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## **Audit Committee**

17/11/2021

### **Audit of Dr A K Glen and West Dunbartonshire Trust Funds Annual Report and Financial Statements for the year ended 31 March 2021**

#### **Independent auditor's report**

1. Our audit work on the 2020/21 annual report and financial statements is now substantially complete. Subject to receipt of a revised set of financial statements for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 17 November 2021 (the proposed report is attached at [Appendix A](#)).

#### **Annual audit report**

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. The findings from our audit are set out within our annual audit report for West Dunbartonshire Council 2020/21. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual report and financial statements. There are no significant findings from the audit of the charitable trusts.

3. This report will be issued in final form after the financial statements have been certified.

#### **Unadjusted misstatements**

4. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

#### **Fraud, subsequent events and compliance with laws and regulations**

7. In presenting this report to the Audit Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-

compliance with laws and regulations affecting the entity that should be brought to our attention.

**Representations from Section 95 Officer**

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual report and financial statements, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual report and financial statements prior to the independent auditor's report being certified.

## **APPENDIX A: Proposed Independent Auditor's Report**

### **Independent auditor's report to the trustees of Dr A K Glen & West Dunbartonshire Trust Funds and the Accounts Commission**

#### **Report on the audit of the financial statements**

##### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual report and financial statements of Dr A K Glen & West Dunbartonshire Trust Funds for the year ended 31 March 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2021 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**

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Responsibilities of the trustees for the financial statements**

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charities, and for such internal control as the trustees determine 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**

My 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 my 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.

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

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing 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 my 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on other requirements**

### **Statutory other information**

The trustees are responsible for the statutory other information in the annual report and financial statements. The statutory other information comprises the Trustees' Annual Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

### **Opinion prescribed by the Accounts Commission**

In my 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 Charities Accounts (Scotland) Regulations 2006.

### **Matters on which I am required to report by exception**

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### **Use of my 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 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Christopher Gardner  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite,  
The Athenaeum Building, 8 Nelson Mandela Place  
Glasgow, G2 1BT

17th November 2021

**Christopher Gardner is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.**

## **APPENDIX B Letter of Representation (ISA 580)**

Christopher Gardner  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite,  
The Athenaeum Building, 8 Nelson Mandela Place  
Glasgow, G2 1BT

Dear Mr Gardner,

### **Charitable Trusts administered by West Dunbartonshire Council – Annual accounts 2020/21. Dr A K Glen Trust (Registered Charity SC018701) and West Dunbartonshire Trust Funds (Registered Charity SC025070)**

#### **Annual report and financial statements for the year ended 31 March 2021**

1. This representation letter is provided about your audit of the financial statements of the registered charities listed above for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements properly presents the financial position of each of these registered charities as at 31 March 2021 and their receipts and payments for the year then ended.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the trustees of the registered charitable trusts, the following representations given to you in connection with your audit for the year ended 31 March 2021.

#### **General**

3. I acknowledge my responsibility and that of West Dunbartonshire Council, as the administering authority, for the preparation of the financial statements on behalf of the trustees. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual report and financial statements have been made available to you for the purposes of your audit. All transactions undertaken by the registered charitable trusts have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the annual report and financial statements of the charities submitted for audit are the only trusts which fall to be audited under the provisions of the Local Government (Scotland) Act 1973.

5. The information given in the Trustees Reports presents a balanced picture of each charity and is consistent with the financial statements.

6. I confirm that there are no uncorrected misstatements.

## **Financial Reporting Framework**

7. The financial statements have been prepared in accordance with the requirements of Local Government (Scotland) Act 1973 including all relevant presentation and disclosure requirements. The financial statements also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 and guidance issued by the Office of the Scottish Charity Regulator (OSCR).

8. Disclosure has been made in the financial statements of all matters necessary for them to properly present the transactions and state of affairs of each charity for the year ended 31 March 2021.

## **Accounting Policies & Estimates**

9. The financial statements have been prepared on receipts and payments basis in accordance with applicable regulations and the founding documents of each charitable trust.

## **Going Concern Basis of Accounting**

10. I have assessed Dr A K Glen Trust and West Dunbartonshire Trust Fund's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on

Dr A K Glen Trust and West Dunbartonshire Trust Fund's ability to continue as a going concern. A number of the trusts have been dormant in recent years. The Trustees have assessed the ability of the registered charitable trust to continue as a going concern, and have disclosed in the financial statements any material uncertainties that have arisen as a result.

## **Assets**

11. The cash fund and investments shown in the statement of balances at 31 March 2021 were owned by the charities. Assets are free from any lien, encumbrance or charge. There are no plans or intentions that are likely to affect the carrying value of classification of the assets within the financial statements.

## **Fraud**

12. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

13. There have been no actual or alleged frauds or irregularities involving trustees or staff of West Dunbartonshire Council that could affect the financial statements of the charitable trusts.

### **Corporate Governance**

14. The business of the charitable trusts is recorded in the systems of West Dunbartonshire Council. As section 95 officer for West Dunbartonshire Council, I confirm that there are no issues or deficiencies in internal control that require to be disclosed within the financial statements of the charitable trusts.

### **Events Subsequent to the Date of the Balance Sheet**

15. There have been no material events since the date of the statement of balances which necessitate revision of the figures in the financial statements or notes thereto, including contingent assets and liabilities.

16. Since the date of the statement of balances no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Yours sincerely,

**Chief Officer – Resources, West Dunbartonshire Council, for and on behalf of the trustees of the charities administered by West Dunbartonshire Council**