Annual Audit Report

East Dunbartonshire Council – year ended 31 March 2024

August 2026

East Dunbartonshire Council
12 Strathkelvin Place
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100 Queen Street
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05 August 2026

Dear Committee Members and Controller of Audit,

Annual Audit Report – Year ended 31 March 2024

We are pleased to present our Annual Audit Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions and findings from our considerations of the wider scope audit specified in the Code of Audit Practice 2021 namely, financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Annual Audit Plan, which we presented to you on 13 March 2025.

We have reviewed our Annual Audit Plan and concluded that the significant audit risks and other key judgement areas set out in that report remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail, then please do not hesitate to contact me on 07816354994.

Yours faithfully

Tom Reid

Forvis Mazars LLP

Contents

Our reports are prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 18 May 2022 through which the Accounts Commission has appointed us as external auditor of East Dunbartonshire Council (the Council) for financial years 2022/23 to 2026/27. We undertake our audit in accordance with Part VII of the Local Government (Scotland) Act 1973, as amended; and our responsibilities as set out within Audit Scotland's Code of Audit Practice 2021.
Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and made available to Audit Scotland and the Accounts Commission, the Controller of Audit. We take no responsibility to any member or officer in their individual capacity or to any other third party.

01

Executive Summary

Executive summary

Audit conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2023/24 is set out in Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from Part VII of the Local Government (Scotland) Act 1973 and as outlined in our Annual Audit Plan, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Annual Audit Plan, which include:

- Management override of controls (Council and East Dunbartonshire Council Charitable Trusts);
- Valuation of property, plant and equipment (Council only);
- Valuation of the net defined benefit liability/surplus (Council only);
- New accounting system (Council only); and
- Liabilities from service concession agreements (Council only).

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £5.330 million. Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

On 11 June 2026, we presented our Annual Audit Report to the Audit and Risk Management Committee. At that time there were several audit adjustments which were yet to be audited. These matters have now been resolved and the final audit adjustments can be found in section 6.

We have the following conclusions:

Audit opinion

We have issued an unqualified opinion, without modification, on the financial statements of the Council and its group. Our proposed audit opinion is included in the draft auditor's report in Appendix C.

We issued an unqualified opinion on East Dunbartonshire Council Charitable Trusts. Our audit opinion is included in the auditor's report in Appendix D.

Matters on which we report by exception

We are required by the Accounts Commission 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.

Executive summary (continued)

Conclusions from our audit testing and audit opinion (continued)

Other information

We are required to report on whether the other information (comprising of Management's Commentary, Statement of Responsibilities and the unaudited parts of the Remuneration 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 significant inconsistencies have been identified, and we have issued an unmodified opinion in this respect.

Wider 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.

Management Commentary and Annual Governance Statement

We are required to report on whether the information given in the Management Commentary and Annual Governance Statement is consistent with the financial statements; and has been properly prepared in accordance with the statutory guidance issued under the Local Government in Scotland Act 2003 and Delivering Good Governance in Local Government Framework 2016.

We have no matters to report in respect of the Management Commentary and Annual Governance Statement.

Whole of Government Accounts (WGA)

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 WGA return. However, we will submit the required assurance statement to the National Audit Office on conclusion of our audit.

Executive summary (continued)

Best Value and Wider Scope conclusions

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2023/24 audit and allows 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.

It remains the responsibility of the Council to ensure proper financial stewardship of public funds, it complies with relevant legislation, and establishes effective governance of their activities. The Council is also responsible for ensuring that it establishes arrangements to secure continuous improvement in performance and, in making those arrangements, ensures resources are being used to improve strategic outcomes and demonstrate the economy, efficiency, and effectiveness throughout the use of its resources. These arrangements should be proportionate to the size and type of the Council, appropriate to the nature of the Council and the services and functions that it has been created to deliver.

Wider Scope
We have identified significant risks in arrangements to report in relation to the financial management arrangements that the Council has in place. Further detail on our Wider Scope work is provided in section 7 of this report including the significant risks identified.

Best Value
We have not identified any significant 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 detail on our Best Value work is provided in section 8 of this report including any significant risks identified.

02

Status of the audit

Status of our audit

Our audit work for the Council's 2023/24 financial statements is now complete and there are no matters of which we are aware that would require modification of our audit opinion.

2024/25 audit progress

Our audit of the Council's 2024/25 financial statements has commenced. To date we have completed our planning work and undertaken interim testing procedures.

We are awaiting the unaudited financial statements to complete our audit work. We have requested that we receive them by 17 August.

It is our intention to complete the audit by the end of October, subject to receiving the financial statements and comprehensive working papers and supporting evidence in a timely manner.

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.

03

Audit Approach

Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Annual Audit Plan, issued on 13 March 2025, with the exception of the following:

- We identified RBC Brewin Dolphin as a management expert for East Dunbartonshire Council Charitable Trusts.

Materiality

Our provisional materiality at the planning stage of the audit was set at £10.322m using a benchmark of 2% of gross revenue expenditure. Our Performance materiality was set at £6.709m.

Based on the final financial statement figures and other qualitative factors, the final overall materiality we applied for the Council was £11.199m, final performance materiality was £7.279m and the final clearly trivial threshold was £0.336m. There have been no changes to the specific materiality levels set at planning for the remuneration report.

For group accounts, the final overall materiality we applied for the Group was £11.279m, the final performance materiality was £7.332m and the final clearly trivial threshold was £0.338m.

Use of experts

We used the experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

The experts used were listed in our Annual Audit Plan:

- PwC actuarial services
- Forvis Mazars Property Valuation team.

East Dunbartonshire Council Charitable Trusts

Our provisional materiality at the planning state of the audit was set at £18,100. Our final assessment of materiality, based on the final financial statements, was £19,426 using the same benchmark. The final performance materiality was £15,541 and the final clearly trivial threshold was £583.

In addition to the two experts listed above, we also identified RBC Brewin Dolphin as a management expert for the Charitable Trusts. Management use RBC Brewin Dolphin to support the valuation of investment holdings.

We have provided our consideration of our independence as part of the Council and Charitable Trusts engagement in Appendix E.

Audit Approach (continued)

Group audit approach

Our approach to the audit of the Group is detailed in the table below.

Group component	Approach adopted	Key points or matters to report
East Dunbartonshire Council	Full audit	Key points or matters included throughout this report.
East Dunbartonshire Health and Social Care Partnership	Review procedures	We have no matters to report.
Mugdock Country Park Joint Management Committee	Review procedures	We have no matters to report.
EDC Common Good	Review procedures	We have no matters to report.

Full audit - Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality

Audit of balances and/or disclosures - Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality

Specific audit procedures - Performance of specific audit procedures on the component's financial information

Review procedures - Review of the component's financial information prepared for group reporting purposes using the component materiality assigned

04

Significant findings

Significant findings

Significant findings, including key areas of management judgement

The significant findings from our audit include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Annual Audit Plan;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 22 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit.

Significant findings (continued)

Management override of controls (Council and Charitable Trusts)

Description of the risk

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

How we addressed this risk

We addressed this risk by performing audit procedures covering a range of areas including (but not limited to):

- accounting estimates included in the financial statements for evidence of management bias;
- any significant transactions outside the normal course of business; and
- journals and other adjustments recorded in the general ledger in preparing the financial statements.

Audit conclusion

Our work in this area has been completed, and no issues were identified.

Significant findings (continued)

Valuation of property, plant and equipment (Council only)

Description of the risk

The council held land and buildings (including council dwellings), with a net book value of £636 million as at 31 March 2023. The council has adopted a rolling revaluation model with an external valuer carrying out valuations of land and buildings on a five-year cycle. This may result in individual assets not being revalued for several years.

Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations. Due to the high degree of estimation uncertainty associated with valuations, and the risk of material movement in assets not revalued, we have determined there is a significant risk of material misstatement in this area.

How we addressed this risk

We evaluated the design and implementation of any controls which mitigate the risk. This included liaising with management to update our understanding on the approach taken by the Council in its valuation of land and buildings. We:

- assessed the scope and terms of engagement with the Valuer;
- assessed the competence, skills and objectivity of the Valuer;
- assessed how management use the Valuer’s report to value land and buildings included in the financial statements;
- tested the accuracy of the data used in valuations;
- challenged the Council and Valuer’s assumptions and judgements applied in the valuations;
- reviewed valuation methodology used, including the appropriateness of the valuation basis;
- considered the reasonableness of the valuation by comparing the valuation output with market intelligence;
- tested 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 had been accounted for in accordance with the Code;

(continued overleaf)

Significant findings (continued)

Valuation of property, plant and equipment (Council only)

How we addressed this risk (continued)

- challenged management's assessment for those assets not subject to valuation in the year;
- verified market movements to assess the materiality of potential movement for 2023/24 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 assessed any decisions management made in this regard.

We have also engaged the Forvis Mazars Real Estates Valuation team to assist us with the above.

Audit conclusion

We identified several issues with the Council's property, plant and equipment accounting and have reported adjusted and unadjusted misstatements in Section 6 of this report.

The most significant issue relates to accounting for council dwelling components. We identified that where the Council made capital improvements, and therefore capitalised the costs of these improvements, it had not derecognised the replaced components. This created an issue upon revaluation of the council dwellings whereby the value of the capitalised costs were effectively double counted, leading to an overstatement of the total value of the council dwellings. The adjustment for this error involved amending the current and prior periods.

We also found the following other issues, which are explained in more detail in Section 6:

- joint equity assets being recognised which the Council no longer owns;
- duplicate assets in the fixed asset register;
- inappropriate accruals for capital additions;
- assets under construction which were brought into use without appropriate revaluations being performed; and
- assets shown as 'held for sale' for which that was no longer the case.

We recommend officers carry out a full reconciliation of the fixed assets register to both the financial statements and the valuation report, and perform a thorough review of the fixed asset register in advance of preparing the 2024/25 financial statements to ensure that these issues do not persist. Please refer to the control recommendation raised on page 33.

Significant findings (continued)

Valuation of the net defined benefit liability/surplus

Description of the management judgement

The Council had a net pension liability of £28 million at 31 March 2023. 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 our audit addressed this area of management judgement

We addressed this risk by reviewing the controls that the Council has in place over the information sent to the Scheme Actuary by the fund administrators (Strathclyde Pension Fund).

We also:

- assessed the skill, competence and experience of the Fund's actuary;
- challenged the reasonableness of the assumptions used by the actuary as part of the annual IAS 19 valuation;
- carried out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation.
- liaised with the auditors of the Pension Fund to gain assurance that the overall procedures and controls in place at the Pension Fund are operating effectively;
- compared assumptions to expected ranges;
- reviewed the accuracy and completeness of the membership data used by the actuary in preparation of the Actuary's valuation report; and
- agreed 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 have completed our work in this area and have no significant matters to report in relation to this risk. We have reported an immaterial unadjusted misstatement of £3.045 million identified by the pension fund auditor. This misstatement does not affect the primary statements and is disclosure in nature. This is outlined further in section 6 of our report.

Significant findings (continued)

New accounting system

Description of the management judgement

The Council moved to a new financial accounting and reporting system, Oracle Fusion, in 2023/24. The Council has found Implementing the new system challenging and it has taken longer than planned.

There are risks with implementing a new system and migrating data from a legacy system. This includes the risk that data transferred is incomplete or inaccurate potentially resulting in a material misstatement in the financial statements.

How our audit addressed this area of management judgement

We addressed this risk by:

- reviewing the design and implementation of IT general controls within the new system.
- verifying the completeness and accuracy of the data migrated to Oracle Fusion by performing data reconciliation, validation checks and sample testing of balances.

Audit conclusion

The Council planned for the new system to go live on 4 December 2023. It appointed an external contractor to support the implementation forming an implementation team. As part of the planned implementation phases the team identified the need for further work. This was specified and requested by the Project Board to ensure the safe implementation of the system and to provide assurances in respect of data issues. The implementation team identified these issues from reconciliations and data cleansing during trial data migrations and user acceptance testing. As a result, the Board agreed a replan for the project and a revised system implementation of 19 February 2024, which was achieved.

We reviewed the Council's project management and governance arrangements for implementation of the new system. We found evidence that it had effective arrangements in place, including a clear business case and project plan, regular reporting to the Board, and a sound justification for the replan. There was a gap between closure of the legacy accounts payable, accounts receivable and general ledgers and the migration to the new system. The Council closed the legacy ledgers between 31 January and 2 February 2024 and migrated to the new system between 10th and 15th February 2024. This delay, combined with data reconciliations being carried out retrospectively, increases the risk of error. See control recommendation reported in Section 5.

(continued overleaf)

Significant findings (continued)

New accounting system (continued)	We carried out testing to ensure relevant data was completely and accurately migrated from the legacy systems to Oracle Fusion. This work focused on the general ledger and the accounts payable and accounts receivables sub-ledgers. We identified the following sub-ledger differences: • For accounts payable, we identified an absolute difference of £461,782 between outstanding invoice amounts in Oracle EBS (legacy accounting system) and Oracle Fusion. The net difference is £8,152. • For accounts receivable, we identified an absolute difference of £342,932 between outstanding balances in the ASH (legacy debtor system) and Oracle Fusion. The net difference is £181,774. The net differences are below our clearly trivial reporting threshold, and we are satisfied that they do not present a risk of material misstatement. We identified some control deficiencies from our review of the design and implementation of IT general controls within the new system, however none of these were significant deficiencies. See section 5 for details.

Significant findings (continued)

Liabilities from service concession arrangements

Description of the management judgement

The council has a Public Private Partnership (PPP) contract for the construction and maintenance of six secondary schools and related facilities.

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 recognised an asset of £119 million and a liability of £70 million for service concession arrangements in its 2022/23 financial statements.

The method of accounting for service concession arrangements can be complex and involves management judgement. The council has identified it as a critical accounting judgement. There is a potential risk of material misstatement if the Council does not appropriately account for its service concession arrangements.

How our audit addressed this area of management judgement

To address this risk, we:

- reviewed the Council's adopted approach for accounting for its PPP arrangements;
- reviewed any changes from prior years in the long-term financial model used;
- critically reviewed the assumptions made by management; and
- assessed the completeness and accuracy of disclosures.

Audit conclusion

We have completed our work in this area and have no significant matters to report in relation to this risk.

Significant findings (continued)

Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets, published in November 2022, appropriately tailored to the Council's circumstances.

Unaudited accounts were received from the Council on 8 July 2025 and were of a reasonable quality. However, we found significant misstatements in the primary statements and disclosures, in number and monetary amount, through our audit work. The misstatements we have identified are documented in full in Section 6.

Significant matters discussed with management

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

- **Annual accounts submission** - The Local Authority Accounts (Scotland) Regulations 2014 state that "The Annual Accounts must be submitted to the auditor no later than 30th June immediately following the financial year to which the Annual Accounts relate.". The Council was unable to comply with this statutory obligation.
- The regulations do not provide any specific remedy which enables the Section 95 Officer to adjust the timetable for the inspection period and subsequent consideration of the unaudited accounts by a relevant committee. The regulations also do not specify any sanctions or additional reporting requirements that apply in the event of non-compliance.
- We are satisfied that the Council took appropriate action to address this non-compliance. This included:
  - Issuing a Technical Note to all Elected Members, publicising the requirements of the Local Authority Accounts (Scotland) Regulations 2014. This included the Accounts being publicly authorised for issue as well as recognising that these were delayed.
  - The unaudited accounts being published on the Council's website on the 10 July 2025 and made available for public inspection.
  - The unaudited Accounts being formally considered by the Audit and Risk Management Committee on 18 September 2025.
  - **Data migration** – During 2023/24, the Council transitioned its general ledger system from Oracle R12 EBS to Oracle Fusion ERP, which involved a significant data migration in February 2024. To support this process, we engaged our internal Data Analytics team to assist with the migration work. We have documented the outcome of this work on pages 19 and 20.

Significant difficulties during the audit

During the audit, we had the full co-operation of management, however we encountered several challenges during the audit, including the following:

- **Audit evidence to support data migration testing** – We shared an audit deliverables list and held discussions with officers on our planned work in April 2025. There was a significant delay in officers providing the information requested and we received responses to our final queries on 17th December. We recognise that obtaining the relevant information has been a complex and iterative process for officers.
- **Income and expenditure testing** – We encountered challenges in obtaining transaction listings at an individual transaction level. We received the transaction listings on 16th October. We also had difficulty obtaining assurance over the completeness of the reports provided by officers, due to the data migration referenced above, which we received on 17th December.

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Significant findings (continued)

Significant difficulties during the audit (continued)

- **Related parties** – we experienced a significant delay in officers providing the Council's declarations of interest forms for officers and elected members. These were not publicly available on the Council's website. They were not provided until 27th November. In 2022/23 we raised an internal control recommendation in relation to this issue. This recommendation has not been addressed in 2023/24, as detailed on page 31.
- **Exit packages** – we experienced challenges obtaining explanations and supporting documentation to support the classification of exit packages. We did not receive the final explanations until 25th November.
- **Loans and borrowings and cash and cash equivalents** – we have experienced a significant delay in obtaining external confirmations to support the Council's year end balances. We received the last external bank confirmation on 26th January.
- **Debtors and creditors** – we experienced challenges when selected samples for debtors and creditors testing due to suspense accounts which contained longstanding uncleared balances. This was discussed with management throughout the audit, with the last response obtained on 20th November.
- **Payroll** – we had difficulty obtaining payroll reports from management. This was because the payroll reports could not be generated from the HR system. Instead, we had to take the reports from the general ledger. In the future, payroll reports should be generated from the HR system.
- **Property, plant and equipment** – management has not maintained a sufficiently detailed fixed asset register to allow for the proper recognition and derecognition of asset components. This has resulted in significant challenges for the audit team and several adjustments to the financial statements, including to prior periods. In addition, management did not provide a full reconciliation of the fixed asset register to the accounts and the valuation report. This meant that we faced significant difficulties in performing these reconciliations ourselves and ultimately led to us identifying several issues which had resulted in misstatements to the annual accounts.

Significant findings (continued)

Wider responsibilities – porting

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 port 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.
- 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.
- 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.

We have identified significant matters in relation to the late reporting of the accounts (see page 22). The Controller of Audit has therefore decided to use the reporting powers available to them under s102(1) of the Local Government (Scotland) Act 1973 to bring these matters to the Accounts Commission's attention.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We will submit this information to the NAO after the conclusion of the audit.

05

Internal control conclusions

Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of 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 Council's internal controls, we are required to communicate to Audit and Risk Management 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 necessary control 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 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 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.

The deficiencies Council's internal controls that we have identified as at the date of this report are in set out on the following pages.

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 Audit and Risk Management 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.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by Audit and Risk Management Committee and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Internal control conclusions (continued)

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future. All the deficiencies reported relate to our audit of the Council. We did not identify any deficiencies in internal control for East Dunbartonshire Council Charitable Trusts.

1. Reconciliations

Description of deficiency

Reconciliations are prepared by individuals listed on the reconciliation schedule maintained by the Council. A finance officer prepares a consolidated reconciliation monitoring schedule which is approved by the Chief Finance Officer. However, from our Cash and Bank, Accounts Payable, Accounts Receivable, Borrowings and Nominal Ledger system walkthroughs, we identified that the initial review and approval of the reconciliations is not always clearly documented.

Potential effects

If reconciling items are not fully investigated there is a risk that potential financial statements misstatements are not identified and corrected.

Recommendation

The Council should implement a clear approval process for all reconciliations.

Management response - The Council's Chief Finance Officer will reinforce protocols to ensure that responsibility for the completion of the initial reconciliations is clearly documented.

Responsible officer – Finance & Digital Services

Implementation date – February 2026

Internal control conclusions (continued)

Other deficiencies in internal control (continued)

2. iTrent User Access Review

Description of deficiency

Employee Services team members self-review their own access rights for the iTrent payroll system. The Council does not carry out a regular audit of iTrent access to ensure all access permissions are appropriate.

Potential effects

There is a risk that individuals have unauthorised or inappropriate access rights and permissions.

Recommendation

The Council should ensure user access rights are independently reviewed at regular intervals.

Management response - System administrators within the Employee Services Team have access to the system in both an operational and administrator capacity. This is expected of their role. In implementing the new HR system consideration will be given to ensure that there are any further controls that may be helpful to mitigate this risk, for example, where there are two or more system administrators individuals authorise their peer rights within the operational system.

Responsible officer – Customer Services and Organisational Development

Implementation date – August 2026 (Aligned to HCM Implementation date)

Internal control conclusions (continued)

Other deficiencies in internal control (continued)

3. Data migration

Description of deficiency

The Council moved to a new financial accounting and reporting system, Oracle Fusion, in 2023/24. There was an gap between closure of the legacy accounts payable, accounts receivable and general ledgers and migration to the new system. The Council closed the legacy ledgers between 31 January and 2 February 2024 and migrated to the new system between 10^{th} and 15^{th} February 2024. This delay, combined with data reconciliations being carried out retrospectively, increases the risk of error.

Potential effects

Not performing reconciliations in a timely manner reduces the likelihood that discrepancies are detected and corrected in a timely manner.

Recommendation

For future major system changes, the Council should:

- minimise the period between closure of the legacy system and the new system going live
- ensure data reconciliations are performed immediately after migration.

Management response – Reconciliations were carried out at the time for the migration. However, these were not in the format required by external audit with additional work then specified to provide the required assurance.

Responsible officer – Chief Finance Officer

Implementation date – December 2025

Internal control conclusions (continued)

Other deficiencies in internal control (continued)

4. URR accrual

Description of deficiency

Through our testing we identified a significant volume of expenditure transactions which had been incorrectly recognised at values far in excess of their true value. These have now been corrected by officers. This was due to information relating to the transactions being incorrectly entered into the Council's ledger system, with data being entered into the wrong field (for example, the quantity of an item being entered as its value, in error). The transactions are posted as part of a month end accrual for goods received not yet invoiced. Whilst management have been able to satisfactorily demonstrate that the errors were identified and corrected, the issue appears to be ongoing.

Potential effects

If errors of this nature are not identified there could be a material impact on the accuracy of the financial statements.

Recommendation

Management should seek to improve training about the use of the system, and where possible implement controls to prevent the error occurring, or to ensure that all errors of this nature are identified and corrected on a monthly basis.

Management response – The URR accrual serves as a process where potential erroneous transactions may have occurred and seeking remedy. Any errors identified as part of the URR accrual process are corrected by Officers before the period close. These are often issues of weights/measurements in the ordering process which can occur however, once identified, Finance Officers contact the individual raising the order to ensure that it is corrected. In that sense the Council are aware of the risk and have introduced a process to manage the potential that the risk occurs.

Officers are in contact with Oracle to understand the potential that previous additional controls within the ordering system, where a 'are you sure' notification was generated, can be reinstated. This does not seem to be an option with the potential continues to be discussed.

Responsible officer – Chief Finance Officer

Implementation date – December 2026

Internal control conclusions (continued)

Follow up on previous internal control points

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

1. Related Parties – Register of Interest – Level 2

Description of deficiency

The Council is required to disclose all transactions with related parties in the annual accounts where the transactions are material to either party. In our opinion the Council could enhance its process for identifying related party transactions by requiring councillors and senior officers to review and, if necessary, update their declarations of interest on an annual basis as opposed to when new declarations are made.

Potential effects

There is a risk that the Council does not identify all material related party transactions and consider these for disclosure in the accounts.

Recommendation

The Council should consider requiring declarations of interest to be updated annually to coincide with preparation of the annual accounts.

2023/24 update

Incomplete. We identified several disclosure misstatements relating to the related parties in 2023/24. However, these related largely to over disclosure outwith the requirements of IAS 24 and no instances of unidentified related parties were found.

Management response - The Council complies with the required codes of conduct with processes in place aligned to the guidance. Suitable disclosures, made following a review of relevant returns by the Chief Solicitor and Monitoring Officer, are reflected in the Council's financial statements. Following the implementation of Modern.gov there are plans in place to develop the reporting functionality within this system.

Responsible officer – Legal and Regulatory Services

Implementation date – November 2026

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

2. Loans and borrowings – Level 3

Description of deficiency

We were unable to reconcile the start and expiry dates for the Council's long-term borrowing from direct lender confirmation to the Logotech treasury management system. We discussed this with officers who confirmed that this was an error in the Logotech system and that the dates on the system will be updated.

Potential effects

Recording incorrect information on loans and borrowings may lead to inaccuracies in the financial statements.

Recommendation

Management should put arrangements in place to ensure the accuracy of information in the Logotech system is regularly reviewed.

2023/24 update

Closed. In 2023/24, the Council appropriately updated the Logotech system, and our testing identified no issues when reconciling our direct confirmations to the system. This recommendation has therefore been addressed.

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

3. Fixed Asset Register reconciliation to accounts – Level 2

Description of deficiency

The Property, Plant and Equipment (PPE) note in the annual accounts does not reconcile to the fixed asset register, predominantly for council dwellings. Although the overall difference is not material, there were several variances identified under each asset category in the PPE note in the annual accounts.

Potential effects

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

Recommendation

Management should perform annual reconciliations between the fixed asset register and annual accounts to ensure discrepancies are identified and resolved promptly.

2023/24 update

Incomplete. Our work performed in 2023/24 identified that the initial fixed asset register did not agree to the financial statements. The audit team was eventually able to reconcile the fixed asset register to the financial statements and the valuation report. However, in the process of doing so, several assets were identified which had not been subject to revaluation. This led to the identification of several non-material errors and adjustments to the financial statements. Therefore, this recommendation remains open, and we further recommend that annual reconciliations should include the reconciliation of the fixed asset register to the valuation report, in addition to the financial statements. The reconciliation of the fixed asset register identified several issues with duplicated assets, misclassified assets and assets recognised which were not owned by the Council, demonstrating the importance of this work. The Council should review its asset register for 2024/25 to ensure it has identified and resolved all such issues.

Management response – An updated reconciliation was carried out in 2023/24 that included a reconciliation from the PPE Note to the Logotech System to the Ledger. There were subsequent issues resolved as apart of the audit process, but this work was included for audit at an early stage and is in place.

Responsible officer – Chief Finance Officer

Implementation date – In place

Internal control conclusions (continued)

Follow up on previous internal control points (continued).

4. Property Floor Plans – Level 2

Description of deficiency

During our asset valuation sample testing we identified discrepancies between the areas within floor plans and the areas used by management's valuation expert for revaluing Council buildings. We have concluded that these discrepancies did not result in material misstatement of the assets. However, this is an area officer should monitor closely in future valuations.

Potential effects

Inaccurate area measurements may result in misstatement of property, plant and equipment in the annual accounts.

Recommendation

Management should put arrangements in place to fully review the accuracy of data provided to valuers.

2023/24 update

Closed. In our 2023/24 valuations testing, we did not identify any issues when reconciling the floor areas used in the valuations of the Council's buildings. This control recommendation has therefore been addressed.

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

5. Valuation of Council Dwelling Additions – Level 2

Description of deficiency

The council has not valued new build council dwellings recognised at 31 March 2023 in line with the accounting policy disclosed in the annual accounts, which is “The fair value of Council dwellings shall be measured using existing use value – social housing (EUV-SH).”. We have confirmed that valuing these assets under the appropriate approach would not result in a material adjustment to the carrying value of council dwellings.

Potential effects

Non-compliance with accounting policies increases the risk of the financial statements being materially misstated.

Recommendation

The council should ensure valuations are carried out in line with its accounting policies and the Code of Practice on Local Authority Accounting.

2023/24 update

Incomplete. Through our audit testing for 2023/24 we have identified that this continues to be an issue. This issue has formed part of the errors and misstatements identified through our testing which relate to both the current and prior periods. A summary of the issue can be found in Section 6.

Management response – Our understanding of this point was that this was introduced in 2023/24 on the recommendation of auditors in the previous year. We also recall this being that subject of subsequent audit scrutiny. We will continue to engage with auditors to understand any residual issues and include this within future audit work.

Responsible officer – Chief Finance Officer

Implementation date – September 2026

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

6. IT General Controls – Privileged access – Level 2

Description of deficiency

We identified that Finance System Administrators are tasked with configuring the system, including user setup, password resets, and defining access levels. User access request forms were unavailable for four users out of 15. We found no compensating controls in place for these roles and no specific policies governing their responsibilities.

Potential effects

The creation of fictitious users could facilitate unauthorised payment approvals and the submission of fraudulent journal entries, potentially leading to financial fraud.

Recommendation

The Council should establish role-based access management controls to restrict user access, ensuring that management of these controls is limited to IT personnel.

The Council should also ensure its IT policies include appropriate processes and controls for user access.

2023/24 update

Incomplete. Our review of the Council's IT General Controls highlighted that HR personnel remain able to manage Oracle Fusion's user access, as opposed to it being limited to IT personnel. The Council have also not developed a user access management policy in 2023/24. This control recommendation has therefore not been addressed.

Management response - The Council structures are designed to include system administrators for key financial systems within relevant services. These requirements are included within relevant role profiles. Overarching system accesses are managed by the ICT Service ensuring that starters, leavers and other changes are managed effectively. These accesses continue to be reviewed throughout the year and no other changes are proposed with this risk being accepted.

Responsible officer – Finance & Digital Services

Implementation date – Ongoing

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

7. IT General Controls – Leavers – Level 2

Description of deficiency

A user left the Council on 9 September 2022. However, their access to Oracle was not terminated until October 4, 2022, which was 25 days after their dismissal. We have confirmed that the user did not log in after their dismissal.

Potential effects

Prolonged or incomplete revocation of access increases the risk of unauthorised entry to sensitive data, leading to potential data breaches. Departing employees may misuse their ongoing access to steal information, disrupt systems, or carry other harmful actions.

Recommendation

The Oracle System Administrator's notes should specify a reasonable timeframe for revoking access when an employee leaves the Council.

The Council should also consider implementing automated access management systems and ensure that access revocation is integrated into the offboarding process without delay. Conducting regular audits of access rights will also help uphold security and compliance.

2023/24 update

Incomplete. As part of our IT General Controls, we identified that a leaver remained on the system for six months before access was removed. Timely removal of user access rights has therefore not been addressed in 2023/24. We also noted that no amendments had been made to the Oracle System Administrator notes to document the access management controls implemented. Automated access management has also not yet been implemented. This control recommendation has therefore not been addressed.

Management response - On termination of employment all ICT equipment is returned and overriding system access removed. These overriding controls prevent access to supporting systems including the ledger. Officers recognise that there have been delays in leavers lists being cascaded and whilst this is not per usual timescales the risks identified above are generally contained. No further action is proposed with this risk being accepted.

Responsible officer – Finance & Digital Services

Implementation date - Ongoing

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

8. IT General Controls – User access review – Level 3

Description of deficiency

Our testing of user rights identified an officer who is the system administrator and conducts user access audits. We noted that the finance officer self-reviews their own access rights.

Potential effects

Self-review increases the risk that unnecessary or authorised access rights and permissions are retained.

Recommendation

The Council should ensure access rights are independently reviewed.

2023/24 update

Incomplete. As part of our IT General Controls Testing, we identified that there was no periodic review of user access rights in 2023/24. A User Access Management Policy has also not been introduced yet. This control recommendation has therefore not been addressed.

Management response - The team will implement secondary checks of the biannual user access audits to ensure appropriate segregation of duties. Given that the audit engagements are delayed this will be carried out in 2026/27.

Responsible officer – Finance & Digital Services

Implementation date – November 2026

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

9. Cash and bank reconciliation – Level 2

Description of deficiency

Officer did not provide cash and cash equivalents working papers clearly reconciling items between bank statements and the general ledger. We spent significant time carrying out our own reconciliation exercise to ensure the accuracy of the balances disclosed in the annual accounts.

Potential effects

The absence of a robust process for reconciling bank balances to the general ledger may result in incorrect or incomplete disclosures in the annual accounts.

Recommendation

Management should put arrangements in place to provide a reconciliation between bank balances and the general ledger which clearly identified and explains any reconciling items.

2023/24 update

Closed. We did not identify any issues from our 2023/24 audit work on cash and cash equivalents. This control recommendation has therefore been addressed.

Internal control conclusions (continued)

Follow up on previous internal control points (continued)

10. Annual review of land and property valuations – Level 2

Description of deficiency

For those categories of assets not revalued in 2021/22 the Chief Finance Officer has documented how the council has concluded that in the absence of a recent revaluation, the asset values in the annual accounts are fairly stated. Documentation of these considerations should be produced annually to ensure the revaluation programme is frequent enough to provide assurance that asset values are fairly stated in the accounts.

The council is also required to consider whether, for those assets not revalued in year, there are any indications that an asset may have been impaired. Although the council undertakes an annual impairment review, the evidence of this review is not formally documented.

Potential effects

Asset values are not fairly stated in the accounts.

Recommendation

In future years, the consideration of whether there has been a material movement in asset values, should include what percentage movement would trigger a revaluation. This should be done in advance of the review of market indices or assessment from the valuer.

A formal impairment review should be undertaken and documented on an annual basis.

2023/24 update

Incomplete. We concluded in 2022/23 that the first part of the reconciliation was complete. However, during the 2023/24 audit we identified assets which had been brought into use from assets under construction during the year for which no impairment review was conducted (which would have been our expectation). We were also not provided with a formal management impairment review of the asset portfolio as a whole. Therefore, we have concluded that this control recommendation has not been addressed.

Management response – We acknowledge that this was generally concluded however incidences were identified that revaluations were not carried out when moving asset categories. This will be addressed and reinforced going forward.

Responsible officer – Chief Finance Officer

Implementation date – September 2026

06

Summary of misstatements

Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £336k.

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust.

We received an adjusted set of financial statements from officers on 2 June 2026. This means we have not had sufficient time to complete all our audit procedures on some of the adjustments reported below. Where this is the case, the adjustments have been identified as "unaudited". Due to the status of the audit, we may identify further misstatements. We will include details of any changes to the misstatements in our follow-up letter. Please refer to Section 2 for further details on the status of the audit.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Annual Audit Plan, issued on 13 March 2025. Any subsequent changes to those figures are set out in the section 3 of this report.

Unadjusted misstatements

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 you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
1. HRA expenditure				
DR Creditors – accruals			503	
CR Housing Revenue Account (HRA) Expenditure		503		
We identified an error of £16,000 in our HRA expenditure testing. This error was an overstatement of HRA expenditure caused by an uncorrected historical purchase order receipt that was never valid or paid. We extrapolated this error across the rest of the population, giving an extrapolated uncertainty of £0.503 million. Management amended the £16,000 error; however, this is trivial and therefore we have not reported it.				

Summary of misstatements (continued)

Unadjusted misstatements (continued)

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
2. Inappropriate accrual of capital additions				
DR Creditors – accruals			1,540	
CR Property, plant and equipment - additions				1,540
We identified an error of £105,000 in our additions testing which related to an accrual posted for construction work which did not occur, resulting in the overstatement of additions and accruals. We extrapolated this error across the rest of the additions population, giving an extrapolated uncertainty of £1.540 million.				
3. Joint equity properties				
CR Property, plant and equipment				3,368
DR Debtors			2,675	
DR Expenditure (general fund)	693			
The Council has previously sold several housing properties under a joint equity scheme. Whilst the Council retains an equity share in each of these properties, this share is a minority share, and ownership of the properties has been transferred to the majority equity shareholder under the scheme. We identified that the Council was still recognising £3.368 million worth of these properties on its balance sheet as property, plant and equipment (PPE). The value of these properties will need to be removed from PPE and the Council's share of the equity should be re-recognised as a debtor/investment, depending on what is determined to be the appropriate accounting treatment under the scheme.				

Summary of misstatements (continued)

Unadjusted misstatements (continued)

Details of adjustment	CIES	CIES	Balance Sheet	Balance Sheet
	Dr (£ ‘000)	Cr (£ ‘000)	Dr (£ ‘000)	Cr (£ ‘000)
4. Duplicate assets recorded in the fixed asset register				
CR Property, plant and equipment				422
DR Unusable reserves			422	
We identified five assets, with a total value of £0.422 million, which had been duplicated in the Council’s fixed asset register and therefore double counted in the property, plant and equipment figure on the balance sheet.				
Aggregate effect of unadjusted misstatements	**693**	**503**	**5,140**	**5,330**

We will obtain 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 (continued)

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 Audit and Risk Management Committee should be made aware of.

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ ‘000)	Cr (£ ‘000)	Dr (£ ‘000)	Cr (£ ‘000)
1. Unrecorded payments and receipts	Factual				
DR Bank				8,103	
DR Creditors				355	
CR Debtors					8,458
We identified a misstatement relating to a revenue feeder account from our debtors testing. The Council made pre-year end payments, but did not process these through the financial ledger. This resulted in debtors and creditors being overstated and cash and cash equivalents being understated. The error was material and has therefore been adjusted by the Council. This affects other areas of the annual accounts, including the Cash Flow Statement and Financial Instruments notes.					
2. Revaluation of asset brought into use on construction	Factual				
DR Cost of services expenditure		5,248			
CR Property, plant and equipment					5,248
We identified an asset under construction which had been brought into use during the year, but had not been subject to a revaluation upon construction. Upon assessing the asset’s value management have identified an impairment of £6.398 million.					

Summary of misstatements (continued)

Adjusted misstatements (continued)

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
3. Asset held for sale	Factual				
DR Cost of services expenditure		350			
DR Property, plant and equipment				630	
CR Assets held for sale					980
An asset shown as 'held for sale' with a value of £0.980 million was no longer planned to be sold, and therefore has been transferred to property, plant and equipment as a council dwelling. In the revised classification, as a council dwelling property, the asset should have been valued on a different basis, and this has resulted in a valuation loss of £0.350 million and the property now carrying at a value of £0.630 million.					
4. Council dwelling components	Factual				
DR OCI surplus on revaluation of PPE assets (revaluation reserve)		12,107			
CR Cost of services expenditure (Capital adjustment account)			2,717		
CR Property, plant and equipment					9,391
In previous years the Council made capital improvements to its council dwelling stock. However, due to the asset register not holding a sufficient level of detail, the capital additions were recognised at cost and in aggregate. This has caused issues whereby the capital additions are therefore being measured on a different basis to the underlying council dwelling asset, and the replaced components associated with the capital additions have not been appropriately written out. This means that upon revaluation the value of those additions has in effect been double counted. This issue has resulted in a £18.897 million adjustment to the prior period opening position, a £2.171 million adjustment in the 2022/23 year and a £9.391 million adjustment in the 2023/24 year.					

Summary of misstatements (continued)

Adjusted misstatements (continued)

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
5. Correct health and social care partnership figures DR Cost of services expenditure CR Cost of services income The initial set of financial statements submitted for audit included incorrect figures for the income and expenditure associated with the Integration Joint Board (IJB). Due to the nature of the relationship with the IJB, both the income and the expenditure have been increased by the same £3.777 million such that there is no net impact.	Factual	3,777	3,777		
6. Netting off cash assets and liabilities DR Cash and cash equivalents – asset CR Cash and cash equivalents – liabilities The draft financial statements presented £10.999 million of cash assets and £23.825 million of cash liabilities (figures after correction for adjustment 1, on page 45) net of one another. This netting off is not allowable presentation, therefore the accounts have been amended to show the two balances separately on the balance sheet.	Factual			2,896	2,896

Summary of misstatements (continued)

Adjusted misstatements (continued)

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
7. Late accounts adjustments	Factual				
CR Cost of services expenditure – HRA (capital adjustment account)			818		
CR Cost of services expenditure – Assets & facilities (capital adjustment account)			178		
CR Gain on disposal of non-current assets			605		
DR OCI surplus on revaluation of PPE assets (revaluation reserve)		2,780			
CR Property, plant and equipment					1,179
The initial set of financial statements submitted for audit did not include an adjustment which was required to full reconcile to the fixed asset register. This was posted after the preparation of the draft accounts and has been included in the final accounts.					
Aggregate effect of adjusted misstatements		**24,262**	**8,095**	**11,984**	**28,152**

Summary of misstatements (continued)

Adjusted misstatements (continued)

In addition to the misstatements noted on the previous pages there have been several adjustments to the Council's Cash Flow Statement and Group Financial Statements. These are noted below:

Details of adjustment	Nature	Increase/DR	Decrease/CR
		(£ '000)	**(£ '000)**
8. Cash Flow Statement adjustments	Factual		
Cash flows from operating activities:			
Increase/(decrease) in debtors		5,471	
(Increase)/decrease in creditors		17,339	
Cash flows from investing activities:			
Purchase of fixed and intangible assets			4,481
Sale of fixed and intangible assets			36
Other receipts from investing activities			18,365
Several adjustments were required to the Cash Flow Statement to properly present the Council's capital debtors and creditors.			
9. Group CIES			
DR Group CIES - Actuarial (gains) or losses on pension assets and liabilities		449	
CR Group CIES - Chief Executive / Joint Boards / Miscellaneous			449
£0.449 million of actuarial losses in the East Dunbartonshire Leisure & Culture Trust had initially been disclosed as miscellaneous expenditure as opposed to actuarial gains or losses.			

Summary of misstatements (continued)

Adjusted misstatements in the prior period

Adjustments have been made to the financial statements which have impacted on the prior period figures shown as comparators.

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
1. Netting off cash assets and liabilities DR Cash and cash equivalents at 31 March 2023 – asset CR Cash and cash equivalents at 31 March 2023 – liabilities The issue identified and explained for adjustment 6, on page 47, was also found to have been applied to the comparator figures for the cash and cash equivalents at 31 March 2023. The Council have amended the prior period figures to align with the correct accounting treatment.				6,483	6,483
2. Presentation of the Group's share of the results of the Integration Joint Board DR Share of the Operating Results of Joint Ventures (Group Comprehensive Income and Expenditure Statement) CR Investment in Associates & Joint Ventures (Group balance sheet) The 2022/23 figure for the Group's 'share of the operating results of joint ventures' has been restated from a £3.464 million credit balance to an equal value debit balance, as this was mispresented in the prior period accounts.		6,928			6,928

Summary of misstatements (continued)

Adjusted misstatements in the prior period

Adjustments have been made to the financial statements which have impacted on the prior period figures shown as comparators.

Details of adjustment	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
3. Council dwelling components					
DR Unusable reserves at 01 April 2022				18,897	
CR Property, plant and equipment at 01 April 2022					18,897
DR Cost of services expenditure for the year 2022/23 (Capital adjustment account)		2,171			
CR Property, plant and equipment at 31 March 2023					2,171
In previous years the Council made capital improvements to its council dwelling stock. However, due to the asset register not holding a sufficient level of detail, the capital additions were recognised at cost and in aggregate. This has caused issues whereby the capital additions are therefore being measured on a different basis to the underlying council dwelling asset, and the replaced components associated with the capital additions have not been appropriately written out. This means that upon revaluation the value of those additions has in effect been double counted. This issue has resulted in a £18.897 million adjustment to the prior period opening position, a £2.171 million adjustment in the 2022/23 year and a £9.391 million adjustment in the 2023/24 year.					
Aggregate effect of adjusted misstatements		**9,099**		**25,380**	**34,479**

Summary of misstatements (continued)

Disclosure misstatements (Council)

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

1. Movement on the HRA Statement – The Council have amended the total adjustments between accounting basis and funding basis figure from £12,586k to £23,580k to be in line with the Movement in Reserves Statement.
2. Contingent Liabilities – The Council have amended the disclosure to include a contingent liability that was initially omitted from the note.
3. Events After the Balance Sheet Date – The Council have moved the Virgin Media Limited v NTL pension Trustees II Limited disclosure from Note 5 to Note 4 Contingent Liabilities. The Council have also updated the disclosure to reflect the further developments in the case since the unaudited accounts were issued.
4. Financial Instruments – The Council have amended several figures in the financial instrument disclosures due to the revenue feeder adjustment outlined on page 45 (see adjusted misstatement no.1) and to ensure that the disclosures comply with the Code. These are as follows:
    - Cash and Cash Equivalents financial liability balance of £20.928 million has been amended to show a financial asset of £10.999 million and a financial liability of £23.825 million, after consideration of adjusted error 1, on page 45.
    - The Council have removed £9.500 million from long-term creditors as they do not meet the financial liabilities classification. They have also updated current creditors from £57.496 million to £45.004 million and current debtors from £25.581 million to £17.266 million.
    - Fair Value of PPP and Finance Liabilities has been amended from £86.304 million to £89.044 million.
    - The Council have amended this note to include Long Term Debtors and Cash and Cash Equivalents which were previously omitted.
5. Housing Revenue Account – The Council have reclassified one property within the ‘Bungalow’ category to ‘Semi-Detached’.
6. Property, Plant and Equipment – The disclosure relating to the statutory override for infrastructure assets initially omitted an explanation of the reasoning and effect of the application of this override.

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Summary of misstatements (continued)

Disclosure misstatements (Council)

7. Remuneration Report – The Council have made several changes to their remuneration report disclosures as follows:
    - Pension Entitlements of Senior Employees – The Council have amended the pension contributions of A Fegan from £11,624 to £11,713 and the prior period figures for G Bremner to align with the prior year audited financial statements.
    - Removal of C McDiarmid from the table of 'Remunerated Elected Member Positions Held During the Course of the Financial Year' as she was not remunerated by the Council, and;
    - Inclusion of W Hendry to the disclosures of Senior Councillors' Remuneration
    - Inconsistencies in the disclosed pension entitlement of S. MacDonald were found and adjusted from £4,108 to £4,118 leading to a similar adjustment to the table total from £61,803 to £61,813.
8. Related Parties – The Council have made several changes to their related party disclosures as follows:
    - Officers and Members Disclosure – The Council have amended both disclosures to only include transactions with controlling disclosed interests of Officers and Members.
    - Officers Disclosure - The Council have included a description of the nature of the Officers' related party.
    - Removal of nine entities previously disclosed which did not meet the criteria for a related party
    - Inclusion of a disclosure for Strathclyde Pension fund.
    - The disclosure in relation to Mugdock Country Park Joint Committee initially referred to an outdated minute of agreement.
9. Pension assets – It was identified that the total assets of the Scottish Pension Fund, of which East Dunbartonshire Council is a member, were understated. The Council's share of this misstatement has been determined to be £3.045 million. Because of the impact of the asset ceiling, there is no net impact on the balance sheet balance recognised and the impact is solely on the disclosure.
10. Provisions - The disclosure for provisions omitted the required analysis of the expected timing of the possible outflows.
11. Impairment Losses – Note 14 incorrectly disclosed impairments of £3.154 million in the year.
12. Heritage assets - The accounting policy for Heritage Assets initially lacked the required disclosures relating to the acquisition, preservation, disposal and general maintenance of the asset class.

Summary of misstatements (continued)

Disclosure misstatements (Council)

13. Management commentary – The Council have made several changes to their management commentary disclosures as follows:
    - The Management Commentary originally disclosed only Mugdock Country Park Joint Committee and the East Dunbartonshire Leisure and Culture Trust as subsidiaries omitting the Common Good and Trust Funds. This has been amended.
    - ‘Table 2: General Fund Revenue Outturn (Per Outturn) Reconciled to EFA’ within the Management Commentary did not reconcile to the EFA and required significant rework.
    - The Council have amended Table 7: Movement in Net Worth to reclassify the movement in cash and cash equivalents of £18.900 million from current assets to current liabilities
14. Group Financial Statements - The Council have made several changes to their group financial statements and disclosures as follows:
    - The list of non-consolidated group entities contained a number of entities which did not meet the criteria for group entities and were subsequently removed.
    - The ‘Financial Impact of Consolidation’ note disclosed an incorrect Total Comprehensive Income/Expenditure for the IJB of -£3.464 million which was adjusted to £3.464 million.

The Council also amended for several minor presentational errors.

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

1. The following disclosure requirements for finance leases are omitted:
    - For each class of asset held under finance leases, a disclosure the net carrying amount at the Balance Sheet date.
    - A reconciliation between the total of future minimum lease payments at the Balance Sheet date, and their present value.
2. The financial statements omit the required disclosures in relation to capital commitments.
3. There are several references throughout the accounts to the ‘Mugdock Country Park’, which should be stated as the ‘Mugdock Country Park Joint Management Committee’ to differentiate between the park itself and the committee responsible for its management.
4. An asset, classified as ‘other land and buildings’ was identified as being more appropriately classified as a ‘community asset’ and has been represented as such.

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

We did not identify any misstatements above our reporting threshold during the audit of East Dunbartonshire Council Charitable Trusts. We identified some minor disclosure misstatements which were corrected by officers.

07

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 2023/24 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 risks?	Actual risks identified?	Other recommendations made?
Financial management	59-64	Yes – see page 59.	Yes – see page 59.	Yes – see pages 65 and 66.
Financial sustainability	68-69	No	No	Yes – see page 70.
Vision, leadership and governance	72-77	No	No	Yes – see page 78.
Use of resources to improve outcomes	80-83	No	No	No

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	Risks identified
Financial management culture	The Council's senior management is led by the Corporate Management Team, comprising the Chief Executive, two Depute Chief Executives, the Chief Solicitor, the Chief Finance Officer, and the Chief Officer of the Health and Social Care Partnership (HSCP). This team is supported by a broader Senior Management Team, which includes all members of the Corporate Management Team, Executive Officers, Council-employed HSCP Heads of Service, and the General Manager of East Dunbartonshire Leisure and Culture Trust (EDLCT). During the 2023/24 and 2024/25 financial years, the Council implemented a new financial ledger system. This transition has significantly impacted the capacity of officers to respond promptly to audit queries. Additionally, delays in the 2022/23 audit process have had a knock-on effect on 2023/24 delivery, as internal reporting and year-end budgeting have taken precedence over audit-related activities. The Council maintains a Code of Corporate Governance aligned with the core principles of the CIPFA/SOLACE "Delivering Good Governance in Local Government" framework. Key components of the Council's internal control system include: - An administrative scheme outlining roles and responsibilities - A scheme of delegation for committees and officers - Financial regulations and standing orders - Codes of conduct for both employees and elected members - A structured training programme for new and returning councillors - A comprehensive risk management policy and strategy, supported by corporate and service-level risk registers - An annual review of the governance framework, including the system of internal control.	The Council can demonstrate budget consultation has influenced its budget decisions. Going forward the Council should consider whether the scope of the consultation could be widened to consider a broader range of budget and savings options. In addition, the Council has an appropriate financial management culture in place. It reviews its governance framework, including the system of internal control, at least annually. The Council has qualified and experienced finance officers, however there appears to be a lack of capacity in the finance team to support both the daily work of the Council and the audit of the 2023/24 annual report and accounts. The implementation of the new financial reporting system placed additional pressures on officers.	**Capacity of finance team** Lack of capacity in the Council's finance team has meant it has taken considerable time for officers to respond to some audit queries which has delayed completion of the audit. See page 57 for further information and our recommendations made to the Council.

Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial management culture (continued)	Regular updates are undertaken to ensure governance remains robust, such as the revised scheme of delegation approved by Council in 2024. The Council's approach to budget setting includes consultation with its residents. In October 2023, the Council launched its "Have YOUR Say" consultation on the 2024/25 budget. Running until 3 November 2023, the consultation invited residents to provide feedback on six key priorities, including cost of living support and potential increases in council tax and service fees. The Council has demonstrated that this consultation influenced budget decisions, although there is scope to broaden future consultations to encompass a wider range of budget and savings options. The 2024/25 budget, proposed in March 2024, projected expenditure of £339.554 million against income of £328.913 million, resulting in an initial funding gap of £10.641 million. Through significant efforts, this gap was reduced to £9.253 million. Management efficiencies of £2.4 million and £5 million in politically agreed savings further reduced the residual gap to £1.8 million, which was met from reserves.		

Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Accountability	Officers report financial performance to the Policy and Resources Committee on a regular basis, including through General Fund Revenue Monitoring Reports. However, during 2023/24, the implementation of a new financial reporting system required significant officer involvement across multiple services. This major undertaking necessitated amendments to many of the Council's financial and operational processes, resulting in less frequent performance reporting during the year. Despite these operational pressures, financial forecasting remains embedded within the Council's financial management and reporting arrangements. The Council maintains a five-year financial outlook, incorporating best-case, worst-case, and mid-range scenarios. This scenario planning is supported by the Council's risk registers, which are updated annually to reflect emerging risks and their potential impacts. The updated risk register for 2024/25 has been completed and continues to inform both medium- and long-term financial planning. The Council's forecasting is also influenced by the Scottish Government's Medium-Term Financial Strategy. However, the accuracy of financial projections is increasingly challenged by external factors such as geopolitical instability and the ongoing cost of living crisis. These uncertainties have created a more volatile financial environment, which has a direct impact on the reliability of forecasts. Audit Scotland has highlighted sector-wide concerns regarding the short-term nature of financial information available to councils.	The Council's has a reasonable approach to financial forecasting and reporting. However, compared to prior years, there was less regular General Fund revenue monitoring reports, with only two updates issued in the year. This was due to the new financial management system being implemented which involved substantial work from officers and amended current processes. The Council has been able to deliver a balanced budget and in-year financial balance by using reserves, the level of which remains reasonable but is reducing year on year.	**Financial monitoring** The absence of regular budget monitoring reports limits the ability of elected members to appropriately scrutinise the Council's finances. See page 57 for further information and our recommendations made to the Council.

Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Accountability (continued)	This was noted in the 2023/24 Financial Bulletin, which acknowledged the limitations imposed by single-year funding settlements, ring-fenced allocations, and directed funding for specific Scottish Government policies. These constraints reduce local flexibility and present a known risk across the local government sector. The Council maintains a long-term financial plan, last updated in October 2024. This plan, presented in the form of a risk register, outlines the financial risks facing the Council and the associated mitigating actions. The Council faced significant challenges in 2023/24, including the use of limited, one-off reserves to provide short-term financial relief. The Council has acknowledged that once these reserves are depleted, there will be limited or no capacity to underwrite future budget gaps. In 2023/24, the Council's General Fund balance reached its lowest point since 2015. The Council participates in COSLA's Participatory Budgeting Reporting. This sets a 1% target for Local Authorities of 'total estimated expenditure for revenue, less assumed council tax intake'. The Council had total Participatory Budgeting of £9 million, significantly above the 1% target of £3.3 million.		

Financial management

Our overall assessment

<table>
<tr><th>Area assessed</th><th>Our findings</th><th>Our judgements</th><th>Risks identified</th></tr>
<tr><td>Accountability (Loans Fund)</td><td>Local authorities are required to maintain a Loans Fund. Loans Funds record internal advances made to the General Fund to match capital expenditure financed from external borrowing, and the repayment of those advances. Our audit work considered whether the Council made the necessary charge to the General Fund calculated in line with legislation and relevant guidance issued by the Scottish Government. We identified the following issues:

• The Council’s Loans Fund Repayment Policy states that the average asset life and average interest rate used to calculate repayments will be reviewed each year to ensure they are prudent. It confirms that the policy will be reviewed on an annual basis. The Treasury Management Strategy Report presented to the Council in September 2023 referenced consideration and approval of the Loans Fund Repayment Policy, but the policy was not included in the report or appendices so we could not confirm it was presented to the Council.
• We found no evidence that all the information required under the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 had been reported to the Council. This includes the opening balance of the loans fund, the value of new advances, the value of repayments, the closing balance, and a breakdown of future repayments in five-year periods.
• The Council’s Loans Fund Repayment Policy does not reflect its use of an average interest (pool) rate to calculate annual Loans Fund repayments.
• The Council took a Loans Fund holiday in 2022/23 by deferring repayment of Loans Fund charges by one year. This was permitted under Scottish Government Finance Circular 5/2022. The Council has not updated its accounting records to ensure that the deferred repayment is charged to the General Fund in the appropriate year.</td><td>We identified some areas where the Council is not operating its Loans Fund in accordance with its Loans Fund Repayment Policy. It is also not reporting to Council all the information required under the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.</td><td><u>Loans Fund reporting</u>
There is a risk that the Council cannot demonstrate that the Loans Fund is properly operated and its repayment policy is prudent.

See page 57 for further information and our recommendations made to the Council.</td></tr>
</table>

Financial management

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption	The Council's financial regulations are up-to-date and promoted within the Council. The Council did not identified any breaches in regulations in 2023/24. In relation to fraud and corruption, the Council has implemented a range of measures to manage risk and ensure accountability. These include a published Corporate Fraud and Corruption Policy, an Anti-Fraud and Corruption Framework, and a "Fighting Fraud Locally" Strategy. The Council also participates in the National Fraud Initiative (NFI), a biennial data-matching exercise that identifies potential errors or fraudulent transactions requiring investigation. No NFI exercise took place during 2023/24.	The Council appropriately monitored and promoted its financial regulations. It did not identify any breaches of regulations in 2023/24. It has appropriate arrangements to manage the risk of fraud and other irregularities, bribery and corruption.	No significant issues identified.

Financial management (continued)

Identified risks in financial management arrangements and recommendations for improvement

As a result of our work we have identified risks in the Council's financial management 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 G for further details.

	Financial management risks identified	Recommendation for improvement	Council response and implementation timescale
1	**Capacity of finance team – Level 1** The Council's finance team has experienced challenges implementing a new financial accounting and reporting system alongside its existing responsibilities. This has resulted in delays in the timetable for preparation of the 2023/24 annual report and accounts, and in responses to audit queries. There is a risk the finance team does not have the capacity to effectively support the Council to meet its statutory duties for budgeting and financial reporting.	The Council should review whether the finance team has sufficient capacity to effectively manage its responsibilities.	**Management's response -** Council plans for the implementation of its financial ledger system were acknowledged as a significant exercise which was challenging to resource within existing staffing capacity. However, plans to initiate this project were significantly impacted by delays in the 2022/23 audit which, by law, should have been completed prior to the initiation of the major ledger upgrade. This unplanned delay significantly impacted Finance Capacity with Officers seeking to manage ledger upgrade work, unanticipated audit work and business as usual. Workforce planning activities were, and continue to be, flexed to provide some additional capacity. The final delay to the 2022/23 Audit of over a year had a material impact on the 2023/24 audit of the financial statements but this was not due to the capacity of the Finance Team alone. The Capacity of the Finance Team is a key tenet of the ongoing service review which will conclude in June 2026. **Responsible officer –** Finance & Digital Services **Implementation date –** June 2026
2	**Financial monitoring – Level 2** Compared to prior years, there was less regular General Fund revenue monitoring reports, with only two updates issued in the year. The absence of regular budget monitoring reports limits the ability of elected members to appropriately scrutinise the Council's finances.	The Council should increase the frequency of financial performance reporting and monitoring.	**Management's response -** Council governance arrangements were flexed during the course of the year to accommodate ledger implementation work however monitoring reports were provided to Council, in summary form, rather than the normal Policy & Resources Committee. **Responsible officer –** Finance & Digital Services **Implementation date –** Arrangements have now reverted to normal.

Financial management (continued)

Identified risks in financial management arrangements and recommendations for improvement (continued)

	Financial management risks identified	Recommendation for improvement	Council response and implementation timescale
3	**Loans Fund reporting – Level 2** Local authorities are required to maintain a Loans Fund. Loans Funds record internal advances made to the General Fund to match capital expenditure financed from external borrowing, and the repayment of those advances. Our audit work considered whether the Council made the necessary charge to the General Fund calculated in line with legislation and relevant guidance issued by the Scottish Government. We identified some issues, see page 55 for details. There is a risk that the Council cannot demonstrate that the Loans Fund is properly operated and its repayment policy is prudent.	The Council should ensure its Loans Fund Repayment Policy is regularly, reviewed, updated and presented to Council. This should include all the information required under the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. The Council should also update its accounting records to ensure that the deferred repayment for its 2022/23 Loans Fund holiday is charged to the General Fund in the appropriate year.	**Management's response –** As significant amount of reporting is provided to elected members in relation to the Loans fund. This included new requirements of quarterly monitoring. These are highly technical Reports and it is challenging to ensure that these are easily understood albeit there may be areas for improvement. The format of these Reports is prepared in consultation with Treasury Specialists whom we have now engaged to review all technical aspects of the work. **Responsible officer – Chief Finance Officer** **Implementation date – October 2026**

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

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial planning	To achieve a balanced budget, the Council has increasingly relied on the use of reserves. This trend has continued over recent years, resulting in a significant reduction in reserve levels. By the end of the 2023/24 financial year, the General Fund balance was at its lowest level since 2015. The Council has acknowledged that this reliance on reserves is not sustainable, and once these limited, one-off reserves are exhausted, there will be little to no capacity to underwrite future budget gaps. The Council's Medium-Term Financial Plan (MTFP) plays a central role in financial planning. It includes a comprehensive financial model that projects funding gaps over a five-year period, using best-case, mid-range, and worst-case scenarios. The model incorporates sensitivity analysis to account for variations in key assumptions such as pay pressures, inflation, demographic changes, and funding levels. This approach enables the Council to assess the potential impact of different financial pressures and to plan accordingly. In addition to the MTFP, the Council has a Long-Term Financial Plan, last updated in October 2023. This plan is structured as a risk register, outlining the financial risks the Council faces and the mitigating actions in place.	The level of reserves remains reasonable, although balances have reduced year on year, with General Fund reserves at their lowest level since 2015 at 31 March 2024. The Council's financial planning system is effective in identifying financial sustainability risks. It will be crucial in identifying how the Council can address its financial challenges and allocate resources appropriately to deliver its priorities.	**Reserves** The Council's General Fund reserves are at the lowest level since 2015. There is a risk that reserves reduce to a point where they do not cover the Council's substantial projected future deficits. See page 62 for further information and our recommendations made to the Council.

Financial sustainability

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial planning (continued)	The Council's Strategic Planning and Performance Framework (SPPF) provides regular updates on financial planning and performance. On 22 February 2024, the Council approved its 2024/25 Budget, initially identifying a general fund budget gap of £1.840 million. However, subsequent late notifications increased this gap to £4.576 million. Following the completion of the budget process, the Council identified a total financial gap of £9.253 million for 2024/25 and a cumulative gap of £35.232 million across 2025/26 and 2026/27. To address these challenges, the SPPF outlined a series of actions and savings plans. These included budget reduction and income generation proposals amounting to £5.015 million in 2024/25, with a full-year impact of £7.283 million in 2025/26 and £7.506 million in 2026/27. These measures are critical to reducing the financial gap and ensuring the Council's long-term financial sustainability.		

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 G for further details.

	Financial sustainability risks identified	Recommendation for improvement	Council response and implementation timescale
1	**Reserves – Level 2** The Council's General Fund reserves are at the lowest level since 2015. There is a risk that reserves reduce to a point where they do not cover the Council's substantial projected future deficits.	The Council should work to identify efficiencies and savings options to reduce its reliance on reserves to balance budgets.	**Management's response -** Council have been well advised of the risks to future funding and that reliance on reserves cannot be sustained in the short term. Projections indicate that reserve balances are likely to continue to fall with more financial constraints required when Council sets its budget. **Responsible officer –** Chief Executive **Implementation date –** March 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	Risks identified
Clarity of plans to implement the vision	The Council has implemented an updated workforce strategy for 2024-27 to reflect the future shape of the organisation and how it will deliver services under a locality-based model. The Council also developed a new digital strategy, covering 2024-2029, which is aligned to the Scottish Government's digital strategy A changing nation: how Scotland will thrive in a digital world.	The Council has implemented new workforce and digital plans. Effective workforce planning and use of technology will be crucial to the Council achieving its strategic priorities.	**Digital and workforce plans** There is a risk that the objectives and outcomes of the digital and workforce plans do not effectively support the Council in achieving its strategic priorities. See page 70 for further information and our recommendations made to the Council.
Strategy and priorities	The Council's refreshed strategic priorities for 2022 to 2027 have a clear focus on reducing inequalities. This includes: • reducing poverty-related inequalities • reducing health inequalities • raising attainment and wider achievement for all children and young people. • supporting local residents struggling with the cost-of-living crisis • ensuring a fair and equitable distribution of resources and investment across communities. The Council's Strategic Planning and Performance Framework (SPPF) includes specific actions for the Council, with performance reporting and targets linked to these priorities.	The Council's strategic priorities and the accompanying locality plans clearly set out the council's actions to tackle inequality, poverty and address fairness in East Dunbartonshire.	No significant issues identified.

Vision, leadership and governance (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Strategy and priorities (continued)	The council has identified the Community Planning Partnership and other partners it will work with to deliver each of its priorities. The locality plans, by addressing community needs in disadvantaged communities, will also be key to the Council and its community planning partners reducing inequalities. Equalities groups supported by the Council helped inform the locality plans. The locality plans recognise the role of equalities groups in achieving the actions set out within the plans.		

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Governance arrangements	The Council's governance framework is structured around full Council meetings, service committees, and the Audit and Risk Management Committee. In line with recognised good practice, the Audit and Risk Management Committee is chaired by a member of the opposition, ensuring independent oversight. Meetings are well attended by councillors and are accessible both in person and remotely. Agendas, papers, and minutes are published on the Council's website, and meetings are open to the public, supporting transparency and accountability. The Council monitors performance against its service-level Business Improvement Plans (BIPs) using the "How Good is Our Service" (HGIOS) self-evaluation model.	The Council publishes regular progress reports against BIPs and officers present six-monthly updates to strategic service committees. The monthly reports and annual summary for HGIOS provide transparent detail and scrutiny on decisions as they include key info such as: • improvement activities planned • policies, programmes and strategies in place • stakeholder engagement activities underway • financial targets and BIP updates.	**Review of policy documents** The Council has acknowledged that several of its key policy documents have not been reviewed for some time. This increases the risk of legal challenge. See page 63 for further information and our recommendations made to the Council.

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Governance arrangements (continued)	Monthly reports are published on the Council's website and include key achievements, areas of focus, and performance data. In addition, six-monthly performance updates are reported to strategic service committees, and annual HGIOS reports are produced for Council services. Elected members also receive regular updates through technical notes, ensuring ongoing engagement with performance management. The Council has established processes to ensure consistent application of codes of conduct and policies. A robust financial framework is in place, supported by a comprehensive monitoring pack presented regularly to the Policy and Resources Committee. The Council's internal control systems are designed to support compliance with policies and promote the achievement of strategic objectives.		

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Governance arrangements (continued)	While the Council's governance arrangements are generally sound, a Trade Union meeting held on 4 December 2023 raised concerns regarding the use of outdated policies, including the disciplinary policy. It was acknowledged by the East Dunbartonshire Council representative present that several policies were overdue for review, and that this could pose a potential legal risk. Addressing these policy gaps will be important to maintaining the integrity and effectiveness of the Council's governance framework		

Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Financial and performance information	The Council's performance reports have clear objectives and targets. The 10-year Local Outcomes improvement plan 2017-2027 contains six Local Outcomes to be achieved. These outcomes are linked to seven guiding principles to achieve these. The council are also uses the Local Government Benchmarking Framework (LGBF) to monitor and assess performance against national averages.	The Council and all Committees review their performance and provide an annual assurance report to the Council.	No significant issues identified.

Vision, leadership and governance (continued)

Identified risks in vision, leadership and governance arrangements and recommendations for improvement

As a result of our work we have identified risks in the Council's vision, leadership and governance 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 E for further details.

	Vision, leadership and governance risks identified	Recommendation for improvement	Council response and implementation timescale
1	**Digital and workforce plans – Level 3** The Council has implemented new workforce and digital plans. Effective workforce planning and use of technology will be crucial to the Council achieving its strategic priorities. There is a risk that the objectives and outcomes of the digital and workforce plans do not effectively support the Council in achieving its strategic priorities.	The Council should ensure its workforce and digital plans are aligned with its strategic priorities. It should establish clear monitoring and evaluation to track financial investment, performance outcomes, and overall impact.	**Management's response -** The Council will continue to review its Digital and Workforce Plans to ensure that they are aligned to the strategic priorities of the Local Outcome Improvement Plan (LOIP) and annual Business & Improvement Plans (BIPS). Suitable governance arrangements are already in place to discharge updates to Policy & Resources Committees or Council. **Responsible officer –** Customer Services and Organisational Development **Implementation date –** Ongoing throughout the year
2	**Review of policy documents – Level 3** The Council has acknowledged that several of its key policy documents have not been reviewed for some time. This increases the risk of legal challenge.	The Council should ensure it regularly reviews all policy documents to identify any that require updating.	**Management's response -** The Council continues to monitor and review its policy base ensuring that they remain fit for purpose through its Partnership at Work approach. Recent updates to the workforce policy base include the Charter of Commitment, Drug Alcohol and Substance Misuse and Career Break Policies, agreed by the Policy and Resources Committee in November 2025 and the Sexual Harassment Policy and the Dignity at Work Policy which were both taken to the Policy and Resources Committee in February 2026. **Responsible officer –** Customer Services and Organisational Development **Implementation date –** Ongoing throughout the year

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	Risks identified
Resources deployed to improve strategic outcomes	The Council has developed an updated workforce strategy to reflect the future shape of the organisation and how it will deliver services under a locality-based model. It has identified skills and capacity gaps across services and is looking at different ways of attracting talent, for example through social media, local recruitment events, extending its early careers programme, and its Grad+ and Graduate Accountant schemes. The Council has developed a new digital strategy, covering 2024-2029, which is aligned to the Scottish Government’s digital strategy A changing nation: how Scotland will thrive in a digital world. The Council’s 2024/25 budget paper provides context on the challenges the Council and its communities are facing. Its sets out the Council’s approach to delivering its priorities. There is evidence of budget decisions that support the Council’s priorities. For example, the cost of living support programme. This aims to provide support to local communities and reach as many of the most vulnerable and those facing financial hardship as possible.	The Council has refreshed its financial, workforce, asset, and digital strategies and plans. This was a significant programme of work and successfully implementing the new plans will be challenging.	No significant issues identified.

Use of resources to improve outcomes (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Needs of service users being met	The Council's priorities are linked to performance reporting and targets. The Council measures performance through its annual performance report. There is more regular reporting to elected members in the form of elected member technical notes, which are available on the Council's website. The council also publishes and encourages consultation on its budget each year through the 'Have your say' consultations. These can cover both developments in local areas alongside the annual budget setting process. They are published on the Council's website. Case studies are published on the Council's website highlighting the impact of the Council's performance on service areas. The Council has developed revised operating models introducing locality-based service delivery. The approach seeks to deploy services within localities identified across the Council's communities. The Council recognises that some services do not lend themselves to this approach. These services will continue to be delivered centrally.	The Council has suitable arrangements in place to measure improvement. It has developed revised operating models introducing locality-based service delivery. The Council aims to use this approach to ensure it directs resources to the areas of greatest need. The Council has open consultations with users and publishes these on its website.	No significant issues identified.

Use of resources to improve outcomes

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Needs of service users being met (continued)	The Council knows it needs to direct resources to the areas of greatest need and prioritise early intervention. This will inform how it implements the locality-based model.		
Arrangements to deliver continuous improvements in priority services	Each Council service has a Business Improvement Plan (BIP), which is based on the Council's priorities. These set out the strategic priorities for the service and how they align with the priorities of the Local Outcomes Improvement Plan and SPPF. The BIPs include improvement plans with key improvement actions for the year ahead. These BIPs exist for: - Assets and Facilities - Community Services - Customer Services and Organisation Development - East Dunbartonshire Leisure and Culture Trust - Education Business - Finance and Digital Services - Health and Social Care Partnership - Legal and Regulatory Services - Land Planning and Development - Roads and Neighbourhood Services.	The Council, through its BIPs, has identified how services will contribute to achievement of its strategic priorities. Each BIP has a set of performance indicators to show the Council's progress against their strategic goals.	No significant issues identified.

Use of resources to improve outcomes

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Arrangements to deliver continuous improvements in priority services (continued)	The Council has dedicated an area of its website to public performance reporting. This includes links to the BIPs and Local Government Benchmarking Framework data. The Council has a Consultation and Engagement Strategy. This sets a framework to ensure consultation and engagement activity is effective, efficient, and fair. The Council's communications and engagement team provides guidance and support on consultation and engagement activity. The Council has consulted with its people and communities on local service design and delivery through: - Exhibitions, Roadshows and Public Meetings - Attending meetings of established groups - Web based surveys and polls - Face to face surveys and Telephone surveys - Community Forums or Champions Groups - Workshops and Focus groups.		

08

Best Value

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. The Council was not included in the second year of the programme which ran from October 2024 to August 2025.

We conduct thematic reviews as directed by the Accounts Commission. In 2023/24 this was on workforce innovation.

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 pages 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)

Overall summary by reporting criteria

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
Best Value	87	No	No	No
Effectiveness of performance reporting	91	No	No	No
Thematic reviews	94	No	No	Yes – see recommendations on pages 94, 95 and 98.
Statutory Performance Indicators	103	No	No	No

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Best Value (continued)

Our overall assessment of the Best Value themes

Best Value theme	Our findings	Our judgements	Service improvement considerations	Risks identified
Vision and leadership	See page 63 for the findings of our wider scope work on vision and leadership.	See page 63 for the judgements we made in our wider scope work on vision and leadership.	No issues noted.	We identified one risk as part of our work on vision and leadership. See page 70 for further information and our recommendations made to the Council.
Governance and accountability	See pages 66-68 for the findings of our wider scope work on governance.	See pages 66-68 for the judgements we made in our wider scope work on governance.	No issues noted.	We identified one risk as part of our work on governance. See page 70 for further information and our recommendations made to the Council.
Effective use of resources	See page 71 for our findings on how the Council is ensuring its resources are deployed to improve strategic outcomes. Our 2023/24 Best Value thematic work covered workforce innovation and how the Council is responding to workforce challenges (see pages 86 to 88).	See page 71 for our judgements on how the Council is ensuring its resources are deployed to improve strategic outcomes.	No issues noted.	No significant issues identified.
Partnerships and collaborative working	We did not assess this theme in 2023/24.	N/A	N/A	N/A
Working with communities	See pages 73 to74 for our findings on how the Council is using its resources to improve outcomes, which includes detail on how the Council is working with communities.	See page 73 to 74 for our judgements on how the Council is using its resources to improve outcomes, which includes detail on how the Council is working with communities.	No issues noted.	No significant issues identified.

Best Value (continued)

Our overall assessment of the Best Value themes (continued)

Best Value theme	Our findings	Our judgements	Service improvement considerations	Risks identified
Sustainability	We did not assess this theme in 2023/24.	N/A	N/A	N/A
Fairness and equality	We did not assess this theme in 2023/24.	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.

As part of our work in 2023/24, we followed up the progress made by the Council against the outstanding recommendations made and determined whether the risk 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	**Local Outcome Improvement Plan (LOIP) progress reports** The Council should work with the Community Planning Partnership (CPP) to revise the LOIP annual progress reports to include a summary of progress against the outcome performance indicators.	Management Response: (November 2021): A comprehensive review of the Place / Locality Plans has commenced. In addition, and in order to support this review the Council is currently undertaking the 'Your Voice Matters' budget consultation and engagement which will support identifying public and community priorities. The plans thereafter include to review the LOIP through a Covid lens and ensure priorities are relevant and updated as required. This should all support the commitment to incorporate the improvements highlighted, and to incorporate performance progress against the indicators. Implementation timescale: Autumn 2022	**Progress against the recommendation** The four locality plans for Auchinairn, Hillhead and Harestanes, Lennoxtown and Twechar were approved by the Council in September 2023. The council did not produce an annual report the prior year (2022/23) because it was reviewing partnership working arrangements, including implementation of outcome focused performance indicators. Formal reporting on progress made against Business Improvement Plans (BIPs) are made through 'How good is our service' (HGIOS) reports, following a self-evaluation model. These BIPs contain priorities for services that link to the LOIP. These summarise and present the progress made, looking at improvement activities, their Red, Amber, Green (RAG) status and % of completion. Each service then has a table of financial targets with the budgeted vs projected amounts and any variances being explained. The Council has published a 2023/24 Performance report on its website. This provides a high-level overview of performance across all Council services and aligns performance to the six local priority outcomes and guiding principles set out in the LOIP. There are six local outcomes included, each of which contain key progress made in the year and a table summarising the results from the Local Government Benchmarking Framework (LGBF). This compares results in 2023/24 to the prior years and to the Scottish local government average for the performance indicators.	**Conclusions** Complete.

Best Value (continued)

Follow up of previously-reported recommendations (continued)

We also reported a recommendation as part of the Thematic Review work in 2022/23. Our follow up of this recommendation is set out below.

	Best Value finding as previously reported	Management response and implementation timeframe	Work undertaken and judgements made in 2023/24	Conclusions reached
2	**Delivery plans (Level 2)** The Council is refreshing and agreeing several key strategies and plans over the next few months. The Council does not have the capacity to implement plans and ensure resources are aligned to deliver its priorities	Management's response – Officers will continue to develop and present key strategic plans to Council in accordance with the agreed timescales and refreshed as part of an ongoing cycle. Responsible officer – Chief Executive Implementation date – March 2024	**Progress against the recommendation** The council was able to release and implement its updated Workforce strategy and Digital strategy covering periods 2024-2027 and 2024-2029, respectively. The Council's new digital strategy, covering 2024-2029, contains four key themes each with their own priorities and actions to map progress. The strategy includes ten key principles which are aligned to the Scottish Government's digital strategy - 'A changing nation: how Scotland will thrive in a digital world'. This strategy is integrated with the Strategic Planning & Performance Framework (SPPF). This strategy is also linked to the new Workforce Strategy which was brought into effect at the same time. These will be reviewed on an annual basis to ensure they meet the Council's overarching objectives. The workforce strategy (2024-2027) was introduced to reflect the future shape of the organisation and how it will deliver services under a locality-based model. This is to align with the LOIP, above, and the newly introduced locality plans to bring consistency across the plans and strategies. The council have also published on their website the 'Assets and Facilities Business Improvement Plan' which runs from 2024 to 2027. This includes ten Improvement actions, eight of which were due to be completed by 31/03/25 and two by 31/12/24. We followed up progress in May 2025 and confirmed that six actions remain in progress, two of which are over 90% completed. The Council's prioritisation of the new financial reporting system meant this was not progressed.	**Conclusions** Complete. The Council should continue to follow timelines for the improvement actions and progress these as much as possible through the BIPs.

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	Risks identified
Effective performance management	The Council manages performance through the Strategic Planning and Performance Framework (SPPF). The Council reports on service performance through the Business Improvement Plans (BIPs) - there are a total of ten of these service level plans which each set out priorities and detail how performance will be measured, including financial goals. As well as providing a narrative on progress and setting out the strategic priorities, the BIPS also outline action plans and performance indicators which will be used to report progress. The Council has a suite of just over 100 Performance Indicators to measure performance against agreed priorities. These are reported on a quarterly basis. We consider this to be appropriate and the review of these on a regular basis allows for action to be taken throughout the financial year if required. In addition, formal reporting on progress made against BIPs are made through 'How good is our service' (HGIOS) reports, following a self-evaluation model. These summarise and present the progress made, looking at improvement activities, their Red, Amber, Green (RAG) status and percentage completion. Each service then has a table of financial targets with the budgeted VS projected amounts and any variances being explained.	The Council's approach to performance reporting and management is well-structured and supports informed decision-making and public accountability.	We are satisfied that the Council is regularly assessing and reporting on performance across all services.	No significant issues identified.

Best Value (continued)

Effectiveness of performance reporting (continued)

Effectiveness of performance reporting theme	Our findings	Our judgements	Our conclusions	Risks identified
Effective performance management	Councils are required to report on performance information using the Local Government Benchmarking Framework (LGBF) each year. This is used by the Council to monitor service delivery over time. The 2022/23 LGBF report for East Dunbartonshire was published in September 2024. This showed that the council was performing 64% higher than the Scottish average, with 36% of indicators being below the Scottish average. The LGBF includes breakdown of all indicators by service areas, including a RAG status and whether performance has increased or decreased from the prior year. A total of 36 indicators of 107 showed a decrease in performance from the prior year. As each local authority can vary, the Council are part of a 'family group' of eight other councils, with similar characteristics such as the type of area and levels of deprivation, to help make comparisons more meaningful and share good practice. There are a total of 107 indicators across a range of services. The statistics above also remains consistent within EDCs family group - highlighting that EDC is one of the higher performers across local governments in Scotland. The HGIOS reports also include improvement activities for each service area and indicate timescales for implementation going into future years, showing consideration of improving performance over time.			

Best Value (continued)

Effectiveness of performance reporting (continued)

Improvement plans reflect a pace and depth of improvement that will lead to the realisation of the local authority’s priorities and the long-term sustainability of services. The Council should demonstrate a trend of improvement over time in delivering its strategic priorities.

We have outlined below our assessment on whether the Council can demonstrate a trend of improvement over time in delivering its priorities.

Effectiveness of performance reporting theme	Our findings	Our judgements	Our conclusions	Risks identified
Improvement plans	The requirement for continuous improvement which comes from Best Value, as outlined in the Local Government in Scotland Act 2003, had been monitored through associated Best Value audits and action and improvement plans. The council have established their 'Local Outcome Improvement plan' (LOIP), being a 10-year strategy for improving service delivery. Regular updates on performance continue to be reported to the Council at least on a quarterly basis, with Strategic planning and performance updates presented. As above, formal reporting on progress made against BIPs are made through 'How good is our service' (HGIOS) reports, following self-evaluation models. These summarise and present the progress made, looking at improvement activities and assessing the depth of the improvements made using a RAG status whilst also assessing the pace of improvements by showing the percentage of completion.	The Council has established frameworks which support continuous improvement and provide clear evidence of progress and accountability. These include long-term strategic planning, regular performance monitoring, and structured evaluation processes.	We are satisfied that the Council perform a sufficient level of reporting on performance across service areas and these contain information on the pace and depth of improvements being made.	No significant issues 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 2023/24, we are required to carry out an overview of workforce innovation. 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 Audit Scotland's Website.

Thematic themes	Our findings	Our judgements	Risks identified
Workforce strategy and priorities	The Council has agreed a workforce strategy covering 2024 to 2027 outlining how it will plan and prepare its workforce to deliver its organisational priorities. This builds on principles from the 'Organisation and Workforce for the Future' report presented to Council in June 2022 and the 2023/24 Budget approach. The Council will monitor its workforce requirements by analysing data and benchmarking, with quarterly reviews to assess its short, medium, and long-term needs. The Council has committed to reviewing the workforce strategy annually and adjusting its approach to meet its workforce planning requirements and changes in the employment environment. In our November 2023 Best Value Thematic Report on Leadership of the development of new local strategic priorities, we identified that the Council was developing an updated workforce strategy to replace the previous strategy which covered the period to 2021. We highlighted that this was an important piece of work given the changes since 2021 in the economic climate, recruitment market and ways of working. The workforce strategy aims to ensure that the Council has the right people in the right place at the right time, to fulfil service demands. Service level workforce action plans are designed to help the Council deliver services efficiently and effectively, considering both timing and location, while adhering to financial constraints.	The Council has introduced a new workforce strategy for 2024 to 2027. This outlines how the Council will ensure it has right people in the right place to meet service delivery demands and achieve its strategic priorities. Each service has developed workforce action plans, which set out how the strategy will be implemented at a service level. The Council could more clearly link the workforce action plans to the actions and performance measures in services' Business Improvement Plans.	**1. Aligning workforce action plans to BIPs – Level 3** **Risk –** There is a risk that the Council cannot effectively measure the impact its workforce actions are having on service delivery. **Recommendation –** The Council should demonstrate the link between its workforce action plans and the BIPs. For example, by aligning workforce actions to relevant BIP key performance indicators. Where possible, the Council should also ensure workforce actions have completion deadlines. **Management's response –** The Council's Workforce Strategy and action plans sit alongside the BIPs and outline the actions to ensure that the right workforce is in place to deliver the BIP priorities. They are intrinsically linked, and both support the delivery of BIP priorities and outcomes as reported in HGIOS monthly, six monthly and year end reports.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Workforce strategy and priorities (continued)	The Business Improvement Plans (BIPs) for each service area sets out the strategic priorities for the service and how they align with the Local Outcomes Improvement Plans (LOIP) and the Council's overall priorities. The Council monitor and adjust the workforce strategy using annual workforce action plans, which set out how the strategy will be implemented at a service level. The Council's intention is that these action plans link to the service level Business Improvement Plans (BIPs) and inform team plans and, ultimately, individual Performance Development Reviews (PDRs). It is difficult to clearly link the workforce action plans to the actions and performance measures in the BIPs, and some of the actions lack clear timelines and milestones for completion. The Council involves employees in the consultation processes through employee surveys, most recently in 2022. The results of the 2024 Survey were reported to June 2025 Council meeting. The response rate was low with approximately 500 of the Council's 3,000 employees (17%) taking part. Officers are considering actions to improve staff engagement for the next survey due in 2026.		The Council will look to cross reference workforce strategy action plan elements with BIP priorities and objectives where relevant and also cross reference workforce strategy in the annual BIPs. The workforce strategy action plans align to the BIP timescales and where possible, specific timescales within the workforce strategy action plans will be considered. **Responsible officer –** Angela Fegan, Executive Officer – Customer Services & Organisational Development **Implementation date –** Next review, June 2026. **2. <u>Employment survey – Level 3</u>** **Risk –** There is a risk that individuals outside the organisation, including members of the public, could submit responses to the employment survey. Additionally, there is no mechanism to prevent multiple submissions by the same individual, which could compromise the validity of the data collected.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Workforce strategy and priorities (continued)			**Recommendation –** The Council should review how it operates and promotes its employee survey to improve the response rate and ensure it gathers accurate and meaningful data. **Management's response –** It is not compulsory to complete the employee survey and the Council response rate is not inconsistent with the sector. The response rate enabled the Council to draw valid conclusions based on a statistically significant sample size and the very low risk of anyone other than a Council employee being able to seek and find the link to the survey and submit entries to compromise the validity was deemed negligible compared to accessibility. Engagement and awareness raising of the survey takes place in a wide range of ways, but it is ultimately an employee choice whether to participate or not. Discussions have already begun with the Council's Leadership Forum and with TUs to look at ways of increasing participation in the next employee survey, due in late 2026. **Responsible officer -** Angela Fegan, Executive Officer – Customer Services & Organisational Development **Implementation date –** Next employee survey, December 2026.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Digital technology and the workforce	The Council introduced a new digital strategy for the period 2024 to 2029. This strategy is aligned with the Scottish Government's national digital strategy, A Changing Nation: How Scotland Will Thrive in a Digital World. The themes and digital ambition presented in the strategy recognise the Council's need to embrace and utilise technology to enhance daily operations and increase the efficiency and productivity of employees. The Council is in the process of embedding the principles and actions outlined in the strategy across all its services. The Council has demonstrated clear workforce and productivity benefits through the strategic use of digital technology across several service areas. One notable example is the transition to a three-weekly refuse collection schedule, supported by the implementation of advanced digital routing and planning software. This technology has enabled more efficient route optimisation, leading to reductions in staff hours and fuel consumption, ultimately lowering operational costs. The Council launched a Digital Development Support Programme in August 2023 to help companies in East Dunbartonshire fully use, grow or transform their digital capability. The programme aims to support Small and Medium-sized Enterprises (SMEs) to improve their digital take-up, knowledge, skills, capacity and confidence to champion digital technologies to benefit their businesses. The Councils new digital strategy includes digital inclusion as one of the six priorities under the Digital Foundations theme, underlining the Council's commitment to digital inclusion. The Council has adopted SMART working principles, which support a flexible and productive work culture. These principles focus on technology, effective leadership, and working collaboratively to deliver outcomes.	The Council is using digital technology to improve workforce productivity and deliver services more efficiently. For example, in waste collection, infrastructure reporting, and telecare systems. Its Digital Strategy 2024–2029 sets out clear priorities for how the Council will use technology effectively. The Council has developed business cases to justify the feasibility of digital projects with progress regularly reviewed against agreed milestones.	No significant issues identified.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Flexible working and other innovative staff deployment	As part of the Council's Workforce Strategy 2024–2027, a revised approach to SMART working has been adopted. This involves four defined workstyles, aligned with service delivery models, role-specific requirements, and advancements in digital and technological systems. Employee performance is monitored through the Council's PDR process. This process applies uniformly to all employees, regardless of their workstyle, enabling consistent evaluation and comparison of performance across different working arrangements. Data from the 2023–2024 How Good Is Our Service (HGIOS) report identified a very low uptake of PDRs. One of the key performance indicators under the Customer Services and Organisational Development service ,"Percentage of employees who have PDR conversations", had a target of 85% for the year. The actual recorded value was only 6.03%. For education staff, the average uptake across the first three quarters of 2023–2024 was similarly low at 5.64%. The Council believes promotion of its hybrid and flexible working policy, from the initial stage of recruitment, helps to increase the pool of applicants for its roles. This is a major benefit of the policy. The Council has carried out an analysis to assess potential cost savings associated with remote working arrangements. Its review of the accommodation strategy indicated projected savings of £209,967 in the 2026/27 financial year and £357,676 in 2027/28, partly attributable to reduced office maintenance requirements.	The Council has adopted a SMART working model tailored to service needs and supported by digital tools like Microsoft 365. It encourages flexible working by supporting part-time, job-share, and hybrid arrangements. The Council needs to increase the uptake and improve recording of Performance and Development Reviews (PDRs) to strengthen workforce monitoring and planning.	**3. PDR Completion – Level 2** **Risk –** There is a risk that PDRs are not taking place and not being recorded. **Recommendation –** The Council should review and identify actions to improve PDR completion rates. It should also consider how to ensure reviews are properly recorded. **Management's response –** Since the Covid pandemic and recovery period a more informal approach to PDRs was carried out with regular conversations between line managers and individual employees on objectives and priorities. Aware of the need to then revise the PDR process, the Council's Leadership Forum focused on PDRs in May 2024 resulting in a streamlined approach being launched in April 2025 with improved and simplified paperwork and a new approach for group PDRs for areas where numerous employees undertake the same role.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Flexible working and other innovative staff deployment	As part of the Council's Workforce Strategy 2024–2027, a revised approach to SMART working has been adopted. This involves four defined workstyles, aligned with service delivery models, role-specific requirements, and advancements in digital and technological systems. Employee performance is monitored through the Council's PDR process. This process applies uniformly to all employees, regardless of their workstyle, enabling consistent evaluation and comparison of performance across different working arrangements. Data from the 2023–2024 How Good Is Our Service (HGIOS) report identified a very low uptake of PDRs. One of the key performance indicators under the Customer Services and Organisational Development service ,"Percentage of employees who have PDR conversations", had a target of 85% for the year. The actual recorded value was only 6.03%. For education staff, the average uptake across the first three quarters of 2023–2024 was similarly low at 5.64%. The Council believes promotion of its hybrid and flexible working policy, from the initial stage of recruitment, helps to increase the pool of applicants for its roles. This is a major benefit of the policy. The Council has carried out an analysis to assess potential cost savings associated with remote working arrangements. Its review of the accommodation strategy indicated projected savings of £209,967 in the 2026/27 financial year and £357,676 in 2027/28, partly attributable to reduced office maintenance requirements.	The Council has adopted a SMART working model tailored to service needs and supported by digital tools like Microsoft 365. It encourages flexible working by supporting part-time, job-share, and hybrid arrangements. The Council needs to increase the uptake and improve recording of Performance and Development Reviews (PDRs) to strengthen workforce monitoring and planning.	The Council is also replacing its HR & Payroll system, with implementation underway and the new system due to launch towards the end of 2025/26. Improved functionality in terms of PDR recording and reporting and better links to training needs, which will further support workforce strategy action plan reporting. **Responsible officer –** Angela Fegan, Executive Officer – Customer Services & Organisational Development **Implementation date –** New approach was launched in May 2025 with revised annual reporting available in June 2026.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Developing future skills and capacity	The Council has implemented a range of initiatives to support the development of a resilient future workforce. These are focused on digital capability, youth employment, and strategic workforce planning. The Microsoft 365 Adoption Hub provides staff with access to training and guidance to enhance digital proficiency, complemented by a Digital Champion network that offers peer support. The Council is engaging with the Scottish Council for Voluntary Organisations Essential Digital Skills Framework and is collaborating on the development of a new digital competency framework. The Council has several initiatives to increase the capacity of its workforce. A key component of the workforce strategy is the "Developing Our Young Workforce" programme, which includes the Modern Apprenticeship scheme launched in 2013. The Council has identified benefits from its SMART working framework, including reduced travel to work which contributes positively to environmental sustainability. At this stage, the Council has not had sufficient time to fully assess the impact of its new workforce strategy. This means it has not been able to demonstrate measurable efficiencies or cost savings directly attributable to the measures it is adopting. The Council works with education providers to support the development of skills for high demand roles. Since the introduction of the new Workforce Strategy, the Council has identified skills and capacity gaps across services and is looking at different ways of attracting talent. To help reduce the potential negative effects of workforce reform and reductions, the Council has embedded several measures within its workforce strategy. This includes its use of staff survey and voluntary exit questionnaires, and regular consultation with Trade Unions.	The Council needs to improve the capacity and resilience of its workforce. It is responding to this challenge through strategic initiatives focused on digital skills, youth employment, partnerships with education providers, and apprenticeship programmes. Practices like SMART working, targeted training, and continuous staff engagement are helping the Council to align workforce capacity with organisational priorities and manage staff reductions.	No significant issues identified.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Joint workforce arrangements across services and partners	The Council has shared service arrangements and collaborative functions with other councils and partner organisations across several operational areas. These partnerships have supported both improved service delivery and workforce development. The Council has stated its intention to maintain and promote close relations with local communities to assist how it delivers services. These partnerships support the Council's aim to enhance service delivery and community engagement. The Council primarily delivers its functions through a directly employed workforce, with limited reliance on external providers such as the third sector, private sector, or other delivery partners. According to the Council's most recent workforce strategy, approximately 91% of the workforce is employed on permanent contracts. The high proportion of permanent staff indicates a stable internal workforce structure and supports the Council's approach to succession planning, as it reduces dependency on temporary staffing arrangements that can lead to higher turnover and potential disruption in service delivery. The Council has demonstrated effective management of barriers to shared working through coordinated co-production arrangements with key partners, including Police Scotland. It has addressed one of the primary challenges identified in such partnerships, communication across organisational boundaries, through the strategic use of digital technology.	The Council has made progress in sharing roles and functions through collaborative arrangements with other councils, national bodies and community partners. Community engagement and the use of digital tools have supported these efforts.	No significant issues identified.

Best Value (continued)

Thematic reviews (continued)

Thematic themes	Our findings	Our judgements	Risks identified
Measuring the impact of workforce planning	The Council monitors the effectiveness of its workforce planning practices through periodic employee experience surveys. These surveys assess current workforce practices, and the aggregated results are analysed to identify key themes. The insights from this analysis inform future workforce planning initiatives. Workforce-related risks across key service areas are included in the Council’s Workforce Strategy Action Plan. This plan is reviewed on an annual basis and addresses critical areas such as succession planning, staff training, employee retention, and horizon scanning. These reviews aim to ensure alignment between workforce capabilities and service delivery needs. An example of strategic implementation is the introduction of the new workforce strategy. While this is a significant step in developing the Council’s workforce planning approach, insufficient time has passed to fully evaluate the outcomes of the strategy. This means the Council is currently unable to demonstrate measurable impacts in terms of operational efficiencies or cost savings directly attributable to its workforce planning actions, particularly those related to optimising employee skills and improving capacity. Most of the actions within the Workforce Action Plans are qualitative by nature and many are ongoing, this makes it harder to measure their progress or impact. It also is difficult to clearly link the workforce action plans to the actions and more quantitative performance measures in the BIPs. The Council reviews the workforce strategy annually and refreshes it as required. The Council also aims to monitor its workforce requirements by analysing data and performing benchmarking against other authorities, with quarterly reviews to assess its short, medium and long term requirements.	The Council uses employee surveys and annual review of its workforce action plans to monitor the effectiveness of its workforce planning. The Council should consider linking its workforce action plans to other quantitative performance indicators already being reported on within the service level BIPs so that it can better measure the impact its new strategy is having.	No significant issues identified.

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	The Council has reported on both its own performance in relation to its corporate outcomes and public services as well as contributing towards the LGBF national initiative. As part of this, the Council provides the relevant service information data to comply with this Framework. The Council's reporting through the 'Local Outcome Improvement plan' (LOIP), and the performance reporting of service levels in the BIPs provide a sufficient level of reporting. The BIPs contain priorities linking to the LOIP and 100+ performance indicators to assess progress against these priorities.	The Council has appropriate arrangements in place for complying with Statutory Performance Indicator 1.	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 Statutory Performance Indicator 2 requirements, councils must report 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. Review of the Council's website shows that it provides access to external audit and inspection reports, including links to relevant documents and evidence of the Council's responses. The Council performs a sufficient level of reporting on performance across service areas and these are reported on a regular basis to Council.	The Council has appropriate arrangements in place for complying with Statutory Performance Indicator 2.	No significant issues identified.

Appendices

A: Draft management representation letter   East Dunbartonshire Council

B: Draft management representation letter   East Dunbartonshire Council Charitable Trusts

C: Draft audit opinion   East Dunbartonshire Council

D: Draft audit opinion   East Dunbartonshire Council Charitable Trusts

E: Confirmation of our independence

F: Other communications

G: Wider scope and Best Value ratings

Appendix A: Management representation letter – East Dunbartonshire Council

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

05 August 2026

Dear Tom,

East Dunbartonshire Council (and Group) - Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of East Dunbartonshire Council, the Council and Group, 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 Finance Officer 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 I have identified and clearly labelled any information provided to you as part of the audit that I consider legally privileged.

Appendix A: Management representation letter – East Dunbartonshire Council (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 A: Management representation letter – East Dunbartonshire Council (continued)

Fraud and error

I acknowledge my responsibility as Chief Finance Officer 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 by 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 intangible 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.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by 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.

Appendix A: Management representation letter – East Dunbartonshire Council (continued)

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 Management Commentary and the subsequent events note 5 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 Management Commentary and the subsequent events note 5 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. [TAILOR AS APPROPRIATE]

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

I 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.

Yours faithfully,

Chief Finance Officer

Date: 05 August 2026

Appendix B: Management representation letter – East Dunbartonshire Council Charitable Trusts

Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

Dear Tom,

East Dunbartonshire Council Charitable Trusts - Audit for the Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of the East Dunbartonshire Council Charitable Trusts for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We 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 ourselves that we can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

We believe that we have fulfilled our responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My responsibility to provide and disclose relevant information

We have provided you with:

- access to all information of which we are 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 East Dunbartonshire Council Charitable Trusts you determined it was necessary to contact in order to obtain audit evidence.

We confirm as Trustees that we have taken all the necessary steps to make us aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

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

Accounting records

We confirm that all transactions undertaken by the East Dunbartonshire Council Charitable Trusts have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and Board meetings, have been made available to you.

Appendix B: Management representation letter – East Dunbartonshire Council Charitable Trusts (continued)

Accounting policies

We confirm that we have reviewed the accounting policies applied during the year in accordance with Section 10 of Financial Reporting Standard 102 and consider these policies appropriate to faithfully represent the effects of transactions, other events or conditions on the charitable trusts' financial position and financial performance.

Accounting estimates

We confirm that the methods, significant assumptions and the data used by the East Dunbartonshire Council Charitable Trusts in making the accounting estimates 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 East Dunbartonshire Council Charitable Trusts 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 Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

Laws and regulations

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

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

We acknowledge our responsibility as Trustees for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We 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 East Dunbartonshire Council Charitable Trusts involving:
- management and those charged with governance;

Appendix B: Management representation letter – East Dunbartonshire Council Charitable Trusts (continued)

- employees who have significant roles in internal control; and
- others where fraud could have a material effect on the financial statements.

We have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the East Dunbartonshire Council Charitable Trusts' financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

We confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have disclosed to you the identity of the East Dunbartonshire Council Charitable Trusts' related parties and all related party relationships and transactions of which we are aware.

Transactions with trustees

We confirm that the charitable trusts has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities including loans, quasi-loans, credit transactions, mutually beneficial arrangements, or guarantees or security for the foregoing or assumed or assigned any such rights or liabilities for any trustees or their connected persons, except as permitted by the Companies Act 2006 and as disclosed in the financial statements.

No trustee or their connected persons had a direct or indirect material interest in any other transaction or arrangement with the charitable trusts other than those disclosed in accordance with section 413 of the Companies Act 2006 or exempted from disclosure by the Act.

Future commitments

We are not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Other Matters

We confirm in relation to the following matters that:

- Impacts of Russian Forces entering Ukraine – We confirm that we have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the East Dunbartonshire Council Charitable Trusts and there is no significant impact on the East Dunbartonshire Council Charitable Trusts' operations from restrictions or sanctions in place.
- Tariffs – We confirm that we 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 there is no significant impact on the East Dunbartonshire Council Charitable Trusts' investment holdings or operations.

Appendix B: Management representation letter – East Dunbartonshire Council Charitable Trusts (continued)

Going concern

To the best of our knowledge there is nothing to indicate that the Talbot Crosbie Bequest and East Dunbartonshire Council Charitable Trusts will not continue as a going concern in the foreseeable future. The period to which we 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.

Subsequent events

We confirm all events subsequent to the date of the financial statements and for which the Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, 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, we will advise you accordingly.

Annual Report

The disclosures within the Annual Report fairly reflect our understanding of the East Dunbartonshire Council Charitable Trusts' financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

We confirm that there are no uncorrected misstatements.

Appendix C: Audit opinion – East Dunbartonshire Council

Independent auditor’s report to the members of East 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 East Dunbartonshire Council and its group (“the Council”) for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, and the Non-domestic Rate Income Account, the Trust Funds Income and Expenditure Account and Balance Sheet, the Common Good Funds Income and Expenditure Account and Balance Sheet , 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 2023/24 (the 2023/24 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 2024 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 2023/24 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.

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.

Appendix C: Audit opinion – East Dunbartonshire Council (continued)

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 Finance Officer and the Audit and Risk Management Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer 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 Finance Officer 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 Finance Officer 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 Audit and Risk Management Committee 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 Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Council and its group;
- inquiring of the Chief Finance Officer 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.

Appendix C: Audit opinion – East Dunbartonshire Council (continued)

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 Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities for the Accounts 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.

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).

Appendix C: Audit opinion – East Dunbartonshire Council (continued)

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, Audit Director

For and on behalf of Forvis Mazars LLP

100 Queen Street,
Glasgow,
G1 3DN

05 August 2026

Appendix D: Audit opinion – East Dunbartonshire Council Charitable Trusts

Independent auditor’s report to the trustees of Talbot Crosbie Bequest (SC018494) and East Dunbartonshire Council Charitable Trusts (SC025074) 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 statement of accounts of Talbot Crosbie Bequest and East Dunbartonshire Council Charitable Trusts (“the Charities”) for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the Charities for the year ended 31 March 2024 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

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 are independent of the Charities 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustees for the financial statements

The trustees are 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 trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 economic decisions of users taken on the basis of these financial statements.

Appendix D: Audit opinion – East Dunbartonshire Council Charitable Trusts (continued)

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 and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the Charities;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Charities;
- inquiring of the Trustees concerning the Charities' policies and procedures 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 Charities' 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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Appendix D: Audit opinion – East Dunbartonshire Council Charitable Trusts (continued)

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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

Appendix E: Confirmation of our independence

We communicate any matters which we believe may have a bearing on our 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 E: 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 and Risk Management Committee in March 2025.

*Below we have indicated our expected fee for the 2023/24 audit, however please note that additional fees are subject to agreement with Audit Scotland.

Area of work	2023/24 fees	2022/23 fees
Auditor remuneration	£247,630	£233,610
Pooled costs	£9,030	£0
Contribution to PABV costs	£65,740	£60,480
Audit support costs	£0	£8,860
Sectoral cap adjustment	(£2,570)	(£1,210)
Additional work required to review controls and test data migration for new accounting system	*£28,107	£0
Additional membership data testing to reflect that the Council's 2023/24 pension liability/surplus will be based on the latest triennial pension fund valuation	*£4,208	£0
Additional fee in relation to significant difficulties faced throughout the audit and the extent of adjustments and misstatements	*£39,886	n/a
Internal valuations expect used as an auditor's expert for property, plant and equipment	*£7,560	n/a
Total fees	**£399,591**	**£301,740**

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 table above does not include the cost of auditing the Council's charitable trusts. set a fee for the audit of these of £10,000 (2022/23 fees were £6,500).

Services provided to other entities within the Council's group

We provided the external audit of the following entities within the Council's group:

- Dunbartonshire and Argyll and Bute Valuation Joint Board with a total fee of £9,320 (2022/23 fee was £8,790)
- East Dunbartonshire Health & Social Care Partnership with a total fee of £33,360 (2022/23 fee was £31,470)
- Mugdock Country Park with a total fee of £3,830 (2022/23 fee was £3,610).

Appendix F: Other communications

Other communication	Response
Compliance with Laws and Regulations	The Local Authority Accounts (Scotland) Regulations 2014 state that "The Annual Accounts must be submitted to the auditor no later than 30th June immediately following the financial year to which the Annual Accounts relate.". The Council was unable to comply with this statutory obligation (see page 22 for further details). We have not identified any other 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, except for the internal control recommendation set out on page 29. 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 Finanical Officer that East 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 F: 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	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition, we have assessed the adequacy of the Council's arrangements for preventing and detecting fraud or other irregularities as part of the wider scope audit and concluded that they are sufficiently designed and implemented. We will obtain written representations from management, and where appropriate Audit and Risk Management Committee, confirming that: a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b) 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; c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d) 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 F: Other communications (continued)

Other communication	Response
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 G: 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.

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