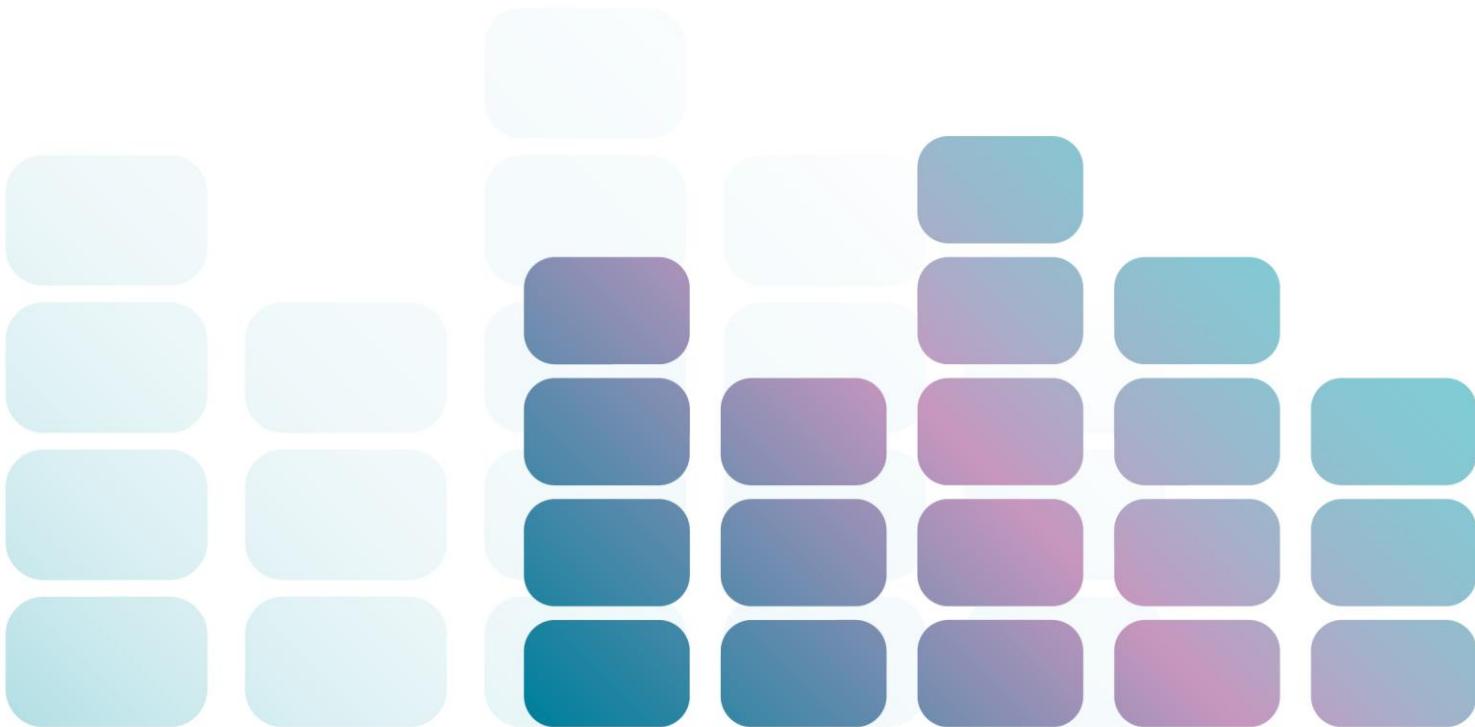


Bòrd na Gàidhlig

2024/25 Annual Audit Report



Prepared for Bòrd na Gàidhlig and the Auditor General for Scotland

September 2025

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Accessibility

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Key messages

Audit of the annual report and accounts

- 1 All audit opinions stated that the annual report and accounts 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 by Bòrd na Gàidhlig.

Financial Sustainability

- 3 Bòrd na Gàidhlig has effective and appropriate arrangements in place for securing financial sustainability.

Best Value audit

- 4 Bòrd na Gàidhlig has effective and appropriate arrangements in place for securing Best Value.

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 Bòrd na Gàidhlig's annual report and accounts and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to Bòrd na Gàidhlig and the Auditor General for Scotland, and will be published on [Audit Scotland's website](#) in due course.

Appointed auditor and independence

3. Esther Scoburgh, of Audit Scotland, has been appointed as external auditor of Bòrd na Gàidhlig for the period from 2024/25 until 2026/27. As reported in the Annual Audit Plan, Esther Scoburgh and the audit team are independent of Bòrd na Gàidhlig 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, including no provision of non-audit services.

Acknowledgements

4. We would like to thank all the staff of Bòrd na Gàidhlig, particularly those involved in preparation of the annual report and accounts, 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 give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the annual report and accounts, namely the Performance Report and Governance Statement.
- An opinion on the audited parts of the Remuneration and Staff Report.
- Concluding on financial sustainability and a review of the Governance Statement.
- Reporting on the duty of Best Value.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of Bòrd na Gàidhlig 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 Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the annual report and accounts, and concluding on the arrangements in place for the wider scope areas and Best Value.

8. The matters reported in this 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 Bòrd na Gàidhlig 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.

Bòrd na Gàidhlig's responsibilities

10. Bòrd na Gàidhlig 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 an annual report and accounts, 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.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

National and performance audit reporting

11. The Auditor General for Scotland and the Accounts Commission regularly publish national and performance audit reports. These cover a range of matters, many of which may be of interest to Bòrd na Gàidhlig and the Audit and Assurance Committee. Details of some of the national and performance audit reports recently published are in [Appendix 2](#).

Audit of the annual report and accounts

Main judgements

All audit opinions stated that the annual report and accounts 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 Bòrd na Gàidhlig.

Audit opinions on the annual report and accounts

12. The annual report and accounts were scrutinised by the Audit and Assurance Committee on 23 September 2025 and recommended to the Board for signing. The Board approved the annual report and accounts on 9 October 2025. The appointed auditor signed the Independent Auditor's Report on 9 October 2025 and this reports that, in the appointed auditor's opinion, the annual report and accounts were free from material misstatement.

Audit timetable

13. The unaudited annual report and accounts and all working papers were received on 16 June 2025 in accordance with the agreed audit timetable.

Audit Fee

14. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £18,530 (2023/24: £18,180). There have been no developments that impacted on the planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

15. 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 accounts.

16. 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. Materiality is ultimately a matter of the auditor's professional judgement.

17. Materiality levels were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan. These were reassessed on receipt of the unaudited annual report and accounts and updated per [Exhibit 1](#) below.

Exhibit 1

2024/25 Final materiality levels for Bòrd na Gàidhlig

Materiality	Amount
Overall materiality: Set at 2% of gross expenditure.	£109,000
Performance materiality: Set at 75% of overall 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.	£82,000
Reporting threshold: All misstatements greater than this level are reported.	£5,000

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 as governance, which for Bòrd na Gàidhlig is the Audit and Assurance 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. There were no significant findings. Key audit matters noted in our Annual Audit Plan have been addressed and are summarised in [Exhibit 2](#).

Exhibit 2

Key audit matters

Key audit matters	Outcome
<p>Pension valuation</p> <p>Our Annual Audit Plan noted a key audit matter regarding the pension valuation. This is due to the significant degree of subjectivity in the measurement and valuation of the pension fund balance and pension costs / income and the use of an expert.</p>	<p>Satisfactory</p> <p>We reviewed the pension valuation including the information provided by the actuary, the actuarial assumptions, estimates, financial and demographic assumptions.</p> <p>We assessed the scope, independence and competence of the actuary engaged in providing pension estimates and reviewed the appropriateness of the actuarial assumptions and their results and compared these with similar organisations.</p> <p>We also reviewed Bòrd na Gàidhlig's arrangements for ensuring the reasonableness of the professional estimations and the accuracy of information provided to the actuary. There were no issues noted.</p>

Source: Audit Scotland

Qualitative aspects of accounting practices

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

Accounting policies

23. The appropriateness of accounting policies adopted by Bòrd na Gàidhlig was assessed as part of the audit. These were considered to be appropriate to the circumstances of Bòrd na Gàidhlig, and there were no significant departures from the accounting policies set out in the 2024/25 Government Financial Reporting Manual (the 24/25 FReM).

Accounting estimates

24. Accounting estimates are used in number of areas in the financial statements, but primarily in the valuation of the pension asset/liability.

Audit work considered the processes management has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. 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.
- 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 valuation of pensions.

Significant matters discussed with management

26. All significant matters identified during the audit have been discussed with Bòrd na Gàidhlig officers and have been reported in this Annual Audit Report.

Audit adjustments

27. No audit adjustments were required to the financial statements greater than the reporting threshold of £5,000.

Whole of Government Accounts (WGA) return

28. Bòrd na Gàidhlig 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 was set at £2 billion. Bòrd na Gàidhlig is below this threshold and therefore only limited audit procedures are required, and submission of an assurance statement to the NAO.

Significant risks of material misstatement identified in the Annual Audit Plan

29. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of our audit work performed is summarised in [Exhibit 3](#).

Exhibit 3

Significant risks of material misstatement to the financial statements

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.

Audit response - The audit team:

Evaluated the design and implementation of controls over journal entry processing.

Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries.

Tested journal entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end.

Evaluated significant transactions outside the normal course of business.

Assessed the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements.

Assessed changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.

Audit work found:

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.

Outcome / conclusion: SATISFACTORY

We found no evidence of fraud caused by management override of controls.

Source: Audit Scotland

Prior year recommendations

30. There were no prior year recommendations.

Financial Sustainability and Best Value audit

Conclusion

Bòrd na Gàidhlig has effective and appropriate arrangements in place for securing financial sustainability.

Bòrd na Gàidhlig has effective and appropriate arrangements in place for securing Best Value.

Audit approach to wider scope and Best Value

Wider scope

31. The Annual Audit Plan defines Bòrd na Gàidhlig as a less complex body for the wider scope audit. Therefore, the wider scope audit does not cover all four wider scope areas and is instead limited to concluding on the financial sustainability of Bòrd na Gàidhlig.

Duty of Best Value

32. The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

33. Consideration of the arrangements Bòrd na Gàidhlig has in place to secure Best Value have been carried out alongside the wider scope audit.

Conclusions on Financial Sustainability

34. The audit work performed on the arrangements Bòrd na Gàidhlig has in place for securing financial sustainability found that these were effective and appropriate. This judgement is evidenced by Bòrd na Gàidhlig:

- making appropriate arrangements to develop medium and longer-term financial plans and linking these to its Corporate 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.

35. Scottish Government (SG) budgetary allocations and ministerial policy decisions significantly influence Bòrd na Gàidhlig's financial decisions. The detailed budgets are therefore set on an annual basis in line with the SG budget announcements. Bòrd na Gàidhlig's annual budget is presented to the Board each year prior to commencement of the relevant financial year. The 2025/26 annual budget was approved by the Board in April 2025 with confirmed SG initial funding of £5,635,000 plus additional funding of £690,000. This is an increase both in the initial amount of funding and in the amount of subsequent additional funding received by Bòrd na Gàidhlig in recent financial years.

36. The 2025/26 budget process includes a medium-term financial plan with budget projections for five years to 2029/30. As funding allocations from the SG are provided annually with no indications of future funding, the projections provided in the annual budget are based on the baseline budget which remains at £5,125,000 each year.

37. Forecasts in the medium term financial plan are based on several assumptions such as inflationary pressures and identify future savings to address projected funding gaps over the five-year period. Staff costs represent the key area of pressure for Bòrd na Gàidhlig's budget over the five year period. Staff costs make up almost three-quarters of Bòrd na Gàidhlig's overall operating costs. Bòrd na Gàidhlig aligns its pay policy with that of the SG including annual uplifts and awards, resulting in an assumed annual uplift of 3% over the projection period. We conclude that Bòrd na Gàidhlig continues to take a prudent approach when considering and planning their future funding allocations.

Conclusion on duty of Best Value

38. The audit work performed on the arrangements Bòrd na Gàidhlig has in place for securing Best Value found these were effective and appropriate. This judgement is evidenced by:

- Bòrd na Gàidhlig having well established and effective governance arrangements in place, with the Best Value being a part of the governance arrangements and routine reporting to members.
- the arrangements Bòrd na Gàidhlig has in place to secure financial sustainability which help ensure the effective use of available resources.

39. Bòrd na Gàidhlig prepares an annual best value review aimed at enhancing their culture of continuous improvement. An annual best value statement was presented to the May 2025 Audit and Assurance Committee meeting. The statement outlined the seven Best Value characteristics and has set out targets for delivering on each of the seven

principles and includes metrics for how success will be measured in each case. We will continue to monitor and report on this going forward including how Bòrd na Gàidhlig are achieving or working towards the outcomes. We conclude that Bòrd na Gàidhlig has appropriate arrangements in place to secure best value.

Appendix 1: Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
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There are no 2024/25 recommendations.

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
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There were no prior year (2023/24) recommendations.

Appendix 2: National and performance audit reports

Report name	Date published
Additional support for learning	27 February 2025
Sustainable transport	30 January 2025
Auditing climate change	7 January 2025
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Tackling Digital Exclusion	22 August 2024
The National Fraud Initiative in Scotland 2024	15 August 2024

Source: [Audit Scotland website](#)

Bòrd na Gàidhlig

2024/25 Annual Audit Report



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