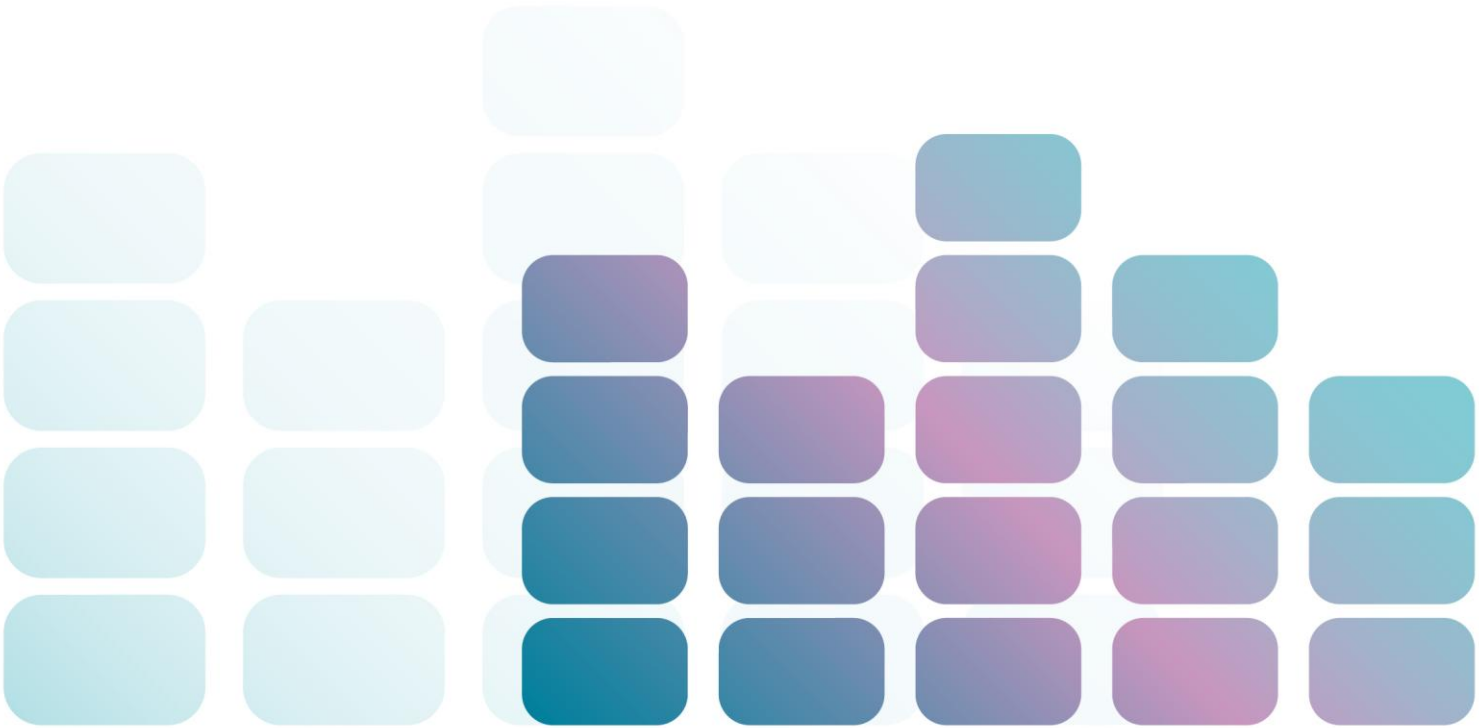


Angus Council

2024/25 Annual Audit Report



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Key messages

Audit of the annual accounts

- 1 All audit opinions stated that the annual accounts were free from material misstatement.
- 2 There were several significant findings resulting in material and non-material audit adjustments. All material audit adjustments required to correct the financial statements were processed by the council.
- 3 Substantial progress has been made in relation to agreed prior year audit recommendations

Wider scope audit

- 4 The council has effective and appropriate arrangements in place for Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

Best Value audit

- 5 The council has effective and appropriate arrangements in place for securing Best Value.
- 6 The Management Report on service transformation reported the council has a clear plan for transformation and has demonstrated its commitment to transforming services but should improve how it reports progress to elected members and the public.
- 7 The council has effective and appropriate arrangements in place for preparing and publishing Statutory Performance Information.
- 8 Generally, service performance information provides a mixed picture. There is overall improvement against the Council Plan Priority Performance Indicators, but there is an overall decline in performance against the Local Government Benchmarking Framework indicators.

Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of Angus Council's annual accounts and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to Angus Council, hereafter referred to as 'the council' and the Controller of Audit, and will be published on [Audit Scotland's website](#) in due course.

Appointed auditor and independence

3. Pauline Gillen, of Audit Scotland, has been appointed as the external auditor of the council for the period from 2022/23 until 2026/27. As reported in the Annual Audit Plan, Pauline Gillen, as engagement lead, and the audit team are independent of the council in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the council, including no provision of non-audit services.

Acknowledgements

4. We would like to thank the council and its staff, particularly those involved in preparation of the annual accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

Audit scope and responsibilities

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement.
- An opinion on statutory other information published with the financial statements in the annual accounts, namely the Management Commentary and Annual Governance Statement.
- An opinion on the audited part of the Remuneration Report.
- Conclusions on the council's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
- Reporting on the council's arrangements for securing Best Value.
- Providing assurance on the Housing Benefit Subsidy Claim, Non-Domestic Rates Return, Whole of Government Accounts return, and summary financial statements.
- A review of the council's arrangements for preparing and publishing statutory performance information.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of the auditor and the council. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Local Government (Scotland) Act 1973. These include providing an independent opinion on the financial statements and other information reported within the annual accounts, and concluding on the council's arrangements in place for the wider scope areas and Best Value.

8. The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve the council from its responsibilities outlined below.

9. The Annual Audit Report includes an agreed action plan at [Appendix 1](#) setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

The council's responsibilities

10. The council has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of annual accounts, comprising financial statements for the council and its group that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

National performance audit reporting

11. The Auditor General for Scotland and the Accounts Commission regularly publish performance audit reports. These cover a range of matters, many of which may be of interest to the council and the Scrutiny and Audit Committee. Details of national and performance audit reports published over the last year can be seen in [Appendix 3](#).

Audit of the annual accounts

Main judgements

All audit opinions stated that the annual accounts were free from material misstatement.

There were several significant findings resulting in material and non-material audit adjustments. All material audit adjustments required to correct the financial statements were processed by the council.

Substantial progress has been made in relation to agreed prior year audit recommendations

Audit opinions on the annual accounts

12. The council approved the annual accounts for Angus Council and its group on 23 September 2025. The Independent Auditor's Report is included in the council's annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

13. The unaudited annual accounts and most working papers were received on 30 June 2025 in accordance with the agreed audit timetable although there were delays in receiving bank reconciliations, the non-current asset register and valuation reports.

Audit Fee

14. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £317,860. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

15. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual accounts.

16. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor’s professional judgement.

17. Materiality levels for the audit of the council and its group were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual accounts and can be seen in [Exhibit 1](#).

Exhibit 1
2024/25 Materiality levels for the council and its group

Materiality	
Materiality – set at 2% of gross expenditure	£12 million
Performance materiality – set at 60% of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£7.2 million
Reporting threshold – set at 3% of materiality.	£360,000

Source: Audit Scotland

Significant findings and key audit matters

18. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged with governance, which for the council is the Scrutiny and Audit Committee.

19. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor’s professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

20. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.

- Significant events or transactions that occurred during the year.

21. The significant findings and key audit matters to report are outlined in [Exhibit 2](#).

Exhibit 2
Significant findings and key audit matters

Significant findings and key audit matters	Outcome
<p>1. Gross income/expenditure disclosures</p> <p>The unaudited Comprehensive Income and Expenditure Statement (CIES) was misstated in a number of areas resulting in an overstatement of gross income and expenditure of £1 million. The audit adjustments include:</p> <ul style="list-style-type: none">• Expenditure incorrectly netted off against income of £2.2 million• Intra-council transactions of £2.7 million had not been removed• Funding income and expenditure overstated by £0.5 million.	<p>Management have adjusted for this in the audited annual report and accounts.</p>

Significant findings and key audit matters	Outcome
<p>2. Council dwellings</p> <p>The following issues were identified in the unaudited accounts:</p> <ul style="list-style-type: none"> • The council house revaluation used a social housing discount adjustment factor of 58% and as part of our audit work we queried the appropriateness of this figure. After discussion with management and the valuer it was subsequently updated to 57% resulting in the council house valuation being overstated by £16.5 million. This has been adjusted in the accounts. • A miscalculation in the above council house revaluation resulted in an overstatement of the value of council dwellings by £2.8 million. This has not been adjusted and is reflected in Appendix 2 - Summary of uncorrected misstatements. • Inaccuracies in recorded house numbers resulted in thirteen houses not being included in the revaluation exercise undertaken by the valuer. The council house value in the accounts is therefore understated by approximately £0.7 million. This has not been adjusted and is reflected in Appendix 2 – Summary of uncorrected misstatements. • Sheltered housing was not included in the 2024/25 valuation exercise and will be covered in the 2025/26 revaluation. The value in the unaudited accounts was £7.4 million (subject to the revised discount factor highlighted above). This has not been adjusted and is reflected in Appendix 2 – Summary of misstatements. 	<p>Management have adjusted for this in the audited annual report and accounts with the exception of the uncorrected misstatements outlined in appendix 2. See recommendation 1.</p>

Significant findings and key audit matters	Outcome
<p>3. Right of use assets</p> <p>Following the introduction of International Financial Reporting Standard 16 <i>Leases</i> (IFRS 16) in 2024/25 the council is required to change the accounting treatment of its operating leases by recognising a Right of Use Asset and an equivalent lease liability on the Balance Sheet. Our audit work in this area identified that the assets were understated by £0.6 million with a corresponding understatement in the liability.</p>	<p>Management have adjusted for this in the audited annual report and accounts.</p>
<p>4. Property, Plant and Equipment classification</p> <p>The following issues were identified in the unaudited accounts:</p> <ul style="list-style-type: none"> • Operational assets of £10.4 million were incorrectly classified as Assets Under Construction as at 31 March 2025. • Infrastructure asset additions were understated by £8.1 million with additions to Other Land & Buildings overstated by an equivalent amount. 	<p>Management have adjusted for this in the audited annual report and accounts</p>
<p>5. Fixed asset register</p> <p>There are a large number of assets with a nil net book value at 31 March 2025 on the council's asset register. Management should undertake an exercise to review its fixed asset register to identify if these assets are still in use.</p>	<p>See Recommendation 2.</p>

Significant findings and key audit matters	Outcome
<p>6. Group consolidation</p> <p>The following group consolidation issues were identified in the unaudited accounts:</p> <ul style="list-style-type: none"> • The Cost of Services – Council line in the group CIES (both gross income and gross expenditure) were understated by £4.9 million. • The Total Group Comprehensive (Income)/Expenditure in the Group CIES was overstated by £6.8 million due to errors in the consolidation schedules. • Group Reserves in the Group Balance Sheet were overstated by £2.5 million with an equivalent understatement in Usable Reserves. • A separate line was required in the Group Movement in Reserves Statement for Adjustment to usable reserves permitted by accounting standards of £18.7 million that was incorrectly included in Opening balance / Group share adjustments. 	<p>Management have adjusted for this in the audited annual report and accounts.</p> <p>See Recommendation 3.</p>

Source: Audit Scotland

Qualitative aspects of accounting practices

22. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the council's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

23. The appropriateness of accounting policies adopted by the council was assessed as part of the audit. These were considered to be appropriate to the circumstances of the council, and there were no significant departures from the accounting policies set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Accounting estimates

24. Accounting estimates are used in a number of areas in the council's financial statements, including the valuation of land and buildings assets and the valuation of the pension liability. Audit work considered the process management has in place around making accounting estimates, including the assumptions and data used in those estimates, and the use of any management experts. Additional audit work has been carried out this year to ensure the robustness of the process for valuing land and

building assets including confirming the quality of source data provided to the valuer. This is to ensure compliance with requirements from both auditing and accounting standards. Our audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable, with the exception of issue 2 highlighted in Exhibit 2.
- There was no evidence of management bias in making the accounting estimates.

Disclosures in the financial statements

25. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate, with additional levels of detail provided for disclosures around areas of greater sensitivity, such as financial instruments and valuation of the pension liability.

Group audit

26. The council is part of a group and prepares group financial statements. The group is made up of seven components, including the council which is the parent of the group. As outlined in the Annual Audit Plan, audit work was required on a number of the group's components for the purposes of the group audit, and this work was performed by a combination of the audit team and the components' audit teams. The audit work performed on the group's components is summarised in [Exhibit 3](#).

Exhibit 3

Summary of audit work on the group's components

Group component	Auditor and audit work required	Summary of audit work performed
Angus Council	Audit Scotland Fully scope audit of the council's annual accounts.	The outcome of audit work performed is reported within the Annual Audit Report, with details of significant findings and key audit matters reported in Exhibit 2.
Common Good	Audit Scotland Included as part of Angus Council audit	The outcome of audit work performed is reported within the Annual Audit Report, with details of significant findings and key audit matters reported in Exhibit 2.

Group component	Auditor and audit work required	Summary of audit work performed
Charitable Trusts	Audit Scotland Analytical procedures at the group level.	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
ANGUSAlive	Azets Audit Services Analytical procedures at group level.	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Tayside Valuation Joint Board	Audit Scotland Analytical procedures at group level.	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Tayside Contracts Joint Committee	Audit Scotland Analytical procedures at group level.	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Angus Integration Joint Board	Audit Scotland Analytical procedures at group level.	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.

Source: Audit Scotland

27. ISA (UK) 600 requires auditors to report the following matters if these are identified or encountered during an audit:

- any instances where review of a component auditor's work gave rise to issues and how this was resolved.
- any limitations on the group audit.
- any frauds or suspected frauds involving group or component management.

28. No issues of this nature were identified during the course of the audit.

Significant matters discussed with management

29. All significant matters identified during the audit and discussed with the council's management have been reported in the Annual Audit Report.

Audit adjustments

30. Exhibit 2 outlines the audit adjustments required to the financial statements to correct misstatements that were identified from the audit. Details of all audit adjustments greater than the reporting threshold of £0.36 million are outlined in Appendix 2.

31. In addition to the corrected misstatements, there were other misstatements identified greater than the reporting threshold which were not adjusted. The value, nature, and circumstances of the uncorrected misstatements were considered, individually and in aggregate, by the audit team, and it was concluded these were not material to the financial statements. As a result, these did not have any impact on the audit opinions given in the Independent Auditor's Report.

32. It is the auditor's responsibility to request that all misstatements greater than the reporting threshold are corrected, even if they are not material. However, the final decision on whether an audit adjustment is processed to correct a misstatement rests with Scrutiny and Audit Committee as those charged with governance. The Scrutiny and Audit Committee is requested to consider these misstatements.

33. Details of the uncorrected misstatements can also be seen in [Appendix 2](#).

Whole of Government Accounts (WGA) return

34. The council is part of the WGA boundary and therefore prepares a return that is used by HM Treasury to prepare the WGA. The National Audit Office (NAO) is the auditor for the WGA and issues instructions outlining audit procedures auditors must follow when auditing a WGA return. The threshold for requiring audit procedures to be performed on the WGA return was set at £2 billion. The council is below this threshold and therefore only limited audit procedures will be required, and submission of an assurance statement to the NAO.

Significant risks of material misstatement identified in the Annual Audit Plan

35. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in Exhibit 4.

Exhibit 4**Significant risks of material misstatement to the financial statements**

Risk of material misstatement	Planned audit response	Outcome of audit work
<p>Fraud caused by management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • Assess the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Test journals at the year-end and post-closing entries and focus on significant risk areas. • Consider the need to test journal entries and other adjustments during the period. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the annual accounts. • Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. • Substantive testing of income and expenditure transactions around the year-end to confirm they 	<p>Audit work performed found:</p> <ul style="list-style-type: none"> • The design and implementation of controls over journal processing were appropriate. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. • No significant issues were identified in focussed testing of accruals and prepayments. <p>Conclusion: no evidence of fraud caused by management override of controls.</p>

Risk of material misstatement	Planned audit response	Outcome of audit work
	<p>are accounted for in the correct financial year.</p> <ul style="list-style-type: none"> • Focussed testing of accounting accruals and prepayments. 	

Source: Audit Scotland

Prior year recommendations

36. The council has made substantial progress in implementing the agreed prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with the council and are outlined in [Appendix 1](#).

Wider scope audit

Conclusion

The council has effective and appropriate arrangements in place for Financial Management; Financial Sustainability, Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

Audit approach to wider scope

Wider scope

37. As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

38. Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of arrangements the council has in place for each of these is reported in this chapter.

Conclusions on wider scope audit

Financial Management

39. The council approved its 2024/25 budget in February 2024 at £342 million with an initial funding gap of £15.1 million. The annual accounts report an underspend of £5.8 million at the year end. The most significant factor in this was pre-paid and ring-fenced grants of £3.3 million which are treated as underspends but are carried forward into future budgets.

40. The council also approved its Housing Revenue Account (HRA) budget for 2024/25 in February 2025. The 2024/25 budget was set at £34.7 million, with the housing capital budget at £13.8 million. This was funded by borrowing of £6.3 million and capital funded from current revenue (CFCR) of £6.1 million together with other financing resources including rent increases of 6.7 per cent. The housing capital budget was subsequently revised to £12.3 million during the year, reporting an underspend of £3.7 million. The HRA outturn resulted in a reduction to reserves of £0.6 million.

41. Total capital expenditure in 2024/25 was £37.5 million against a final budget of £47.2 million, representing spend of 79.4 per cent against budget. The slippage occurred across services with the most significant impact being the Monifieth Learning Campus reporting an underspend of £6.7 million due to activities being re-sequenced during 2024/25 to reflect actual site progress. These activities have taken place during 2025/26.

42. One of the key measures of financial health of a body is the level of reserves held. The council held usable reserves amounting to £51.9 million at 31 March 2025, a decrease of £16.8 million from the previous year. This follows a decrease of £12.4 million in 2023/24 from £81.2 million to £68.8 million and reflects the council's use of uncommitted reserves to balance the budget. It should be noted that this followed a steady increase in the years preceding 2023/24.

43. We have concluded that the council has sound financial management arrangements in place. This is evidenced by the following:

- Senior management and members receive regular and accurate financial information on the council's performance against budgets.
- The council has appropriate budget setting and monitoring arrangements.
- The council has an experienced finance team in place with established processes in place to allow members to carry out effective scrutiny of the council's finances.
- The council has a good track record of achieving savings targets. For 2024/25, 82 per cent of the Change Programme savings target of £6.3 million was achieved. This equates to recurring savings of £5.2 million against the original budget setting target.
- We reviewed the design and implementation of systems of internal control (including those relating to IT) relevant to our audit approach and testing of the operating effectiveness of specific controls, we did not identify any weaknesses which could affect the council's ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements. However, we did identify areas for improvement where the council uses external providers to host systems. This is explained further at paragraph 44.
- having clear and up-to-date policies and procedures, for example, financial regulations and scheme of delegation, in place that ensure effective financial management.
- We have reviewed the council's arrangements for the prevention and detection of fraud and concluded that it has clear and up-to-date policies in place for preventing and detecting fraud and other

irregularities, and it participates in fraud prevention and detection activities such as the National Fraud Initiative (NFI).

44. In 2023/24, we reported that the council use several service organisations to provide IT systems. These arrangements can be fairly complex where a third party hosts these IT systems. We undertook a risk assessment of these areas and did not identify any significant risks to the council's financial statements. However, we recommended that formal arrangements be introduced to assess service organisation assurances including formal assessment of controls assurance reports which are received from suppliers. Internal audit also agreed an action plan to address weaknesses identified in their September 2025 IT Systems Supply Chain Management with a specific recommendation around formalising arrangements for hosted systems.

45. Our follow up of this recommendation concluded that this has not been implemented in 2024/25. See prior year recommendation 4 (appendix 1).

Financial Sustainability

46. In previous years, the Finance and Change Plan 2024-27 has been refreshed annually alongside the rolling three-year Medium Term Budget Strategy and Capital Plan to ensure consistency as part of the budget setting process. For 2025/26, the council's Delivery Plan provides a single point of reference reflecting the council's planned service delivery for the financial year 2025/26. It includes the council's Change Plan, Financial Plan, Service Plan and a Workforce Plan Update for 2025/26. The Financial Plan outlines the sources of income, expenditure and challenges faced in the medium term.

47. The Medium-Term Budget Strategy 2025/26 - 2027/28 was presented to Angus Council in December 2024. Revenue projections over this time show a total funding shortfall of approximately £24 million. This includes shortfalls of £9.5 million, £7.2 million and £7.3 million in each respective year.

48. The Strategy states that the projected gap will be primarily addressed through savings to be delivered as part of the Change Programme alongside increases in council tax and other fees and charges. It is estimated that it will achieve savings of up to £6.2 million over the next two years with work ongoing to identify savings options for 2027/28. The council envisage closing £15 million of the £24 million gap through council tax increases and strategic use of reserves leaving a remaining gap of £9 million to be addressed through budget savings.

49. The council approved a balanced budget for 2025/26 of £368.9 million in February 2025. This includes a planned use of reserves of £3.8 million.

50. We have concluded that there are sound arrangements in place for securing financial sustainability despite the challenging financial

environment that the council is operating in. As mentioned above, this judgement is evidenced by the council:

- making appropriate arrangements to develop medium and longer-term financial plans and linking these to its Council Plan and priorities.
- having effective arrangements in place for identifying risks to financial sustainability over the medium and longer-term, and understanding medium and longer-term demand pressures that could impact on available resources.
- having savings plans in place to manage forecast budget deficits, and a reserves strategy in place to manage the use of reserves if the required level of savings cannot be met.

51. Key financial information considered in forming the judgement on the council's arrangements for securing financial sustainability is outlined in Exhibit 5 ([page 21](#)).

Exhibit 5**Key financial information**

Budget setting	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget gap	13.9	26.1	15.6	13.6
Planned to be met via:				
• Savings and flexibilities	6.8	13.6	6.3	2.8
• Use of reserves	4.8	8.5	6.1	3.8
• Additional council tax / funding	2.3	4.0	3.2	7.0
Actual				
Savings delivered	6.6	12.4	5.2	TBC
Reserves				
Use of / (contribution to) reserves	4.8	8.5	6.1	TBC
Total usable reserves carried forward	81.2	68.8	51.9	TBC
General Fund:				
• Earmarked	68.7	59.8	44.6	TBC
• Uncommitted	2.5	1.0	0.1	TBC

Source: Angus Council 2024/25 annual accounts and Angus Council papers

Vision, Leadership and Governance

52. The audit work performed on the arrangements the council has in place around its Vision, Leadership and Governance found that these were generally effective and appropriate. We have considered the following in reaching this judgement:

- The Council Plan sets out a clear vision and priorities for Angus, which are well-aligned with the Community Planning Partnership's Community Plan and also identifies success measures to monitor progress.
- In 2023/24, we recommended that the council should work better and more meaningfully with communities to engage with them to identify needs and opportunities and implement service changes that deliver savings and efficiencies. Engage Angus is the Council's online platform for consultations, surveys, polls and other forms of

engagement that allows its communities give their opinions. This was utilised effectively for public consultation on the 2025/26 council plans and budget.

- In 2023/24, an internal audit report provided limited assurance over the council's risk management arrangements. Actions were due to be completed by 30 November 2024 but an extension was granted to 31 July 2025 due to resource issues within the council and its risk management partner. On 16 September 2025 an update was provided to the Scrutiny and Audit Committee confirming that 10 of the 11 actions were complete including a revised Risk Management Strategy and Detailed Guidance. The council's revised Strategic Risk Register will be brought to the next meeting of the Committee in November and 6-monthly thereafter. The final action is in relation to inherent risk scoring and it has been agreed that this will be revisited once the new risk arrangements are embedded.
- Internal audit also provided limited assurance over IT business continuity arrangements in their 2023/24 report. Actions were due to be implemented by 31 March 2025. However, this has been delayed due to ongoing work on a National Power Outage (NPO) Plan, which is linked to identification of business-critical activities. A revised timeline was prepared in March 2025 setting out key steps to take place during June to December 2025.
- Papers and minutes for Council and Committee meetings, including financial and performance reporting and information on decision-making are available on the council's website.
- Effective governance arrangements are in place in general, as reflected in the Governance Statement included in the annual report and accounts. The Governance Statement notes the issues identified and the necessary actions in place to address these.

53. The council is currently reviewing the Senior Management arrangements and structure following several significant changes in the Corporate Leadership Team. The proposed new structure will be presented to the council on 2 October 2025.

54. There has also been significant change in leadership since the year end. Subsequent to the outcome of a Special Council meeting on 22 April 2025, Angus Council's Administration changed to a ruling group comprising eight Conservative Councillors, four Independent Councillors and one Labour Councillor. A new Leader and Depute Leader of the Council were appointed. Our audit work in 2025/26 will consider any impact on our assessment of the councils' vision, leadership and governance.

Use of Resources to Improve Outcomes

55. The council has appropriate arrangements in place to ensure effective use of its resources to improve outcomes, based on the factors set out below:

- The council has a new performance management framework in place which demonstrates a clear link between the use of resources and delivery of its priorities.
- The Scrutiny and Audit Committee receive an Annual Performance Report in September each year including commentary on PIs grouped under council priorities. A Local Government Benchmarking Framework (LGBF) Annual Overview Report is also received by the committee in June each year. Commentary on the 2023/24 report is included in the Best Value section of this report. The 2024/25 report will not be published until March 2026.
- In 2023/24, we recommended that the council should consider whether the pace of change in delivery of the performance management framework (through the PLED programme) is sufficient. In December 2024, a new Performance Management Framework was agreed by the Council. This is being embedded during 2025/26, including improved controls in relation to review, scrutiny and escalation of performance matters relating to 'running the business', while simultaneously 'changing the business'.
- Arrangements include a PLED Council Board, chaired by the Chief Executive and Performance Review Group chaired by the Director of Finance which provides scrutiny on internal performance, outward looking service provision and the Change Programme. Business units are required to report to this Board and a Performance Reporting Calendar for business groups has been live from 1 January 2025. This also encompasses risk management at service level.
- As outlined in the Best Value section of this report, the council faces challenges in meeting performance targets in some areas. However, the enhanced performance management framework once embedded will provide comprehensive overview and more regular scrutiny to drive improvement.

Best Value audit

Conclusion

The council has effective and appropriate arrangements in place for securing Best Value.

The Management Report on service transformation reported the council has a clear plan for transformation and has demonstrated its commitment to transforming services, but should improve how it reports progress to elected members and the public.

The council has effective and appropriate arrangements in place for preparing and publishing Statutory Performance Information.

Generally, service performance information provides a mixed picture. There is overall improvement against the Council Plan Priority Performance Indicators, but there is an overall decline in performance against the Local Government Benchmarking Framework indicators.

Audit approach to Best Value

56. Under the Code of Audit Practice, the audit of Best Value in councils is fully integrated within the annual audit. As part of the annual audit, auditors are required to take a risk-based approach to assessing and reporting on whether the council has made proper arrangements for securing Best Value, including follow up of previously reported Best Value findings.

57. The Accounts Commission also reports nationally on thematic aspects of councils' approaches to, and performance in, meeting their Best Value duties. As part of the annual audit, thematic reviews, as directed by the Accounts Commission, are conducted on the council. The thematic review for 2024/25 is on the subject of service transformation and considers how the council is redesigning services to maintain outcomes and deliver services more efficiently. Conclusions and judgements on the thematic review are reported in a separate Management Report and summarised in this chapter.

Conclusions on Best Value

The council's arrangements and performance in meeting Best Value and community planning duties

58. The audit work performed on the arrangements the council has in place for securing Best Value and its community planning arrangements found these were effective and appropriate. This judgement is evidenced by:

- the council having well established governance arrangements in place, with Best Value being a key aspect of those arrangements
- the arrangements the council has in place around the four wider scope audit areas contribute to it being able to secure Best Value
- progress against the previous audit recommendations as set out in Appendix 1.

Themes prescribed by the Accounts Commission

59. As previously outlined, the Accounts Commission reports nationally on thematic aspects of council's approaches to, and performance in, meeting their Best Value duties, with the thematic review for 2024/25 on the subject of service transformation. A summary of the report's conclusions is outlined below.

- Angus Council has a clear plan to support the transformation of its services and has a well-established Change Programme. The Council has advised that for the past five years the plan for transforming its services, its Finance and Change Plan, has been mainly focused on projects that would help address funding gaps. The Council decided to widen the scope of its programme from 2025/26 to include more longer-term enabling, innovation and investment projects. The current Change Programme includes 46 Change Projects.
- The Council faces a funding gap of £24 million over the next three years. To date the Council has identified £6.5 million of savings through its Change Programme over this period. The Council acknowledges that its Change Programme will not bridge the full funding gap, and it will require to use other measures, including identifying further savings options. The Council has a good track record of delivering savings, reporting that it has saved £98 million from its core budget over the last 12 years.
- The Council has robust officer-led governance arrangements in place to monitor its transformation projects through its Change Board, chaired by the Chief Executive. There is scope to improve reporting to elected members and the public as current reporting is mainly focused on financial outcomes with less information on non-financial benefits of the Change Programme.

- Projects in the Change Programme are mainly taken forward by staff within services and can be supported by the Change Team when required. Staff capability and staff resources are both noted as risks in the Change Programme risk register. The Council advised that, at times, having enough staff capacity for projects can be a challenge. The Council has a Change Fund to support projects if additional resource is required.
- The Council has a good history of working collaboratively with its partners. Around one third of its current Change Programme projects involve partnership working. Eight of these are jointly funded. The Council is working to increase the involvement of partners in future projects and partners have participated in workshops held to generate ideas for future change work.
- The Council has shared examples of where it has listened to feedback from the community in relation to its Change Projects, resulting in changes being made. It has also provided evidence of where it has used its Equality Impact Assessment process to consider the impact of Change Projects on vulnerable groups.
- In 2024/25 the Council achieved £5.2 million of savings through its Change Programme. As the Change Programme primarily focussed on savings projects, the Council's reporting has focused on identifying and reporting on the related financial benefits with less emphasis on non-financial benefits. As the Change Programme has now expanded to include savings, enabling, innovation and investment projects, the Council plans to develop a new approach to benefits management including both financial and non-financial benefits.

60. The full Management Report was presented to the Scrutiny and Audit Committee on 16 September 2025 and will be available on the Audit Scotland website in due course. This work will be subject to a national Controller of Audit Report in 2026.

Statutory performance information (SPI) and service performance

61. The Accounts Commission issued a [Statutory Performance Information Direction](#) which requires the council to report its:

- performance in improving services and progress against agreed desired outcomes, and
- self-assessment and audit, scrutiny, and inspection council assessment of how it has responded to these assessments.

62. Auditors have a statutory duty to satisfy themselves that the council has made proper arrangements for preparing and publishing statutory

performance information in accordance with the Direction and report a conclusion in the Annual Audit Report.

63. Audit work assessed the arrangements the council has in place for preparing and publishing SPI, including how it has responded to assessments, and concluded the arrangements in place were effective and appropriate. The council has appropriate arrangements in place to demonstrate compliance with the requirements of the Statutory Performance Direction.

64. The Accounts Commission also requires auditors to report a summary of the information on service performance reported by the council. We have outlined the process through which the council reports information on service performance at paragraph 55.

65. The information reported is a combination of the LGBF indicators and other relevant indicators the council has developed to monitor progress against key strategic priorities. From review of the service performance information reported by the council, this was found to be sufficiently detailed to provide an assessment of progress the council is making against its strategic priorities and allow effective scrutiny of performance.

66. Overall, the service performance information reported by the council demonstrates that performance compared to prior years and against other councils has remained relatively stable. The most recently published Local Government Benchmarking Framework Overview 2023/24 highlights that of the 107 LGBF indicators, 46 (43 percent) have improved since the base year (2010/11), 11 (10 percent) have remained the same, and 50 (47 percent) have worsened. Progress in comparison to other councils has declined, with 50 percent of indicators in the top two quartiles in the base year compared to 39 percent in the top two quartiles in the most recently published data.

67. The Annual Performance Report (APR) was presented to the Scrutiny & Audit Committee on 16 September 2025 and reports progress against the indicators and priorities set out in the Council Plan 2024/2025.

68. The APR includes commentary on PIs grouped under council priorities. Against the 70 PIs, it reports mixed results but an overall improvement under these priorities - *Caring for the Economy (overall improvement)*, *Caring for our People (overall improvement)* and *Angus Council is Efficient and Effective (overall improvement)* and *Caring for our Place (overall decline)*. The overall trend shows 42% of indicators are declining in both the short and long term, whereas 50% are improving in the short term and 55% in the long term.

69. Indicators where the council has seen the most significant improvements and worsening of performance include:

- The number of digital services available on website (angus.gov.uk) has increased to 134 in 2024/25 from 97 in 2022/23.

- The percentage of P1, P4 and P7 pupils combined achieving expected Curriculum for Excellence Level in Literacy has steadily increased to 78.8% in 2024/25 from 72.2% in 2020/21.
- The average number of working days per employee lost through sickness absence for Teachers has increased to 8.35 days in 2024/25 which shows a steady increase each year since 4.21 days in 2020/21, against a target of 6 days.
- The percentage of Change Programme savings target achieved has declined to 81.9% 2024/25 from as high as 97.6% in 2022/23. See paragraph 43.

Progress against previous Best Value findings and recommendations

70. Best Value findings and recommendations have been made in previous years' Annual Audit Reports, Management Reports on themes prescribed by the Accounts Commission, and Controller of Audit Reports on the council's performance in meeting its Best Value duties.

71. Details of previous recommendations and progress the council is making against these can be seen in [Appendix 1](#). Overall, the council is making good progress in implementing the previous recommendations made, with 5 of the 7 recommendations made being implemented to date, and progress being made with two further recommendations.

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
<p>1. Sheltered housing valuation</p> <p>Sheltered housing was not included in the 2024/25 valuation exercise. The value in the unaudited accounts was £7.4 million (subject to the revised discount factor highlighted in Exhibit 2). This has not been adjusted and is reflected in Appendix 2 – Summary of uncorrected misstatements.</p> <p>Risk – sheltered houses are not accounted for at their true value in the financial statements.</p>	<p>Management should ensure that these are included in the valuation exercise for 2025/26 and reflect on the process to ensure there are no omissions in future valuation exercises.</p>	<p>Recommendation will be implemented for 2025/26 Accounts and we will review our approach to identification of assets for valuation as part of this process</p> <p><i>Director of Finance.</i></p> <p><i>June 2026.</i></p>
<p>2. Fixed asset register (FAR)</p> <p>Our review of the FAR noted that there are a large number of assets with a nil net book value.</p> <p>Risk – assets are not accounted for at their true value in the asset register and financial statements</p>	<p>Management should review the fixed asset register to identify if assets with a nil net book value are still in use. If they are, management should consider reviewing the value at which these are held. If they are not, they should be removed from the register.</p>	<p>Review will be carried out but it may not be possible to address this as most assets affected are items of equipment where individual records are limited.</p> <p><i>Manager – Corporate Support.</i></p> <p><i>June 2026</i></p>

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
<p>3. Group accounts consolidation</p> <p>Similar to 2023/24, several discrepancies were identified in the group consolidation working papers which required adjustments to be made to the group financial statements.</p> <p>Risk – there are misstatements within the group accounts due to consolidation errors.</p>	<p>Management should reflect on the process for group consolidation to ensure errors are not made in future.</p>	<p>We will review our approach and documentation to improve accuracy for 2025/26 Accounts.</p> <p><i>Manager – Corporate Support.</i></p> <p><i>June 2026</i></p>

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p>1. Community engagement</p> <p>The 2022 BVAR highlighted the need to engage with communities in planning to deliver savings and efficiencies. The council have not consulted on its overall budget since the 2022/23 budget setting process.</p> <p><i>Risk – the needs of communities are not considered when planning savings and efficiencies.</i></p>	<p>Recommendation - The council should work better and more meaningfully with communities to engage with them to identify needs and opportunities and implement service changes that deliver savings and efficiencies.</p> <p>Agreed action - The Council's Engage Angus online tool has enabled community engagement on a range of topics in the last year and will continue to do so moving forward. Specific proposals for consultation on the Council's Plans and Budgets for 2025/26 were approved by the Council at its meeting on 12 September 2024.</p> <p><i>Director of Finance</i></p> <p><i>28 February 2025</i></p>	<p>Implemented</p> <p>The council effectively utilised the Engage Angus online tool to enhance community engagement. This included budget consultation for 2025/26.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p>2. Performance management framework implementation</p> <p>The 2022 BVAR noted that the council is working to improve its performance management framework, but needs to increase the pace with the PLED programme introduced in 2019. Actions to address this area have now been included in a 5-year delivery programme.</p> <p>Internal audit also highlighted limited assurance over the arrangements for performance management with several improvement areas highlighted to improve the framework.</p> <p><i>Risk – the council are unable to demonstrate that it is a performance led council.</i></p>	<p>Recommendation - The council should consider whether the pace of change in delivery of the performance management framework (through the PLED programme) is sufficient.</p> <p>Agreed action - Proposals outlining improvements to performance management arrangements for implementation in the short term will be brought to Council for approval in the next 2-3 months. An updated Data Strategy will also be put before elected members for approval in the same timeframe.</p> <p><i>Director of Finance</i></p> <p><i>31 December 2024</i></p>	<p>Implemented</p> <p>The new performance management framework is agreed and in place. Further development and refinements will be required through the initial implementation phase. It is also proposed that a full review of the PMF will be undertaken towards the end of 2025, taking cognisance of the learning over the initial 12-month period.</p> <p>The Data Strategy was agreed in December 2024.</p>
<p>3. Service planning arrangements</p> <p>Service plans are considered by elected members for a few services (i.e. Education & Lifelong Learning, Biodiversity and Internal Audit) with all others only included in a section in the Council Plan at a strategic level.</p> <p><i>Risk – the transparency of actions required to deliver the council's priorities is not clear and services are not held to account for specific responsibilities.</i></p>	<p>Recommendation - The council should consider whether service planning arrangements are sufficient to enable elected members and the public to scrutinise the council's performance for all service areas.</p> <p>Agreed action - Recommendation to be considered as part of revised arrangements for performance reporting under recommendation 2 above. Further actions for Service Directors may arise from that.</p> <p><i>Director of Finance / Council Leadership Team</i></p> <p><i>December 2024 for initial assessment.</i></p>	<p>Implemented</p> <p>Included in recommendation 2 above.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p>4. Service organisation assurances</p> <p>The council use several service organisations to provide systems used across the council. These arrangements can be fairly complex where the 3rd party host these IT systems.</p> <p>No formal arrangements are currently in place to assess the assurances over these systems including assessing controls assurance reports received from suppliers.</p> <p><i>Risk – the council fails to recognise risks and potential failures within systems which impact on business continuity.</i></p>	<p>Recommendation - The council should introduce arrangements that allow service organisation assurances to be considered.</p> <p>Agreed action - Recommendation accepted and there will be a process in place whereby the Council will assess the assurances over our fully cloud hosted systems.</p> <p><i>Service Leader, Digital Enablement & IT</i></p> <p><i>These arrangements are now in place and will be ongoing with all system providers.</i></p>	<p>Work in progress</p> <p>Our 2024/25 work concluded that this has not yet been implemented. Internal audit also provided limited assurance over IT Systems Supply Chain Management arrangements regarding the use of service organisations in their April 2025 report. An action plan was agreed and is currently being actioned.</p> <p>There is good practice in assessing the assurance of external service organisations to deliver Council IT systems. This current and good practice will be formalised with the creation of a policy and associated procedures.</p> <p><i>Service Leader, Digital Enablement & IT</i></p> <p><i>December 2025</i></p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p>5. Revaluation Reserve (from 2022/23 AAR)</p> <p>An annual adjustment is made between unusable reserves to remove the difference between depreciation on revalued amounts and depreciation on historic costs. Differences highlighted in audit testing totalled £0.993 million.</p> <p><i>Risk – The revaluation reserve and movements disclosed in the financial statements are incorrect.</i></p>	<p>Recommendation - The council should consider reporting arrangements from the fixed asset register and investigated any potential accumulated differences between the balances remaining in the Revaluation Reserve and the Capital Adjustments Account.</p> <p>2023/24 updated action - This has yet to be implemented by the council with a difference of £0.896 million identified in the 2023/24 audit. Officers will undertake a reconciliation of the balances and consider options for replacing the current asset register which is no longer fit for accounting purposes.</p> <p><i>Responsible officer: Service Lead (Finance)</i></p> <p><i>Agreed date: 30 June 2025</i></p>	<p>Implemented</p> <p>Our 2024/25 testing did not highlight the same issue.</p> <p>No further action required.</p>

Progress against previous Best Value findings and recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>1. Workforce Action Plan</p> <p>There needs to be clear reporting on the 23 actions set out in the workforce Action Plan so that it is clear what progress is being made.</p> <p><i>Risk – the council does not know what progress is being made and whether they need to address any actions that are not progressing.</i></p>	<p>Recommendation - The council should improve and develop its reporting on progress of workforce planning so that it is clear what actions are being progressed, which are complete and what outcomes achieved.</p> <p>Agreed action - Develop Pentana Workforce Plan portal to manage progress with 23 strategic actions and appropriate reporting arrangements.</p> <p><i>Service Leader – HR/OD/BS; and Service Leader – Gov, Change & Strategic Policy</i></p> <p><i>October 2024 – for portal development; and December 2024 – for performance reporting arrangements</i></p>	<p>Implemented</p> <p>A Workforce Planning Portal has been established in Pentana. The 23 strategic actions have been incorporated into the portal linked to the 9 key themes in the workforce action plan. This will be updated and monitored on an ongoing basis as part of the new Performance Management Framework.</p> <p>This is reported to CLT and to members.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>2. Service Workforce Plans</p> <p>The council has brought in a new approach to workforce planning at a service level. Currently there is no formal record or reporting on the planning that is taking place, meaning there is a lack of transparency, accountability or clarity on what progress is being made.</p> <p><i>Risk – the council does not have a clear record of how workforce planning is progressing at a service level.</i></p>	<p>Recommendation - The council needs to have a clear approach to recording and reporting on workforce planning at a service level, so that there is transparency and accountability on what actions are being taken and what progress is being made.</p> <p>Agreed action - Identify Directorate level actions and link to Pentana Workforce Plan portal to manage progress with Directorate level actions and appropriate reporting arrangements.</p> <p><i>All Directors; Service Leader – HR/OD/BS; and Service Leader – Gov, Change & Strategic Policy</i></p> <p><i>October 2024 – for identifying Directorate actions/ portal input; and December 2024 – for performance reporting arrangements</i></p>	<p>Implemented</p> <p>The corporate need has been identified, and services have confirmed that actions are in hand to address their own Directorate needs. The discussions with services included specific issues in relation to succession planning. This was considered by CLT and a range of actions have been agreed. A new item has been included in the Strategic Risk Register related to 'sustainable workforce' in recognition of the recruitment, retention and succession planning challenges facing the Council.</p> <p>This will be monitored through the new PMF – see recommendation 2 above.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>3. Digital strategy</p> <p>Our 2022/23 Annual Audit Report issued in October 2023 identified that the council's digital strategy required to be updated and reflect the current Council Plan and priorities. Officers indicated a target date of December 2023. The strategy has yet to be approved.</p> <p><i>Risk – the council does not have appropriate strategies in place to support delivery of the Council Plan and Workforce Plan.</i></p>	<p>Recommendation - The updated digital strategies should reflect the Council Plan and priorities. The refreshed digital strategy and digital transformation programme also needs to clearly set out how the councils plans for digital tech will shape the workforce, what workforce benefits are expected and what needs to be put in place in terms of support and skills development.</p> <p>Agreed action - Digital Strategy and Data Strategy to be considered by elected members.</p> <p><i>Service Leader - Digital Enablement & IT</i></p> <p><i>October 2024</i></p> <p><i>A digital transformation programme is in the early stages of development</i></p>	<p>Implemented</p> <p>These were approved in December 2024.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>4. Digital impacts and governance</p> <p>The council needs to understand the impacts that digital strategies and plans are having. There must be appropriate governance and oversight in place.</p> <p><i>Risk – the council does not know the impact that digital transformation plans are having, nor has adequate governance in place for effective oversight.</i></p>	<p>Recommendation - The council needs to be able to demonstrate the impacts and benefits arising from digital transformation, including for the workforce, citizens and financial benefits, with regular updates and progress reports on the outcomes from the programme. The terms of reference for the Digital Strategy Board should clearly set out its roles and responsibilities, including decision making authority, and its oversight of strategic digital projects and the impact they are having.</p> <p>Agreed action - Update Terms of Reference for the Digital Strategy Board, including roles and responsibilities of membership; scope of decision-making authority; and reporting arrangements to Change Board/ Committee (covering progress and impact).</p> <p><i>Service Leader - Digital Enablement & IT; and Service Leader – Gov, Change & Strategic Policy</i></p> <p><i>November 2024</i></p>	<p>Implemented</p> <p>Terms of reference for the Digital Strategy Board were revised and agreed in January 2025.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>5. Skills audit and impact of skills programmes</p> <p>The council had planned to carry out a skills audit as detailed within their Workforce Plan 2023-2028; this was intended to give a clear picture of the wide range of skills available across the organisation. This was never carried out with the council stating it was not clear how this would fit with their operating model going forward. The council has a range of skills programme in place but there is no evidence of how effective these programmes are in addressing skills gaps and issues.</p> <p><i>Risk – staff do not have the required skills to carry out their role effectively and initiatives put in place do not address the workforce risks the council faces.</i></p>	<p>Recommendation - The council should consider carrying out a skills audit in the near future to identify any skills gaps, and ensure training and support is in place so they have a skilled workforce to meet the demand for their services. They also should assess and report on the impact that current skills and capacity development programmes are having on filling skills gaps and succession planning.</p> <p>Agreed action - At a suitable time, undertake skills audit across all Council services, along with comparison of staff development programmes to identify any skills and succession planning gaps</p> <p><i>Service Leader – HR/OD/BS</i></p> <p><i>Timing to be confirmed – likely starting during 2025/26</i></p>	<p>Work in progress</p> <p>Work on this has yet to commence with a revised target date of March 2026.</p>
<p>6. Shared Services</p> <p>The council have joint workforce arrangements in place and have the vision of greater emphasis on collaboration across local authority boundaries. There is an opportunity to develop shared functions within the public, private and third sector.</p> <p><i>Risk – the Council are not making the most efficient use of resources.</i></p>	<p>Recommendation - The council should explore and consider opportunities to develop shared services with other councils and partners as part of workforce planning and more efficient use of resources.</p> <p>Agreed action - Continue to explore opportunities for shared services with other councils and partners, including consideration of options while undertaking workforce planning</p> <p><i>All Directors</i></p> <p><i>Ongoing action</i></p>	<p>Work in progress</p> <p>This an ongoing process with management currently compiling a list of all areas where shared services are undertaken.</p>

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update on progress
<p>7. Performance reporting and scrutiny</p> <p>There is a lack of clarity over which Committees are responsible for scrutinising the Workforce Plan and its progress.</p> <p><i>Risk – there is insufficient scrutiny of workforce plans and the progress they are making.</i></p>	<p>Recommendation - The council needs to clearly set out its scrutiny arrangements for workforce planning – with clear roles and responsibilities for monitoring, oversight and decision making on workforce planning at Committee and officer level.</p> <p>Agreed action - Update Policy & Resources Committee Terms of Reference to explicitly include responsibility for monitoring, oversight and decision making on workforce planning matters; and include workforce planning data as part of officer-based performance management framework.</p> <p><i>Service Leader – Legal & Procurement; Service Leader – HR/OD/BS; and Service Leader – Gov, Change & Strategic Policy</i></p> <p><i>December 2024</i></p>	<p>Implemented</p> <p>The Policy & Resources Committee Terms of Reference have now been updated to explicitly include responsibility for monitoring, oversight and decision making on workforce planning matters.</p>

Appendix 2

Summary of misstatements

Details	Financial statements lines impacted	Comprehensive Income and Expenditure Statement (CIES)		Balance Sheet	
		Dr	Cr	Dr	Cr
Audit adjustments to financial statements		£000	£000	£000	£000
1. Expenditure incorrectly netted off against income					
Net Cost of Services – gross expenditure		2,150			
Net Cost of Services – gross income			2,150		
2. Internal transactions not removed from accounts					
Net Cost of Services – gross expenditure			2,367		
Net Cost of Services – gross income		2,367			
3. Funding income overstated					
Net Cost of Services – gross expenditure			500		
Net Cost of Services – gross income		500			
Taxation and non specific grant income		500			
Unusable reserves				500	
Property, Plant & Equipment					500
4. Errors in consolidating the group accounts					
Group Cost of Services – gross expenditure		4,854			
Group Cost of Services – gross income			4,854		
(Surplus) or deficit on revaluation of non-current assets – Subsidiaries			488		

Details	Financial statements lines impacted	Comprehensive Income and Expenditure Statement (CIES)	Balance Sheet	
Re-measurement of net pension liability – Subsidiaries		728		
Re-measurement of net pension liability – Associates & JV			7,056	
Group Balance Sheet Usable Reserves				2,477
Group Reserves			2,477	
5. Introduction of IFRS16 adjustments				
PPE - Right of Use Assets			587	
Short Term Creditors				148
Other long-term liabilities				320
Unusable Reserves				119
Other Services		146		
Financing Income and expenditure	27			
6. Revaluation of council dwellings				
Property, Plant and Equipment				16,517
Unusable Reserves			16,517	
Net impact on financial statements	11,126	17,561	20,081	20,081

Audit adjustments in disclosures

1. A separate line was required in the Group Movement in Reserves Statement for Adjustment to usable reserves permitted by accounting standards of £18.7 million that was incorrectly included in Opening balance / Group share adjustments.
2. A councillors pension information was missing from the Remuneration Report.
3. Note 9 - Segmental information required to be updated to reflect other areas within the accounts, increasing total income and expenditure by £4.8 million.
4. The group notes to financial statements (Note 9 and 11) overstated internal transactions by £0.6 million

5. Note 11 - Infrastructure asset additions were understated by £8.1 million with additions to Other Land & Buildings overstated by an equivalent amount.

6. Note 23 - PFI / PPP and Similar Contracts understated the repayment of the liability by £3 million in the aged analysis of the debt.

7. Note 22 - Related party transactions with Tayside Contracts was overstated by £2 million.

8. Note 11 - Assets of £10.4 million were incorrectly classified as Assets Under Construction as at 31 March 2025.

9. Notes 28 and 29 in relation to financial instruments disclosures had to be updated to reflect the financial position of borrowing as at 31 March 2025.

Details	Financial statements lines impacted	Comprehensive Income and Expenditure Statement (CIES)		Balance Sheet	
		Dr	Cr	Dr	Cr
Uncorrected misstatements		£000	£000	£000	£000
1. A miscalculation in the revaluation of council dwellings resulted in an overstatement of the value in the accounts.					
Property, Plant & Equipment					2,780
Unusable Reserves				2,780	
2. Thirteen houses not included in the revaluation exercise undertaken by the valuer (estimation of potential impact)					
Property, Plant & Equipment				650	
Unusable Reserves					650
Uncorrected misstatements in disclosures					
1. Sheltered houses were not included in the 2024/25 revaluation of council dwellings. Management have agreed this will be undertaken in the 2025/26 revaluation.					

Appendix 3

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Scotland's colleges 2024	19 September 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
The National Fraud Initiative in Scotland 2024	15 August 2024
Transformation in councils	1 October 2024
Alcohol and drug services	31 October 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
NHS in Scotland 2024: Finance and performance	3 December 2024
Auditing climate change	7 January 2025
Local government in Scotland: Financial bulletin 2023/24	28 January 2025
Transparency, transformation and the sustainability of council services	28 January 2025
Sustainable transport	30 January 2025
A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study	20 February 2025
Additional support for learning	27 February 2025
Integration Joint Boards: Finance bulletin 2023/24	6 March 2025
Integration Joint Boards finances continue to be precarious	6 March 2025
General practise: Progress since the 2018 General Medical Services contract	27 March 2025
Council Tax rises in Scotland	28 March 2025

Angus Council

2024/25 Annual Audit Report



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 **Email: info@audit.scot**
www.audit.scot