

Scrutiny Committee – Audit of the 2024/25 Annual Accounts of the registered charities administered by Dundee City Council

24 September 2025

Independent auditor's report

1. Our audit work on the 2024/25 annual accounts of the registered charities administered by Dundee City Council is now substantially complete. Subject to the receipt of revised annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's reports on 29 September 2025. The proposed audit certificates are attached for Dundee City Council Charitable Trusts ([Appendix A](#)), the Lord Provost of Dundee Charity Fund ([Appendix B](#)), and Fleming Trust ([Appendix C](#)).

Annual Audit Report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the annual accounts to those charged with governance of an audited body in sufficient time to enable appropriate action. For registered charities administered by Dundee City Council, the members of the Scrutiny Committee are those charged with governance. I present for the Scrutiny Committee's consideration our proposed annual report on the 2024/25 audit. Within this report, Exhibit 3 titled "Significant findings and key matters from the audit of the annual accounts" sets out the issues identified in respect of the registered charities administered by Dundee City Council annual accounts.

3. Our Annual Audit Report will be issued in final form after the audited annual accounts have been certified by the appointed auditor.

Unadjusted misstatements

4. We are required to report to those charged with governance all unadjusted misstatements, other than those below our reporting threshold, and request that they be corrected. As detailed in our Annual Audit Report, reportable errors totalling £2,627 were identified during the audit of Fleming Trust. Management corrected this misstatement, and as a result there are no unadjusted errors for Fleming Trust. There were no misstatements identified for either Dundee City Council Charitable Trusts or the Lord Provost of Dundee Charity Fund.

Fraud, subsequent events, and compliance with laws and regulations

5. In presenting this report to the Scrutiny 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

6. As part of the completion of our audit, we are seeking written representations from the Executive Director of Corporate Services, as Section 95 Officer, on aspects of the annual accounts including the judgements and estimates made.

7. A template letter of representation is attached for Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust ([Appendix D](#)). The letter of representation for the council and the charitable trusts should be signed and returned to us by

the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Acknowledgement

8. We would like to thank elected members, management and staff, particularly those in finance, for their cooperation and assistance during the audit.

Appendix A: Proposed Independent Auditor's Report for Dundee City Council Charitable Trusts

Independent auditor's report to the trustees of Dundee City Council Charitable Trusts and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Dundee City Council Charitable Trusts for the year ended 31 March 2025 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 my opinion the accompanying financial statements:

- properly present the receipts and payments of the Dundee City Council Charitable Trusts for the year ended 31 March 2025 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

As explained more fully in the Statement of Responsibilities, 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

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:

- using my 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 my 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 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. This description forms part of my 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.

My 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 my knowledge obtained in the course of 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 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 other information and I 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.

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

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 Charity 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 108 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.

Fiona Owens CA
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Audit Scotland
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8 Nelson Mandela Place
Glasgow
G2 1BT

Fiona Owens is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Appendix B: Proposed Independent Auditor's Report for the Lord Provost of Dundee Charity Fund

Independent auditor's report to the trustees of the Lord Provost of Dundee Charitable Fund and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Lord Provost of Dundee Charitable Fund for the year ended 31 March 2025 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 accounts, 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 my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2025 and its 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 charity 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

As explained more fully in the Statement of Responsibilities, 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

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:

- using my 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 charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charity'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 my 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.

My 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 my knowledge obtained in the course of 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 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 other information and I 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.

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

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 Charity 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 108 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.

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

Appendix C: Proposed Independent Auditor's Report for Fleming Trust

Independent auditor's report to the trustees of the Fleming Trust and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Fleming Trust for the year ended 31 March 2025 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 Financial Activities, the Balance Sheet, the Cashflow Statement 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 the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 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 charity 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.

Conclusions relating to going concern basis of accounting

I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, 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 determine 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charity's operations, or have no realistic alternative but to do so.

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:

- using my understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charity'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 my 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.

My 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 my knowledge obtained in the course of 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 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 other information and I 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.

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

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 SORP (FRS 102).

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 108 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.

Fiona Owens CA
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G2 1BT

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

Appendix D: Letter of Representations (ISA (UK) 580) for Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust

To be reproduced on headed paper, signed by Section 95 Officer and provided to appointed auditor with signed set of charities 2024/25 annual accounts

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

Dear Fiona

Dundee City Council Charitable Trusts Lord Provost of Dundee Charity Fund Fleming Trust

Annual accounts 2024/25

1. This representation letter is provided about your audit of the annual accounts of Dundee City Council Charitable Trusts, the Lord Provost of Dundee Charity Fund and Fleming Trust for the year ended 31 March 2025 (the Trusts) or the purpose of expressing an opinion as to whether the financial statements properly presents the financial position of the Trusts as at 31 March 2025 and their receipts and payments, or incoming resources and application of resources, for the year then ended.

2. I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of the Trusts annual accounts for the year ended 31 March 2025.

General

3. I acknowledge my responsibility and that of the trustees for the preparation of the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the Trusts have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.

4. The information given in the Trustees' Reports present a balanced picture of the Trusts and is consistent with the financial statements.

5. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

6. The financial statements have been prepared in accordance with the requirements of the 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).

7. 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 2025.

Accounting policies

8. The financial statements have been prepared on a receipts and payments basis or an accruals basis in accordance with the applicable regulations and the founding documents of the Trusts.

Going Concern

9. The Trustees have assessed the ability of the Trusts to carry on as a going concern, and have disclosed in the financial statements, any material uncertainties that have arisen as a result.

Related party transactions

10. There were no related party transactions with any party other than Dundee City Council as administering agent.

Events subsequent to the balance sheet date

11. 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.

12. 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.

Corporate governance

13. The business of the Trusts is recorded in the systems of Dundee City Council. As section 95 officer for Dundee City Council, I confirm that there are no issues or deficiencies in internal control that require to be disclosed within the financial statements of the Trusts.

Fraud

14. I have considered the risk that the financial statements may be materially misstated as a result of fraud or irregularity. There have been no actual or alleged frauds or irregularities involving trustees or staff of Dundee City Council that could affect the financial statements of the Trusts.

Assets

15. The assets shown in the statement of balances or balance sheet at 31 March 2025 were owned by the Trusts. Assets are free from any lien, encumbrance or charge. There are no plans or intentions that are likely to affect the carrying value or classification of the assets within the financial statements.

Liabilities

16. All liabilities at 31 March 2025 of which I am aware have been reported in the financial statements.

Litigation and Claims

17. All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements.

Fraud

18. I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

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

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and
- 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.

Laws and Regulations

20. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Yours sincerely

Paul Thomson

Executive Director of Corporate Services, Dundee City Council, for and on behalf of the trustees of the Trusts administered by Dundee City Council

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Dundee City Council Section 106 Charities

2024/25 Annual Audit Report



Prepared for Dundee City Council Section 106 Charities and the Controller of Audit
September 2025

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

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Key messages

Audit of the annual accounts

- 1** All audit opinions stated that the annual accounts were free from material misstatement.
 - 2** There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by the Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust.
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Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust annual accounts.
2. The Annual Audit Report is addressed to Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust, hereafter referred to as 'the Trusts' and the Controller of Audit and will be published on Audit Scotland's website in due course.

Appointed auditor and independence

3. Fiona Owens, of Audit Scotland, has been appointed as external auditor of the Trusts for the period from 2024/25 until 2026/27. As reported in the Annual Audit Plan, Fiona Owens as engagement lead and the audit team are independent of the Trusts in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the Trusts, including no provision of non-audit services.

Scope of the audit

4. Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charity's legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity administered by the council, irrespective of the size of the charity.
5. The council administers seven charities registered under section 106 but is only required to produce three sets of accounts covering these. The Dundee City Council Charitable Trusts (incorporating four trust funds), and the Lord Provost of Dundee Charity Fund accounts were both prepared on a receipts and payments basis. The Fleming Trust accounts were required to be prepared on an accruals basis due to the size and asset base of the trust. The movement in the funds held by these charities during the year is shown in [Exhibit 1](#).
6. Our duties as auditors of the charities administered by Dundee City Council are to:

- express an opinion on whether the charity's financial statements properly present the charity's financial position and are prepared in accordance with charities legislation
- read the trustees' annual report and express an opinion as to whether it is consistent with the financial statements
- report on other matters by exception to the trustees and to the Office of the Scottish Charity Regulator (OSCR).

Exhibit 1

Movement in funds held by charities administered by Dundee City Council

Charitable Trust Fund	Scottish Charity Number	Opening balance at 1 April 2024 - £	Closing balance at 31 March 2025 - £
Belmont Trust Estate	SC018900	2,397,704	2,461,704
Camperdown Estate	SC018899	3,046,768	3,081,268
William Dawson Estate Trust	SC018920	195,917	196,215
Hospital Fund	SC018896	1,199,981	1,236,066
Total funds of Dundee City Council Charitable Trusts		6,837,370	6,975,253
Lord Provost of Dundee Charity Fund	SC027022	39,956	51,131
Fleming Trust	SC052182	8,738,171	8,932,056

Source: Trustees report and accounts for the year ended 31 March 2025

Acknowledgements

7. We would like to thank the Trusts and its staff, particularly those involved in preparation of the annual accounts, for their cooperation and assistance during the audit.

Audit of the annual accounts

Main judgements

All audit opinions stated that the annual accounts were free from material misstatement.

There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by the Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust.

Audit opinions on the annual accounts

8. The trusts annual accounts were approved by the Scrutiny Committee on 24 September 2025 and certified by the appointed auditor on 29 September 2025. The Independent Auditor's Report is included in the Trusts annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

9. The unaudited annual accounts and all working papers were received on 30 May 2025 in accordance with the agreed audit timetable.

Audit Fee

10. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £8,100. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

11. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual accounts.

12. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual accounts. Auditors set a monetary threshold when determining materiality, although some issues

may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

13. Materiality levels for the audit of the Trusts were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual accounts. Materiality levels were updated and these can be seen in [Exhibit 2](#).

Exhibit 2

2024/25 Materiality levels for the trusts

Materiality	Dundee City Council Charitable Trusts	Lord Provost Charity Fund	Fleming Trust
Planning materiality: 2 per cent of net assets	£137,000	£1,020	£175,000
Performance materiality: 75 per cent of planning materiality	£103,000	£765	£131,00
Reporting threshold: 5 per cent of planning materiality	£7,000	£50	£9,000

Source: Audit Scotland

Significant findings and key audit matters

14. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged as governance, which for the Trusts is the Trustees via the Dundee City Council Scrutiny Committee.

15. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

16. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.

- Significant events or transactions that occurred during the year.

17. The significant findings and key audit matters to report are outlined in [Exhibit 3](#).

Exhibit 3
Significant findings and key audit matters

Significant findings and key audit matters	Outcome
Fleming Trust - Legal Fees At the time of producing the unaudited accounts, the legal fees incurred for the year were unknown and omitted. An invoice was subsequently received.	Management corrected the audited 2024/25 annual accounts for Fleming Trust to reflect this expenditure. This resulted in a decrease in Net Income of £2,627, with a compensating reduction in Net Assets.

Source: Audit Scotland

Qualitative aspects of accounting practices

18. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the trust’s accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

19. The appropriateness of accounting policies adopted by the Trusts was assessed as part of the audit. These were considered to be appropriate to the circumstances of the Trusts, and there were no significant departures from the accounting policies set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Accounting estimates

20. Accounting estimates are used in number of areas in the Trusts financial statements, including the valuation of land and buildings assets. Audit work considered the process management of the Trusts has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.
- There was no evidence of management bias in making the accounting estimates.

Disclosures in the financial statements

21. The adequacy of disclosures in the financial statements was assessed as part of the audit and these were found to be appropriate.

Significant matters discussed with management

22. All significant matters identified during the audit and discussed with the Trusts management have been reported in the Annual Audit Report.

Audit adjustments

23. Audit adjustments were required to the financial statements of Fleming Trust to correct misstatements that were identified from the audit. Details of all audit adjustments are outlined in [Exhibit 4](#).

24. No audit adjustments were required to the financial statements of Dundee City Council Charitable Trusts or Lord Provost of Dundee Charity Fund greater than the reporting threshold of £7,000 or £50 respectively.

Exhibit 4
Audit adjustments

Details	Financial statements lines impacted	Statement of Financial Activities		Balance Sheet	
Audit adjustments to financial statements		Dr	Cr	Dr	Cr
		£	£	£	£
1. Legal Fees (Fleming Trust)					
	Legal Fees	2,627			
	Creditors falling due within one year				2,627

Source: Audit Scotland

25. Management of the Trusts processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatement to report.

Significant risks of material misstatement identified in the Annual Audit Plan

26. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in [Exhibit 5](#).

Exhibit 5**Significant risks of material misstatement to the financial statements**

Risk of material misstatement	Planned audit response	Outcome of audit work
<p>Fraud caused by management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias. 	<p>Audit work performed found:</p> <ul style="list-style-type: none"> • The design and implementation of controls over journal processing were appropriate. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. <p>Conclusion: no evidence of fraud caused by management override of controls.</p>

Dundee City Council Section 106 Charities

2024/25 Annual Audit Report



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