



# Annual Audit Plan

**Dunbartonshire and Argyll & Bute Valuation Joint Board – year ending 31 March 2025**

May 2025

Dunbartonshire and Argyll & Bute Valuation Joint Board  
235 Dunbarton Road  
Clydebank  
G81 4XJ

Forvis Mazars  
100 Queen Street  
Glasgow  
G1 3DN

6 May 2025

Dear Board Members,

### **Annual Audit Plan – Year ending 31 March 2025**

We are pleased to present our Annual Audit Plan for Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ending 31 March 2025. This report summarises our audit approach, including the significant audit risks and areas of key judgement we have identified, and provides details of our audit team. In addition, as it is a fundamental requirement that an auditor is, and is seen to be, independent of an audited entity, the section of the report titled '*Confirmation of our independence*' summarises our considerations and conclusions on our independence as auditors.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of the audit and our respective responsibilities;
- Sharing information to assist each of us to fulfil our respective responsibilities;
- Providing you with constructive observations arising during the audit process; and
- Ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance, and other risks facing Dunbartonshire and Argyll & Bute Valuation Joint Board which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

Forvis Mazars LLP – 100 Queen Street Tel: 0141 227 2400 – [www.forvismazars.com/uk](http://www.forvismazars.com/uk)

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

## Annual Audit Plan – Year ending 31 March 2025 (continued)

With that in mind, this report, which has been prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach or role as auditor.

This report also contains appendices that outline our key communications with you during the audit. Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me.

This report has been prepared in accordance with the responsibilities set out within Audit Scotland’s Code of Audit Practice (“the Code”) and for the sole benefit of the Board. Except where required by law or regulation, it should not be used, quoted or made available to any other parties without our prior written consent.

Yours faithfully,

A handwritten signature in black ink that reads "T. Reid".

Tom Reid  
Audit Director

Forvis Mazars

Forvis Mazars LLP – 100 Queen Street Tel: 0141 227 2400 – [www.forvismazars.com/uk](http://www.forvismazars.com/uk)

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

# Contents

- 01 Engagement and responsibilities summary
- 02 Your audit engagement team
- 03 Audit scope, approach and timeline
- 04 Materiality and misstatements
- 05 Significant risks and other key judgement areas
- 06 Wider scope and Best Value
- 07 Audit fees and other services
- 08 Confirmation of our independence
  
- A Appendix A – Key communication points

This document is to be regarded as confidential to Dunbartonshire and Argyll & Bute Valuation Joint Board. It has been prepared for the sole use of the Board as the appropriate committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

## Engagement and responsibilities summary

# Engagement and responsibilities summary

We are appointed to perform the external audit of Dunbartonshire and Argyll & Bute Valuation Joint Board ('the VJB') for the year to 31 March 2025. The scope of our engagement is set out in the Code of Audit Practice, issued by the Auditor General and the Accounts Commission available from the Audit Scotland website: [Code of audit practice | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk). Our responsibilities are principally derived from the Local Government (Scotland) Act 1973 (the 1973 Act) and the Code of Audit Practice, as outlined below and overleaf.

## Audit opinion



We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with applicable law and UK adopted international accounting standards as interpreted and adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our audit does not relieve management or the Board, as Those Charged With Governance, of their responsibilities.

The Treasurer is responsible for the assessment of the VJB's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Treasurer's use of the going concern basis of accounting in the preparation of the financial statements.

## Fraud



The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of the Board, key management personnel and internal audit on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

# Engagement and responsibilities summary (continued)



## Internal control

Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We are responsible for obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VJB’s internal control.



## Wider scope and Best Value

We are also responsible for reviewing and reporting on the wider scope arrangements that the VJB has in place and its arrangements to secure Best Value. We discuss our approach to wider scope and Best Value work further in the ‘*Wider scope and Best Value*’ section of this report.

Your audit engagement team



Your audit team



**Tom Reid**  
**Engagement Director**  
  
tom.reid@mazars.co.uk  
07816 354994



**Louis Dearmer**  
**Engagement Manager**  
  
louis.dearmer@mazars.co.uk  
07815 454697



**Bongie Alam**  
**Team Lead**  
  
bongie.alam@mazars.co.uk  
0789 098 8687

# 03

Audit scope, approach, and timeline

# Audit scope, approach, and timeline (continued)

## Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

## Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are primarily driven by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess the inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud) to aid in our risk assessment, we develop our audit strategy and design audit procedures to respond to the risks we have identified.

If we conclude that appropriately designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or we decide that it would be more efficient to do so, we may take a wholly substantive approach to our audit testing where, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the '*Materiality and misstatements*' section of this report.

The diagram on the next page outlines the procedures we perform at the different stages of our audit. We have also provided, later in this report, a table setting out the procedures we perform for the significant financial statement areas.

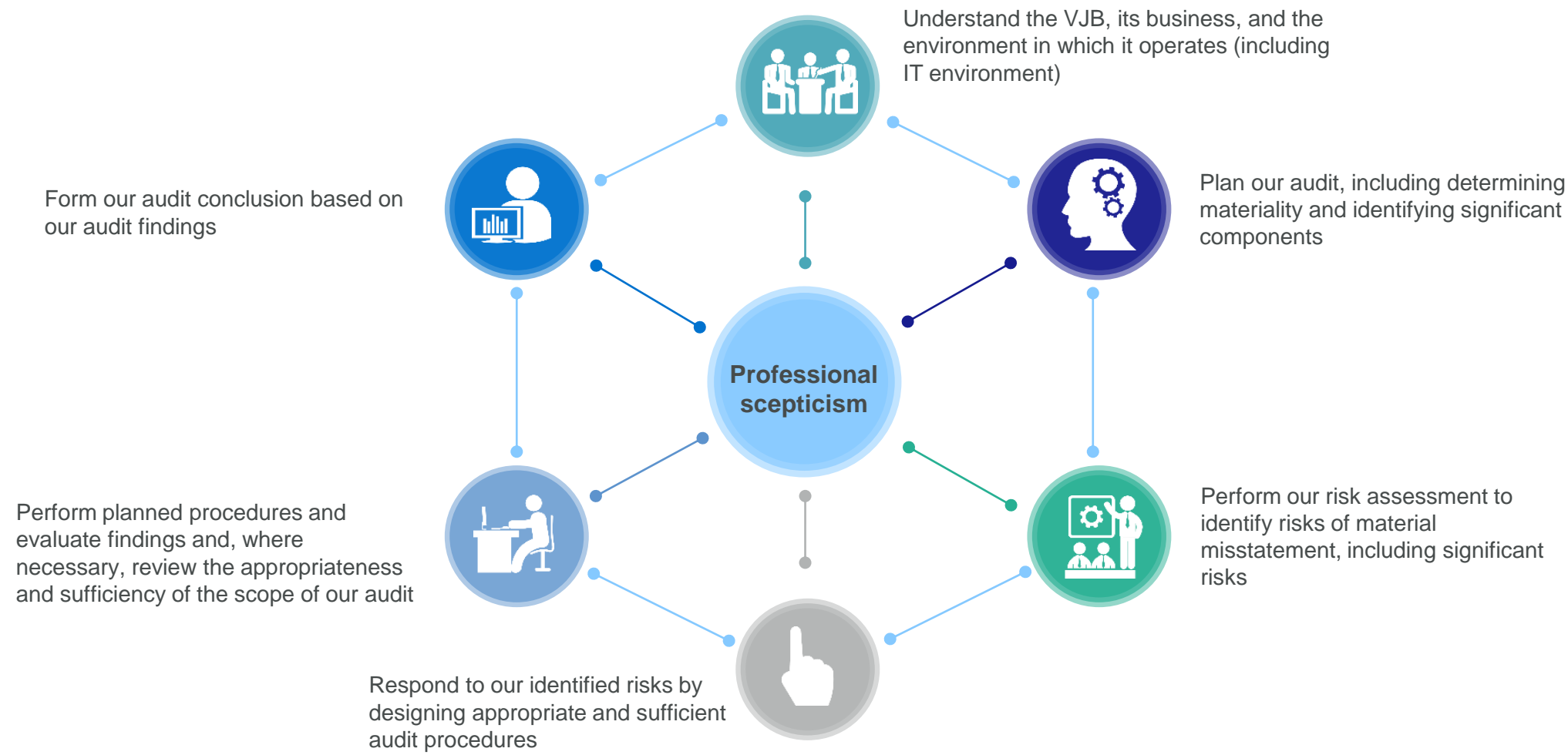
## Reliance on internal audit

Where possible, we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Where we intend to rely on the work of internal audit, we will evaluate the work performed by your internal audit team and perform our own audit procedures to determine its adequacy for our audit.

# Audit scope, approach, and timeline

## Risk-based approach



# Audit scope, approach, and timeline



# Audit scope, approach, and timeline (continued)

## Management’s experts and our experts

Management makes use of experts in specific areas when preparing the VJB’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Valuation of property, plant and equipment	Gerald Eve	At this stage, we do not plan to engage an expert for the valuation of property, plant and equipment. We will review third-party analysis of property valuation movements and consider the outcome of the VJB’s valuations in comparison with this, challenging as appropriate.
Valuation of net defined benefit liability	Hymans Robertson	We make use of the actuarial report produced by PwC in their capacity as the consulting actuary. PwC are appointed by the National Audit Office on behalf of local audit firms to review and analyse national pension trends and the assumptions applied by the various Local Government Pension Scheme actuaries, including Hymans Robertson.

## Audit scope, approach, and timeline (continued)

### Audit approach for significant financial statement areas

Our audit approach on significant financial statement areas is set out below.

Financial statement area	Significant risk	Key judgement area or enhanced risk	Testing of controls	Substantive procedures	Comments
Property, Plant and Equipment	Yes	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail. For full details, see Page 23.
Short Term Debtors	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Net Pensions Asset/(Liability)	Yes	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail. For full details, see Page 24.
Usable Reserves	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Unusable Reserves	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Employee Costs	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Property Costs	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Supplies and Services	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Support Services	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.
Revenue Contributions	No	No	No	Yes	Our audit approach will be fully substantive, comprising of tests of detail.

## Materiality and misstatements



# Materiality and misstatements

## Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

## Materiality

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to the Board.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;

- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors.

When planning our audit, we make judgements about the size of misstatements we consider to be material. This provides a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

# Materiality and misstatements (continued)

## Materiality (continued)

We consider that gross revenue expenditure is the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

We expect to set a materiality threshold of 1.75% of gross revenue expenditure for the 2024/25 audit. This has decreased from 2.00% in 2023/24 due to the VJB’s financial position. It plans to fully utilise its remaining reserves to achieve a balanced budget for the 2025/26 financial year and has no clear plan to restore its reserves balance above the prudential threshold assessed by management of £0.100m (see further details in Section 6).

As set out in the table below, based on the unaudited 2023/24 accounts, we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £53,700 (£61,160 in the prior year), and performance materiality to be in the region of £37,590 (£42,800 in the prior year).

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

## Materiality for the VJB’s financial statements

	2024/25 £	2023/24 £
Overall materiality	53,700	61,160
Performance materiality	37,590	42,800
Clearly trivial	1,610	2,000
We assess the Remuneration Report as sensitive, given users’ specific interest in this area. We are proposing to set materiality in this area at £1,000	£1,000	£1,000

# Materiality and misstatements (continued)

## Misstatements

We will accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to the Board and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our preliminary assessment of overall materiality, our proposed clearly trivial threshold is £1,610 based on 3% of overall materiality. If you have any queries about this, please raise these with Tom Reid.

Each misstatement above the reporting threshold that we identify will be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.
- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to the Board as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Misstatements also cover qualitative misstatements and include quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

## Reporting

In summary, we will categorise and report misstatements above the reporting threshold to the Board as follows:

- Adjusted misstatements;
- Unadjusted misstatements; and
- Disclosure misstatements (adjusted and unadjusted).

## Significant risks and other key judgement areas

# Significant risks and other key judgement areas

## Definitions

Following the risk assessment approach set out in the ‘*Audit scope, approach, and timeline*’ section, we have identified the risks of material misstatement in the financial statements. These risks are categorised as significant, enhanced, or standard. The definitions of these risk ratings are set out below.

Risk Level	Definition
Significant	A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by auditing standards), including management override of controls and revenue recognition.
Enhanced	An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to: <ul style="list-style-type: none"><li>• Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and</li><li>• Risks relating to other assertions and arising from significant events or transactions that occurred during the period.</li></ul>
Standard	A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.

# Significant risks and other key judgement areas (continued)

## Audit risks and planned responses

In this section, we have set out the risks that we deem to be significant and enhanced, and our planned response. An audit is a dynamic process, and should we change our view of risk and/ or our approach to address those risks during our audit, we will report this to the Board.

## Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
1	Management override of controls	Yes	No	No	Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	We plan to address the management override of controls risk through: <ul style="list-style-type: none"><li>• reviewing the key areas within the financial statements where management has used judgement and estimation techniques and considering whether there is evidence of management bias;</li><li>• testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;</li><li>• testing journals that meet our fraud risk factors; and</li><li>• considering and testing any significant transactions outside the normal course of business or otherwise unusual.</li></ul>

## Significant risks and other key judgement areas (continued)

### Significant risks (continued)

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
2	Valuation of property, plant and equipment	No	Yes	Yes	<p>The VJB held land and buildings with a net book value of £0.675m as at 31 March 2024 (as per the 2023/24 unaudited annual accounts). The VJB has adopted a rolling revaluation model, with an external valuer carrying out valuations of land and buildings on a five-year cycle. This may result in individual assets not being revalued for several years. This creates a risk that the carrying value of those assets that have not been revalued in-year is materially different from their current value.</p> <p>Valuations are based on specialist assumptions and even small changes in these assumptions can lead to material changes in valuation. Due to the high degree of estimation uncertainty associated with the valuation of property, plant and equipment, we have determined that there is a significant risk in this area.</p>	<p>We will evaluate the design and implementation of any controls which mitigate the risk. This includes liaising with management to update our understanding on the approach taken by the VJB in its valuation of land and buildings. We will:</p> <ul style="list-style-type: none"> <li>• assess the scope and terms of engagement with the Valuer;</li> <li>• assess the competence, skills and objectivity of the Valuer;</li> <li>• assess how management use the Valuer's report to value land and buildings included in the financial statements;</li> <li>• test the accuracy of the data used in valuations;</li> <li>• challenge management and Valuer's assumptions and judgements applied in the valuations;</li> <li>• review valuation methodology used, including the appropriateness of the valuation basis; and</li> <li>• consider the reasonableness of the valuation by comparing the valuation output with market intelligence.</li> <li>• Challenge management as to whether they have considered movements in the valuation of any assets which have not been formally revalued during the year.</li> </ul>

# Significant risks and other key judgement areas (continued)

## Significant risks (continued)

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
3	Valuation of the net defined benefit liability	No	Yes	Yes	The Valuation Joint Board had a net pension liability of £0.175 million as at 31 March 2024 (as per the 2023/24 unaudited accounts). Estimation of the net pension asset or liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. Due to the high degree of estimation uncertainty associated with the valuations, we have determined there is a significant risk in this area.	We will address this risk by reviewing the controls that the VJB has in place over the information sent to the Scheme Actuary by the fund administrators (Strathclyde Pension Fund). We will also: <ul style="list-style-type: none"><li>• assess the skill, competence and experience of the Scheme Actuary;</li><li>• challenge the reasonableness of the assumptions used by the actuary as part of the annual IAS 19 valuation;</li><li>• carry out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation.</li></ul>



# Significant risks and other key judgement areas (continued)

## Other considerations

In consideration of ISA (UK) 260 *Communication with Those Charged with Governance*, we would like to seek the Board's views/ knowledge of the following matters:

- Did you identify any other risks (business, laws & regulation, fraud, going concern etc.) that may result in material misstatements?
- Are you aware of any significant communications between the VJB and regulators?
- Are there any matters that you consider warrant particular attention during the course of our audit, and any areas where you would like additional procedures to be undertaken?

## Significant difficulties encountered during the course of audit

In accordance with ISA (UK) 260 *Communication with Those Charged with Governance*, we are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:

- Significant delays in management providing information that we require to perform our audit.
- An unnecessarily brief time within which to complete our audit.
- Extensive and unexpected effort to obtain sufficient appropriate audit evidence.
- Unavailability of expected information.
- Restrictions imposed on us by management.
- Unwillingness by management to make or extend their assessment of an entity's ability to continue as a going concern when requested.

We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).

Wider scope and Best Value

# Wider scope and Best Value

## The framework for wider scope work

The Code of Audit Practice sets out the four areas that frame the wider scope of public sector audit. We are required to form a view on the adequacy of the VJB’s arrangements in four areas:

- 1. Financial management
- 2. Financial sustainability
- 3. Vision, leadership, and governance
- 4. Use of resources to improve outcomes

Financial management	<p>Financial management means having sound budgetary processes. Audited bodies require the ability to understand the financial environment and whether internal controls are operating effectively.</p> <p>Auditors consider whether the body has effective arrangements to secure sound financial management.</p>
----------------------	--

Financial sustainability	<p>Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.</p> <p>Auditors consider the extent to which audited bodies have shown regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so that it can continue to deliver services.</p>
--------------------------	---

Vision, leadership and governance	<p>Audited bodies must have a clear vision and strategy, and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.</p> <p>Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. They also consider the effectiveness of governance arrangements for delivery.</p>
-----------------------------------	--

Use of resources to improve outcomes	<p>Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.</p> <p>Auditors consider the clarity of the arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of equalities, and deliver continuous improvements in priority services.</p>
--------------------------------------	---

# Wider scope and Best Value (continued)

## Our approach

Our planned audit work against the four wider scope areas is risk based and proportionate. We need to gather sufficient evidence to support our commentary on the VJB's arrangements and to identify and report on any significant weaknesses. We will carry out more detailed work where we identify significant risks. Where significant weaknesses are identified we will report these to the VJB and make recommendations for improvement. In addition to local risks, we consider challenges that are affecting the public sector as a whole.

The Code of Audit Practice permits an alternative audit approach where an audited body is considered less complex due its size and limited financial activity. The Code of Audit Practice supplementary guidance sets out the criteria for auditors to use to determine if a body is less complex and the audit approach to be adopted in such circumstances. We have concluded, based on our understanding of the VJB through our planning work, that it is a less complex body. This was also our judgement in 2023/24.

We will therefore restrict our wider scope work to:

- a review of the Annual Governance Statement
- concluding on the financial sustainability of the VJB and the services that it delivers in the medium to longer term
- reporting on the VJB's arrangements for securing Best Value.

# Wider scope and Best Value (continued)

## Wider scope risks

The Code of Audit Practice requires us to consider the significant audit risks in areas defined in the Code as the wider scope audit.

Although we have not fully completed our planning and risk assessment work, the table below outlines the wider scope audit risks that we have identified to date. We will report any further identified risks to the Board on completion of our planning and risk identification work.

Risk Description		Financial management	Financial sustainability	Vision, leadership and governance	Use of resources to improve outcomes	Planned procedures
1	<p><b>Financial sustainability – unfunded medium-term budget gaps</b></p> <p>The VJB has agreed to use all its remaining reserves to balance its 2025/26 budget. This would breach its prudential threshold to hold minimum reserves of £0.100m.</p> <p>The VJB is forecasting budget gaps of £0.650m for 2026/27 and £0.744m for 2027/28. It has relied on reserves in previous years to achieve balanced budgets but will be unable to do so after 2025/26 under its current assumptions.</p> <p>Management is engaging with the three constituent authorities to try to agree an increase in their future annual contributions to relieve forecast budget pressures. Officers have indicated that if this is unsuccessful the VJB is likely to need to reduce staffing to a level that would mean it could not fulfil its statutory duties.</p> <p>There is a risk of a significant weakness in the VJB’s arrangements for securing financial sustainability due to its planned use of reserves and the possibility that it may be unable to secure additional contributions from its constituent authorities.</p>	No	Yes	No	No	<p>We will engage with management to obtain a detailed understanding of the process for negotiating increases in contributions from the constituent authorities.</p> <p>We will monitor developments in negotiations with the constituent authorities and assess the impact on the VJB’s forecast financial position.</p> <p>We will review the progress made by the VJB in achieving savings agreed within its latest Long Term Finance Strategy.</p> <p>We will review other assumptions within the VJB’s short and medium-term financial forecasts to determine whether they are appropriate and comprehensive.</p>

# 07

Audit fees and other services

# Audit fees and other services

Our fees (exclusive of VAT and disbursements) for the audit of the VJB’s financial statements for the year ended 31 March 2025 are outlined below.

At this stage of the audit, we are not planning any divergence from the expected fees set by Audit Scotland, which is available on the Audit Scotland website: [Audit Scotland expected fees for 2024/25 audits.](#)

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Auditor remuneration	£21,830	£20,950
Pooled costs	£550	£760
Contribution to PABV costs	£0	£0
Audit support costs	£0	£0
Sectoral cap adjustment	(£12,880)	(£12,390)
Total fees	£9,500	£9,320

We have not provided any non-audit services to the VJB during the year.

## Confirmation of our independence



# Confirmation of our independence

## Requirements

We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Revised Ethical Standard.

## Compliance

We are not aware of any relationship between Forvis Mazars and Dunbartonshire and Argyll & Bute Valuation Joint Board, in our professional judgement, may reasonably be thought to impair our independence.

We are independent of Dunbartonshire and Argyll & Bute Valuation Joint Board and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.

## Non-audit and Audit fees

We have set out a summary of the non-audit services provided by Forvis Mazars (with related fees) to Dunbartonshire and Argyll & Bute Valuation Joint Board, together with our audit fees and independence assessment.

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with Tom Reid in the first instance.

## Confirmation of our independence

Prior to the provision of any non-audit services, Tom Reid will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

Principal threats to our independence and the associated safeguards we have identified and/ or put in place are set out in Framework Agreement issued by Audit Scotland available from the Audit Scotland website: [Audit Scotland Framework Agreement \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk). Any emerging independence threats and associated identified safeguards will be communicated in our Annual Audit Report.

# Appendices

A: Key communication points

## Appendix A: Key communication points

We value communication with you, as a two-way feedback process is at the heart of our client service commitment. ISA (UK) 260 Communication with Those Charged with Governance and ISA (UK) 265 Communicating Deficiencies In Internal Control To Those Charged With Governance And Management specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

### Form, timing and content of our communications

We will present the following reports:

- Our Annual Audit Plan; and
- Our Annual Audit Report
- These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

### Key communication points at the planning stage as included in this Annual Audit Plan

Our responsibilities in relation to the audit of the financial statements;

- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

### Key communication points at the completion stage to be included in our Annual Audit Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

# Appendix A: Key communication points

ISA (UK) 260 Communication with Those Charged with Governance, ISA (UK) 265 Communicating Deficiencies In Internal Control To Those Charged With Governance And Management and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	Annual Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Annual Audit Plan
With respect to misstatements: <ul style="list-style-type: none"><li>• Uncorrected misstatements and their effect on our audit opinion;</li><li>• The effect of uncorrected misstatements related to prior periods;</li><li>• A request that any uncorrected misstatement is corrected; and</li><li>• In writing, corrected misstatements that are significant.</li></ul>	Annual Audit Report
With respect to fraud communications: <ul style="list-style-type: none"><li>• Enquiries of the Board to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the entity;</li><li>• Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and</li><li>• A discussion of any other matters related to fraud.</li></ul>	Annual Audit Report and discussion at the Board  Audit planning and clearance meetings
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Annual Audit Report

# Appendix A: Key communication points (continued)

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity’s related parties including, when applicable: <ul style="list-style-type: none"><li>• Non-disclosure by management;</li><li>• Inappropriate authorisation and approval of transactions;</li><li>• Disagreement over disclosures;</li><li>• Non-compliance with laws and regulations; and</li><li>• Difficulty in identifying the party that ultimately controls the entity.</li></ul>	Annual Audit Report
Significant findings from the audit including: <ul style="list-style-type: none"><li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;</li><li>• Significant difficulties, if any, encountered during the audit;</li><li>• Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management;</li><li>• Written representations that we are seeking;</li><li>• Expected modifications to the audit report; and</li><li>• Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to VJB or the Board in the context of fulfilling their responsibilities.</li></ul>	Annual Audit Report
Significant deficiencies in internal controls identified during the audit.	Annual Audit Report

# Appendix A: Key communication points (continued)

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off)} and inquiry of the Board into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that the Board may be aware of.	Annual Audit Report and Board meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including: <ul style="list-style-type: none"><li>• Whether the events or conditions constitute a material uncertainty;</li><li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and</li><li>• The adequacy of related disclosures in the financial statements.</li></ul>	Annual Audit Report
Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management: <ul style="list-style-type: none"><li>• Ensure there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership</li><li>• Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities</li><li>• Identify, review, and update quality risks each quarter, taking into consideration the number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.)</li><li>• Identify, design, and implement responses as part of the process to strengthen our firm's internal control environment and overall quality</li><li>• Evaluate responses and remediate control gaps or deficiencies</li></ul> We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website <a href="#">here</a> .  The details of our evaluation of our system of quality management as of 31 August 2025, and our conclusion, will be available in our 2024/25 Transparency Report, which will be available on our website by 31 December 2025.	Annual Audit Plan

# Contact

## Forvis Mazars

### Tom Reid

Audit Director

07816 354994

tom.reid@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2024. All rights reserved.