartonshire Council (west-dunbarton.gov.uk)
Year end service performance	Details of the year end progress for each service against its annual delivery plan.	PPR Strategic Performance West Dunbartonshire Council (west-dunbarton.gov.uk)
Mid year service performance	Details of the mid year progress for each service against its annual delivery plan	PPR Strategic Performance West Dunbartonshire Council (west-dunbarton.gov.uk)

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

E: Wider scope and Best Value ratings

Appendix A: Draft management representation letter

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

XX December 2024

Dear Tom Reid,

West Dunbartonshire Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of West Dunbartonshire Council (the Council) and its group for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

Appendix A: Draft management representation letter (continued)

I confirm as Chief Finance Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions undertaken by the Council have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and Board meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance, and cash flows.

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions, and the data used by the Council in making the accounting estimates, including those measured at fair value are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

Appendix A: Draft management representation letter (continued)

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Chief Finance Officer for the design, implementation, and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators, or others.

Related party transactions

I confirm that all related party relationships, transactions, and balances, have been appropriately accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the statement of financial position date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Appendix A: Draft management representation letter (continued)

Reinforced Autoclaved Aerated Concrete

I confirm the Council has assessed the potential impact of Reinforced Autoclaved Aerated Concrete on the Council, and in particular whether there are indications of a need for an impairment of the Council's property, plant and equipment balances. I confirm there are no such indications of impairment in those assets.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Valuation of land, buildings and dwellings

I confirm that I am satisfied that the key assumptions feeding into the assessment of the assets are appropriate based on my review.

Right of Use assets and lease liabilities

I confirm that I have satisfied myself that the key judgments and assumptions made in valuing Right of Use assets and corresponding lease liabilities are reasonable and in accordance with IFRS 16. I am satisfied that assumptions around lease terms of implicit leases are reasonable.

Ultimate parent company

I confirm that the ultimate parent company for West Dunbartonshire Council and its Group is the Scottish Government.

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2022/23 in relation to the Council's service concession arrangements that you have not been made aware of.

Other Matters

I confirm in relation to the following matters that:

- COVID-19 – I have assessed the continued impact of the COVID-19 Virus pandemic on the Council and the financial statements and those of the Group, including the impact of mitigation measures and uncertainties, and am satisfied that the financial statements and supporting notes fairly reflect that assessment.

Appendix A: Draft management representation letter (continued)

- Ukraine – I confirm that I have carried out an assessment of the potential impact of the continued conflict in Ukraine on the Council and its Group and there is no significant impact on the Council's operations from restrictions or sanctions in place.
- I confirm that I have assessed the impact on the Council of the on-going Global Banking challenges, in particular whether there is any impact on the Council and its Group's ability to continue as a going concern, and on the post balance sheet events disclosures.

Going concern

To the best of my knowledge there is nothing to indicate that the Council and its Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Performance related allocations

I confirm that I am not aware of any reason why the Council's funding allocation limits would be changed.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Annual Governance Statement

I am satisfied that the Annual Governance Statement fairly reflects the Council and its Group's risk assurance and governance framework, and I confirm that I am not aware of any significant risks that are not disclosed within the Annual Governance Statement.

Annual Report

The disclosures within the Annual Report and the Remuneration Report fairly reflect my understanding of the Council and its Group's financial and operating performance over the period covered by the financial statements.

Appendix A: Draft management representation letter (continued)

Unadjusted misstatements

I confirm that the effects of the unadjusted misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix 1.

Yours faithfully,

Laurence Slavin

Chief Officer - Resources

Appendix B: Draft audit report

Independent auditor's report to the members of West Dunbartonshire Council and the Accounts Commission

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the annual accounts of West Dunbartonshire Council and its group ("the Council") for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement, the Council Tax Account, the Non Domestic Rates Account and notes to the financial statements, including 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 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Council as at 31 March 2023 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 2022/23 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

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the Council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Appendix B: Draft audit report (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Council and its group 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 current or future financial sustainability of the Council and its group. However, we report on the Council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland Website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Chief Financial Officer and the Audit Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Officer - Resources 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 Chief Officer - Resources 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 Chief Officer - Resources is responsible for assessing the ability of the Council and its group 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 operations of the Council and its group.

The Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the Council and its group;
- inquiring of the Chief Officer - Resources as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Council and its group;

Appendix B: Draft audit report (continued)

- inquiring of the Chief Officer - Resources concerning the policies and procedures of the Council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on 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 our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council'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 skillfulness 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 our auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Officer - Resources is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Statement of Responsibilities, Annual Governance Statement and the unaudited part of the Remuneration Report.

Our 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 our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we 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.

Appendix B: Draft audit report (continued)

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

In our 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 we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters

Conclusions on wider scope responsibilities

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

Use of our 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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Tom Reid
Audit Director
For and on behalf of Forvis Mazars LLP

100 Queen Street
Glasgow
G1 3DN

Appendix A: Draft management representation letter

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

XX December 2024

Dear Tom Reid,

Dr. A.K Glen and West Dunbartonshire Trust Funds - Audit for Year Ended 31 March 2023

This representation letter is provided in connection with your audit of the financial statements of Dr A K Glen and West Dunbartonshire Trust Funds (the Charities) for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation, and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Charities you determined it was necessary to contact in order to obtain audit evidence.

I confirm that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Appendix A: Draft management representation letter

Accounting records

I confirm that all transactions undertaken by the Charities have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Trustee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the applicable financial reporting framework and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Charities financial position and financial performance.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Charities involving:
 - trustees;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Charities financial statements communicated by employees, former employees, analysts, regulators, or others.

Appendix A: Draft management representation letter

Related party transactions

I confirm that all related party relationships, transactions, and balances, have been appropriately accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

I have disclosed to you the identity of the Charities related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of assets below their carrying value at the statement of balances date. An impairment review is therefore not considered necessary.

Charges on assets

All the Charities assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Other matters

I confirm in relation to the following matters that:

- COVID-19 – I have assessed the continued impact of the COVID-19 Virus pandemic on the Charities and the financial statements, including the impact of mitigation measures and uncertainties, and am satisfied that the financial statements and supporting notes fairly reflect that assessment.
- Ukraine – I confirm that I have carried out an assessment of the potential impact of the continued conflict in Ukraine on the Charities and there is no significant impact on the Charities operations from restrictions or sanctions in place.
- I confirm that I have assessed the impact on the Charities of the on-going Global Banking challenges, in particular whether there is any impact on the Charities ability to continue as a going concern, and on the post balance sheet events disclosures.

Going concern

To the best of my knowledge there is nothing to indicate that the Charities will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Appendix A: Draft management representation letter

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Unadjusted misstatements

I confirm that there are no unadjusted misstatements

Yours faithfully

Councillor Martin Rooney
Trustee

Appendix B: Draft audit report

Independent auditor's report to the members of Dr A K Glen and West Dunbartonshire Trust Funds and the Accounts Commission

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the statement of accounts of Dr A K Glen and West Dunbartonshire Trust Funds ("the Charities") for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments Account, the Statement of Balances at 31 March 2023 and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the Charities for the year ended 31 March 2023 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charities in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustees for the financial statements

The trustees are 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 trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Appendix B: Draft audit report (continued)

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

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

- using our understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the Charities;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Charities;
- inquiring of the Trustees concerning the Charities' policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on 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 our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Charities' 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 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 our auditor's report.

Appendix B: Draft audit report (continued)

Reporting on other requirements

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

Our 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 our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our 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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Appendix B: Draft audit report (continued)

Tom Reid
Audit Director
For and on behalf of Forvis Mazars LLP

100 Queen Street
Glasgow
G1 3DN

X December 2024

Appendix C: Confirmation of our independence

We communicate any matters which we believe may have a bearing on our independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Annual Audit Plan and therefore we remain independent.

Appendix C: Confirmation of our independence (continued)

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit Committee on 20 April 2023.

We were appointed as auditors for the Council in the 2022/23 financial therefore no comparatives have been provided in the below table. Having completed our work for the 2022/23 financial year, we can confirm that our fees are as follows:

Area of work	2022/23 fees
Auditor remuneration	£250,450
Pooled costs	£0
Contribution to PABV costs	£60,670
Audit support costs	£9,500
Sectoral cap adjustment	(£4,560)
Total fees	£316,060

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council.

Fees for audit of Charitable Trusts





The audit fee in table above does not include the cost of auditing the Council's charitable trusts. We set a fee for the audit of these at £6,500.

Services provided to other entities within the Council's group



We provide audit services to the following group entities;

- West Dunbartonshire Integration Joint Board at a total fee of £31,470.
- Dunbartonshire and Argyle and Bute Valuation Joint Board at a total fee of £8,790.


Appendix D: Other communications

	Other communication	Response
	Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
	External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
	Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
	Going Concern	<p>We have not identified any evidence to cause us to disagree with Section 95 Officer that West Dunbartonshire Council will be a going concern, and therefore we have not identified any evidence to cause us to consider that the use of the going concern assumption in preparation of the financial statements is not appropriate.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications (continued)

	Other communication	Response
	Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
	Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition, we have assessed the adequacy of the Council's arrangements for preventing and detecting fraud or other irregularities as part of the wider scope audit and concluded that they are sufficiently designed and implemented.</p> <p>We will obtain written representations from management, and where appropriate the Audit Committee, confirming that:</p> <ul style="list-style-type: none"> a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b) they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ul style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d) they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Appendix D: Other communications (continued)

	Other communication	Response
	<p>National Fraud Initiative</p>	<p>The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the UK’s Cabinet Office, designed to prevent and detect fraud. The NFI uses data analytics to compare information held on individual by different public bodies to highlight the existence of fraud or error.</p> <p>We reviewed the Council’s participation in the NFI exercise. We concluded that the NFI exercise is well integrated into Council processes. However, resource constraint appears to limit its effectiveness in timely investigation and resolution of high risk and other matches.</p>

Appendix E: Wider scope, Best Value and internal control ratings

We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to the Council and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

Contact

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