

# Scottish Borders Council Welfare Trust

Charity Registration Number: SC044765

# annual report and financial statements

for the year to 31 March 2023



## Contents

	<b>Page</b>
<b>Trustees' Annual Report</b>	<b>3</b>
<b>Statement of Trustees' Responsibilities for the Annual Report and Financial Statements</b>	<b>8</b>
<b>Financial Statements</b>	
Statement of Financial Activities	9
Balance Sheet	10
<b>Accounting Policies</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>14</b>
<b>Independent Auditor's Report</b>	<b>16</b>

## TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 March 2023.

### Background

The implementation of the audit and reporting requirements of the Office of the Scottish Charity Regulator (OSCR) now requires that full audited accounts for this Charity are prepared.

Working with OSCR, Scottish Borders Council completed the first step of the re-organisation of a number of trusts. This resulted in the establishment of the SBC Welfare Trust, the "Trust", which was established for the purpose of:

- a) The prevention or relief of poverty;
- b) The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage; or
- c) The advancement of health, including the advancement of education in health.

By among other things, the payment of grants and/or loans to such charities or other organisations or to such individuals who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either the prevention or relief of poverty or the relief of those in need or the advancement of health, as appropriate.

During 2017/18 further work on the reorganisation of charity funds continued and on 21st December 2017, Scottish Borders Council approved the reorganisation, in consultation with OSCR, for a number of funds to be amalgamated into this Trust on 1st April 2018.

This fund is administered by the Communities & Partnership Team, and features on the Scottish Borders Council website and each of the 5 Area Partnership Funding Information Tables in order to raise awareness of the fund, and to support openness, transparency and equality regarding funding that is available to communities.

### Structure

Scottish Borders Council has delegated authority to the Director, Resilient Communities, for the following:

1. Approve applications for funding up to the value of £500 from the SBC Welfare Trust;
2. Approve applications for grants from £501 to £2,500 to the SBC Welfare Trust, subject to the agreement of at least 50% of the Members in the relevant Wards; and

Grants over £2,500 require approval by the Executive Committee of Scottish Borders Council.

## Charitable Purpose

- The prevention or relief of poverty
- The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage or
- The advancement of health, including the advancement of education in health
- By among other things, the payment of grants and/or loans to such charities or other organisations or to such individuals who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either the prevention or relief of poverty or the relief of those in need or the advancement of health, as appropriate.

## Summary of the Main Activities

- The Charity has taken steps to ensure that the assets of the funds are properly managed and accounted for. The charity made 15 donations totalling £13,707 during the financial year to 31 March 2023.
- There is varied success in dispersion of the Trust - in some areas nearly all of the available funding has been awarded, and in others around 25%, despite ongoing promotion of the Trust.

## Plans for the Future

- This fund is administered by the Communities & Partnership Team, and features on the SBC website and each of the 5 Area Partnership Funding Information Tables in order to raise awareness of the fund, and to support openness, transparency and equality regarding funding that is available to our communities:
  - [https://www.scotborders.gov.uk/info/20076/community\\_grants\\_and\\_funding](https://www.scotborders.gov.uk/info/20076/community_grants_and_funding)
- The Trust is also promoted at each of the 5 Area Partnerships held quarterly across the Scottish Borders.
- It is anticipated that due to the current cost of living crisis, that there may be more applications and awards made during 2023/24.

## Governance and Management

### Type of Governing Documents

- a) A Trust Deed has been established and approved by OSCR detailing the purpose and structure of the newly established Charity.
- b) In terms of the Trustees' governance of the fund, these have been approved by Scottish Borders Council at its meeting on 21 May 2015 and have been reflected in its governance codes. The codes covering the governance of the Charity comprise of the following:



- c) When considering any action in connection with the Charity the Trustees have to act in the interest of the Charity Funds.

The financial statements comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Recruitment and Appointment of Trustees

There is no recruitment process. Appointment is by virtue of election to the Council.

## Financial Review

These financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The applications of the Funds are detailed in the Notes to the Accounts.

### Reserves

The charity has considered the reserves required and has taken into account its current and future liabilities, ensuring reserves will be maintained at a level sufficient to respond to:

- all approved applications for grants
- all support and governance cost

At 31 March 2023, the reserves of the SBC Welfare Trust amounted to:

- Restricted Income Funds - £755,829

### Investments

Per the Council's Common Good and Trust Fund investment strategy, the main balance of funds is invested with Aegon Asset Management in a diversified income fund.

## Reference and Administrative Information

**Charity Name** Scottish Borders Council Welfare Trust

**Charity registration number** SC044765

**Business Address** Council HQ  
Newtown St Boswells  
Melrose  
Scottish Borders  
TD6 0SA

### Trustees

The Trustees of this charity for the period 1 April to 5 May 2022 were the duly elected members of Scottish Borders Council (the Council) at that time. These were:

Sandy Aitchison	Andy Anderson	Heather Anderson
Stuart Bell	Jim Brown	Kris Chapman
Caroline Cochrane	Gordon Edgar	Jim Fullarton
John Greenwell	Carol Hamilton	Scott Hamilton
Shona Haslam	Euan Jardine	Helen Laing
Jenny Linehan	Stuart Marshall	Watson McAteer
Tom Miers	Donald Moffat	Simon Mountford
David Parker	David Paterson	Clair Ramage
Neil Richards	Euan Robson	Mark Rowley
Harry Scott	Sandy Scott	Eric Small
Robin Tatler	Elaine Thornton-Nicol	George Turnbull
Tom Weatherston		

Due to Local Government elections on 5 May 2022, the Trustees for the remainder of the year to 31 March 2023 were the duly elected members of Scottish Borders Council (the Council) at that time. These were:

James Anderson	Drummond Begg	Pam Brown
Caroline Cochrane	Jane Cox	Leagh Douglas
Marshall Douglas	John Greenwell	Carol Hamilton
Scott Hamilton	Euan Jardine	Jenny Linehan
Watson McAteer	Neil Mackinnon	Stuart Marshall
Donald Moffat	Simon Mountford	Aileen Orr
David Parker	John Paton-Day	Julie Pirone
Clare Ramage	Neil Richards	Euan Robson
Mark Rowley	Sandy Scott	Fay Sinclair
Eric Small	Annette Smart	Hannah Steel
Robin Tatler	Viv Thomson	Elaine Thornton-Nicol
Tom Weatherston		

- Chief Executive**
- During the period of these financial statements, the Chief Executives of Scottish Borders Council were:
  - Netta Meadows 1 April to 11 July 2022
  - David Robertson 12 July to 31 March 2023 (on an interim basis from 12 July to 17 January 2023)

**Auditor**                      Audit Scotland  
   102 West Port  
   Edinburgh  
   EH3 9DN

### **Professional support**

The Council provides the Administrative, Legal and Financial support and advice to the Welfare Trust. All financial transactions go through the Council's books of account and their Bankers are the Royal Bank of Scotland, Galashiels.

### **Parent Entity**

Scottish Borders Council is a local authority, constituted under the Local Government (Scotland) Act 1994, whose principal purpose is to provide a range of public services such as education, housing and planning, social care, roads and transport, economic development, environmental protection and waste management. A copy of the group financial statements can be obtained from the Council's website [www.scotborders.gov.uk](http://www.scotborders.gov.uk).



**Euan Jardine**  
**Trustee**  
**Scottish Borders Council Welfare Trust**

01 December 2023

## STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with FRS102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- **Select suitable accounting policies and then apply them consistently;**
- **Make judgements and estimates that are reasonable and prudent;**
- **State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;**
- **State where applicable, whether the financial statements comply with the trust deeds and rules, subject to any material departures disclosed and explained in the financial statements and**
- **Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.**

The trustees are required to act in accordance with the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under that Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's information/section on the Scottish Borders Council website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2023

As restated 2022 £		2023 £	Notes
	<b>Income From:</b>		
500	Donations and legacies	1,000	3
33,337	Investments	36,061	1
<b>33,837</b>	<b>Total Income</b>	<b>37,061</b>	
	<b>Expenditure on:</b>		
0	Raising funds	0	
(15,174)	Charitable activities	(13,707)	2
(500)	Other: Governance costs	(1000)	3
<b>(15,674)</b>	<b>Total Expenditure</b>	<b>(14,707)</b>	
6,119	Gain / (loss) on investment assets	(77,343)	
<b>24,282</b>	<b>Net Income / (Expenditure)</b>	<b>(54,989)</b>	
	<b>Other Recognised Gains / (Losses)</b>		
0	Recognition of Investments	0	
<b>24,282</b>	<b>Net Movement in Funds</b>	<b>(54,989)</b>	
	<b>Reconciliation of Funds</b>		
786,536	Total funds brought forward	810,818	
<b>810,818</b>	<b>Total Funds Carried Forward</b>	<b>755,829</b>	7

## BALANCE SHEET as at 31 March 2023

As restated 2022			2023		Notes
£	£		£	£	
632,960	632,960	<b>Fixed Assets</b>			
		Investments	556,334		4
				<b>556,334</b>	
		<b>Current Assets</b>			
2,972		Debtors	1,725		5
174,886		Short term investment in SBC loans fund.	197,770		6
	<b>177,858</b>	<b>Total Current Assets</b>		<b>199,495</b>	
	<b>810,818</b>	<b>Total Net Assets</b>		<b>755,829</b>	
		<b>The Funds of the Charity</b>			
(810,818)		Restricted income funds	(755,829)		7
	<b>(810,818)</b>	<b>Total Charity Funds</b>		<b>(755,829)</b>	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 11 and 13 and the Notes on pages 14 to 15, form part of these Financial Statements.

The unaudited accounts were issued on 29 June 2023 and the audited accounts were authorised for issue on 01 December 2023

*Suzanne Douglas*

**Suzanne Douglas CPFA**  
**Director of Finance & Procurement**

01 December 2023

*Euan Jardine*

**Euan Jardine**  
**Trustee**  
**Scottish Borders Council Welfare Trust**

01 December 2023

## ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

### Basis of Preparation

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Donations and grants are recorded as expenditure when they are approved, or if approved in principle only, when final confirmation of amount is received by the applying body.
- Where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.
- Income and expenditure are credited and debited to the relevant revenue account unless they properly represent capital receipts or capital expenditure.

### Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include the designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

### Income Recognition

Under FRS102, income is recognised when its receipt is “probable”, rather than “virtually certain”, which was the case under the previous Charities SORP 2005.

Full recognition criteria are:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity,
- Probable – it is more likely than not that the economic benefits will flow to the charity,
- Measurement – the monetary value or amount of the income and the costs to complete the transactions can be measured reliably.

## Donations & Legacies

All donations and gifts are included within incoming resources under Restricted Funds. Donations and Gifts in Kind are brought into the financial statements at their market value to the charity.

## Resources Expended

Resources expended are analysed between charitable activities, costs of raising funds and governance costs. Charitable activities include all direct costs and other support costs.

## Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using closing quoted market price.

Unrealised gains and losses represent the difference between market value at the beginning and the end of the financial year, or if purchased in the year, the difference between cost and market value at the end of the financial year. Realised gains and losses represent the difference between the proceeds and cost.

## Short Term Investments

Short Term Investments are current asset investments which are disposable without curtailing or disrupting the business and are either convertible into known amounts of cash at or close to their carrying values. Short Term Investments comprise of call deposits with the Council.

## Correction of errors – prior year restatement

During 2023, the trustees clarified the ownership of shares held in JP Morgan Claverhouse Investment Trust. This investment had previously been accounted for within Scottish Borders Council with the dividend income received proportionately allocated to the Education Trust, the Welfare Trust and Scottish Borders Council Charitable Trusts and the Scottish Borders Council. Consequently, the investment assets, the charitable funds as detailed below and the related unrealised gain/(loss) on investment assets has been understated. This has been corrected by restating each of the financial statement line items in the prior period. The following tables summarise the impact on the financial statements.

Balance Sheet at 31 March 2022	As previously reported £	Adjustments £	As restated £
Investment assets	626,205	6,755	632,960
	<b>626,205</b>	<b>6,755</b>	<b>632,960</b>

Charitable Funds at 31 March 2022	As previously reported £	Adjustments £	As restated £
Berwickshire	249,275	-	249,275
Galashiels & District	137,000	-	137,000
Hawick, Denholm & Hermitage	24,405	-	24,405
Jedburgh & District	48,401	-	48,401
Leaderdale & Melrose	10,240	-	10,240
Tweeddale East & West	8,423	-	8,423
Tweeddale East & West	858	-	858
Mid & East Berwickshire	65,348	-	65,348
Hawick & Hermitage	29,121	-	29,121

**Scottish Borders Council Welfare Trust**  
**Annual Report and Financial Statements for the year ended 31 March 2023**

Hawick & Hermitage	655	-	655
Hawick Denholm	8,014	-	8,014
Jedburgh & District	24,102	6,755	30,857
Kelso & District	7,848	-	7,848
Selkirkshire	99,895	-	99,895
Lauder	18,263	-	18,263
Melrose & District	8,679	-	8,679
Tweeddale	63,170	-	63,170
Bowden	366	-	366
	<b>804,063</b>	<b>6,755</b>	<b>810,818</b>

Statement of Financial Activities at 31 March 2022	As previously reported £	Adjustments £	As restated £
Gain / (loss) on investment assets - unrealised	(636)	6,755	6,119
	<b>(636)</b>	<b>6,755</b>	<b>6,119</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Investment Income

2022 £		2023 £
87	Bank Interest Receivable	3,388
33,250	Income from Investment Portfolio	32,673
<b>33,337</b>		<b>36,061</b>

Following a drop in the income from the Aegon Investment Fund due to the impact of Covid-19 in 2020/21, dividend income returned to pre-pandemic levels in 2021/22 and remained at a similar level in 2022/23.

### 2 Charitable Activities

The charitable activities during 2022/23 are shown in note 7 by individual fund within the charity.

### 3 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the SBC Welfare Trust, recognised under Governance Costs. This fee amounted to £1,000 in 2022/23. A notional grant from SBC to cover the full cost is recognised under Donations and legacies. No Trustee remuneration or other expenses were incurred.

### 4 Investments

All investments are through regulated funds or are traded on a recognised investment exchange.

At 31 March 2023 all investments were with the Aegon Asset Management Diversified Monthly Income Fund. An unrealised loss for the 12 month period of these accounts means the market value of the funds invested has now fallen below the book value. However, taking account of the income received, the fund has achieved an overall positive return since the initial investment.

### 5 Debtors

2022 £		2023 £
2,972	Prepayments and accrued income	1,725
<b>2,972</b>		<b>1,725</b>

### 6 Short Term Investments in SBC Loans Fund

All surplus cash is invested on behalf of the charity with Scottish Borders Council

## 7 Restricted Funds

The funds held with the Charity are restricted by area, purpose or both.

The restrictions for each are shown in the table below. The purpose of these funds is:

- a) The prevention or relief of poverty
- b) The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage or
- c) The advancement of health, including the advancement of education in health

Restated 2022 Balance	Restricted by Area	Restricted by Purpose	Income	Expenditure	Unrealised Gain/(Loss)	2022/23 Balance
£	£		£	£	£	£
249,275	Berwickshire	a&b	10,713	(1,071)	(23,623)	235,294
137,000	Galashiels & District	a&b	6,259	(569)	(14,548)	128,142
24,405	Hawick, Denholm & Hermitage	a&b	1,056	(609)	(2,348)	22,504
48,401	Jedburgh & District	a&b	2,078	(1,356)	(4,580)	44,543
10,240	Leaderdale & Melrose	a&b	437	(411)	(956)	9,310
8,423	Tweeddale East & West	a&b	360	(339)	(788)	7,656
858	Tweeddale East & West	Unrestrict'd	37	(1)	(80)	814
65,348	Mid & East Berwickshire	a&b	2,708	(2,096)	(5,888)	60,072
29,121	Hawick & Hermitage	c	1,266	(34)	(2,822)	27,531
655	Hawick & Hermitage	a&b	28	(1)	(62)	620
8,014	Hawick Denholm	a&b	344	(9)	(758)	7,591
30,857	Jedburgh & District	c	1,335	(34)	(2,635)	29,523
7,848	Kelso & District	a&b	341	(327)	(760)	7,102
99,895	Selkirkshire	a&b	4,253	(3,334)	(9,370)	91,444
18,263	Lauder	a&b	801	(774)	(1,800)	16,490
8,679	Melrose & District	a&b	373	(10)	(825)	8,217
63,170	Tweeddale	a&b	4,656	(3,732)	(5,466)	58,628
366	Bowden	a&b	16	(0)	(34)	348
<b>810,818</b>			<b>37,061</b>	<b>(14,707)</b>	<b>(77,343)</b>	<b>755,829</b>

## 8 Related Party Transactions

Due to the nature of the operations and composition of the SBC Welfare Trust (Trustees are comprised of Elected Council Members of Scottish Borders Council), Scottish Borders Council is registered as a related party. Transactions with Scottish Borders Council for the year under review are listed below:

	£
Interest received on funds invested in SBC Loans Fund	3,388

## INDEPENDENT AUDITOR'S REPORT

### to the trustees of Scottish Borders Council Welfare 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 Scottish Borders Council Welfare Trust for the year ended 31 March 2023 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 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 2023 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 Trustees' 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.

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 and Director of Finance and Procurement 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 and Director of Finance and Procurement 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](http://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.

*Stephanie Harold*

Stephanie Harold  
Audit Scotland  
4<sup>th</sup> Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

01 December 2023

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

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