West Lothian Council

Section 106 Charitable Trusts

2024/25 Annual Audit Report

Prepared for the Trustees of the West Lothian Council (Section 106) Charitable Trusts and the Controller of Audit

September 2025

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Key messages

Audit of the annual report and financial statements

1 All audit opinions stated that each Trust's annual report and financial statements were free from material misstatement.

2 There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed.

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 the West Lothian Council (Section 106) Charitable Trusts annual reports and financial statements. The following nine Trusts are covered by this Annual Audit Report:

- Quarter Farm Mortification for Benefit of Poor
- West Lothian Trust for the Benefit of People with Disabilities
- Connected Charities – Uphall
- Connected Charities – Linlithgow
- James Wood Bequest for a Nurse
- James Wood Bequest for the Poor (Blackridge and Torphican)
- David Forrester Bequest
- Bathgate and Boghall Youth and Community Endeavour Trust
- Miscellaneous Charitable Trust

2. The Annual Audit Report is addressed to the trustees of the West Lothian Council (Section 106) Charitable Trusts, hereafter referred to as ‘the Trusts’ and the Controller of Audit and will be published on Audit Scotland’s website in due course.

Appointed auditor and independence

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

Acknowledgements

4. We would like to thank the staff, particularly those involved in preparation of each Trust annual reports and financial statements, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the 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 properly present the receipts and payments and are free from material misstatement.
- An opinion on statutory other information published with the financial statements in each Trust annual report and financial statements.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of each Trust 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 accounts.

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 each Trust from their responsibilities, outlined below.

The Trust responsibilities

9. The Trusts 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 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 Trust annual reports and financial statements, comprising financial statements that properly present the receipts and payments 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 accounts

Main judgements

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

There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by the Trusts.

Audit opinions on the annual report and financial statements

10. Each Trust annual report and financial statements were certified by the appointed auditor by the 30 September 2025. The Independent Auditor Reports are included in each Trust 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 Trust annual report and financial statements were received by 30 June 2025 in accordance with the agreed audit timetable. The working papers provided by officers were of a good standard.

Audit Fee

12. The audit fee for the 2024/25 audit of the nine Trusts was reported in the Annual Audit Plan and was set at £11,550. 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. 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. The concept of materiality is used to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual report and financial statements. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Materiality is ultimately a matter of the auditor's professional judgement.

15. Materiality levels for the audit of each Trust 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. Following receipt of the unaudited annual reports and financial statements, materiality was updated as shown in Exhibit 1.

Exhibit 1
Materiality levels for West Lothian Council (Section 106) Trusts

	Materiality	Performance Materiality	Reporting Threshold
Quarter Farm Mortification for Benefit of Poor	1,236	927	62
West Lothian Trust for the Benefit of People with Disabilities	1,146	859	57
Connected Charities – Uphall	66	50	3
Connected Charities – Linlithgow	123	92	6
James Wood Bequest for a Nurse	1,371	1,028	69
James Wood Bequest for the Poor (Blackridge and Torphican)	133	99	7
David Forrester Bequest	361	271	18
Bathgate and Boghall Youth and Community Endeavour Trust	170	128	9
Miscellaneous Charitable Trusts	2,214	1,661	111

Source: Audit Scotland

Significant findings and key audit matters

16. ISA (UK) requires auditors to communicate significant findings from the audit to those charged as governance, which for the Trusts is the trustees.

17. 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.

18. 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.

19. There were no significant findings or key audit matters to report in 2024/25.

Qualitative aspects of accounting practices

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

Accounting policies

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

Disclosures in the financial statements

22. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was satisfactory.

Audit adjustments

23. No audit adjustments were required to the financial statements greater than the reporting threshold.

24. The Trusts processed audit adjustments for all misstatements identified. As a result, there are no corrected misstatements to report.

Significant risks of material misstatement identified in the Annual Audit Plan

25. 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 2.

Exhibit 2
Significant risk of material misstatement to the financial statements

Risk of material misstatement
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.

Outcome of audit work
Controls • The design and implementation of controls over journal processing were appropriate. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. **Testing** • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No notable deficiencies were identified from testing of journal entries. • We did not identify any transactions outside the normal course of business. • Confirmed through substantive testing that income and expenditure transactions have been accounted for correctly. • No issues of concern were noted from conducting variance analysis of balances and transactions between the current and prior years.

Results
We are satisfied that there is no material misstatement due to management override of controls.

Prior year recommendations

26. There were no prior year recommendations or actions raised which require to be followed up.

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

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