

REPORT TO: SCRUTINY COMMITTEE - 24 SEPTEMBER 2025

**REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT TO
TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO
31 MARCH 2025**

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 279-2025

1. PURPOSE OF REPORT

This report is a response to the report prepared by the Council Trust Funds' external auditor on the audit of Dundee City Council Trust Funds for the year to 31 March 2025. A copy of following draft reports are also included on the agenda as separate items:

- External auditor's report (Report No 278-2025);
- Audited Dundee City Council Charitable Trusts Annual Accounts 2024/25 (Report No 275-2025);
- Audited Lord Provost of Dundee Charity Fund Annual Accounts 2024/25 (Report No 276-2025); and
- Audited Fleming Trust Annual Accounts 2024/25 (Report No 277-2025).

2. RECOMMENDATIONS

It is recommended that the Committee:-

- (i) notes the information in this report and the contents of the draft external auditor's report, and in particular that Audit Scotland have indicated they will issue an unqualified audit opinion on each of the 2024/25 Annual Accounts noted above;
- (ii) authorises the Executive Director of Corporate Services to arrange for each of the Audited Annual Accounts noted above to be signed and then returned to the external auditor; and
- (iii) requires the Executive Director of Corporate Services thereafter to arrange for the above Annual Accounts, including copies of all audit certificates and accounts of the Council's subsidiary bodies to be published on the Council's website.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report. A summary of the key figures reported in the accounts are noted in paragraph 4.7 of this report.

4. MAIN TEXT

4.1 Introduction

External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of Dundee City Council trust funds for the financial year 2024/2025 was carried out by Ms Fiona Owens, Senior Audit Manager (Audit Services), Audit Scotland. Local authority external auditors are appointed for a five-year period and financial year 2024/2025 marked the third year of Audit Scotland's current appointment.

- 4.2 The accounts were submitted to Audit Scotland on 25 June 2025. The accounts have since been subject to a three-week statutory public inspection period and no objections were received.

4.3 External Auditor's Report

Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.

- 4.4 The report summarises the findings in relation to the overall audit of the Council trust funds for the year ended 31 March 2025. The attached report describes the scope of audit work undertaken during 2024/2025 and any issues arising from that work.

4.5 Audit Adjustments

Through the audit process, a technical adjustment to the Fleming Trust financial statements was identified. Further details are provided in Exhibit 4 on page 9. This minor adjustment related to an accrual for legal fees.

4.6 Summary of Key Figures

The usable funds for the charities referenced in this report are as follows:-

Usable Funds	2024/2025 £'000	2023/2024 £'000
Dundee City Council Charitable Trusts	1,046	1,010
Lord Provost of Dundee Charity Fund	51	40
Fleming Trust	1,091	689
Total Usable Funds	2,188	1,739

4.7 Action Plan

The external auditor has made no recommendations arising from the 2024/2025 Council trust funds audits.

4.8 Conclusions

It is pleasing to note that the overall findings and conclusions are satisfactory. In particular, the Council can take encouragement from the fact that unqualified audit opinions will be issued.

4.9 Next Steps

Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate and accounts of the Council's subsidiary bodies will then be published on the Council's website.

5. POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6. CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

7. BACKGROUND PAPERS

None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 17 SEPTEMBER 2025

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