

Angus Council Charitable Funds

2024/25 Annual Audit Report



Prepared for Angus Council Charitable Funds and the Controller of Audit
September 2025

Contents

Key messages	3
Introduction	4
Audit scope and responsibilities	5
Audit of the annual report and financial statements	7

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Key messages

Audit of the annual report and financial statements

- 1** All audit opinions stated that the annual report and financial statements were free from material misstatement.
- 2** All audit adjustments required to correct the financial statements were processed by the charities.

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 Charitable Funds' annual report and financial statements.
2. The Annual Audit Report is addressed to Angus Council Charitable Funds, hereafter referred to as the charities, and the Controller of Audit, and will be published on [Audit Scotland's website](#) in due course.

Appointed auditor and independence

3. Mark Laird, of Audit Scotland, has been appointed as external auditor of the charities for the period from 2022/23 until 2026/27. As reported in the Annual Audit Plan, Mark Laird and the audit team are independent of the charities 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 charities, including no provision of non-audit services.

Acknowledgements

4. We would like to thank the charities and its staff, particularly those involved in preparation of the annual report and financial statements, 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 report and financial statements, namely the Trustees' Annual Report.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of the charities and the auditor. 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 report and financial statements.

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 charities from their responsibilities outlined below.

The charities' responsibilities

9. The charities have 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 them to successfully deliver their objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of their affairs.

- Preparation of an annual report and financial statements, comprising financial statements that give 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.

Audit of the annual report and financial statements

Main judgements

All audit opinions stated that the annual report and financial statements were free from material misstatement.

All audit adjustments required to correct the financial statements were processed by the charities.

Audit opinions on the annual report and financial statements

10. The charities' annual report and financial statements were approved by the Scrutiny & Audit Committee on 23 September 2025 and certified by the appointed auditor on 23 September 2025. The Independent Auditor's Report is included in the charities' annual report and financial statements, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

11. The unaudited annual report and financial statements including working papers were received in accordance with the agreed audit timetable.

Audit Fee

12. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £6,000. 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

13. 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 report and financial statements.

14. 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 report and 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.

15. Materiality levels for the charities 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 report and financial statements. Materiality levels were updated and these can be seen in [Exhibit 1](#).

Exhibit 1

2024/25 Materiality levels for charities

Materiality	Amount
Materiality – set at 2% of net assets	£41,000
Performance materiality – set at 75% 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.	£30,750
Reporting threshold – set at 5% of materiality.	£2,000

Source: Audit Scotland

16. We also set a specific account area materiality for the charities' Statement of Financial Activities at £2,100 being 2% of gross expenditure.

Significant findings and key audit matters

17. ISA (UK) requires auditors to communicate significant findings from the audit to those charged as governance, which for the charities is the Scrutiny & Audit Committee.

18. 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.

19. 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.

20. 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
Deficit in unrestricted funds The unaudited financial statements represented the unrestricted funds within the charities as being in deficit of £6,547 and £4,380 for Strang and ACCT respectively.	Trustees agreed to fund the deficits from the Endowment Funds and the financial statements were amended accordingly.
Investment balances overstated The Premier Investment Account for Strang was overstated by £14,726 in the unaudited financial statements.	The audited financial statements have been amended to resolve this issue.

Source: Audit Scotland

Qualitative aspects of accounting practices

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

Accounting policies

22. The appropriateness of accounting policies adopted by the charities was assessed as part of the audit. These were considered to be appropriate to the circumstances of the charities, and there were no significant departures from the accounting policies set out in the applicable accounting framework.

Disclosures in the financial statements

23. 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 related parties.

Significant matters discussed with management

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

Audit adjustments

25. Audit adjustments were required to the financial statements to correct misstatements that were identified from the audit. Details of audit adjustments greater than the reporting threshold are outlined in [Exhibit 2](#). The charities processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatements to report.

Significant risks of material misstatement identified in the Annual Audit Plan

26. 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 3](#).

Exhibit 3**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"> • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test transactions and balances, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. 	<ul style="list-style-type: none"> • 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 transactions and balances, other than those included in Exhibit 2. • 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. <p>Conclusion: no evidence of fraud caused by management override of controls.</p>

Source: Audit Scotland

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