



Annual Audit Report

West Dunbartonshire Council– year ended 31 March 2025

August 2026

Audit Committee
West Dunbartonshire Council
16 Church Street
Dumbarton
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Forvis Mazars
100 Queen Street
Glasgow
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28 August 2026

Dear Committee Members and Controller of Audit,

Annual Audit Report – Year ended 31 March 2025

We are pleased to present our Annual Audit Report for West Dunbartonshire Council for the year ended 31 March 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland’s Code of Audit Practice (“the Code”). This report is intended solely for the Audit Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. Except where required by law or regulation, it should not be used, quoted or made available to any other parties without our prior written consent.

We appreciate the courtesy and co-operation extended to us by West Dunbartonshire Council throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully

A handwritten signature in black ink, appearing to read "T. Reid".

Tom Reid, Director
Forvis Mazars LLP

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This document is to be regarded as confidential to West Dunbartonshire Council. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance by the Council. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

01

Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of West Dunbartonshire Council for the year ended 31 March 2025 which are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

We have conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs'), relevant ethical and professional standards, and the requirements set out in the Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from our appointment by the Accounts Commission under the Part VII of the Local Government (Scotland) Act 1973.

Audit status

We have completed our audit in respect of the financial statements for the year ended 31 March 2025.

Areas of focus and audit approach, and significant findings

We made no changes to our initial risk assessment and one change to our planned group audit approach that was communicated to the Audit Committee in our Annual Audit Plan. Please see page 14 for details.

Our significant risks and other areas of focus, are set out in the 'Audit approach and risk summary' section, with a summary of our audit approach over those areas. Significant findings from our audit are set out in the 'Significant findings' section.

Significant control deficiencies

We did not identify any significant deficiencies in internal control. The non-significant control observations that we have identified to date are set out in 'Appendix A: Internal control conclusions'.

Audit misstatements

A summary of the adjusted and unadjusted misstatements above our reporting threshold, we have identified, is set out in the 'Summary of misstatements' section. We identified one material misstatement which was adjusted by management. This related to an increase in Public Private Partnership and Finance Lease Liabilities resulting from IFRS 16 remeasurement. See page 7 for full details.

Audit opinion

We have issued an unqualified opinion without modification, as set out in Appendix C.

Wider scope

We identified a significant risk in relation to financial sustainability and have no significant risks to report in relation to the financial management; vision, leadership and governance; and use of resources to improve outcomes arrangements that the Council has in place. Further details have been provided in section 'Wider scope and Best Value' of this report.

Executive summary (continued)

Best Value

We have no risks in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further details have been provided in *section 'Wider scope and Best Value'* of this report.

Management Commentary and Annual Governance Statement opinion

We have no matters to report in respect of the Management Commentary or the Annual Governance Statement preparation as it is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003 and Delivering Good Governance in Local Government Framework 2016. Our proposed Management Commentary and Annual Governance Statement opinion is included in the draft auditor's report in Appendix C.

Matters on which we report by exception

We are required by the Accounts Commission for Scotland to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the 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 for our audit. We have nothing to report in respect of these matters.

Other information

We are required to report on whether the other information (comprising of the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration and Staff Report), is materially inconsistent with the financial statements; is materially inconsistent with our knowledge obtained in the course of the audit; or is materially misstated. No inconsistencies have been identified and we have issued an unmodified opinion in this respect.

Wider reporting powers

Section 101 of the Local Government (Scotland) Act 1973 requires us to give any person interested, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We confirm that no such correspondence from electors has been received.

Reporting to the group auditor

The Council is below the threshold for auditor assurance set by the Scottish Government for all public bodies in Scotland. We are therefore not required to perform any examination of the Council's Whole of Government Accounts return. The required assurance statement has been submitted to the National Audit Office.

Executive summary (continued)

Qualitative aspects of Council's accounting practices

We have reviewed Council's accounting policies and disclosures and conclude that they comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, appropriately tailored to the Council's circumstances.

Draft accounts were received from the Council on 30 June 2025. Officers provided an updated set of accounts on 1 December 2025 reflecting agreed adjustments from the 2023/24 audit, which was completed on 31 October 2025. The accounts were of reasonable quality; however, we identified several disclosure misstatements through our audit work. See Section 6 for details. We also found issues with the quality of some of the working papers submitted by officers.

Significant matters discussed with management

During our audit, we communicated the following significant matters to management:

Liabilities From Service Concession Arrangements. The Council has a Public Private Partnership (PPP) contract for the provision of three secondary schools and one primary school, and a Design-Build-Finance-Maintain (DBFM) contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract.

Effective from 1 April 2024, Local Authorities are required to adopt the new International Financial Reporting Standard, IFRS 16. This standard introduces a 'Right of Use' asset category on the Balance Sheet, along with the recognition of corresponding lease liabilities. The *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* requires local authorities, on adoption of IFRS 16, to reassess and remeasure PPP/PFI liabilities as at 1 April 2024 where the contractual payment profile gives rise to variable lease payments that affect the measurement of the lease liability.

Management's initial assessment was that no remeasurement was required on transition to IFRS 16, or at subsequent indexation dates, as the contracts incorporate a fixed annual indexation rate of 2.5%. Management concluded that the lease payments were fixed and therefore did not trigger remeasurement of the PPP lease liability.

As part of our audit procedures, we identified that the annual payments were not fixed but linked to the Retail Price Index. Therefore, the arrangements are subject to the remeasurement requirements of IFRS 16.

Following this review, officers reassessed the accounting treatment and undertook a remeasurement of the PPP liabilities for both contracts as at 1 April 2024. This resulted in management adjusting lease liabilities and related balances within the financial statements. These had the effect of increasing PPP and Finance Lease Liabilities by £22.0m. The impact of these adjustments is detailed in Section 6 of this report.

Executive summary (continued)

Significant difficulties during the audit

We draw the following matters to your attention and, where appropriate, explain how these matters were overcome.

We found issues with the quality of some of the working papers submitted by officers. These included those supporting the leases and exit packages transactions, balances and disclosures, and the consolidation schedules supporting the group accounts. Officers subsequently provided updated working papers which supported the information we were auditing.

There were several areas where officers did not provide us with requested working papers and supporting information until later in the audit. These included:

- Invoices and bank statements for income and expenditure samples.
- Supporting documentation for debtors and creditors samples.
- Supporting documentation for assets under construction.
- Confirmation of the status of legal matters.

We acknowledge the complexity involved in tracing bank statement information for our sampled items. We will continue to work with officers to ensure our requests are clearly communicated.

Other matters of significance

We encountered no other significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and the Audit Committee during our audit. All requested information and explanations have been provided to us.

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix E.

Status of our audit

Status of our audit

Our audit work is complete.

Status

High - Likely to result in a material adjustment or a significant change to disclosures in the financial statements.

Medium - Potential to result in a material adjustment or a significant change to disclosures in the financial statements.

Low - Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

N/A - Work on Wider Scope and Best Value arrangements therefore no risk of adjustment to the financial statements.

Audit approach and risk summary

Audit approach and risk summary

Changes to our audit approach

Except for the change to our Group audit approach detailed on page 13, there are no other changes to the audit approach we communicated in our Annual Audit Plan, issued on 10 December 2025.

Materiality

Our provisional materiality at the planning stage of our audit was set at £11.468m for the Council and £11.588m for the Group using a benchmark of 2% of Gross Expenditure at Surplus/deficit on Provision of Services level as per the Annual Audit Plan. Our provisional performance materiality was set at £7.454m for the Council and £8.112m for the Group. Provisional clearly trivial threshold was £0.344m for the Council and £0.348m for the Group.

In determining the overall materiality levels, we made the following significant judgements;

- that the main users of the financial statements are the Scottish Government, other Local Authorities, Regulators, Elected Members, Local Communities, and other Stakeholders;
- that the primary aggregate that users tend to focus on is gross revenue expenditure at surplus/deficit level, as it reflects the extent of services delivered by the Council;
- that users of the financial statements and decision makers (the Council, Audit Committee and Scottish Government) have an understanding of the inherent uncertainties around accounting estimates and judgements;
- that setting 2% of the chosen benchmark is consistent with the prior period and, as part of our audit, we have gained an understanding that the Council has a well established and experienced finance team capable of applying the relevant accounting standards; and
- that Audit Committee members demonstrate an ability to scrutinise financial information at a high level.

In determining the performance materiality levels, we made the following significant judgements;

- that we are now in the third year of our audit appointment and therefore have a more mature and detailed understanding of the Council's operations, risks, and financial environment;
- that the financial reporting process involves significant journal adjustments, which increases the risk of misstatement;
- that the Council has a strong control environment, which reduces the likelihood of pervasive misstatements;
- that the Council's transactions are neither few nor straightforward;
- that errors identified in previous audits were not recurring in nature;
- that we have not identified significant errors in prior periods; and
- management has demonstrated a willingness to promptly identify, disclose, and correct errors.

Based on the final financial statement figures, and other qualitative factors listed above, the final overall materiality we applied was £11.806m for the Council and £11.924m for the Group, final performance materiality: £7.674m for the Council and £8.347m for the Group; final clearly trivial threshold: £354k for the Council and £358k for the Group.

We maintained a specific materiality of £1k for senior councillors and senior employees' remuneration and pension benefits, £5k (one banding) for other employees' remuneration, and £50k for exit packages disclosed in the Remuneration Report.

Audit approach and risk summary (continued)

Group audit approach

As set out on the following page, we have made changes to the group audit approach we communicated in our Annual Audit Plan, issued on 10 December 2025. Draft accounts were received from the Council on 1 December 2025.

Use of experts

We used the work of management experts to assist us to obtain sufficient appropriate audit evidence on specific items of the financial statements as detailed below

Item of account	Management’s expert	Our expert
Valuation of Property, Plant and Equipment	Newmark Gerald Eve LLP	We did not engage an internal expert but took into consideration relevant information available from third parties.
Net Defined Benefit Liability/Surplus	Hymans Robertson	We identified PwC as an auditor’s expert. PwC assisted in providing assurance over pension calculations and assumptions. We also identified EY, auditors of the Fund Administrator (Strathclyde Pension Fund), as another auditor. We requested and obtained assurances under Audit Scotland’s protocol.
Remeasurement assessment of Liabilities From Service Concession Arrangements	MUFG Pension & Market Services	We did not engage an internal expert but took into consideration relevant information available from third parties.
Financial Instruments Fair value Calculations and Disclosures	MUFG Pension & Market Services	We did not engage an internal expert but took into consideration relevant information available from third parties.

We have provided our consideration of our independence as part of the Council engagement in Appendix C.

Audit approach and risk summary (continued)

Changes to our audit approach

Set out below are the changes we made to our audit approach since we issued our Annual Audit Plan on 10 December 2025.

Area	Audit approach per the Annual Audit Plan	Updated audit approach	Reasons for the change in approach
West Dunbartonshire Integration Joint Board (IJB) – joint venture / group component	In our Annual Audit Plan, we identified the IJB as a material component of the Group. Accordingly, the IJB was scoped in for review as part of our group audit approach.	We reassessed the component’s materiality during the audit, and after taking account of consolidation adjustments and the net impact on the group financial statements, we concluded that the IJB is not material to the group. As a result, the component was removed from scope for detailed audit review.	The revised assessment reflects further work we carried out to understand the group structure and consolidation process. The IJB is significant on a gross basis, however consolidation adjustments materially reduce its impact on the group’s financial position and performance. On this basis, the component no longer meets the threshold for group materiality, and we considered excluding it from detailed review to be appropriate and consistent with auditing standards and professional judgement.

Audit approach and risk summary (continued)

Significant risks	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Management override of controls (applies to Council and Group)	Yes	No	No	Yes	No	No	Yes	Risk satisfactorily addressed	18
Valuation of property, plant and equipment (applies to the Council only)	No	Yes	Yes	Yes	No	Yes	Yes	Risk satisfactorily addressed	19
Valuation of the net defined benefit (liability)/surplus (applies to the Council only)	No	Yes	Yes	Yes	No	Yes	Yes	Risk satisfactorily addressed	20
Application of the new accounting standard for leases – IFRS 16 (applies to the Council only)	No	Yes	Yes	Yes	No	No	Yes	Risk satisfactorily addressed	21
Liabilities From Service Concession Arrangements (applies to the Council only)	No	Yes	Yes	Yes	No	Yes	No	Risk satisfactorily addressed	22

Audit approach and risk summary (continued)

Overview of our group audit approach

The Accounts Commission engaged us to audit the group financial statements of West Dunbartonshire Council. Based on our risk assessment and the financial information for the year ending 31 March 2025, we determined that certain components consolidated into the group financial statements should be subject to either a full scope audit or a specific scope audit, as set out in the table below.

In addition, to address risks of material misstatement in the group financial statements across components, we also determined that certain components that are not individually material to the group and which do not, at a component-level, possess risks of material misstatement of the group financial statements on an individual component basis, should be subject to audit procedures, as set out in the table below along with the scope of the audit procedures performed.

Component name	% (of net operating activity)	Location	Auditor	Scope	Changes to scope since planning?
West Dunbartonshire Council	98	Dumbarton, Scotland	Forvis Mazars LLP	A full audit of the component's financial information	No
West Dunbartonshire Integration Joint Board	-	Dumbarton, Scotland	Forvis Mazars LLP	Not in scope	Yes. See page 13
Dunbartonshire and Argyll and Bute Valuation Joint Board	-	Dumbarton, Scotland	Forvis Mazars LLP	Not in scope	No
West Dunbartonshire Leisure Trust	2	Dumbarton, Scotland	Wbg (Audit Limited)	Not in scope	No
Clydebank Property Company	-	Clydebank, Scotland	Azets	Not in scope	No
West Dunbartonshire Energy Limited Liability Partnership	-	Clydebank, Scotland	Azets	Not in scope	No
Dumbarton Common Good	-	Dumbarton, Scotland	Forvis Mazars LLP	Not in scope	No
West Dunbartonshire Council Charitable Trusts	2	Dumbarton, Scotland	Forvis Mazars LLP	Not in scope	No

Audit scope definitions

Full scope audit: an audit of the component's financial information prepared for group reporting purposes using component performance materiality.

Audit of account balance(s), class(es) of transaction, and/ or disclosures(s): an audit of specific account balance(s), class(es) of transaction, and/ or disclosure(s) included in the component's financial information prepared for group reporting purposes, using component performance materiality.

Significant findings

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Management override of controls (applies to Council and Group)

Description of the risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such an override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits. You should assess this risk as part of your oversight of the financial reporting process

How we addressed this risk

We addressed this risk through performing audit work over:

- accounting estimates: by evaluating the methods and assumptions used by management to develop the estimate;
- journal entries: testing journals that meet our fraud risk criteria and other adjustments made in preparing the financial statements; and
- significant transactions: considering and testing any significant transactions outside the normal course of business or otherwise unusual.

For the group, we reviewed the consolidation adjustments made by officers in preparing the group financial statements.

Audit conclusion

We identified 4,247 manually posted journals and 208,413 automated journals that met our fraud risk criteria. After investigation, we found no evidence that these were fraudulent. We did, however, find 14 manual journals and 200,000 automated journals posted without a description. Through discussions with officers and analysis of the ledger we were able to determine what these journals related to and that they were appropriate. See page 86 for full details and our recommendation to management.

Our work has provided the assurance we sought in response to the risk of management override of controls and there are no other issues to bring to your attention.

Significant findings (continued)

Significant risks (continued)

Valuation of property, plant and equipment (applies to the Council only)

Description of the risk

The Council held land and buildings (including council dwellings) with a net book value of £1.03 billion at 31 March 2025. The Council has adopted a rolling revaluation model with other land and buildings revalued over a five-year cycle. This may result in individual assets not being revalued for several years. This increases the risk of misstatement for those assets that have not been revalued in recent years.

Valuations are based on specialist and management assumptions, with a high degree of estimation. We have determined there is a significant risk of material misstatement from assumptions that are incorrect and/or not supported by relevant evidence being applied.

How we addressed this risk

We addressed this risk by:

- assessing the scope and terms of engagement with the Valuer;
- assessing the competence, skills and objectivity of the Valuer;
- assessing how management use the Valuer’s report to value land and buildings included in the financial statements;
- testing the accuracy of the data used in valuations;
- challenging the Council and Valuer’s assumptions and judgements applied in the valuations;
- reviewing the valuation methodology used, including the appropriateness of the valuation basis;
- considering the reasonableness of the valuation by comparing the valuation output with market intelligence;
- testing a sample of revaluations in the year, by agreeing the revaluations recorded in the Annual Accounts to the Valuer’s reports. As part of this testing, we checked whether the movements have been accounted for in accordance with the Code;
- challenging management’s assessment for those assets not subject to valuation in the year;
- checking market movements to assess the materiality of potential movement for 2024/25 for those valued on Existing Use Value on a market comparable basis; and
- for those valued on a Depreciated Replacement Cost basis, which would be impacted by changes in build costs during the year, we tested management’s analysis of changes in the Build Costs Information Service (BCIS) index and assess any decisions management make in this regard.

Audit conclusion

We identified one immaterial unadjusted misstatement for the valuation of housing stock acquisitions (see page 27). We have also raised two control deficiencies relating to review of council dwellings enhancement expenditure and assets with nil net book value, and one ongoing prior year control recommendation on the completeness of the fixed asset register. See Appendix A for full details.

Our work has provided the assurance we sought in response to the risk associated with valuation of property, plant and equipment and there are no other issues to bring to your attention.



Significant findings (continued)

Significant risks (continued)

Valuation of the net defined benefit (liability)/ surplus (applies to the Council only)

Description of the risk

The Council's net defined benefit liability was £37 million as at 31 March 2024. Estimation of the net pension asset or liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. Due to the high degree of estimation uncertainty associated with the valuations, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by:

- challenging the reasonableness of the Actuary's assumptions that underpin the relevant entries made in the financial statements;
- critically assessing the competency, objectivity and independence of the Actuary;
- liaising with the auditors of the Pension Fund Administrator to gain assurance that the overall procedures and controls in place at the Pension Fund are operating effectively;
- comparing assumptions to expected ranges;
- reviewing the accuracy and completeness of the membership data used by the actuary in preparation of the Actuary's valuation report;
- independently obtaining confirmation of pension contributions, benefits paid and any material transfers from the Pension Fund Administrator and comparing with the data used by the Actuary in the actuarial valuation; and
- agreeing data in the Actuary's valuation report for accounting purposes to the relevant accounting entries and disclosures in the Council's financial statements.

Audit conclusion

We identified one uncorrected disclosure misstatement due to the external auditor of Strathclyde Pension Fund reporting an unadjusted error in the Fund's 2024/25 annual accounts from understatement of private equity, debt and infrastructure and direct portfolio assets (see page 32). We have also made one control recommendation for management to implement a formal process to evidence review of actuarial reports (see page 82).

Our work has provided the assurance we sought in response to the risk associated with valuation of the net defined benefit liability and there are no other issues to bring to your attention.

Significant findings (continued)

Significant risks (continued)

Application of the new accounting standard for leases – IFRS 16 (applies to the Council only)

Description of the risk

Effective from 1 April 2024, Local Authorities are required to adopt the new International Financial Reporting Standard, IFRS 16. This standard introduces a ‘Right of Use’ asset category on the Balance Sheet, along with the recognition of corresponding lease liabilities. It applies to all types of leases, including property, land, vehicles, plant, and equipment where the Council is the Lessee.

IFRS 16 significantly changes how operating leases are accounted for by requiring, for lessees, the recognition of both assets and liabilities for rights and obligations previously classified under operating leases. Given the complexity of this accounting standard, there is a risk that the Council may not have a complete and accurate record of the leases it holds. There is also a risk that the right-of-use asset and lease liability may not have been correctly calculated on the leases the Council has applied the standard to.

How we addressed this risk

We addressed this risk by:

- evaluating the design and implementation of controls that the Council has in place over the adoption of the new standard;
- reviewing procurement and contract registers for potential lease arrangements, including embedded leases;
- performing inquiries with management about lease identification processes;
- substantively testing the calculations of lease liabilities and right-of-use assets, where material, to ensure these have been appropriately calculated in accordance with the new accounting standard;
- reviewing peppercorn and other leases requiring special consideration;
- comparing assumptions to expected ranges;
- reviewing the disclosures made in the financial statements to ensure they are adequate, sufficient, and in line with the Code.

Audit conclusion

We found a deficiency with management’s approach to measure right-of-use assets and lease liabilities as at 1 April 2024. This resulted in trivial differences between management’s calculations and our independent recomputation. See page 82 for full details and our recommendation to management.

Our work has provided the assurance we sought in response to the risk associated with application of IFRS 16 for leases and there are no other issues to bring to your attention.

Significant findings (continued)

Significant risks (continued)

Liabilities From Service Concession Arrangements (applies to the Council only)

Description of the risk

The Council has a Public Private Partnership (PPP) contract for the provision of three secondary schools and one primary school, and a Design-Build-Finance-Maintain (DBFM) contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract.

The assets used to provide services at the schools are recognised on the Council's Balance Sheet as operational assets and as a finance lease liability. The Council has recognised an asset of £136 million and a liability of £86.4million for PPP and DBFM in its 2023/24 annual accounts.

The Code, in implementing IFRS 16, requires local authorities to remeasure their PPP liabilities as at 1 April 2024. The method of accounting for service concession arrangements can be complex and involves management judgement. There is a risk of material misstatement if the Council does not appropriately account for its service concession arrangements.

How we addressed this risk

We addressed this risk by:

- updating our understanding of the service concession arrangements at the Council;
- reviewing the inputs to current financial models to ensure they have been appropriately updated and for any substantial changes;
- testing material inputs into the model and agreeing outputs to the financial statements;
- reviewing the PPP models for remeasurement calculations or management rationale for not remeasuring the liability in line with IFRS 16; and
- reviewing accounting policies and other related disclosures in the financial statements to ensure they are in line with the Code.

Audit conclusion

Management's initial assessment was that no remeasurement was required on transition to IFRS 16, or at subsequent indexation dates, as the contracts incorporate a fixed annual indexation rate of 2.5%. Management concluded that the lease payments were fixed and therefore did not trigger remeasurement of the PPP lease liability. We identified that the annual payments were not fixed but linked to the Retail Price Index. Therefore, the arrangements are subject to the remeasurement requirements of IFRS 16. Following this review, officers reassessed the accounting treatment and undertook a remeasurement of the PPP liabilities for both contracts as at 1 April 2024. This resulted in management adjusting the lease liabilities and related balances within the financial statements. This had the effect of increasing PPP and Finance Lease Liabilities by £22.0m (see page 28). We also identified an immaterial prior period unadjusted misstatement resulting from updates to the PPP and DBFM accounting models (see page 27).

Our work has provided the assurance we sought in response to the risk associated with liabilities from service concession arrangements and there are no other issues to bring to your attention.

Significant findings (continued)

Wider responsibilities – statutory reporting

The 1973 Act allows any persons interested to inspect the accounts to be audited and the underlying accounting records of the Council. The act also allows any persons interested to object to the accounts. No such objections have been raised.

We are required to notify the Controller of Audit when circumstances indicate that a statutory report may be required.

- Section 102(1) of the 1973 Act allows us to prepare a report to the Commission about the Council's accounts; matters that have arisen during the audit that should be brought to the attention of the public; or the performance of the Council in their duties relating to Best Value and community planning. The Controller of Audit plans to make a report on Best Value to the Commission under Section 102(1) of the 1973 Act in September 2026. This will be based on evidence collected in the 2022/23, 2023/24, and 2024/25 annual audits of the Council.
- Section 102(3) of the 1973 Act allows us to make a special report to the Commission if an item of account is contrary to law; there has been a failure on someone's part to bring into account a sum which ought to have been brought into account; a loss has been incurred or deficiency caused by the negligence or misconduct of a person, or by the failure of a body to carry out a duty imposed on them by any enactment; or a sum which ought to have been credited or debited to one account of a body has been credited or debited to another account and the body has not taken, or is not taking, steps to remedy the matter. No such reports have been prepared.
- Section 97A of the 1973 Act allows us to undertake or promote comparative and other studies to make and publish recommendations for the securing by local government bodies of Best Value, improving economy, efficiency and effectiveness in the provision of services by local government bodies and improving the financial or other management of local government bodies. No such recommendations have been prepared.

Significant control deficiencies

Significant control deficiencies

As part of our audit, we obtained an understanding of the Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Council's internal controls, we are required to communicate to the Audit Committee any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of the Audit Committee.

We have not identified any significant deficiencies in the Council's internal controls as at the date of this report.

Other observations

We also record our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

The other control deficiencies that we have identified as at the date of this report are set out in '*Appendix A: Internal control conclusions*'.

Summary of misstatements

Summary of misstatements

Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Annual Audit Plan, issued on 10 December 2025. The final overall materiality we applied was £11.806m for the Council and £11.924m for the Group, final performance materiality: £7.674m for the Council and £8.347m for the Group; final clearly trivial threshold: £354k for the Council and £358k for the Group. We maintained a specific materiality of £1k for senior councillors and senior employees' remuneration and pension benefits, £5k (one banding) for other employees' remuneration, and £50k for exit packages disclosed in the Remuneration Report.

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to the Audit Committee unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of unadjusted misstatement (Current period)	Entity	Nature	CIES	CIES	Balance Sheet	Balance Sheet
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Cost of services expenditure Cr: Property, Plant and Equipment (Council Dwellings) The Council recognised new housing stock acquisitions in the period since the last full housing stock valuation at market value. Council dwellings should be valued at EUV-SH. We have used the most recent social housing discount factor used by the external valuer of 40.9% to calculate this adjustment.	Council	Judgemental	4,299			4,299
Details of unadjusted misstatement (Prior period)						
Dr: PPP and Finance Lease Liabilities Cr: General Fund Balance To adjust 31 March 2024 carrying values of the PPP and Finance Lease Liabilities due to updates to the PPP and DBFM accounting models.	Council	Factual			1,061	1,061
Aggregate effect of unadjusted misstatements			4,299		1,061	5,360

Management has provided written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

Summary of misstatements

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe the Audit Committee should be made aware of.

Details of adjustment	Entity	Nature	CIES	CIES	Balance Sheet	Balance Sheet
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Property. Plant and Equipment (Other Land and Buildings) Cr: PPP and Finance Lease Liabilities Recognition of the increase in PPP and Finance Lease Liabilities resulting from IFRS 16 remeasurement. See page 7 for full details.	Council	Factual			21,984	21,984
Dr: Services Expenditure (Education, Learning and Attainment) Cr: Property. Plant and Equipment (Other Land and Buildings) Impairment charge recognised against the increase in asset carrying amounts generated by the IFRS 16 remeasurement.	Council	Factual	21,984			21,984
Dr: Capital Adjustment Account Cr: General Fund Balance Statutory reversal of impairment loss recognised following IFRS 16 remeasurement, transferred from the General Fund to the Capital Adjustment Account.	Council	Factual			21,984	21,984
Aggregate effect of unadjusted misstatements			21,984		43,968	65,952

Summary of misstatements (continued)

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

Details of disclosure adjustments
Management commentary • Corrections to headline financial figures (e.g. funding, net expenditure, reserves) to ensure consistency with the audited financial statements. • Alignment of Housing Revenue Account and Balance Sheet disclosures to underlying notes and primary statements. • Removal of outdated or inaccurate narrative. • Improvements to internal consistency across tables and narrative explanations. • Inclusion of additional information explaining unmet targets in the financial performance Indicators.
Annual governance statement • Update to the commencement period of the new approach to auditing Best Value.
Remuneration Report • Corrections to member roles, titles and committee responsibilities, ensuring disclosures reflect actual governance arrangements. • Updates to pension disclosures and contribution rates to ensure accuracy and clarity. • Amendments to exit package disclosures and bandings to align with underlying payroll records and working papers. • Minor narrative and cross reference corrections to improve consistency and accuracy.
Property, Plant and Equipment and Leases (IFRS 16) • Updates to ensure proper presentation of Right of Use assets in accordance with the Code. • Correction to capital financing, commitments and lease disclosures. • Alignment of operating lease disclosures with transition to IFRS 16.
Useable and Unusable Reserves • Inclusion of missing summary disclosure for unusable reserves balances. • Correction of technical reserve movements, including revaluation reserve entries and pension-related adjustments. • Update to remaining amortisation period disclosures to reflect current estimates.

Summary of misstatements (continued)

Disclosure misstatements (continued)

Details of disclosure adjustments
Housing Revenue Account • Correction of classification and mapping issues within the HRA statement (no impact on net position). • Minor correction to average rent calculation due to formula error. • Inclusion of additional information explaining unmet targets in the financial performance indicators.
Council Tax and Non Domestic Rates (NDR) Income • Correction of prior year comparative figures in Council Tax base disclosures. • Amendment of prior year NDR figures to align with signed accounts. • Removal of outdated or inaccurate narrative. • Improvements to internal consistency across tables and narrative explanations. • Inclusion of additional information explaining unmet targets in the financial performance indicators.
Related Parties And Other Notes • Adjustments to related party balances to agree with final audited entity accounts. • Updates to financial instruments, debtors and termination benefits disclosures to reflect accurate balances. • Corrections to classification and presentation issues across notes.
Pensions • Correction of contribution rates and disclosures. • Updates to IAS 19 disclosures and descriptions for consistency with underlying calculations. • Refinement of narrative explanations to improve technical accuracy.

Summary of misstatements (continued)

Disclosure misstatements (continued)

Details of disclosure adjustments
Accounting Policies • Enhancements to improve completeness and transparency, including: - Accruals threshold disclosures - IFRS 16/Right of Use asset accounting - Cash and cash equivalents policy. • Updates to improve completeness and transparency around accruals threshold disclosures, IFRS 16/Right of Use asset accounting and cash and cash equivalents policy • Corrections to ensure compliance with the Code, including infrastructure asset relief period and removal of duplicated or outdated text. • Updates to reflect actual accounting practices applied.
Group Accounts • Multiple adjustments to ensure alignment with audited subsidiary accounts (WDLT, CPC, Energy LLP, VJB). Including corrections to: - intercompany balances - net assets values and movements - cash flow statement classification and amounts. • Updates to narrative to reflect actual financial performance (e.g. loss vs surplus). • Improvements to accuracy and internal consistency across group disclosures.
Events After the Balance Sheet Date • Inclusion of a post balance sheet events disclosure to reflect the potential financial and operational impacts of ongoing geopolitical tensions in the Middle East, including economic uncertainty relating to energy prices, inflationary pressures, capital project delivery and borrowing costs.

There were other adjustments for minor consistency and presentational matters.

Summary of misstatements (continued)

Uncorrected disclosure misstatements

We identified the following disclosure misstatements during our audit that have not been corrected by management:

Note 22 Defined Benefit Pension Scheme

The external auditor of Strathclyde Pension Fund reported an unadjusted error in the Fund’s 2024/25 annual accounts due to understatement of private equity, debt and infrastructure and direct portfolio assets. We have apportioned this error to the Council based on its share of the Fund’s assets. This results in the fair value of plan assets being understated by £2,479k in the Council’s accounts. This adjustment would have no overall impact on the Comprehensive Income and Expenditure Statement or Balance Sheet due to application of the asset ceiling accounting adjustment which limits the Council’s ability to recognise a pension asset.

Management has provided written representations confirming that, after considering the unadjusted disclosure misstatements, both individually and in aggregate, in the context of the annual report and financial statements taken as a whole, no adjustments are required.

07

Fraud considerations

Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

Your responsibilities

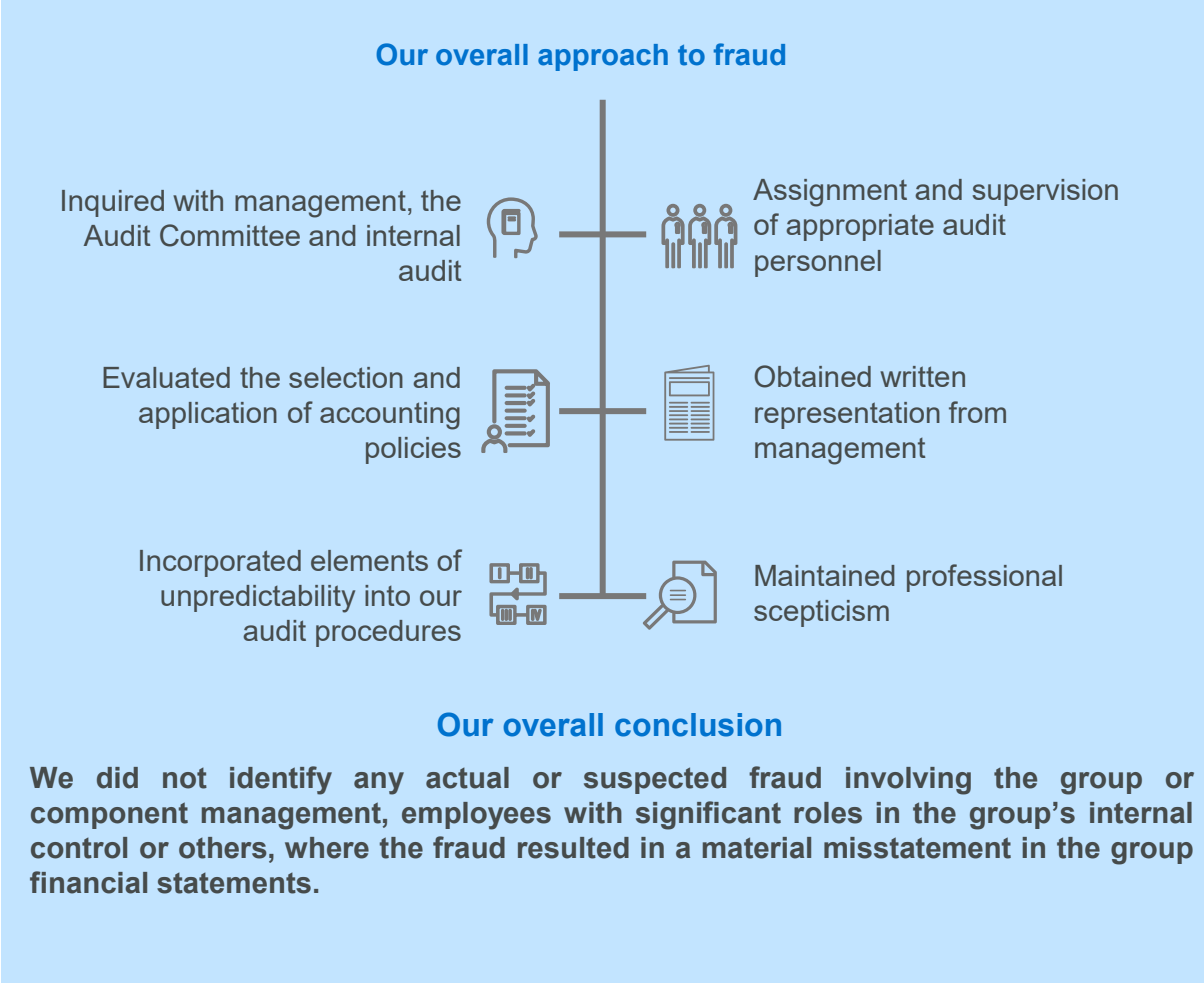
Management has primary responsibility for the prevention and detection of fraud. It is important that management, with your oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by your active oversight.

Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

ISA presumed fraud risks

As set out in the ‘Audit approach and risk summary’ section, the risk of fraud in management override of controls was identified as a significant risk.



08

Wider Scope

Commentary on Wider Scope

Overall Summary



Commentary on Wider Scope

Wider Scope summary

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Code of Audit Practice 2021 and sits alongside Best Value requirements detailed in the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2024/25 audit and allow us to use a risk-based approach to report on our consideration of the Council’s performance of best value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the Council’s performance.

The Code’s Wider Scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified significant risks?	Actual risks identified?	Other recommendations made?
Financial management	38	No	No	No
Financial sustainability	42	Yes – see risk 1 on page 43	Yes – see recommendation 1 on page 47	No
Vision, leadership and governance	48	No	No	No
Use of resources to improve outcomes	52	No	No	Yes – see recommendation 1 on page 56

Commentary on Wider Scope

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.



Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial management culture	Financial forecasting is well embedded across the Council. The Council adopts long term financial strategies, multi-year budget planning and a ten-year capital strategy. Officers carry out biannual reviews to ensure financial forecasts are aligned to strategic priorities and adequately consider the Council's long-term financial stability. Regular financial discussions between Chief Officers and service managers inform strategic decisions such as planning for potential pension liabilities, cashflow management, and long-term financial sustainability. The Council's budget setting process is inclusive and iterative, with public consultation and phased decision making across several consultation stages to align available resources with strategic priorities. The persistent financial pressures faced by the Council means that budget options are focused on closing funding gaps, which can limit opportunities for more priority driven investment. However, savings plans are central to the Council's financial strategy. These are formally risk assessed, and are monitored throughout the year, with accountability clearly assigned to Chief Officers and progress reported to elected members. The Council has an extensive capital programme requiring significant financing to see projects through to completion. This has contributed to the Council's relatively high level of borrowing. The Council's unaudited borrowing liability at 31 March 2026 is £872.1m (£457.7m for General Services and £414.4m for the Housing Revenue Account), with annual loan charge costs of approximately £49m (£22m for General Services and £27m for the Housing Revenue Account). The Council recognises the risk of borrowing, including the impact interest rate rises will have on borrowing rates and the long-term pressure of borrowing costs on its revenue budget. Officers have monitoring controls in place and actively consider the viability of capital projects in terms of affordability, which they would adjust where necessary.	Overall, the Council's financial management culture is appropriate and effective. Reporting to senior management and Council is timely, transparent, and aligned with production of the annual accounts. This supports effective oversight and decision-making. The Council's financial forecasting and savings planning are embedded practices that reflect a proactive approach to managing constrained resources.	No significant issues identified.

Financial management (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial management culture (continued)	In 2024/25, the Council reported a deficit in the provision of services of £25.9m and a reduction in the General Fund of £2.9m, representing an overspend of 1% against the revised budget. This reflected planned use of reserves, lower than anticipated capital receipts, reduced government funding, inflationary pressures, rising interest rates, and increased service demand.		
Accountability	The Council has well functioning budgetary control arrangements that support timely and accurate financial reporting. Monthly budget monitoring meetings with Chief Officers and service managers enable early identification and investigation of variances, while regular reporting to elected members provides clear visibility over in year performance, emerging pressures, future budget gaps, and planned mitigations. Quarterly updates to the budget for the year are presented to Council which include explanations for variances and forecasts for cumulative funding gaps, demonstrating accountability and highlighting changes in cost pressures. Officers also present budgetary control reports to Council and service committees four times a year. The Council reinforces accountability through compliance with relevant governance frameworks and financial reporting standards, adhering to the CIPFA/LASAAC Code. This is supported by structured scrutiny via the Audit Committee. Equalities impact assessments and treasury management reviews provide assurance that public funds are used appropriately and that wider impacts are considered. The Council's short term financial forecasting is reliable and is refreshed regularly. This demonstrates the Council's responsiveness to changing circumstances. Overall, the Council has a history of producing accurate, standards compliant annual accounts and managing in year budgets effectively, as confirmed by previous audits. However, longer term forecasting remains more uncertain due to external factors such as fluctuations in government funding, inflation, and interest rates. This is evidenced by changes in forecast budget gaps, for example from £29.5m for 2027/28 in June 2023 to £26.9m in October 2024. While these shifts illustrate the challenges of long-term financial planning, the Council mitigates this risk by regularly updating forecasts and using the latest information to support reasonable and informed financial planning decisions.	The Council's accountability arrangements are functioning effectively. The budgetary control framework provides clear, timely and transparent reporting that supports informed decision-making. Variances are well-explained, and financial performance information is reliable and subject to appropriate scrutiny. While longer-term forecasting is inherently uncertain, the Council demonstrates a reasonable and proactive approach to updating its assumptions.	No significant issues identified.

Financial management (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption	The Council has effective arrangements in place to prevent and detect fraud, error, and irregularity, underpinned by comprehensive financial regulations. These reflect current legislation and good practice, clearly defining responsibilities for financial stewardship, procurement, delegated authority, and compliance for both officers and members. Explicit processes for reporting breaches and adherence to codes of conduct demonstrate that expected standards of behaviour are actively promoted and embedded across the organisation. Internal control is further supported by a well-established governance framework, including: • a whistleblowing policy; • regular financial monitoring reports to senior officers and councillors; • a strategic risk register; and • annual risk-based internal audit work. Internal Audit operates independently under a revised 2025 Internal Audit Charter aligned with the Global Internal Audit Standards. It reports risk-rated findings and graded opinions to the Audit Committee, ensuring control weaknesses are identified, escalated, and addressed appropriately. The finance function is led by qualified and experienced staff, including CIPFA-qualified professionals with significant public-sector and audit experience. Roles are clearly defined across key areas such as statutory accounts, budgeting, council tax and Non-Domestic Rates compliance, supported by training. However, the Council has ongoing resourcing pressures, with several experienced staff approaching retirement . The Council recognises these risks and has begun to respond through graduate recruitment and succession planning, although these arrangements are not yet fully embedded.	Overall, the Council’s arrangements for preventing and detecting fraud, error, and irregularity are effective and reflect a generally sound control environment.	No significant issues identified.

Commentary on Wider Scope

Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.



Financial sustainability

Significant risks

We have outlined below the significant risks in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

	Significant Risk in Arrangements Identified	Work undertaken and the results of our work
1	Financial sustainability The council has forecasted significant cumulative budget gaps rising from £9.2 million in 2025/26 to £51 million in 2029/30. This is a potential risk to its financial sustainability, and its ability to maintain its services for the people of West Dunbartonshire.	Work undertaken We reviewed the Council's: • long term financial strategy (LTFS) and reserves approach; • financial position and track record in delivering planned recurrent and non recurrent savings in 2024/25; • financial performance and planning updates for 2025/26, including impact on general reserves balances; • budgetary control and financial reporting to Members; and • progress in developing plans to address future years' budget gaps. Results of our work ▪ The Council has a policy on reserves and balances which: ▪ outlines the legislative and regulatory framework underpinning the creation, use or assessment of the adequacy of reserves; ▪ identifies the principles to be employed in assessing the adequacy of its balance and reserves; and ▪ sets out arrangements for the creation, amendment and use of reserves and balances. ▪ The Council continues to report regularly on reserves levels through its budgetary control reports. These are reported to the Corporate Services Committee and general services reports are presented to Council meetings. ▪ The Council's reserves are currently insufficient to meet projected medium to long term funding gaps, which are forecast to rise to £52.9m by 2030/31, compared with total reserves of £13.1m at 31 March 2025, of which only £3.6m is unearmarked. Reserves fell due to overspends in the year. The Council's policy is to rebuild reserves over time and find additional sources of funding and savings to bridge gaps. Utilisation of reserves is a last resort. At Period 7 (December 2025), uncommitted reserves were forecast to be £66k above the 3% prudential target at 31 March 2026, which indicates that the Council has made some progress in rebuilding reserves.

Financial sustainability (continued)

Significant risks (continued)

	Significant Risk in Arrangements Identified	Work undertaken and the results of our work
1		▪ The Council has implemented a range of measures to address funding gaps, including savings programmes, vacancy controls, use of reserves, and capital reductions. Measures such as use of reserves provide short term stability but are not sustainable given the scale and recurring nature of the challenge. Some of the measures taken by the Council have provided recurring savings but these are not sufficient to bridge future funding gaps. ▪ The Council agreed a balanced budget for 2025/26, including £4.6m of savings to address a £9.9m funding gap. Financial updates during the year indicate a forecast favourable underspend, with reserves expected to remain above the 3% prudential target at 31 March 2026. ▪ The Council continues to demonstrate good practice in financial reporting, through regular budgetary control reports that cover revenue and capital performance, significant variances, savings delivery and scenario planning. Budget working groups support early identification and scrutiny of savings proposals. Conclusion The Council continues to face significant financial sustainability challenges, with substantial projected medium to long term funding gaps and limited reserves capacity. Further progress is required to strengthen long term financial and reserves planning and to deliver the transformational change necessary to address the scale of the financial challenge. See recommendation 1 on page 47.

Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	The Council has well-established financial planning arrangements, with regular budget updates, in-year monitoring, and multi-year financial forecasts that clearly outline projected budget gaps and the key drivers behind them. Financial updates presented to Council set out five-year budget forecasts, updated for changes in inflation, interest rates and Scottish Government funding. The general services budget paper presented to Council in March 2025 set out the following potential cumulative budget gaps after agreed savings measures: • 2025/26 - £5.571m • 2026/27 - £16.304m • 2027/28 - £25.786m • 2028/29 - £40.779m • 2029/30 - £49.863m. This reflects recognised medium- and long-term pressures including sustained reductions in Scottish Government funding, rising social care demand, unfunded pension and pay costs, and volatility in borrowing costs. The Council demonstrates awareness of these pressures through scenario modelling, sensitivity analysis and risk reporting, and the issues are routinely discussed at Council and committee meetings. However, the Council’s financial position is very challenging, and it recognises it is unsustainable to rely on reserves to manage short-term deficits. This is clear when you compare the cumulative budget gap against £3.6m of uncommitted reserves at 31 March 2025. The Council’s reserves policy is underpinned by clear governance arrangements, including a prudential target and formal recovery requirement if the target threshold is breached. The annual budget reports to Council include estimated prudential targets and reserve balances for the coming year, laying out any expected use of reserves where needed.	The Council has well-established financial planning arrangements that effectively identify medium- and long-term risks, but its capacity to address these risks remains limited. The Council’s reliance on reserves and service reductions to close budget gaps indicates the challenges it faces in securing its long-term financial sustainability. A robust plan and strategy will be required to address its longer-term funding gaps.	Financial sustainability – Level 1 The Council continues to face a very challenging financial position. This presents a risk to its financial sustainability, and its ability to maintain the services it provides to the people of West Dunbartonshire. See page 47 for further information and our recommendations made to the Council.

Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
	The Council's Long-Term Financial Strategy includes medium to long term projections for revenue and capital positions, but does not forecast reserve levels. Financial planning could be improved by including scenario modelling and reserves projections over the long term. This would allow reserve recovery plans to be proactively identified and implemented. In June 2025, the Council identified a short-term pressure on its 2025/26 budget with an £8.3m budget gap, driven by rising borrowing costs, demand pressures and uncertainty around Health and Social Care Partnership funding. Our review of the 57 savings proposals for 2025/26 highlighted cost efficiencies are increasingly based on reductions to frontline and community services, including Education, Roads & Greenspace, and Community and Leisure services. This raises concerns over the sustainability of the Council's current approach to recovery and saving plans.		

Financial sustainability (continued)

Identified risks in financial sustainability arrangements and recommendations for improvement

As a result of our work we have identified risks in the Council’s financial sustainability arrangements. These identified risks have been outlined in the table below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix F for further details.

	Financial sustainability significant risks identified	Recommendation for improvement	Council’s response and implementation timescale
1	Financial sustainability – Level 1 The Council is forecasting cumulative budget gaps rising from £5.21m in 2026/27 to £52.88m by 2030/31. It understands the scale and drivers of its medium and long-term financial pressures, but its capacity to respond to these is constrained by limited reserves and reliance on service reductions to balance budgets. It is unsustainable for the Council to continue to rely on reserves and other short-term measures to address funding gaps.	The Council should ensure it has a clear approach to addressing its longer-term financial challenges, including the extent to which this will be supported by use of reserves. This includes ensuring its reserves and financial strategy are aligned.	Management’s response: No assumptions are made about use of reserves to balance annual budgets as it is recognised the use of reserves is a short-term fix and does not address the longer-term financial challenges. The Council has a well-established budget working group process which meets at least three times a year to consider options for addressing budget gaps. Saving options developed through that process are predominantly recurring in nature so contribute toward setting an annual budget and future budget gaps. The Council’s medium to long term financial strategy is to be reviewed and a revised version submitted to Council in October 2026 Responsible officer: Chief Officer Resources Implementation date: 28 October 2026

Commentary on Wider Scope

Vision, leadership and governance

Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.



Vision, leadership and governance

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Clarity of plans to implement the vision	The Council has a clearly articulated strategic vision, set out in the 2022–2027 Strategic Plan, supported by well-defined priorities and a coherent set of performance indicators. The four priority areas—Our Communities, Our Environment, Our Economy, and Our Council, provide a structured framework that guides operational activity, resource allocation and performance monitoring. This vision is consistently reflected across delivery plans, strategic performance indicators and the Annual Report 2024/25. The “golden thread” between high-level priorities, service-level actions and performance outcomes shows that the Council’s vision is embedded in decision-making, evaluation and forward planning. Strategic actions for the 2025/26 period further align with these priorities, indicating that the Council has clear arrangements in place to translate vision into operational delivery.	The Council’s strategic vision is clear and well-embedded across its planning and performance framework. The alignment between the Strategic Plan, delivery plans and performance reporting demonstrates that arrangements to implement the strategic vision are well-structured and consistently applied.	No significant risks identified.
Strategy and priorities	The Council’s strategic priorities are aligned to community needs and partner objectives and are informed by engagement including annual community budget conversations, Citizens’ Panel feedback, and targeted outreach to seldom-heard groups. The Council’s strategic planning approach involves service-level 'Strategic Needs Assessments' providing a detailed understanding of demographic, social, economic and service-demand trends. These assessments guide annual Delivery Plans and will support the development of the next five-year Strategic Plan (2027–2032).	The Council’s strategy and priorities are well aligned to community needs and partner objectives.	No significant risks identified

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Significant risks identified
Governance arrangements	The Council's governance framework is built around full Council meetings, service-specific committees, and the Audit Committee. Council and Audit Committee meetings are consistently well attended, with councillors demonstrating an appropriate level of scrutiny and challenge. Governance arrangements are appropriate and appear to operate effectively. The Annual Governance Statement confirms alignment with the CIPFA/SOLACE Framework, supported by a Local Code of Corporate Governance. This includes an established risk-management framework. The Council has well-structured performance management arrangements, which link Delivery Plan actions to key performance indicators, strategic indicators, risk registers and benchmarking results. Regular mid-year and year-end performance reporting enables members to assess progress and measure impact and outcomes.	Overall, the Council has well-structured and effective governance arrangements. These arrangements support informed decision-making and oversight.	No significant risks identified.

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Significant risks identified
Financial and performance information	The Council's performance reporting is clear and comprehensive with regular mid-year and year-end performance and financial reporting. This includes reporting through the audited annual accounts, budgetary control reports, and strategic performance updates. These reports include key financial variances, savings progress, and service-level performance indicators. The Council has established annual service delivery plans that set out specific improvement actions and KPIs. This sits within a wider governance framework that includes annual Chief Officer self-assessments, internal audit scrutiny and tracked improvement actions, ensuring plans are regularly updated and evidence-based. Internal audit is well-integrated into management and governance processes. Risk-based plans are developed with Chief Officers, and findings are acted upon through a structured response. Internal audit findings directly inform the Annual Governance Statement, demonstrating effective use of independent assurance. Strategic Plan indicators have defined targets, trend data and RAG status, supported by extensive year-on-year comparisons and national benchmarking through the Local Government Benchmarking Framework. Delivery Plans convert strategic priorities into service-level KPIs and risk registers, creating a clear flow from corporate objectives to measurable outcomes.	The Council produces regular, clear and comprehensive financial and performance reporting information.	No significant risks identified.

Commentary on Wider Scope

Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.



Use of resources to improve outcomes

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Resources deployed to improve strategic outcomes	The Council can demonstrate a clear link between financial resources and the strategic outcomes achieved. Financial planning, performance frameworks and delivery plans ensure that spending is aligned with strategic priorities, while capital and revenue outturn reporting provides transparent evidence of what is being delivered through that investment. Outcomes are further tracked through Strategic Plan indicators and participation in the Local Government Benchmarking Framework, showing how resource deployment contributes to service-level and strategic results. The Council understands its key cost drivers including inflation, interest rate volatility, unfunded pay awards and rising demand in social care, which informs budget setting and resource allocation. However, these pressures continue to grow at a pace that exceeds the impact of current improvement activities. The Council has implemented alternative delivery models in several areas, including: • digital modernisation through "Fit for Future" • process redesign under the Standard Operating Model • automation of high-volume transactions • shared-service arrangements such as the joint Internal Audit & Fraud service with Inverclyde Council. Some models, such as revised school transport arrangements are forecast to deliver significant recurring savings. However, the Council's financial and staff capacity constraints has limited the progress of other initiatives.	The Council makes effective use of resources to support improved outcomes, with clear links between spending, delivery and performance. The Council has implemented alternative service delivery models in several areas; however, resource constraints have affected its ability to make further progress.	No significant risks identified.

Use of resources to improve outcomes

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Needs of service users being met	The Council demonstrates a commitment to incorporating resident views into service delivery and decision-making through a range of engagement mechanisms, including public consultations, Budget Conversations, a Citizens Panel, surveys, and targeted outreach via community facilities such as libraries. These approaches are complemented by initiatives such as the 'Working4U' service, which supports digital inclusion and helps broaden participation, with engagement outcomes publicly reported to ensure transparency and inform priorities. The Council uses detailed delivery plans to guide how each service contributes to its strategic priorities. These plans outline specific actions, address performance challenges, and reflect service-level priorities. Each plan includes measurable performance indicators and annual targets, allowing the Council to track progress and drive continuous improvement. Updates are reported mid-year and at year-end to service committees and are made publicly available on the Council's website, ensuring transparency and accountability.	The Council demonstrates effective use of engagement and feedback mechanisms to ensure resources are aligned with the needs of service users, and resident views materially influence service planning and budget decisions.	No significant risks identified.

Use of resources to improve outcomes (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Arrangements to deliver continuous improvements in priority services	The Council provides transparent and robust information on service improvement through the Annual Report, Management Commentary and performance reporting frameworks. This includes measurable examples of improvement, such as top-five national performance in narrowing the attainment gap, progress on City Deal and Levelling Up projects, expansion in housing stock, and strengthened community programmes. The Council can demonstrate sustained positive progress in educational attainment, positive destinations, housing delivery, community support and major regeneration activity. Benchmarking through the Local Government Benchmarking Framework (LGBF) indicates that for 2024/25 roughly half of indicators have improved and that the Council performs at or above the Scottish average in several areas. Some of the other LGBF indicators, however, indicate a risk around the Council's ability to deliver continuous improvements in services. For instance, the ratio of financing costs to net revenue stream for the general fund is 7.3% for 24/25, compared the Scottish average of 6%. High borrowing and financing costs will constrain budgets and the Council's ability to fund improvement in priority services. The Council's pace and depth of improvement is not yet sufficient to ensure services are sustainable in the longer-term and to realise its strategic priorities. Individual transformation initiatives (e.g., chatbot automation, housing system modernisation and the Glencairn House redevelopment) show clear benefits but lack the scale to have a significant impact. Performance against the 2022–27 Strategic Plan is mixed. Of the 50 Strategic Plan indicators, 30 were met or exceeded service, 11 narrowly missed target and nine significantly missed targets. There was under-performance in some areas such as environmental quality, neighbourhood maintenance, customer experience and resident satisfaction. Targets were exceeded in areas including education attainment, use of landfill and number of online transactions.	The Council has arrangements in place that support continuous improvement in priority services, and measurable progress is evident across several key outcome areas. The Council must ensure the pace and depth of improvement is sufficient to ensure it achieves its strategic priorities and sustains the level and quality of services expected by residents, particularly in the context of escalating financial risks.	Conclusion If the pace of improvement does not accelerate, the Council risks declining service quality and reduced public satisfaction. This may undermine the Council's ability to deliver its strategic priorities. See page 56 for further information and our recommendations made to the Council.

Use of resources to improve outcomes (continued)

Identified risks in Use of resources to improve outcomes and recommendations for improvement

As a result of our work we have identified risks in the Council's use of resource to improve outcomes. These identified risks have been outlined in the table below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix F for further details.

	Use of resources to improve outcomes significant risks identified	Recommendation for improvement	Council's response and implementation timescale
1	Progress in delivering strategic priorities – Level 2 The Council has a clear strategic framework, but improvement activity is not progressing at a pace sufficient to mitigate its financial and operational pressures. Its performance reporting against the 2022–27 Strategic Plan shows mixed progress, with under performance in areas including environmental quality, neighbourhood maintenance, customer experience and resident satisfaction. If the pace and depth of improvement does not accelerate, the Council risks declining service quality and reduced public satisfaction. This may undermine its ability to deliver its strategic priorities.	The Council should review the areas where it is not on track to achieve its strategic priorities and identify actions to address this.	Management's response: The Council acknowledges and will continue to focus on the small number of indicators not on track. These largely relate to satisfaction and perception measures which are influenced by the ongoing financial challenge and reflect wider national trends. All areas are supported by action plans and regular performance monitoring. In addition, further analysis has been undertaken to better understand the drivers of dissatisfaction, with survey questions strengthened to require respondents to provide reasons where negative views are expressed. This will support more targeted, evidence-based improvement actions while ensuring continued oversight of progress across all priorities. Responsible officer: Chief Executive Implementation date: Ongoing

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Best Value

Best Value (continued)

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
Best Value	59	No	No	One prior year recommendation is still to be fully implemented, see pages 68 and 69.
Effectiveness of performance reporting	70	No	No	No
Thematic reviews	73	No	No	Yes – see recommendations on pages 73 and 74.
Statutory Performance Indicators	77	No	No	One prior year recommendation is still to be fully implemented, see pages 79.

Best Value

Best Value summary

Under the Code of Audit Practice, the audit of Best Value is fully integrated within our annual audit work. We are required to assess the seven Best Value themes at the Council over the period of the audit appointment. We have used a risk-based approach that is proportionate to the size and type of the body, to assess whether the Council has made proper arrangements for securing Best Value and is complying with its community planning duties. We have also followed up on previously reported Best Value findings and have assessed the pace and depth of improvement implemented by the Council.

At least once every five years, the Controller of Audit will report to the Accounts Commission on the Council's performance in meeting its Best Value duties. We conduct thematic reviews as directed by the Accounts Commission. In 2024/25 this will be about transformation. We have prepared a separate management report to document the findings of this work which can be found on Audit Scotland's website: [BV 24-25 West Dunbartonshire Council](#).

Performance Audit and Best Value staff also prepare a report for the Controller of Audit using information and judgements on the pace and depth of continuous improvement reported in this Annual Audit Report. The Controller of Audit Report for West Dunbartonshire Council will be presented to the September 2026 Accounts Commission meeting.

At the planning stage of the audit, we undertook work to understand the arrangements that the Council has in place under each of the reporting criteria and we considered whether there were any risks to our audit in those arrangements. We have kept our understanding of arrangements under review and updated our risk assessment throughout the audit to reflect emerging issues that may suggest significant risks in arrangements exist. The following slides outline the work that we have undertaken for each of the seven Best Value themes and any improvements or risks in arrangements that have been identified as part of our assessment. We have reported recommendations for the risks identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Area assessed	Our findings	Our judgements	Service improvement considerations	Significant risks identified
Vision and leadership	See page 47 for the findings of our wider scope work on vision and leadership	The Council's strategic vision is clear and well-embedded across its planning and performance framework. The alignment between the Strategic Plan, delivery plans and performance reporting demonstrates that arrangements to implement the strategic vision are well-structured and consistently applied. The Council's strategy and priorities are well aligned to community needs and partner objectives.	None identified.	No significant risks identified.
Governance and accountability	See page 48 for the findings of our wider scope work on governance.	Overall, the Council has well-structured and effective governance arrangements. These arrangements support informed decision-making and oversight.	None identified.	No significant risks identified.
Effective use of resources	See page 51 for our findings on how the Council is ensuring its resources are deployed to improve strategic outcomes.	The Council makes effective use of resources to support improved outcomes, with clear links between spending, delivery and performance. The Council has implemented alternative service delivery models in several areas; however, resource constraints have affected its ability to make further progress.	None identified.	No significant risks identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Area assessed	Our findings	Our judgements	Service improvement considerations	Significant risks identified
Partnerships and collaborative working	The Council works closely with Community Planning West Dunbartonshire (CPWD) to deliver partnership-led approaches that respond directly to community need. In 2024/25, CPWD adopted a themed focus on anti-poverty activity, including a geographically targeted pilot and the establishment of the Family Prosperity Network, bringing together third-sector partners and employers to address child poverty. This approach reflects feedback gathered from residents and community groups and demonstrates effective use of local insight to inform partnership work. The Council also has a range of partnership and collaborative initiatives to improve outcomes and achieve efficiencies. This includes a Net Zero Cooperation Agreement with Glasgow City Council to deliver shared priorities such as electric waste vehicles, active travel, and sustainability, helping to reduce duplication and generate financial savings.	The Council has demonstrated effective partnership working that supports community led outcomes, secures significant external investment, and promotes collaboration across local, regional, and national initiatives. However, the Council’s limited use of formal shared service arrangements indicates there is further scope to improve partnership and collaborative working with public sector partners.	None identified.	No significant risks identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Area assessed	Our findings	Our judgements	Service improvement considerations	Significant risks identified
	At a national level, the Council participates in initiatives such as the Digital Office and SOLACE workstreams, which provide access to tools, training, and collaborative forums on digital transformation and artificial intelligence. While partnership working is well established strategically, officers noted that formal shared service arrangements with other councils remain limited, reflecting a wider sector challenge. Further detail on these themes and partnership approaches is set out in the Best Value Thematic Review Report published on the Audit Scotland website: BV 24-25 West Dunbartonshire Council .			

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Area assessed	Our findings	Our judgements	Service improvement considerations	Significant risks identified
Working with communities	The Council applies a service design approach through its Fit for Future reviews, actively involving users in service redesign, supported by staff training and established communities of practice. Engagement with pupils and parents during the school catering review directly informed changes to service delivery, demonstrating responsiveness to feedback. The Glencairn House project is currently underway, with Dumbarton's oldest building being transformed into a state-of-the-art library, museum, and community hub. This project involved extensive consultation, including surveys and drop-in sessions, and received strong community support. Targeted engagement with seldom heard groups shaped accessible design features and programme content. The Council conducts quarterly telephone satisfaction surveys and uses a Citizens Panel to capture wider user views. Feedback is reported to the Corporate Management Team and published on the Council's public performance reporting webpages, promoting transparency. Further detail is available in our Best Value Thematic Review Report published on the Audit Scotland website: BV 24-25 West Dunbartonshire Council	The Council includes community consultation as a key part of service redesign and transformation projects. It also regularly seeks more general feedback from its residents.	None identified.	No significant risks identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Area assessed	Our findings	Our judgements	Service improvement considerations	Significant risks identified
Sustainability	We did not assess this theme in 2024/25.	N/A	N/A	N/A
Fairness and equality	We did not assess this theme in 2024/25.	N/A	N/A	N/A

Best Value (continued)

Follow up of previously-reported recommendations

We are required to follow up Accounts Commission findings, Controller of Audit recommendations and any outstanding improvement actions reported in Best Value Assurance Reports and Annual Audit Reports.

In October 2025 we reported two new recommendations to the Council to address risks identified from our Best Value audit and concluded that a previous recommendation was still unresolved. As part of our work in 2024/25, we followed up the progress made by the Council against the recommendations made and determined whether the risk(s) remained during the year.

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2024/25	Conclusions reached
1	Workforce data – Level 2 The Council should ensure workforce data allows officers to identify resource gaps and supports succession planning.	Management Response: Action is agreed as already part of planned developments to console. Responsible officer: Chief Officer P&T/Strategic People & Change Manager Implementation timescale: March 2025	Progress against the recommendation During 2024/25, the Council strengthened its workforce planning arrangements by updating its Workforce Planning Toolkit, which is a set of practical resources designed to help managers forecast staffing and plan for future skills. The Council also introduced Succession Planning Guidance in February 2025, which explains how to identify critical roles, assess successors, and create development plans. This guidance was supported by standard templates, including a succession planning status sheet to record risks, readiness levels, and priority actions for key posts. The Council launched Phase 1 of succession planning for senior leadership roles in March 2025. This included issuing an information pack to senior managers outlining the process, timelines, and tools available, and providing support through People & Change advisers. In addition, the Council enhanced its Workforce Planning Console, the main digital system used by managers to access real-time workforce data.	Complete The Council has implemented the core elements needed to use workforce data effectively for identifying resource gaps and supporting succession planning. Governance, tools, and system improvements are in place, and managers are engaging with them. Remaining enhancements (such as predictive analytics) are planned for future phases of the work programme..

Best Value (continued)

Follow up of previously-reported recommendations (continued)

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2024/25	Conclusions reached
			New features added during the year included: • A tool to analyse voluntary severance and early retirement trends • Integration of training records and skills passports so managers can see completed and outstanding learning • A new Finance dashboard to support workforce cost planning. While these developments represent good progress, advanced features such as automated workforce forecasting and predictive analytics are still under development and not yet available for routine use. Training sessions were delivered to managers to improve understanding and use of the console. Usage data shows a significant increase, from an average of eight daily users in April 2024 to 31 by March 2025, indicating wider adoption across services.	

Best Value (continued)

Follow up of previously-reported recommendations (continued)

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2024/25	Conclusions reached
2	Hybrid and flexible working policy– Level 3 The Council should develop a new flexible/hybrid working policy or update its existing policy.	Management’s response: Action is agreed as already part of planned policy review and will likely only require an update. Responsible officer: Chief Officer P&T/Strategic People & Change Manager Implementation date: December 2024	Progress against the recommendation The Council updated its Flexible Working Policy in April 2024 to reflect current legislation and modern working practices. The updated policy formally links to Remote Working Guidance, which sets out different work styles (such as home-based, mobile, and hybrid arrangements), and to the new Right to Disconnect Guidance introduced in July 2024. This guidance explains how employees can switch off outside working hours and includes practical advice on email etiquette, meeting scheduling, and wellbeing. To support managers in applying the policy consistently, the council issued Manager’s Guidance on Processing Flexible Working Requests in July 2024. This provides step-by-step instructions, timelines, and template letters for approvals and appeals.	Complete The Council has updated its policy and supporting guidance to reflect current practice and legislative requirements.

Best Value (continued)

Follow up of previously-reported recommendations (continued)

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2024/25	Conclusions reached
3	Staff absence– Level 2 Some staff are finding the pace of change challenging and staff absence remains an issue. The council is taking positive steps to try and address this and should continue to explore opportunities for improvement. Further recommendation The Council should implement a focused attendance improvement plan that strengthens early intervention, enhances management capability, and uses data more effectively to address the main drivers of short-term absence. This should be supported by clearer performance measures to assess the impact of wellbeing initiatives on reducing absence and associated costs	Management’s response: After the improvement in sickness absence in 2023/24 there has been a slight increase in 2024/25 to 14.34 FTE days per FTE employee. This was the first time sickness absence levels had increased since 2021/22 and is in the context of high sickness absence levels in the wider UK labour market as evidenced by the 2025 CIPD Health and Wellbeing at Work Report. Additionally, sickness absence to date in 2025/26 has reduced compared to the same period in 2024/25 indicating a more positive position than the previous year. Additional provisions to support employee wellbeing have been introduced through changes to the family friendly leave policies such as neo natal leave, paternity leave and shared parental leave. Improvements have been made to ensure absence data is available to managers in real time at an individual and service level to support good management practice. Responsible officer: Chief Officer People & Technology Implementation date: N/A – measures to manage sickness absence are part of routine ongoing activity.	Progress against the recommendation The Council continues to promote employee wellbeing support, with strong increases in employee engagement. Vivup (employee benefits platform) registrations rose by 82%, and My Money Matters (financial wellbeing platform) saw a 51% increase, giving staff easier access to wellbeing and financial resources. The Council has launched a new Vivup-led Employee Assistance Programme, offering self-help tools, counselling and immediate support. A refreshed Cycle to Work scheme is also now available year-round with a wider range of suppliers. The 2024/25 LGBF data showed sickness absence increased to 15.9 FTE days per FTE employee, which is a 5.3% increase from 23/24 and above the Scottish local authority average of 14.5 days. The top reasons for absence remain minor illness, personal stress and acute medical conditions.	Ongoing The Council has made progress in addressing staff absence and wellbeing. It has implemented a broader and more accessible wellbeing framework, strengthened attendance management processes, and enhanced reporting capability within its workforce systems. There is also evidence of increased employee engagement with the wellbeing offer and improved management oversight of attendance. However, despite these developments, sickness absence remains a significant and persistent challenge. While the Council has taken forward the actions set out in its earlier improvement plan, further work is required to ensure these measures lead to sustained improvements in attendance outcomes.

Best Value (continued)

Follow up of previously-reported recommendations (continued)

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2024/25	Conclusions reached
			Officers presented an 'Employee Wellbeing - Annual Update 2024/25' paper to Joint Consultative Forum in June 2025. This provided a detailed analysis and update on wellbeing and attendance up until 31 March 2025. Some of the key findings include: • The proportion of absence that is considered long term has decreased and is down to approximately 66%, a decrease of 14% compared to 2023/24. Long Term illness being over four weeks off at any time. • From 1 April 2024 to 31 March 2025, a total of 66,606 FTE days were lost due to sickness absence across the Council. • The estimated cost of lost productivity from absences was £11.8m.	Management response: In June 2026 a report will be presented to Joint Consultative Forum confirming that FTE days lost has decreased by 1,381 compared to the previous year. Additionally in 2025/26, a review of Employee Wellbeing continued using the Council's 'Fit for Future' approach. This holistic review focuses on the application of the Supporting Employee Wellbeing policy and has already delivered improvements to the return-to-work process, will improve data quality, reporting and reduce manual effort through automation. Work is now underway on managing intermittent absences, with early improvements identified. During 2026/27, these changes will continue to be implemented and work will begin on long-term absence management process. Improved data will then inform stronger management support and clearer evaluation of intervention effectiveness. Responsible officer: Chief Officer People & Technology Timescale: 31 March 2027

Best Value (continued)

Effectiveness of performance reporting

Effective performance management arrangements should be in place to promote the effective use of the local authority’s resources. Performance is systematically measured across all areas of activity, and performance reports are regularly scrutinised by managers and elected members. The performance management system is effective in addressing areas of underperformance, identifying the scope for improvement and agreeing remedial action.

We have outlined below a summary of what the Council is reporting in relation to service performance including the Council’s assessment of progress against its service priority measures and reporting on its relative performance (from the Local Government Benchmarking Framework and other information used locally).

Effectiveness of performance reporting theme	Our findings	Our judgements	Our conclusions	Significant risks identified
Effective performance management	The Council demonstrates a well-established approach to performance management that supports continuous improvement and transparent accountability. Strategic priorities are clearly defined within the Strategic Plan 2022–27, supported by measurable outcomes, indicators and detailed delivery plans that ensure a clear line of sight from high-level objectives to operational activity. Regular reporting to elected members provides a balanced, evidence-based view of progress, highlighting both areas of strong performance and those requiring improvement. Variances are consistently explained, and the Council takes corrective action through targeted improvement plans, recovery measures and strengthened governance oversight. Public performance reporting is clear and accessible, incorporating comparative analysis through the LGBF and presenting multi-year trends that help residents understand how the Council is performing over time. Engagement with communities is well embedded through surveys, Citizens’ Panels, budget consultations and service-specific engagement, and this feedback is actively used to contextualise performance trends and inform improvement activity.	The Council has effective performance management arrangements in place, with clear targets, regular and transparent reporting, and a structured approach to identifying and addressing under-performance. Improvement actions are consistently developed, monitored and aligned to strategic priorities, demonstrating active management and a clear commitment to continuous improvement. The overall framework provides assurance that performance is being effectively managed.	The Council has effective performance management arrangements in place.	No significant risks identified.

Best Value (continued)

Effectiveness of performance reporting (continued)

Effectiveness of performance reporting theme	Our findings	Our judgements	Our conclusions	Significant risks identified
	While some strategic risks around financial sustainability, workforce resilience and environmental targets remain challenging, the Council's performance framework provides a robust foundation for managing these pressures. Overall, the evidence indicates that the Council has the key characteristics of effective Best Value: clear priorities, transparent reporting, active performance management and a commitment to continuous improvement.			

Best Value (continued)

Effectiveness of performance reporting (continued)

Effectiveness of performance reporting theme	Our findings	Our judgements	Our conclusions	Significant risks identified
Improvement plans	The Council’s mid-year performance report demonstrates that the Council puts improvement plans in place when targets are missed, with services identifying reasons for under-performance and setting clear corrective actions. Improvement actions are supported by robust data, including benchmarking through the LGBF, citizen and service-user feedback, financial and workforce analysis, and risk assessments that highlight where further action is required. Examples such as responses to rising youth homelessness, recycling improvements, reserve recovery actions, and service redesigns in neighbourhood services show that the Council identifies under-performance early and puts practical mitigation in place. The Annual Report 2024/25 demonstrates that the majority of internal indicators show positive progress, with 60% meeting or exceeding annual targets (rising to 82% when narrowly missed targets are included). The LGBF data for 2024/25 shows that an average of 56.9% of indicators have improved since the base year in 2010/11, with the Council’s performance falling slightly below this benchmark, with 54.6% improving. This places the Council 20th out of 32 in Scotland. The year-on-year comparison is 45.37% in improvements on indicators. This is an improvement from the prior year where only 35.24% were shown to have improved in the year. As reported in the Wider Scope section of this report, some of the LGBF indicators indicate a risk around the Council’s ability to deliver continuous improvements in services (see page 53).	The Council has effective improvement plans, with under-performance identified early and supported by clear, targeted actions that are monitored through established governance processes. However, its current pace and depth of improvement is not yet sufficient to ensure it achieves its strategic priorities and sustains the level and quality of services expected by residents, particularly in the context of escalating financial and operational risks.	The Council acknowledges the breadth of challenges and has improvement plans in place to mitigate the risk of falling performance. It should ensure these cover areas where it is not on track to achieve its strategic priorities (see recommendation 1 on page 54).	No significant risks identified.

Best Value (continued)

Thematic reviews

The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. As appointed auditors of the Council we are required to report on Best Value and related thematic work as prescribed by the Accounts Commission. For the thematic work in 2024/25, we are required to carry out an overview of transformation. As part of this review, we are required to report on the areas documented in the table below. The full thematic review report for the Council can be found on the Audit Scotland website: [BV 24-25 West Dunbartonshire Council](#).

Thematic themes	Our findings	Our judgements	Risks identified
Transformation planning	The Council's Strategic Plan sets out a clear commitment to service improvement and transformation, supported by well defined priorities and performance reporting. While transformation activity is embedded across services and linked to strategic objectives, there is no single, standalone transformation programme bringing together all projects and workstreams, which limits visibility of collective progress and impact. Although transformation initiatives are contributing to savings and informing budget decisions, the Council recognises they will not, on their own, address medium and long term financial challenges. The absence of consolidated monitoring of transformation costs and benefits means the Council cannot clearly demonstrate how transformation activity supports long term financial sustainability, despite otherwise robust performance monitoring against Strategic Plan priorities.	The Council has a clear strategic direction and effective performance reporting arrangements. However, the Council does not monitor and report on the overall costs, savings and outcomes from its transformation projects. There is also no consolidated public reporting on transformation. This weakens the Council's ability to evidence how transformation supports long term sustainability.	Reporting Transformation Outcomes (Level 2) Risk: The council cannot measure and demonstrate to stakeholders how effectively it is delivering its service improvement and modernisation strategic priorities. Recommendation: The council should review how it reports on transformation to ensure it can clearly demonstrate the costs, savings and outcomes from transformation projects to stakeholders. Management's response: The Council will carry out a review of current transformation reporting to ensure it provides a balance between proving sufficient information to stakeholders and not creating an excessive demand on limited resource. Any identified changes to current reporting will be implemented in the 2027/28 financial year. Responsible officer: Chief Executive Officer Implementation date: 31 March 2027

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Programme management	The Council has put in place formal governance arrangements to oversee transformation activity, including the Strategic Risk and Resilience Strategic Reflective Review Panel and the Transformation and Visioning Board. A consistent corporate approach to project management is in place, and work is ongoing to further strengthen project and change management disciplines across the organisation. The Council's Digital and Change teams possess strong specialist expertise and actively engage with national networks and best practice. However, these teams are small and operate with limited capacity, restricting the Council's ability to deliver transformation at the scale and pace required to meet its ambitions. Senior leadership receives regular and structured updates on transformation progress through bi monthly reports to the Transformation and Visioning Board, alongside financial monitoring via Budgetary Control Reports. While elected members receive information on savings delivery through budget processes and senior officer updates, they do not have full oversight of wider transformation outcomes, limiting their ability to assess the overall effectiveness and impact of transformation activity.	The council's Digital and Change teams have specialist skills and are well connected to national networks. However, these are small teams with limited capacity.	Resourcing and capacity to deliver transformation (Level 2) Risk: The council does not have sufficient resources to deliver transformation at the scale and pace it desires. Recommendation: The council should review whether it has sufficient resources to achieve its service improvement and modernisation priorities and, if necessary, consider options for increasing capacity. Management response: The Council has recently reviewed capacity to support the delivery of transformation and put in place funding to secure additional capacity to support fit for future reviews. Responsible officer: Chief Executive Officer Implementation date: 31 March 2026

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Partnership working and community engagement	The Council works effectively with partners, including through Community Planning West Dunbartonshire and national collaborations, to support transformation activity, access external funding and share expertise. This partnership working enhances the Council's ability to deliver more complex change initiatives. All Council engagement activity is co-ordinated through the engaging communities framework led by the Council's performance and strategy team. This includes project-based engagement and all wider consultation activity undertaken by the Council, including the budget conversation. Community engagement is embedded within transformation activity and has influenced decisions in specific projects, such as catering services and cultural regeneration. However, engagement activity is largely project based and is not coordinated through a single corporate transformation framework. The Council demonstrates awareness of the impact of transformation on vulnerable groups and has taken steps to mitigate risks such as digital exclusion. Equality Impact Assessments are undertaken for major projects, supported by targeted engagement with seldom heard communities.	The Council demonstrates good partnership working and consideration of equality impacts. However, engagement and inclusion activity is fragmented across projects. This limits assurance that transformation is being delivered consistently and inclusively at a corporate level.	No significant issues identified.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Impact of transformation	The Council has defined success measures for major transformation projects, focusing mainly on financial savings and operational efficiencies, with limited reporting on wider social or equality outcomes. While individual projects demonstrate clear benefits, there is no consolidated corporate overview of transformation benefits. Progress is communicated through committee reports, Strategic Plan updates and public performance reporting. However, there is no single, consolidated public report that brings together the overall impact and outcomes of the Council's transformation activity.	The Council can evidence benefits at individual project level and communicates progress through existing reporting channels. However, the absence of consolidated oversight and public reporting limits transparency and understanding of the overall impact of transformation.	Reporting Transformation Outcomes (Level 2) See page 73 for details of the risk, recommendation and management's response.

Best Value (continued)

Statutory Performance Indicators

We are required to report on the Council’s effectiveness and appropriateness of arrangements in place for complying with the Direction issued in December 2021, including the balance and timeliness of reporting to members along with its accessibility for citizens and communities.

The table below details our overall assessment of the Council’s statutory performance indicators arrangements:

Council’s arrangements	Our findings	Our judgements	Risks identified
Statutory Performance Indicator 1: Improving local services and local outcomes	Statutory Performance Indicator (SPI) 1 requires a council to report its performance in improving local public services and progress against agreed desired outcomes. The council’s public performance reporting (PPR) provides a clear, accessible, and balanced overview of how services are performing against priorities, drawing on a wide range of indicators, trend data, and narrative explanation. Reports present performance openly, highlighting both achievements (e.g., targets exceeded across education, leisure, and waste reduction) and areas where performance is below target, with transparent explanations and planned improvement actions. The use of multi-year trend data, citizen feedback, and contextual narrative ensures that reporting is balanced and easy to understand, giving residents and elected members a well-rounded picture of progress against strategic priorities over time. The Annual Report 2024/25, which is published on the PPR area of the Council’s website, clearly demonstrates strong community engagement by incorporating extensive resident feedback throughout its performance sections. Each strategic priority includes findings from large-scale public surveys such as the Telephone Survey with 900 residents and the Citizens’ Panel with 309 participants, summarising what residents said about services and satisfaction with how the Council runs things. The PPR area also has a dedicated ‘Comparative Performance’ section, comparing the Council’s performance with all Scottish councils, its designated family-group peers through the LGBF, and against its own prior year performance.	The Council’s public performance reporting is clear, balanced and accessible, providing strong transparency over service performance. It makes effective use of trend data, benchmarking and resident feedback to present a well-rounded view of progress. This supports informed scrutiny by elected members and enhances accountability to the public.	No significant issues identified.

Best Value (continued)

Statutory Performance Indicators (continued)

Council's arrangements	Our findings	Our judgements	Risks identified
Statutory Performance Indicator 2: Demonstrating Best Value	Under SPI 2 requirements, councils must report both their own evaluations and those conducted by external audit, scrutiny, and inspection bodies regarding their performance in meeting the duty of Best Value. Additionally, councils are expected to disclose how they have responded to these assessments. This ensures transparency and accountability in public service delivery and continuous improvement. The Council demonstrates clear and well-established arrangements for assessing performance against its Best Value duty, supported by Strategic Plan reporting, benchmarking through the LGBF, self evaluation and service level reviews. These assessments are subject to elected member scrutiny and external audit, with improvement actions identified, monitored and linked to agreed management responses. However, one outstanding issue remains from prior year audit follow ups, relating to SPI2 expectations of visibility of school inspection reports and associated action plans. Our recommendation remains outstanding regarding the accessibility of information on external scrutiny and inspection outcomes, particularly school inspection reports and related action plans. While the Council responds to external assessments, it does not yet clearly publish its own consolidated account of how it has addressed findings from audit and inspection bodies.	The Council has robust processes for assessing and scrutinising Best Value performance. However, transparency over how external inspection findings are addressed could be improved. Addressing this would strengthen public accountability and assurance over how the Council is demonstrating Best Value.	See page 79 for further information and follow up on our recommendations made to the Council.

Best Value (continued)

Follow up of previously-reported recommendations

We are required to follow up findings from our review of statutory performance indicators in the previous years.

In October 2025 we reported one recommendation to the Council to address risks identified from our review of statutory performance indicators . As part of our work in 2024/25, we followed up the progress made by the Council against the recommendations made and determined whether the risk(s) remained during the year.

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2023/24	Conclusions reached
1	SPI 2: Demonstrating Best Value (Level 2) The Council does not fully comply with the requirements of SPI 2. Recommendation – The Council should ensure it publishes details of how it has responded to external audit and inspection reports.	Management Response: Work is ongoing and is targeted to be complete by the end of 2025 Responsible officer: Chief Officer Education Implementation date: 31 December 2025	Progress against the recommendation We made enquiries with officers on progress inspected the Council website and other publications. The Council has continued to improve public access to school level inspection and performance information, with individual school webpages now acting as the primary access point. Education Scotland inspection reports are directly linked where available, alongside School Improvement Plans, Standards and Quality Reports and School Handbooks, with clearer signposting from central Education and Schools pages. Some schools do not yet have inspection reports due to inspection cycles and records management. The Council has made good progress in implementing our recommendation. Work is ongoing to finalise webpage layout and present the wider service improvement framework consistently and accessibly, with further updates planned through 2026.	Ongoing The recommendation is partially implemented. The remaining work relates to finalising webpage structure and navigation which officers aim to be complete during 2026. Management response: Educational Services are on track to complete the actions by October 2026. Work is underway to review all school websites to ensure they are aligned with the adapted format and content on the Council homepage with work planned for the summer period to adapt the webpage layout. Responsible officer: Chief Officer Education Timescale: October 2026



Appendices

A: Internal control conclusions

B: Draft management representation letter

C: Draft audit report

D: Confirmation of our independence

E: Other communications

F: Wider scope ratings

G: Current year updates, forthcoming accounting & other issues

Appendix A: Internal control conclusions

Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Lease Remeasurement – Design/Implementation

Description of deficiency

Management used an incremental borrowing rate (IBR) derived from the weighted average of existing borrowings as at May 2025 to measure right-of-use (ROU) assets and lease liabilities as at 1 April 2024. This is not aligned with the IFRS 16 requirement to determine an entity-specific IBR at the lease commencement date. This resulted in trivial differences between management’s calculations and our independent recomputation.

Potential effects

Incorrect application of the incremental borrowing rate may result in misstated lease liabilities and ROU assets.

Recommendation

Management should ensure that the incremental borrowing rate is determined using relevant and up-to-date information at the lease commencement date, with appropriate review and documentation controls in place.

Management response:

The application of an incremental borrowing rate to inform the 2025/26 draft annual accounts will be reviewed and any required adjustments made as part of the audit process.

Responsible officer: Chief Officer Resources

Implementation date: 30 November 2026

Review of Actuarial Assumptions– Design/Implementation

Description of deficiency

The Finance Manager performs a review of the IAS 19 report prepared by the actuary to ensure the actuarial assumptions are reasonable for financial reporting purposes. This includes an assessment of key assumptions against PwC guidance. However, no documentation is retained to evidence this review.

Potential effects

The Council cannot demonstrate that actuarial assumptions have been appropriately reviewed and validated.

Recommendation

Management should implement a formal process to evidence the review of actuarial reports, including retaining a record of review.

Management response:

The review of the IAS 19 report will be documented by the Finance Manager and approved by the Chief Officer Resources.

Responsible officer: Chief Officer Resources

Implementation date: 31 August 2026

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Privileged Accounts (Agresso) – Design/Implementation

Description of deficiency

We identified that an officer responsible for posting journals holds two separate user accounts within Agresso, the Council's financial reporting and accounting system.

Potential effects

The existence of multiple user accounts held by a single individual increases the risk of unauthorised activities going undetected. This includes inappropriate system changes, data manipulation, or misuse of information. To mitigate the risk the Council maintains an audit log to retrospectively verify all actions taken within Agresso, ensuring that any system access can be reviewed and confirmed.

Recommendation

Management should review:

- access permissions to ensure they are appropriate and in accordance with job responsibilities; and
- compensating controls to ensure they appropriately mitigate the identified risk where full segregation of duties cannot be achieved.

Management response:

Management considers the compensating controls in place mitigate the identified risk to an acceptable level and that the officer's access permissions are appropriate and necessary to minimise disruption to the finance system. Removing the second user role at this stage would create greater operational risk, as it would increase reliance on ICT support and could lead to increased system downtime. Following the move to the new cloud-based finance system in 2027/28, the two user profiles will no longer be required. All users will instead have a single profile with access permissions aligned to their role.

Responsible officer: Chief Officer Resources

Implementation date: 1 April 2027

Impairment Review – Design/Implementation

Description of deficiency

The Council is unable to evidence a detailed annual review of council dwellings enhancement expenditure to support its conclusion that this should be fully recognised on a cost basis.

Potential effects

The value of council dwellings may be materially misstated, particularly if enhancement expenditure between formal valuations continues to be material.

Recommendation

Management should consider more frequent valuation of its housing stock. It should also formally evidence its annual consideration of the value added to council dwellings by enhancement expenditure. It should consider how its valuer can support it with this exercise.

Management response:

Consideration will be given to the costs and benefit of performing a more frequent valuation of housing stock. This needs to find a balance between use of public money and the extent to which the balance sheet may be misstated for a limited period. An annual exercise will be implemented to review the accounting treatment of enhancement expenditure.

Responsible officer: Chief Officer Resources

Implementation date: 31 March 2027

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Assets with Nil Net Book Values – Design/Implementation

Description of deficiency

We identified several assets within the asset classes of other land and buildings, industrial units, infrastructure assets and vehicles, plant and equipment that were fully depreciated despite continuing to be used by the Council.

Potential effects

The useful lives assigned to assets may not appropriately reflect the actual usage of the asset.

Recommendation

Officers should review the accounting policy for depreciation to ensure it is appropriate.

Management response:

The Council is in the process of implementing a new financial ledger system which will provide an asset register as a core module. Part of this exercise will include the review of assets transferred from the current spreadsheet-based asset register to ensure their useful lives and net book values are appropriate. Fully depreciated assets will be considered as part of this exercise.

Responsible officer: Chief Officer Resources

Implementation date: 1 April 2027

Expected Credit Loss (ECL) provision – Design/Implementation

Description of deficiency

We identified that there is no documented evidence to support the management’s review of Expected Credit Loss (ECL) bad debt provisions.

Potential effects

Management do not appropriately review and challenge the judgements and methodology for the ECL provisions, which increases the risk that debtor balances are misstated.

Recommendation

Officers should fully document ECL reviews, including the basis for key assumptions, and evidence of management challenge and approval.

Management response:

Approval of the bad debt provision was provided verbally by the Chief Officer Resources in 2024/25. In 2025/26 this has been corrected and approval has been provided in writing.

Responsible officer: Chief Officer Resources

Implementation date: Complete

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Register of Interest Review – Design/Implementation

Description of deficiency

We identified that the current procedures for compiling and reviewing the register of elected member and senior officer interests do not sufficiently assess the relevance of disclosures, resulting in the inclusion of outdated information.

Potential effects

The inclusion of irrelevant historic information may obscure significant current interests, reduce the usefulness of the register, and make it more difficult for officers to identify potential related party relationships or transactions.

Recommendation

The Council should ensure the register of interest is regularly reviewed and updated and review the appropriateness of the guidance it provides to individuals completing returns.

Management response:

The Council is required to retain a register of interest for elected member’s full term of office and for 10 years after their term of office ceases. Elected members will be reminded of the requirement to keep the register up to date.

Responsible officer: Chief Officer Regulatory and Regeneration

Implementation date: 31 July 2026

Timeliness of Bank Reconciliation Reviews – Design/Implementation

Description of deficiency

During our review of bank reconciliations, we noted that in some instances the certification and review of reconciliations was not completed on a timely basis. We identified three monthly bank reconciliations which were signed off two months after they were initially prepared and a further four monthly reconciliations which were signed off one month after preparation.

Potential effects

Delays in review increase the risk that errors, omissions, or unauthorised transactions are not identified and corrected promptly.

Recommendation

The Council should ensure bank reconciliations are reviewed and certified on a timely basis, with monitoring to ensure compliance and escalation where delays occur.

Management response:

The need to prioritise work due to resource pressures means there have been occasions where the second review of bank reconciliations have not been carried out in as timely a manner as would be preferable. However, it is important to recognise that the performance of the reconciliations have been carried out in a timely manner. Finance will endeavour to improve the timely performance of the second review in 2026/27.

Responsible officer: Chief Officer Resources

Implementation date: 31 July 2026

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods.

Journals with no description

Description of deficiency

As part of our testing to address the risk of management override of controls, we obtained the Council’s complete ledger and analysed the manual entries using our data analytics software. This included extracting any journal entries which did not have a description. We found 305 instances of journals posted without a description. This is a small proportion of the 31,457 journals processed during the year, however we identify this as a characteristic of a high-risk journal as having no description makes it very difficult to identify what the journal relates to and its appropriateness.

Potential effects

Descriptions on journal entries assist in understanding the nature of the entry and whether it is appropriate. The absence of descriptions increases the risk of fraud or error in the Council’s financial records.

Recommendation

Management should ensure all journal entries include a suitable description for why the entry has been made.

2024/25 update

Ongoing: During our 2024/25 testing, we found 14 manual journals posted without a description. We extended our analysis to automated journals this year and found 200,000 automated journals posted without a description. Through discussions with officers and analysis of the ledger we were able to determine what these journals related to and that they were appropriate.

Management response:

Automated journals are run on a daily basis and are very low risk as they are system generated without manual intervention. They predominantly allocate cash to customer accounts. Introducing manual intervention to add descriptions would create an extreme resource pressure with no added value and introduce a risk to the process. Manual journals with no description have reduced from 305 to 14 so there has been a clear improvement. We will continue to keep processing of manual journals under review.

Responsible officer: Chief Officer Resources

Implementation date: Ongoing

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods.

Lease register

Description of deficiency

During our 2023/24 review of lease disclosures within the financial statements, we observed that the lease register had not been updated to reflect changes in lease agreements or the removal of expired lease arrangements. This issue was also identified in the prior period, with management previously committing to ensure the register would be kept up to date.

Potential effects

Failure to maintain an accurate lease register may result in incomplete or incorrect lease disclosures in the financial statements. This could lead to inaccurate financial reporting and non-compliance with accounting standards.

Recommendation

Management should regularly review and update the lease register, ensuring that all new, modified, and expired lease agreements are accurately recorded. This process should be embedded in the financial reporting cycle and supported by appropriate oversight to ensure the completeness and accuracy of lease disclosures.

2024/25 update

Ongoing: The agreed management target date for resolution remains 31 March 2027.

Management response:

A review will be conducted of the procedures to manage the lease register with identified improvement actions implemented. This will be carried out in conjunction with the roll out of the new financial ledger system to enable officers to ensure we make best use of any available functionality within the new system.

Responsible officer: Chief Officer Resources

Implementation date: 31 March 2027

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Fixed Assets Register

Description of deficiency

The fixed asset register provided to audit did not reconcile to the non-current asset balances in the annual accounts. Over the course of the audit officers updated the register and, although the overall difference is now trivial, it still does not fully reconcile.

Potential effects

Discrepancies between the fixed asset register and the annual accounts may result in incorrect or incomplete disclosures.

Recommendation

Officers should review and update the fixed asset register to ensure it is accurate and complete.

2024/25 update

Ongoing: The fixed asset register initially provided by officers did not reconcile to the property, plant and equipment balance in the annual accounts. Officers updated the register during the audit, and the remaining variance is now trivial, however a full reconciliation has not yet been achieved.

The Council is progressing a project to replace its financial reporting system, including full integration of a fixed asset register, to reduce risks arising from the current spreadsheet-based approach. The new system is expected to be implemented in the 2027/28 financial year.

Management response:

This issue has been progressed, and further improvement will be delivered through the implementation of the new financial ledger system. This will include carrying out an exercise to ensure uploaded data reconciles to the financial statements.

Responsible officer: Chief Officer Resources

Implementation date: 31 March 2027

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Bank reconciliations

Description of deficiency

Our review of bank reconciliations identified a significant number of unmatched reconciling items dating back to the 2019/20 financial year. This had resulted from challenges officers had matching transactions relating to virtual credit cards between the financial ledger and bank statements.

Potential effects

Delays in clearing reconciling items identified in bank reconciliations increases the risk of fraud and error in the financial statements.

Recommendation

Officers should work to complete the exercise to review and clear all historic transactions with the virtual credit cards.

2024/25 update

Ongoing: The issue has not yet been fully resolved. While the Council continues to address legacy unmatched transactions, we noted that new unmatched items are accumulating through the virtual credit card process.

We also identified unmatched transactions relating to legal expenses. Officers explained that these arose following staff departures within the legal department, which delayed the completion of reconciliations.

Management response:

Management accept this is an ongoing issue and we will continue to focus on trying to clear historic reconciling items.

Responsible officer: Chief Officer Resources

Implementation date: 31 December 2027

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

User Access Review

Description of deficiency

We identified that the Council is not following its policy of performing periodic review of user access to the Agresso, Financial Ledger, system. We found, at the time of testing, that the last review was carried out in November 2021. The last comprehensive review, where managers were asked to review if system users in their team had changed post, responsibilities or left, was carried out in 2019.

Potential effects

Unauthorised users could have inappropriate access to systems which increases the risk of data breaches and fraud.

Recommendation

The Council should ensure Agresso user accounts are reviewed on a regular basis to verify:

- that the user account is still valid (i.e. that the user account should be active);
- access rights granted to the user account are aligned with the employee's functions within the Council.

2024/25 update

Ongoing: The recommendation is still to be resolved by management.

Management response:

Management accept that regular reviews of Agresso user access are not carried out. This is due to a need to commit limited resource to areas of work where most value can be delivered. It is further noted there are compensatory controls in place to minimise risk including segregation which means no single user can prepare an entry and approve it. Consideration will be given to how efficiently user access reviews can be carried out when the new financial ledger system is implemented.

Responsible officer: Chief Officer Resources

Implementation date: 1 April 2027

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

IT System Backup management policy

Description of deficiency

We noted that, while systems are subject to backup protocols, the Council has no central backup policy.

Potential effects

The absence of clear guidance could increase the risk of data loss and impact business continuity.

Recommendation

The Council should implement a central backup policy covering:

- location of backups
 - monitoring of backup jobs
 - retention timelines
 - testing of data restoration
 - disaster recovery (including testing).
-

2024/25 update

Complete: The Council’s ICT Backup Policy was adopted in November 2025 and covers the areas outlined above.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Review of Assets Under Construction

Description of deficiency

During our review of asset transfers we found that assets with a carrying value of £4.2 million were transferred to their appropriate operational asset classes in 2023/24 despite the assets becoming operational in the previous financial year. This findings prompted officers to conduct a further review, resulting in the additional transfer of completed assets totalling £5.0 million and a restatement of the prior period financial statements.

Potential effects

Incomplete recognition of operational assets leads to inaccurate financial reporting and misstatement of asset values. It also results in depreciation not being applied in line with the Council’s accounting policy, which can affect both the accuracy of the financial statements and asset management records.

Recommendation

Management should establish a routine and timely review process for Assets Under Construction to ensure that completed assets are promptly recognised as operational and depreciation is correctly applied.

2024/25 update

Complete: We did not identify any significant issues with the schedule of Assets Under Construction.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Exit package disclosure

Description of deficiency

Our review of the exit package disclosure identified several inconsistencies with supporting employee records, including duplicate employee entries, discrepancies in employee names across systems, and the inclusion of West Dunbartonshire Leisure Trust (WDLT) staff.

Potential effects

Inaccurate or incomplete exit package disclosures may lead to misstatements in the financial statements and incorrect reporting.

Recommendation

Management should ensure exit package data is appropriately reviewed and reconciled to data held in the HR and payroll systems.

2024/25 update

Complete: Except for one disclosure misstatement, which officers have corrected, our testing did not identify any significant consistency issues between the exit package disclosure and supporting employee records.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Non-Domestic Rates (NDR)

Description of deficiency

There was no evidence to confirm that timely and sufficient reviews are being conducted on the Non-Domestic Rates (NDR) system. This was highlighted by several errors identified and reported during our 2023/24 certification exercise.

Potential effects

Inadequate review processes may result in undetected errors within the NDR system, potentially leading to misstatements in the Council’s financial reporting.

Recommendation

Management should implement and document a formal review process for the NDR system, ensuring that regular and robust checks are performed.

2024/25 update

Complete: We did not identify any significant issues with the NDR system.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Property, plant and equipment: Gross Internal Areas

Description of deficiency

We identified some differences between property gross internal areas per the Council’s records and those use by the external valuer in its 2023/24 valuations. We obtained reasonable explanations for the differences and confirmed that overall, the differences would not result in the revalued properties being materially misstated individually or in total.

Potential effects

Incomplete and/or incorrect property information limits the Council’s ability to review and challenge the valuations made by its external valuer. This increases the risk of misstatement in the annual accounts.

Recommendation

Officers should:

- Review and update the Council’s records to reflect any changes arising from capital works or operational changes.
 - Work with the external valuer to ensure greater consistency in source data ahead of future valuation cycles.
 - Introduce a reconciliation step during the valuation process to identify significant gross internal area variances for review.
-

2024/25 update

Complete: We did not identify any significant issues related to the use of gross internal areas for the properties revalued in year.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Creditors overstatement

Description of deficiency

We identified a number of errors in the disclosures of debtors and creditors. This had the effect of reducing both assets and liabilities by £3.222 million.

Potential effects

There is a risk that the figures in the Balance Sheet are overstated.

Recommendation

Management should review the year-end procedures to ensure that debtors and creditors are correctly accounted for.

2024/25 update

Complete: From our review of the 2024/25 schedules, we did not find similar issues with debtors and creditors.

Appendix B: Management representation letter

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

28 August 2026

Dear Tom Reid,

West Dunbartonshire Council- Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of West Dunbartonshire Council (the Council) for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Officer- Resources that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

I confirm that there is no information provided to you as part of the audit that I consider legally privileged.

Appendix B: Management representation letter (continued)

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council and Group's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix B: Management representation letter (continued)

Fraud and error

I acknowledge my responsibility as Chief Officer- Resources for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council and Group's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended and applicable law.

I have disclosed to you the identity of the Council and Group's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and other assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Appendix B: Management representation letter (continued)

Liabilities from Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2024/25 in relation to the Council and Group's service concession arrangements that you have not been made aware of.

I confirm that all material Service Concession Arrangements (including PPP and DBFM contracts) have been reviewed and accounted for in accordance with the Code, and specifically the requirements of IFRS 16, and that the related assets and liabilities recognised in the financial statements appropriately reflect the substance of the underlying contracts.

I further confirm that the amounts recognised and disclosures relating to Service Concession Arrangements have been appropriately reflected in the 2024/25 financial statements and that no material arrangements have been omitted.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code Update and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 29 to the financial statements fairly reflects that assessment.

Tariffs

I confirm that I have carried out an assessment of the potential impact of changes in US trade policy in respect of tariffs, including the impact of reciprocal tariffs by other countries, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 29 to the financial statements fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Appendix B: Management representation letter (continued)

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Management Commentary

The disclosures within the Management Commentary fairly reflect my understanding of the Council and Group's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix 1.

Wider scope and Best Value arrangements

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on wider scope review and Best Value arrangements.

Application of the new accounting standard for leases – IFRS 16

I confirm that I have reviewed the Council's lease arrangements in accordance with IFRS 16 and the 2024/25 CIPFA Code of Practice and I have identified all material leases requiring recognition in the financial statements.

I further confirm that the right-of-use assets, lease liabilities and related disclosures included within the annual accounts are based on reasonable assumptions and are materially complete and accurate.

Yours faithfully,

Chief Officer- Resources

28 August 2026

Appendix C: Audit Report

Independent auditor's report to the members of West Dunbartonshire Council and the Accounts Commission

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the annual accounts of West Dunbartonshire Council and its group ("the Council") for the year ended 31 March 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Balance Sheets, Movement in Reserves Statements, Cash Flow Statements, the council-only Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement, the Council Tax Income Account, the Non-domestic Rates Income Account, the Common Good, the Trust Funds and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the 2024/25 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Council and its group as at 31 March 2025 and of its income and expenditure of the Council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the Council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Appendix C: Audit report (Continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the Council and its group. However, we report on the Council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Chief Officer-Resources and the Council for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Officer- Resources is responsible for the preparation of financial statements, that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Officer- Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Officer- Resources is responsible for assessing the ability of the Council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the Council and its group.

The Council is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the Council and its group;
- inquiring of the Chief Officer- Resources as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Council and its group;

Appendix C: Audit report (continued)

- inquiring of the Chief Officer- Resources concerning the policies and procedures of the Council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Officer- Resources is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Statement of Responsibilities, Annual Governance Statement and the unaudited part of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Appendix C: Audit report (continued)

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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 for our audit.

We have nothing to report in respect of these matters

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Tom Reid, Director
For and on behalf of Forvis Mazars LLP
100 Queen Street
Glasgow
G1 3DN
28 August 2026

Appendix D: Confirmation of our independence

We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Annual Audit Plan and therefore we remain independent.

Appendix D: Confirmation of our independence (continued)

Fees for work as the Council’s auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit Committee on 10 December 2025. Having substantially completed our work for the 2024/25 financial year, we can confirm that our fees are as follows:

Area of work	2024/25 fees	2023/24 fees
Auditor remuneration	£276,620	£265,740
Pooled costs	£6,950	£9,680
Contribution to PABV costs	£64,060	£67,130
Sectoral cap adjustment	(£6,220)	(£7,270)
Additional fees for the audit of net defined benefit liability/surplus.	£0	£4,208
Additional fees due to overruns	£0	£7,707
Additional fees for additional work required due to the application of accounting standard IFRS 16 (Leases). See pages 20 and 21 for details of the audit procedures we performed.	£4,397	£0
Total fees	£345,807	£347,195

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

Fees for audit of Charitable Trusts

The audit fee in the table does not include the cost of auditing the West Dunbartonshire Council Charitable Trusts. Having completed our work for the 2024/25 financial year, we can confirm that our fee for this audit was £10,190 (2023/24 fees were £10,000).

Services provided by Forvis Mazars LLP associated entities or network firms

We provide audit services to the following group entities;

- West Dunbartonshire Integration Joint Board with a total fee of £34,000 (2023/24 fee was £33,360)
- Dunbartonshire and Argyle and Bute Valuation Joint Board with a total fee of £9,990 (2023/24 fee was £9,774).

Appendix E: Other communications

Other communication	Response
 Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
 External confirmations	We did not experience any issues with respect to obtaining external confirmations.
 Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 Going Concern	We have not identified any evidence to cause us to disagree with the Chief Officer- Resources that West Dunbartonshire Council will be a going concern, and therefore we have not identified any evidence to cause us to consider that the use of the going concern assumption in preparation of the financial statements is not appropriate. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix E: Other communications (continued)

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	Our audit was designed to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. Please refer to the section titled ‘<i>Fraud considerations</i>’ for our fraud considerations and conclusion. We will obtain written representations from management and, where appropriate, the Audit Committee, confirming that - they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; - they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; - they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: - management; - employees who have significant roles in internal control; or - others where the fraud could have a material effect on the financial statements; and - they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.

Appendix E: Other communications (continued)

Other communication	Response
 System of Quality Management	To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management, including: • Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities • Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.) • Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluating responses and remediating control gaps or deficiencies We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2025. Details of that assessment and our conclusion are set out in our 2024/2025 Transparency Report, which is available on our website here.
 National Fraud Initiative	The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the UK’s Cabinet Office, designed to prevent and detect fraud. The NFI uses data analytics to compare information held on individual by different public bodies to highlight the existence of fraud or error. We reviewed the Council’s participation in the NFI exercise. We concluded that the NFI exercise is well integrated into Council processes. However, resource constraint appears to limit its effectiveness in timely investigation and resolution of high risk and other matches.

Appendix F: Wider Scope and Best Value ratings

We need to gather sufficient evidence to support our commentary on the Council’s arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to the Council and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

Contact

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