ARGYLL AND BUTE COUNCIL	**AUDIT AND SCRUTINY COMMITTEE**
FINANCIAL SERVICES	**27 JANUARY 2026**

AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. INTRODUCTION

1.1 This report provides Members with an update on the external audit of the Annual Accounts of the Charitable Trusts administered by the Council for the year ended 31 March 2025.

1.2 The audit of the annual accounts for the year ended 31 March 2025 is complete. The auditors have issued an unqualified audit certificate and concluded that the accounts present a true and fair view of the financial position at the reporting date.

2. RECOMMENDATION

2.1 It is recommended that the Audit and Scrutiny Committee:

- Note that an unqualified audit certificate has been issued for the council's Trust Funds Annual Accounts for the year ended 31 March 2025;
- Accept and endorse the Annual Accounts, as attached as Appendix 1 to this report, and refer to the Council for approval;
- Consider Forvis Mazar's Annual Audit Report follow-up letter, given as Appendix 2; and
- Recommend that Council authorise for issue, the Trust Funds Audited Annual Accounts for the year ended 31 March 2025, given as Appendix 1, and approve for signature, the ISA 580 Letter of Representation, given as Appendix 3.

3. DETAIL

3.1 Mazars are the Council's appointed external auditors, with financial year 2024-25 being year 3 of a 5 year contract period.

3.2 The external audit identified one low-priority internal control recommendation and two disclosure corrections:

- Low-priority internal control recommendation: Improve the Oracle Fusion user access tracker by adding date fields for when roles are created, amended, or deleted to strengthen audit trail and access management.
- Disclosure correction: Audit fee in the Statement of Financial Activities and Note 6 updated from £9,000 to £9,750 to reflect the amount communicated in the Annual Audit Plan.
- Disclosure correction: Trustees' Annual Report amended to include a summary of the charity's main achievements, as required by Audit Scotland technical guidance.

3.3 There has been a significant improvement in the timescale for completion of the audit compared to the previous year. Whilst this is welcomed, continuous improvement is still required over future years, in order for the audit to be completed within the target timescale of 30 September, following the financial year end. A protracted audit process can have a detrimental impact in supporting other council priorities, such as the budget process, over this period.

4.0 CONCLUSION

4.1 This report provides Members with an update on the external audit of the Annual Accounts of the Council for the year ended 31 March 2025.

5. IMPLICATIONS

5.1 Policy – None
5.2 Financial – None
5.3 Legal – None
5.4 HR – None
5.5 Customer Service – None
5.6 Risk – None
5.7 Climate Change – None
5.8 Fairer Scotland Duty – None
5.9 Equalities – protected characteristics – None
5.10 Consumer Duty – None
5.11 Island Communities – None
5.12 Children's Rights and Wellbeing – None

Kirsty Flanagan
Executive Director/ Section 95 Officer
27 January 2026

Policy Lead for Finance and Commercial Services: Councillor Ross Moreland

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APPENDICES
Appendix 1 - Trust Funds Audited Annual Accounts for the year ended 31 March 2025
Appendix 2 - Audit Completion Report
Appendix 3 - ISA 580 Letter of Representation