

13. The regulations also require a local authority to give the right of interested persons to inspect and object to its accounts, as provided for by section 101(a) (rights of interested persons to inspect and copy documents and to object to accounts) of the 1973 Act.

13. No objections were raised to the 2023/24 annual accounts.

Overall materiality was assessed on receipt of the unaudited annual accounts as £19.5 million

14. The concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the financial statements, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

15. My initial assessment of materiality was carried out during the risk assessment phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

Exhibit 1 **Materiality values**

Materiality level	West Lothian Council	Group
Overall materiality	£19.5 million	£23.1 million
Performance materiality	£14.5 million	£17.3 million
Reporting threshold	£0.5 million	£0.5 million

Source: Audit Scotland

16. The overall materiality threshold for the audit of the annual accounts of West Lothian Council was set with reference to gross expenditure, which was judged as the figure most relevant to the users of the financial statements.

17. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75% of overall materiality, reflecting a history of a low number of errors or significant issues.

18. It is our responsibility to request that all misstatements, other than those below the reporting threshold are corrected. The final decision on making the correction lies with those charged with governance.