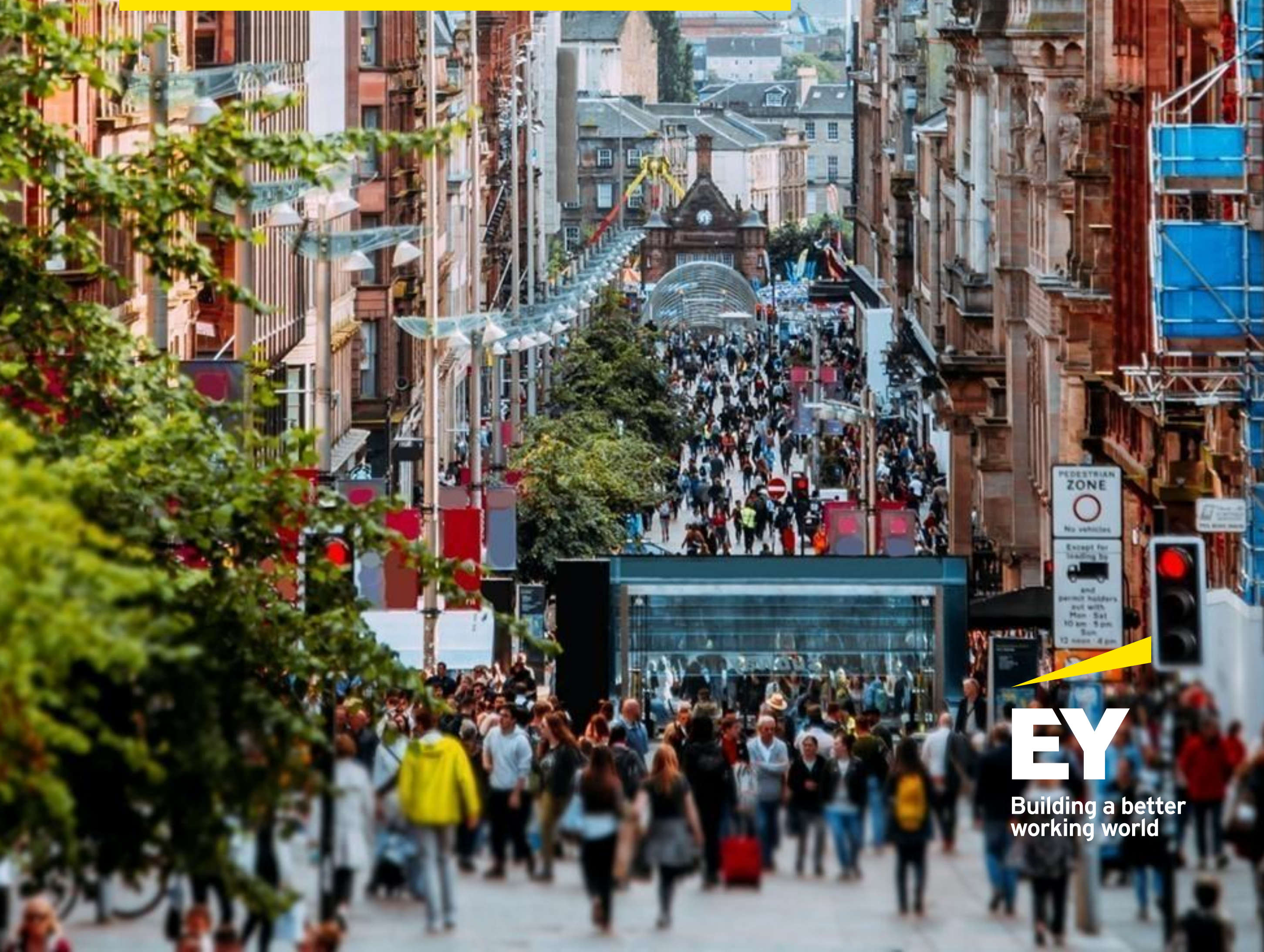
West of Scotland Archaeology Service

Annual Audit Report
Year ended 31 March 2025

24 April 2026



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This report

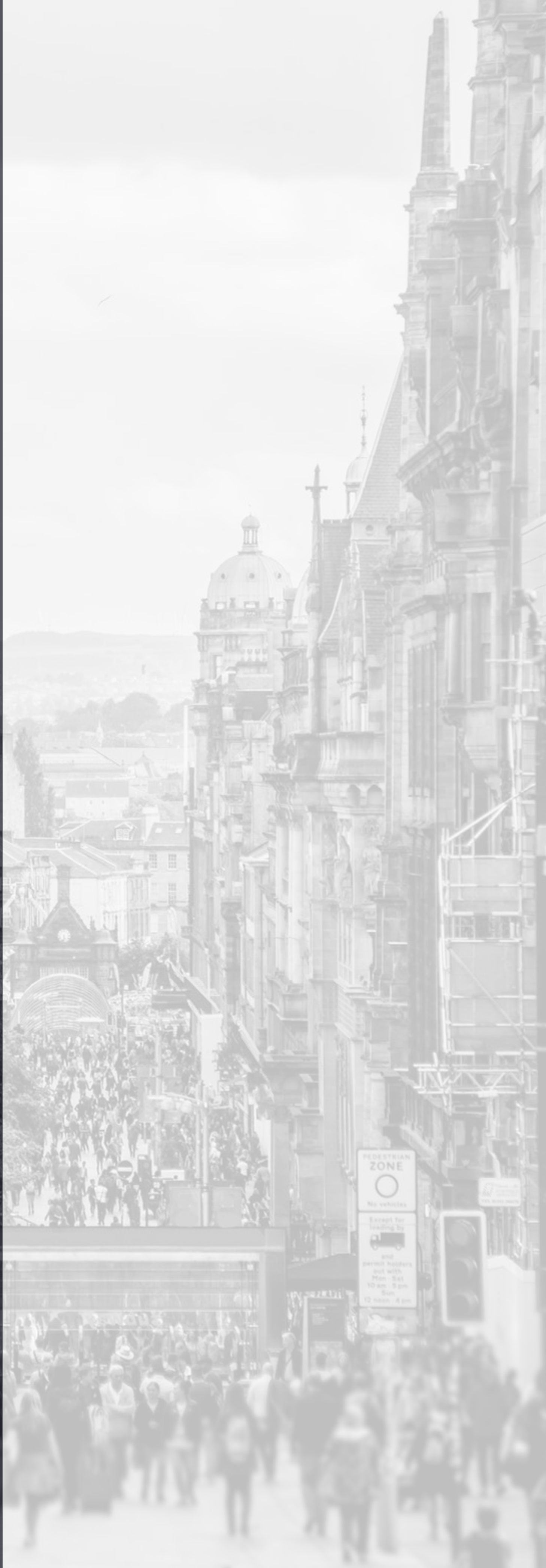
This report has been prepared in accordance with the Terms of Appointment Letter, through which Audit Scotland and the Accounts Commission have appointed us as external auditor of West of Scotland Archaeology Service for financial years 2022/23 to 2026/27.

This report is for the benefit of the Service and is made available to Audit Scotland and the Accounts Commission (together "the Recipients"). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Accessibility

Our report will be available on Audit Scotland's website and we have therefore taken steps to comply with the Public Sector Bodies Accessibility Regulations 2018. Ultimate responsibility for compliance is with the body publishing the document.



Contents

1. Executive summary: Key conclusions from our 2024/25 audit

Purpose of our report

This Annual Results report, prepared for the benefit of senior management and the West of Scotland Archaeology Service ("the Service") sets out results of our audit of the financial statements for the year ended 31 March 2025.

Financial Statements

We have concluded our audit of the Service's financial statements for the year ended 31 March 2025. There were no adjusted or unadjusted misstatements above our reporting threshold that we are required to communicate. The unaudited financial statements were published on the Glasgow City Council website on 30 June 2025. However, due to the lack of governance arrangements the financial statements were not presented to the Joint Committee for scrutiny in line with the August 2025 deadline. In addition, this resulted in substantial delays in the completion of the audit. We raised a recommendation in the prior year relating to these delays which remains open and is outlined at Appendix E.

We continued to work with the finance team to ensure the financial statement disclosures are appropriate and reflect the standards. However, due to the short timeframe between conclusion of the 2023/24 and 2024/25 financial statement audits, the prior year recommendation around supporting improved preparation of the financial statements going forward remains open which is within our expectations. We will provide an update on the progress of these recommendations as part of our audit of the 2025/26 financial statements.

We concluded that the other information subject to audit, including the Annual Governance Statement were appropriate.

We were satisfied that the disclosures reflect the Service's compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the CIPFA Code), although a previous recommendation remains open that management should complete the Disclosure Checklist for the Code requirements while preparing the Financial Statements.

Going concern

In accordance with the International Financial Reporting Standards (IFRS), the Service prepares its financial statements on a going concern basis unless informed by the Scottish Government.

Under a revised auditing standard, ISA 570, we are required to undertake greater challenge of management's assessment of going concern, including testing of the adequacy of the supporting evidence we obtained. After completing its going concern assessment, the Service has concluded that there are no material uncertainties around its going concern status.

We were satisfied that the Service remains a going concern and has made appropriate required disclosures in the financial statements. We have considered the related risks to the financial sustainability of the Service and its longer-term delivery of strategic objectives in our wider scope reporting.

We have no matters to report in respect of our work around going concern or the conclusions reached by the Service.

Independence

We confirm that we have undertaken client and engagement acceptance procedures, including our assessment of our independence to act as your external auditor. Further information is available in Appendix B.

1. Executive summary: Key conclusions from our 2024/25 audit

Subsequent Events

We undertook enquiries with management in respect of subsequent events arising since 31 March 2025 relating to the West of Scotland Archaeology Service. In addition, we invited Committee members to notify us of any events since the balance sheet date that they were aware of.

1. Executive summary: Key conclusions from our 2024/25 audit (continued)

Wider Scope

In line with the Audit Scotland Code of Audit Practice (2021), we have determined the Service meets the definition of a less complex body. The audit of the wider-scope and Best Value in an audited body which meets the definition of a less complex body under the CIPFA Code may be limited to:

- a review of the Annual Governance Statement;
- concluding on the financial sustainability of the body and the services that it delivers over the medium to longer term and;
- for local government bodies, reporting on the arrangements for securing Best Value.

We summarise the conclusions we reached in response to our work on the wider scope dimensions below.

Financial Sustainability

The Service reported a surplus of £20,730 in 2024/25, resulting in a reserves balance of £169,650 being carried forward into 2025/26. This remains considerably in excess of the amount recommended by the Reserves Policy, representing 166% of the figure proposed as an appropriate financial reserve in the most recent review of the Service's Reserves Policy, and at a level which is likely to require reduction in the future. Members should ensure that consideration is given to the level of reserves held against the Service's requirements going forward. We have raised a recommendation to this effect which is outlined at **Appendix E.**

The Service continues to provide opportunities and support for the Region's business and communities over its lifetime to 31 March 2035.

Vision, Leadership and Governance

The Governance Statement outlines a number of key governance matters within the year, each of which poses significant risk and exposure to the entity.

Management's review of the Service's key strategic documents remain out of date and require updating. In addition, a lack of clarity over future member authority contributions presents challenges for future financial planning.

The unaudited 2024/25 financial statements were published on the Glasgow City Council website in June 2025 however due to lack of governance arrangements, were not presented to the Joint Committee in line with the August 2025 deadline, compromising the Committee's ability to provide effective scrutiny.

In addition, the financial statements will be approved more than 8 months after the local government deadline.

Internal Audit issued the opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment of Glasgow City Council during 2024/25. We have raised an observation to management around the impact of the lack of meetings on the Joint Committee's ability to provide effective governance.

Best Value

We are required to conclude on the Service's arrangements to demonstrate the achievement of Best Value. We are satisfied that the Service has appropriate arrangements to secure Best Value, including performance and financial reporting arrangements.

2. Financial Statement Audit

Financial Statements audit

The financial statements provide the Service with an opportunity to demonstrate accountability for the resources that it controls, and report on its overall performance in the application of those resources during the year.

This section of our report summarises the audit work undertaken to support our audit opinion, including our conclusions in response to the significant and other risks identified in our Annual Audit Plan.

The plan highlighted one area that we identified as a significant risk of material misstatement or fraud risk:

- the risk of fraud in revenue and expenditure recognition (significant risk).

Compliance with Regulations

As part of our oversight of the Service's financial reporting process, we report on our consideration of the quality of working papers and supporting documentation prepared, predominantly by the finance team, to support the audit.

The financial statements were prepared in accordance with the CIPFA code, IFRSs, as interpreted and adapted by the 2024/25 Code and the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

The financial statements have been updated in line with the requirements of the CIPFA Code through matters identified in the audit. We have recommended the completion of a financial statements' disclosure checklist in the prior years, and this has remained a recommendation for 2024/25.

The unaudited annual accounts for the year ended 31 March 2025 were not presented to the Joint Committee for scrutiny by August 2025, which is the required reporting timetable. We have discussed with management to ensure that arrangements are in place going forward that to ensure that the Local Government reporting timetable is met, and specifically that the governance arrangements are aligned to the September reporting deadlines for audited accounts. Refer to recommendations at Appendix E.

Our review and reassessment of materiality

Our Annual Audit Plan explained that our audit procedures would be performed using a materiality of £3,700. We reassessed our materiality based on the Service's financial statements for the year 2024/25. As a result of this reassessment, our materiality decreased and has set at £3,000 due to reduction in gross expenditure as compared to the prior year.

We consider misstatements greater than 2% of the gross expenditure to be material. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations.

Our key considerations and materiality values are set out in **Exhibit 1**, on the following page.

Audit Status

We have completed our audit of the Service financial statements for the year ended 31 March 2025 and have performed the procedures outlined in our Audit Planning Report.

Exhibit 1: Materiality Assessment in 2024/25

Element	Explanation	Value
Year-end materiality	The amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements. This represents 2% (PY: 2%) of the Service's Gross Expenditure.	£3,000
Performance materiality	Materiality at an individual account balance, which is set to reduce the risk that the aggregate of uncorrected and undetected misstatements exceeds Year-end Materiality to an acceptably low level. We have set it at 75% (PY: 75%) of planning materiality. This level reflects our risk assessment for an initial audit.	£2,200
Reporting Level	The amount below which misstatements whether individually or accumulated with other misstatements, would not have a material effect on the financial statements.	£150

Our Specific Materiality

We consider all accounts and disclosures within the financial statements individually to ensure an appropriate materiality is used. In determining their materiality, we consider both the quantitative and qualitative factors that could drive materiality for the users of the financial statements. Accordingly, we determine it is appropriate to use lower levels of materiality for some areas of the financial statements, including:

1. Remuneration disclosures - given the sensitivity around the disclosure of senior staff remuneration we applied a lower materiality threshold to our audit consideration around the remuneration report and related disclosures.
2. Related party transactions – which are considered material when they are material to either party in the transaction. We did not apply a specific materiality but consider each transaction individually.

2. Financial Statement Audit (continued)

Our response to significant risks

Risk of fraud in income and expenditure recognition, including through management override of control

As we outlined in our Annual Audit Plan, misstatements that occur in relation to the risk of fraud in income and expenditure recognition could affect the expenditure accounts.

Under ISA 240 there is a presumed risk that income may be misstated due to improper recognition of income. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which means we also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

In line with auditing standards, we rebut the risk around income and expenditure recognition where appropriate depending on the nature of the account. Accordingly, we have rebutted the risk of improper recognition in respect of core contributions from members. With regards to expenditure, we have rebutted the risk of improper recognition of routine monthly payroll expenditure.

We consider there to be a specific risk around income and expenditure recognition through incorrect income and expenditure cut-off recognition to alter the Service's financial position around the financial year-end.

Our approach and findings

We undertook the following specific procedures:

- Inquired of management about risks of fraud and the controls to address those risks;
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- Understood the oversight given by those charged with governance of management's processes over fraud;
- Considered contribution income in relation to the Minute of Agreement;
- Performed additional testing on income and expenditure incurred closer to the financial yearend.

We also performed mandatory procedures regardless of specifically identified fraud risks, including:

- Substantively tested income and expenditure transactions as appropriate and material;
- Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Assessed accounting estimates for evidence of management bias; and
- Evaluated the business rationale for significant unusual transactions.

No misstatements were identified relating to income and expenditure recognition, as outlined in **Appendix D** of this report.

2. Financial Statement Audit (continued)

Testing of journal entries

We tested the appropriateness of journal entries recorded and other adjustments made in the preparation of the financial statements.

We obtained a full list of journals posted during the year to identify potentially unusual journals based on posting patterns, amounts or areas of greater risk of judgement or incentive for management to adjust according to our identified risk areas for the audit. We evaluated the business rationale for any significant unusual transactions. In particular we considered:

- Journal entries made to key accounts which are considered more likely to have an incentive to be manipulated;
- Journals entries made around year end.

We identified no unusual journals which could not be explained by management, or which indicated any additional risk of fraud.

Judgements and Estimates

There are no material accounting estimates included in the financial statements that have a direct impact of the Service's financial statements.

Accounting policies

We considered the consistency and application of accounting policies, and the overall presentation of financial information. We consider the accounting policies adopted by the Service to be appropriate. There were no significant accounting practices which materially depart from what is acceptable under the CIPFA code.

We have not identified any material weaknesses in the design and implementation of controls around journal processing. We did not identify any instances of evidence of management override of controls.

Remuneration disclosure

The Service should prepare a remuneration report or disclosure in line with the CIPFA Code requirements. The Service does not directly employ any members of staff, with all services provided by Glasgow City Council's staff on a secondment basis. However, the disclosure includes details of remuneration of key management personnel of the Service.

Related parties disclosure

The Service is a Service comprising twelve participating local authorities or member authorities. Glasgow City Council (GCC) is the administering body responsible for the Service.

2. Financial Statement Audit (continued)

ISA 315

ISA 315 deals with the auditor's responsibility to identify and assess the risks of material misstatement in the financial statements. Increased scope in risk identification and assessment to promote better responses to the identified risks with:

- Increased focus on understanding the IT environment – for all audits regardless of audit strategy;
- New requirement to identify IT applications and the associated IT risks and evaluate the IT general controls;
- Specific requirements for inherent risk assessments;
- Strengthened audit documentation requirements.

The Service's IT environment is supported by Glasgow City Council which is the administering body responsible for the Service.

We identified IT processes that support the relevant IT applications and other IT environment components.

An IT process is defined as a set of activities that are performed to enable an IT environment to meet the needs of the business (e.g., making a change to software, providing and removing the access of users, monitoring the operation of computer programs).

As part of procedures performed, we did not identify control deficiencies that are considered to be significant deficiencies.

Given the simple nature of the Service accounting activity, including the small volume of transactions and lack of complexity in accounting arrangements, we did not anticipate any issues in the internal control environment in light of ISA 315.

Through our audit procedures, we did not identify any matters that we are required to report under the requirements of ISA 315.

A number of control environment matters have historically been reported through the Glasgow City Council audit, however given the simple nature of the Service's financial statements and the processes required to input into these, we do not consider it necessary to repeat these as they are unlikely to have a material impact on the preparation of the Service's financial statements.

Going concern

International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

The Service prepares its financial statements on a going concern basis.

Management's going concern assessment and associated disclosures cover the period following approval of the financial statements. After completing its going concern assessment, the Service has concluded that there are no material uncertainties around its going concern status.

We have outlined our consideration of the Service's financial position going forward in the financial sustainability section of this report. We considered this in conjunction with management's assessment on going concern, focusing on:

- The completeness of factors considered in management's going concern assessment.
- The completeness of disclosures in the financial statements in relation to going concern and future financial pressures and how savings challenges in the short and medium term will be addressed.

We concur with management's assessment that there are no material uncertainties in relation to the going concern of the Service.

2. Financial Statement Audit (continued)

Our audit opinion

Element of our opinion	Basis of our opinion	Conclusions
Financial statements ▪ True and fair view of the state of affairs of the Service at 31 March 2025 and of its income and expenditure for the year then ended ▪ Financial statements in accordance with the relevant financial reporting framework and 2024/25 Code	We report on the outcomes of our audit procedures to respond to the most significant assessed risks of material misstatement that we have identified, including our judgements within this section of our report. We did not identify any areas of material misstatement. We are satisfied that accounting policies are appropriate and estimates are reasonable. We have considered the financial statements against Code requirements, and additional guidance issued by CIPFA and Audit Scotland.	We have issued an unqualified audit opinion on the 2024/25 financial statements for the Joint Committee.
Going concern We are required to conclude on the appropriateness of the use of the going concern basis of accounting.	We conduct core financial statements audit work, including review and challenge of management's assessment of the appropriateness of the going concern basis. Wider scope procedures including the forecasts are considered as part of our work on financial sustainability.	In accordance with the work reported we have not identified any material uncertainties.
Other information We are required to consider whether the other information in the financial statements is materially inconsistent with other knowledge obtained during the audit.	The Chief Financial Officer is responsible for other information included in the financial statements. We conduct a range of substantive procedures on the financial statements, and our conclusion draws upon review of committee and board minutes and papers, regular discussions with management, our understanding of the Service and the wider sector.	We are satisfied that the annual report materially meets the core requirements set out by the CIPFA Code.

2. Financial Statement Audit (continued)

Our audit opinion - continued

Element of our opinion	Basis of our opinion	Conclusions
Matters prescribed by the Accounts Commission ▪ Audited part of remuneration report has been properly prepared. ▪ Management commentary / annual governance statement are consistent with the financial statements and have been properly prepared.	Our procedures include: ▪ Reviewing the content of narrative disclosures to information known to us. ▪ Our assessment of the Annual Governance Statement against the requirements of the CIPFA Code.	We have no matters to report.
Matters on which we are required to report by exception	We are required to report on whether: ▪ Adequate accounting records have not been kept; or ▪ Financial statements and the audited part of the Remuneration report are not in agreement with the accounting records; or ▪ We have not received all the information and explanations we require.	We have no matters to report.

3. Wider Scope Dimensions

Introduction

In line with the Audit Scotland Code of Audit Practice (2021), we have determined the Service meets the definition of a less complex public body. The audit of the wider-scope and Best Value in an audited body which meets the definition of a less complex body under the CIPFA Code may be limited to:

- a review of the Annual Governance Statement;
- concluding on the financial sustainability of the body and the services that it delivers over the medium to longer term and;
- for local government bodies, reporting on the arrangements for securing Best Value.

We are required to reach conclusions in relation to the effectiveness and appropriateness of the Service's arrangements for the two wider scope audit dimensions for less complex-public sector bodies in Scotland.

We apply our professional judgement to risk assess and focus our work on each of the wider scope dimensions. For each of the dimensions, we have applied a RAG rating, which represents our assessment on the adequacy of the Service's arrangements throughout the year, as well as the overall areas of improvement and future risk associated with each dimension.

- **Financial Sustainability:** Considers the medium and longer-term outlook to determine if planning is effective to support future activity.
- **Vision, strategy and Governance:** Considers the effectiveness of scrutiny and governance arrangements and the transparent reporting of financial and performance information, in particular through the Annual Governance Statement.

We are required to comment on how effectively, in our view, the Service demonstrates that it meets its Best Value responsibilities. The conclusions that we reach on the wider scope areas contribute to this consideration. We expect to develop our understanding of how the Service meets its Best Value responsibilities over the course of our appointment.

Our assessment in 2024/25 therefore reflects the work conducted to support our wider scope responsibilities.

3. Wider Scope Dimensions (continued)

Financial Sustainability

Our overall assessment: Green

The Service reported a surplus of £20,730 to be carried forward to 2025/26 (2023/24: £8,305 deficit carried forward to 2024/25). We were satisfied that the Service's financial monitoring and reporting was clear and consistent throughout the year.

The Service has established budget monitoring arrangements.

The Service continue to provide opportunities and support for the Region's business and communities over its lifetime to 31 March 2035.

Financial performance and monitoring

The main financial objective of the Service is to ensure that the financial outturn of the Project Management Office (PMO) for the year is within the agreed budget.

The Service reported a surplus of £20,730 which was carried forward to 2025/26 (2023/24: £8,305 deficit carried forward to 2024/25).

Carrying forward the surplus resulted in a reserves balance of £169,650 as at 31 March 2025. This is in excess of the amount recommended by the Reserves Policy, representing 166% of the figure proposed as an appropriate financial reserve in the most recent review of the Service's Reserves Policy, and at a level which is likely to require reduction in the future. Members should ensure that consideration is given to the level of reserves held against the Service's requirements going forward. We have raised a recommendation to this effect which is outlined at Appendix E.

Long-term financial planning

In terms of longer-term financial planning, the budget is set annually and there is no medium to long-term financial strategy. This is deemed to be appropriate given the small and non-complex nature of the entity. The fact that the Service is funded from member contributions means that there is more security over future funding compared to other public sector bodies. The service has carried forward reserves from prior years and therefore has headroom for additional expenditure should it materialise. However, we note that the Minute of Agreement which sets out the operating structure of the Service is outdated and currently under review. This makes financial planning more challenging given there is uncertainty over future member contributions and the operating model of the Service.

In addition, we note that due to a lack of governance arrangements, members have not had the opportunity to approve budgets on annual basis and provide effective scrutiny to the long-term financial position of the Service. This has impacted our conclusions over the governance arrangements.

3. Wider Scope Dimensions (continued)

Vision, Leadership and Governance

Our overall assessment: Red

Annual Governance Statement

The key aspects of governance arrangements require to be disclosed in the Annual Governance Statement within the financial statements. We reviewed the governance statement against the requirements in accordance with Delivering Good Governance in Local Government: Framework (2016).

This includes the requirements to conclude on the Service's compliance with Local Authority Accounts (Scotland) Regulations 2014, or to explain any areas of non-compliance. Our consideration of the governance statement has included:

- Ensuring that the Service has met all requirements of the CIPFA Code; and
- Ensuring that the content of the statement is consistent with our understanding of the Service's governance arrangements and any issues identified during the year.

Following review, we proposed an amendment to the Annual Governance Statement to highlight the lack of governance arrangements in the year and the impact on the responsibilities of the Joint Committee.

We were otherwise satisfied that it was consistent with both the governance framework, key findings from relevant audit activity and management's assessment of its own compliance with the CIPFA Code.

The Governance Statement outlines a number of key governance issues within the year, including the loss of the original legal agreement between Glasgow City Council and the relevant member authorities, and several IT matters at the Council which have impacted the Service. Each of these matters poses significant risk and exposure to the entity.

Management's review of the Service's key strategic documents remain out of date and require updating, including the Minute of Agreement, Business Plan and Service Level Agreements. In addition, a lack of clarity over future member authority contributions presents challenges for future financial planning.

The unaudited 2024/25 financial statements were published on the Glasgow City Council website in June 2025 however due to lack of governance arrangements, were not presented to the Joint Committee in line with the August 2025 deadline, compromising the Committee's ability to provide effective scrutiny.

In addition, the financial statements will be approved more than 8 months after the local government deadline.

As outlined in our recommendations at **Appendix F**, there is a need for robust management and an effective governance timetable to bring the Service back into compliance.

3. Wider Scope Dimensions (continued)

Internal audit activity in the year

Internal audit's opinion for the year was based on its agreed audit plan, as approved by the Service. Internal audit services are provided by Internal audit of Glasgow City Council, and all planned assignments were completed during the year.

Internal Audit issued the opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment of Glasgow City Council during 2024/25.

The Service disclosed within the Annual Governance Statement that no significant governance issues have been reported by the Internal Auditor. We have raised an observation to management regarding the impact of the lack of meetings on the ability of the Joint Committee to provide effective governance.

Systems of internal control

Within the Annual Governance Statement, the Service has concluded that reasonable assurance can be placed on the system of internal control during the year, with a number of matters listed within the Governance Statement to be material to this conclusion.

Through our audit of the financial statements, we consider the design and implementation of key controls related to areas of significant risk to the financial statements. This work has included documenting the key internal financial controls and performing walkthroughs to ensure controls are implemented as designed.

We undertook an initial assessment of the financial control environment as part of our planning work and updated our understanding as part of the year-end audit. Our work did not identify any significant weaknesses in the Service's systems of internal control. We have previously noted a number of ongoing matters at the Council which have the potential to impact the systems of internal control at the Service. However, this is mitigated by the simple nature of the Service activity, including the small volume of transactions and lack of complexity in accounting arrangements. On this basis we consider the system of internal controls to be effective.

Appendices

A – Code of Audit Practice: responsibilities

B – Independence and audit quality

C – Required communications

D – Summary of errors identified during the audit

E – Action plan, including follow up on prior year recommendations

F – Timing and deliverables of the audit

G – Additional audit information

Appendix A: Code of Audit Practice Responsibilities

Audited Body Responsibilities

Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The features of proper financial stewardship include the following:

Corporate governance

Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.

Financial statements and related reports

Audited bodies must prepare annual accounts comprising financial statements and other related reports. They have responsibility for:

- preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;
- maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their accounts and related reports disclosures;
- ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority;
- preparing and publishing, along with their financial statements, related reports such as an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements;
- ensuring that the management commentary (or equivalent) is fair, balanced and understandable.

It is the responsibility of management of an audited body, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.

Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.

Standards of conduct for prevention and detection of fraud and error

Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

Maintaining a sound financial position

Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:

- such financial monitoring and reporting arrangements as may be specified;
- compliance with any statutory financial requirements and achievement of financial targets;
- balances and reserves, including strategies about levels and their future use;
- how they plan to deal with uncertainty in the medium and longer term; and
- the impact of planned future policies and foreseeable developments on their financial position.

Responsibilities for Best Value, community planning and performance

Local government bodies have a duty to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:

- the quality of its performance of its functions
- the cost to the body of that performance
- the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the local government body shall have regard to:

- Efficiency
- Effectiveness
- Economy
- the need to meet the equal opportunity requirements.

The local government body shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.

The Scottish Government's Statutory Guidance on Best Value (2020) requires bodies to demonstrate that they are delivering Best Value in respect of seven themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality.

The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.

Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.

Internal audit

Public sector bodies are required to establish an internal audit function as a support to management in maintaining effective systems of control and performance. With the exception of less complex public bodies the internal audit programme of work is expected to comply with the Public Sector Internal Audit Standards and, other than local government, requirements set out in the Scottish Public Finance Manual.

Internal audit and external audit have differing roles and responsibilities. External auditors may seek to rely on the work of internal audit as appropriate.

Appointed Auditors' Responsibilities

Appointed auditors' statutory duties for local government bodies are contained

within Part VII of the Local Government (Scotland) Act 1973, as amended.

These are to:

- audit the accounts and place a certificate (i.e. an independent auditor's report) on the accounts stating that the audit has been conducted in accordance with Part VII of the Act;
- satisfy themselves, by examination of the accounts and otherwise, that:
    - the accounts have been prepared in accordance with all applicable statutory requirements;
    - proper accounting practices have been observed in the preparation of the accounts;
- the body has made proper arrangements for securing Best Value and is complying with its community planning duties;
- hear any objection to the financial statements lodged by an interested person.

Appointed auditors should also be familiar with the statutory reporting responsibilities in section 102 of the Local Government (Scotland) Act 1973, including those relating to the audit of the accounts of a local government body.

Appendix B: Independence and audit quality

Introduction

The FRC Ethical Standard and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in January 2024, requires that we communicate formally both at the reporting stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

During the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY charged for the provision of services during the period, analysed in appropriate categories, are disclosed.

Required communications

Planning Stage

- The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your directors and us.
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review.
- The overall assessment of threats and safeguards.
- Information about the general policies and process within EY to maintain objectivity and independence.

Final Stage

To allow you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed.

Details of non-audit/additional services provided, and the fees charged in relation thereto.

Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us.

Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence.

Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy.

An opportunity to discuss auditor independence issues.

Confirmations

We confirm that we have undertaken client and engagement continuance procedures, including our assessment of our independence to act as your external auditor. We have identified no relationships that impact the audit of the Joint Committee.

Audit fees

	2024/25	2023/24
Component of fee:		
Auditor remuneration – expected fee	£14,570	£13,980
Additional audit procedures (see below)	£5,756	£5,521
Audit Scotland fixed charges:		
Audit support costs	£370	£510
Sectoral price cap	(£12,360)	(£11,960)
Total fee	**£8,336**	**£8,051**

The expected fee for each body, set by Audit Scotland, assumes that it has sound governance arrangements in place and operating effectively throughout the year, prepares comprehensive and accurate draft financial statements and meets the agreed timetable for the audit. It also assumes there is no major change in respect of the scope of work in the year.

We have noted within this Annual Audit Report several governance matters throughout the period, predominantly relating to the lack of meetings arranged, which ensure the appropriate scrutiny necessary but also to allow for the expected smooth running of a relatively low complexity body. We have also highlighted that management did not complete a disclosure checklist for the 2024/25 financial statements, and an associated audit recommendation from 2022/23 remains open. Both of these matters are subsequently mitigated through additional audit effort, with subsequent documentation and reporting requirements, which are reflected in the variation in fees noted above.

Appendix C: Required Communications

We have detailed below the communications that we must provide to the Joint Committee.

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Terms of engagement	Confirmation by the Joint Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	Audit Scotland Terms of Appointment letter – audit to be undertaken in accordance with the Code of Audit Practice
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	This Annual audit report
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Annual planning report This Annual audit report
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process ▪ Findings and issues regarding the opening balance on initial audits	This Annual audit report

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty; ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and, ▪ The adequacy of related disclosures in the financial statements.	This Annual audit report
Misstatements	▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation; ▪ The effect of uncorrected misstatements related to prior periods; ▪ A request that any uncorrected misstatement be corrected; ▪ Corrected misstatements that are significant; and, ▪ Material misstatements corrected by management.	This Annual audit report
Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity; ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist; and, ▪ A discussion of any other matters related to fraud.	This Annual audit report
Internal controls	Significant deficiencies in internal controls identified during the audit.	This Annual audit report

Appendix C: Required Communications (continued)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Related parties	▪ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▪ Non-disclosure by management; ▪ Inappropriate authorisation and approval of transactions; ▪ Disagreement over disclosures; ▪ Non-compliance with laws and regulations; and, ▪ Difficulty in identifying the party that ultimately controls the entity.	This Annual audit report
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards; and, ▪ Information about the general policies and process within the firm to maintain objectivity and independence.	This Annual audit report
External confirmations	▪ Management's refusal for us to request confirmations. ▪ Inability to obtain relevant and reliable audit evidence from other procedures.	This Annual audit report
Representations	Written representations we are requesting from management and/or those charged with governance.	This Annual audit report

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Consideration of laws and regulations	▪ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off. ▪ Enquiry of the Joint Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Joint Committee may be aware of.	This Annual audit report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise.	This Annual audit report
Auditors report	Any circumstances identified that affect the form and content of our auditor's report.	This Annual audit report
Best Value and Wider Scope judgements and conclusions	Our reporting will include a clear narrative that explains what we found and the auditor's judgement in respect of the effectiveness and appropriateness of the arrangements that audited bodies have in place regarding the wider-scope audit.	This Annual audit report
Key audit matters	The requirement for auditors to communicate key audit matters, which apply to listed companies and entities which have adopted the UK Corporate Governance Code in the private sector, applies to annual audit reports prepared under the CIPFA Code.	This Annual audit report

Appendix D: Summary of errors identified during the audit

We note that there were no audit differences above our reporting threshold identified as part of our audit of the financial statements.

During the course of our review of the financial statements, we agreed a number of presentational and disclosure amendments with management, all of which have been updated in the latest version of the financial statements where material.

This action plan summarises specific recommendations included elsewhere within this Annual Audit Report. We have graded these findings according to our consideration of their priority for the Services or management to action.

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently, management needs to address and seek resolution urgently.		**Grade 2:** Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	**Grade 3:** Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.
No	**Findings / risk / grading**	**Recommendation / 2025 update**	**Management response / Implementation timeframe**
2022/23 Recommendations			
1	A key mitigation against potential non-compliance with financial statement disclosure requirements is a thorough internal quality assurance process, including the completion of a detailed disclosure checklist by management in advance of the audit process. ***Grade 2***	We recommended management regularly review Guidance Notes to Practitioners and other recommendations provided by the CIPFA Code in respect of the financial statement. We also recommend management to complete Code of Practice on Local Authority Accounting UK Disclosure Checklist while preparing Financial statement. **2024/25 update:** As at the time of this Report, this remains outstanding and will be followed up as part of our 2025/26 audit.	**Management Response:** The council will ensure that the requirements of the Code are fully reflected in the financial statements and consider the adoption of the checklist in light of the best value. **Responsible Officer:** Head of Corporate Finance **Implementation date:** June 2026

Classification of recommendations - continued			
No	**Findings / risk / grading**	**Recommendation / 2025 update**	**Management response / Implementation timeframe**
2022/23 Recommendations			
2	As noted through our report, WOSAS has submitted financial statements significantly after the statutory deadline for a number of years. ***Grade 2***	A clear management plan, agreed with those charged with governance and auditors, should be prepared to bring the organisation back into compliance with local government deadlines for submission of audited accounts. This must include planned and agreed Committee dates for key governance arrangements. **2024/25 update:** As at the time of this Report, this remains outstanding and will be followed up as part of our 2025/26 audit.	**Management Response:** A plan has been developed and shared with the auditors which targets compliance with the statutory deadlines for the 2025/26 financial statements. **Responsible Officer:** Head of Corporate Finance **Implementation date:** September 2026

Classification of recommendations - continued			
No	**Findings / risk / grading**	**Recommendation / 2025 update**	**Management response / Implementation timeframe**
2022/23 Recommendations			
3	A number of key strategic documents were reported in 2021/22 to not be updated to reflect recent changes. These include: - Minute of Agreement - Business Plan - Service level Agreement - ICT Service Level Agreement Ongoing delays in addressing these issues increases the risk that the strategic objectives of the service are not delivered. Work remains ongoing in respect of management's review and update of key strategic and governance documents. *Grade 2*	Key strategic and governance documents should be updated to reflect the strategic objectives and direction of the organisation going forward. **2024/25 update:** As at the time of this Report, this remains outstanding and will be followed up as part of our 2025/26 audit.	**Management Response:** Work remains ongoing to review and update the key strategic and governance documents **Responsible Officer:** Service Manager **Implementation date:** September 2026

Classification of recommendations - continued			
No	**Findings / risk / grading**	**Recommendation / 2025 update**	**Management response / Implementation timeframe**
2023/24 Recommendations			
1	The Reserves policy was last reviewed and presented to the Joint Committee in March 2023, being considerably out with the Service's commitment to review the policy at least annually. *Grade 2*	The reserves policy should be subject to an annual review to ensure appropriate management of the Service's financial position, risk profile and to inform strategic decision making. **2024/25 update:** As at the time of this Report, this remains outstanding and will be followed up as part of our 2025/26 audit.	**Management Response:** The reserves policy will be reviewed and presented to the Joint Committee on an annual basis going forward. **Responsible Officer:** Head of Corporate Finance **Implementation date:** September 2026
2	The 2023/24 Annual Governance Statement outlines a number of key governance issues within the year, including the loss of the original legal agreement between Glasgow City Council and the relevant member authorities, and several IT matters at the Council which have impacted the Service. Each of these matters poses significant risk and exposure to the entity. *Grade 1*	Management should ensure actions are taken to strengthen the control environment in response to audit recommendations and ensure that learnings are taken from the incidents that occurred throughout 2023/24. **2024/25 update:** As at the time of this Report, this remains outstanding and will be followed up as part of our 2025/26 audit.	**Management Response:** Management will review the audit recommendations and implement any necessary changes. **Responsible Officer:** Service Manager **Implementation date:** September 2026

Classification of recommendations - continued			
No	**Findings / risk / grading**	**Recommendation / 2025 update**	**Management response / Implementation timeframe**
2023/24 Recommendations			
3	The last meeting of the Joint Committee was held in August 2024, with nothing scheduled within the 18 months subsequent. Completion of our external audit was significantly delayed due to the lack of governance meetings. *Grade 1*	The Service should ensure frequent meetings are scheduled to ensure robust and effective governance arrangements are in place. **2024/25 update:** As at the time of this Report, this remains outstanding. We note that meetings have been held in both March and April 2026, however we will continue to monitor this as part of our 2025/26 audit.	**Management Response:** Management will ensure that frequent meetings are scheduled going forward to ensure robust and effective governance. Dates are already scheduled for the remainder of 2026. **Responsible Officer:** Service Manager **Implementation date:** March 2026
2024/25 Recommendations			
1	The Committee should consider the level of reserves held against the Service's requirements. *Grade 2*	As part of their governance responsibilities, the Committee should ensure that the level of reserves held against the Service's requirements is reviewed on a regular basis.	**Management Response:** The reserves policy will be reviewed and presented to the Joint Committee on an annual basis going forward. **Responsible Officer:** Service Manager **Implementation date:** September 2026

Appendix F: Timing and deliverables of the 2024/25 audit

2026

Month	Audit activity	Deliverable	Timing
January			
February		Submission of quarterly fraud return	
March	Risk assessment for Financial Statements and wider scope audit dimensions Walkthrough of key systems and processes Year end audit/audit completion procedures	Annual Audit Plan	06 March 2026
April		Annual Audit Report	24 April 2026
May			
June		Submission of quarterly fraud return	
July			
August			
September		Submission of quarterly fraud return	

Appendix G: Additional audit information

Introduction

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities under auditing standards

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of the going concern basis of accounting.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Read other information contained in the financial statements, the Finance, Audit and Scrutiny Committee reporting appropriately addresses matters communicated by us to the Committee and reporting whether it is materially inconsistent with our understanding and the financial statements.

Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the locations at which we conduct audit procedures and the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Appendix G: Additional audit information

Audit Quality Framework/Annual Audit Quality Report

Audit Scotland are responsible for applying the Audit Quality Framework across all audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team responsible are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.

We support reporting on audit quality by proving additional information including the results of internal quality reviews undertaken on our public sector audits. The most recent audit quality report can be found at: Quality of public audit in Scotland: Annual report 2025/26 | Audit Scotland

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details can be found in our annual Transparency Report: https://www.ey.com/en_uk/about-us/transparency-report

This report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland through which the Accounts Commission has appointed us as external auditor of West of Scotland Archaeology Service for financial years 2022/23 to 2026/27.

This report is for the benefit of the Board and is made available to the Accounts Commission and Audit Scotland (together the Recipients).

This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Anna Anthony, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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