Tayside Valuation Joint Board

2020/21 Annual Audit Report

Prepared for Tayside Valuation Joint Board and the Controller of Audit
31 August 2021

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Key messages

2020/21 annual report and accounts

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Financial management and sustainability

3 Appropriate budget monitoring and reporting arrangements are in place and a break-even position was achieved for the year ended 31 March 2021. However, the longer-term impact of the Covid-19 pandemic is likely to place additional pressure on the budget of the Joint Board in future years. Effective longer-term financial planning will be essential to ensure the Joint Board is prepared for these budget pressures and can make appropriate long-term spending decisions.

Governance

4 The Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making and conducts its business in an open and transparent manner. The Covid-19 pandemic has impacted on these arrangements since March 2020 but we have concluded that the revised arrangements put in place are appropriate and continue to support good governance and transparency.

Introduction

1. This report summarises the findings from our 2020/21 audit of Tayside Valuation Joint Board (the Joint Board).

2. We aim to add value to the Joint Board through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports (Appendix 3) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Scope of our audit

3. The scope of our audit was set out in our Annual Audit Plan presented to the June meeting of the Joint Board. This report comprises the findings from:

- the audit of Tayside Valuation Joint Board's 2020/21 annual accounts, and
- our consideration of the financial management and financial sustainability, and governance arrangements, of the Joint Board.

Impact of Covid-19

4. The global coronavirus pandemic has impacted all public sector organisations since March 2020. Known risks related to the pandemic were included in our plan, and we have adapted our audit work during the year to address any new risks that have emerged.

Auditor independence

5. Auditors appointed by the Accounts Commission must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

6. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £7,610, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Responsibilities and reporting

7. Tayside Valuation Joint Board has responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

8. The Joint Board is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

9. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice (2016), International Standards on Auditing in the UK, and supplementary guidance.

10. As public sector auditors we give independent opinions on the annual accounts. The Code of Audit Practice 2016 includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial management and financial sustainability of the body. As highlighted in our 2020/21 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2020/21 audit of the Joint Board.

11. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016.

Audit reporting

12. The weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

13. An agreed action plan setting out specific recommendations, responsible officers and dates for implementation is included at Appendix 1.

14. This report is addressed to both Tayside Valuation Joint Board and the Controller of Audit and will be published on Audit Scotland's website: www.audit-scotland.gov.uk

Acknowledgement

15. We would like to thank the management and staff of Tayside Valuation Joint Board for their cooperation and assistance during the audit.

Part 1. Audit of 2020/21 annual accounts

The annual accounts are the principal means of an organisation accounting for the stewardship of resources and performance in using those resources

Main judgements

The Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2021.

The audited part of the remuneration report, management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

Our audit opinions on the annual accounts are unmodified

16. The annual accounts for the year ended 31 March 2021 were approved by the Joint Board on 30 August 2021 and certified on 31 August 2021. We reported within our independent auditor's report our opinion that:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

The audit of the 2020/21 annual accounts was completed in line with the original timetable

17. We received the unaudited annual accounts on 21 June 2021 in line with the agreed timetable. The accounts and working papers presented for audit were complete and finance staff provided good support to the audit team which helped ensure the final accounts audit was completed in line with the original timetable.

The inspection notice was placed in accordance with the required regulations and no objections were raised to the 2020/21 annual accounts

18. Regulation 9 of the Local Authority Accounts (Scotland) Regulations 2014 requires a local authority to give public notice on its website by 17 June (at the latest) of the right to inspect its annual accounts. The specified date should be at least 14 days after the notice is published, but cannot be later than 1 July, and the inspection period should last for 15 working days from the date specified in the notice. As part of the audit we confirmed that the 2020/21 annual accounts inspection notice was placed in accordance with the regulations.

19. 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 (rights of interested persons to inspect and copy documents and to object to accounts) (11) of the 1974 Act. No objections were raised to the 2020/21 annual accounts.

Our audit approach and testing reflected the calculated materiality levels

20. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the annual accounts. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

21. Our initial assessment of materiality was undertaken during the planning phase of the audit and was based on the gross expenditure reported in the 2019/20 audited annual accounts. These materiality levels were reported in our Annual Audit Plan presented to the Joint Board in June 2021.

22. On receipt of the unaudited 2020/21 annual accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2021. We concluded that there was no significant impact on the audit approach of the recalculated materiality levels. Our final materiality levels are summarised in Exhibit 1.

Exhibit 1
Materiality values

Materiality level	Amount
Overall materiality: This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 2% of gross expenditure for the year ended 31 March 2021.	£83,000
Performance materiality: This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have set performance materiality at 75% of overall materiality.	£62,000
Reporting threshold: We are required to report to those charged with governance on all unadjusted misstatements in excess of the ‘reporting threshold' amount. This has been set at 5% of overall materiality.	£4,000

Source: Audit Scotland

Our audit identified and addressed the risks of material misstatement

23. Appendix 2 provides our assessment of the risks of material misstatement in the annual accounts and any wider audit dimension risks. These risks influenced our overall audit strategy and the allocation of staff resources to the audit, and indicate where the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work.

We reported the significant findings from the audit to those charged with governance prior to the annual accounts being approved and certified

24. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices.

25. The significant findings are summarised in Exhibit 2. Our audit also identified some minor presentation and disclosure issues which were discussed with management. These were all adjusted in the audited accounts and none were significant enough to require to be separately reported under ISA 260.

Exhibit 2
Significant findings from the audit of the financial statements

Issue	Resolution
1. Creation of dilapidation provision During 2020/21 management created a provision of £0.070 million for the costs that will be incurred to return Robertson House to its pre-lease condition when the current lease expires in 2022. The value of the provision is based on an estimate of the likely costs of any internal redecorations (e.g. removal of partitions and fittings) required to bring the building back to its original state. The board first inhabited the building in 1997. As part of our audit testing we reviewed the nature and value of the provision to ensure it satisfied the requirements of *IAS37 - Provisions, Contingent Liabilities and Contingent Assets*.	Our review of the nature of the provision confirmed that it satisfies the conditions for a provision to be created under IAS 37 (i.e. represents a present obligation based on a past event) as there is an obligation for the Joint Board to meet these costs when the current lease ends We have accepted the value of the provision is a reasonable estimate based on the information currently available. However, members should note that this is an estimate and the actual costs incurred for these works will not match this value exactly. If the actual costs are higher than provided for then this would result in an additional charge to the Comprehensive Income and Expenditure Statement (CIES), and if the actual costs are lower then this would result in the difference being credited back as income in the CIES.

Source: Audit Scotland

We have no unadjusted errors to report

26. It is our responsibility to request that all misstatements above the reporting threshold are corrected. We have no unadjusted errors to report.

Part 2. Financial management and sustainability, and governance

Financial management is about financial capacity, sound budgetary processes, and whether the control environment and internal controls are operating effectively. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services.

Governance relates to the effectiveness of scrutiny and oversight, and transparent reporting of information.

Main judgements

Appropriate budget monitoring and reporting arrangements are in place and a break-even position was achieved for the year ended 31 March 2021. However, the longer-term impact of the Covid-19 pandemic is likely to place additional pressure on the budget of the Joint Board in future years. Effective longer-term financial planning will be essential to ensure the Joint Board is prepared for these budget pressures and can make appropriate long-term spending decisions.

The Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making and conducts its business in an open and transparent manner. The Covid-19 pandemic has impacted on these arrangements since March 2020 but we have concluded that the revised arrangements put in place are appropriate and continue to support good governance and transparency.

Appropriate budget monitoring and reporting arrangements are in place

27. The Joint Board approve the annual budget prior to start of the financial year and quarterly budget monitoring reports are provided to the board during the year. The budget monitoring reports provide detail on variances against budget and forecast year-end positions. This allows members to scrutinise the financial performance of the Joint Board and to consider actions to mitigate projected over-spends or other developments during the year.

A break-even position was achieved for the year ended 31 March 2021

28. In January 2020 the Joint Board approved its provisional budget for 2020/21. This was based on expenditure of £3.611 million and income of £3.585 million, comprising funding contributions of £2.765 million from the constituent councils and other income of £0.820. This resulted in a forecast deficit for the year of £0.026 million to be met from the general reserve.

29. During the course of the year a number of minor budget revisions were made resulting in the final budget for the year increasing by £0.091 million to £3.702 million. This extra expenditure was funded through additional in-year funding allocations from the Scottish Government in respect of postal vote funding (£0.072 million) and extra money to cover the costs of issuing household notification letters (£0.052 million). This additional funding was partly offset by the requirement to return £0.033 million of unspent Barclay Review funding to the Scottish Government.

30. The actual outturn for the year resulted in the Joint Board achieving a break-even position. As a result there was no requirement to utilise any of the general reserve balance during 2020/21, as the funding contributions from the constituent councils and the other income received during the year was sufficient to cover the costs of the Joint Board.

31. It should be noted that the break-even position reported in the management commentary differs from the deficit on provision of services figure of £0.456 million reported in the Comprehensive Income and Expenditure Statement (CIES) due to the statutory accounting adjustments required for items such as pension benefits and depreciation. A reconciliation has been included in the 'Financial Performance' section of the management commentary in the annual accounts showing the impact of these adjustments.

The Covid-19 pandemic resulted in savings against some budgets but these were fully offset by additional expenditure in other areas

32. The break-even position reported for the year ended 31 March 2021 reflected the underlying budget variances during the year. The most significant underspends and overspends (i.e. greater than £0.025 million) are summarised in Exhibit 3.

Exhibit 3
Summary of significant variances against budget for 2020/21

Area	£m	Main reasons for variance
Underspends		
Staff costs	0.112	Delays in recruitment of some posts due to the impact of the Coronavirus pandemic.
Transport Costs	0.042	Significant reduction in spend as a result of travel restrictions during the pandemic.
Overspends		
Property costs	0.059	Attributable to the creation of a provision for the costs that will be incurred to return Robertson House to its pre-lease condition when the current lease ends.
Supplies and services	0.053	Overspend due to higher than anticipated costs on maintenance and health and safety as a result of implementing new procedures during the Covid-19 pandemic, overspends on printing, postages and IT costs incurred as a result of the pandemic, and costs relating to the Scottish Parliamentary elections and local by-elections.

Source: Tayside Valuation Joint Board Annual Accounts 2020/21

The Joint Board approved a provisional 2021/22 revenue budget of £3.593 million in January 2021

33. In January 2021, the Joint Board received a report titled ‘Provisional Revenue Budget 2021/2022 to 2025/26’. This included the provisional revenue budget for 2021/22 which was based on expenditure of £3.593 million and income of £3.567 million, comprising funding contributions of £2.765 million from the constituent councils (the same as in 2020/21) and other income of £0.802. This results in a forecast deficit for the year of £0.026 million to be met from the general reserve.

34. The Joint Board reviews the level of its uncommitted reserves when setting the budget each year. The approved reserves strategy specifies that the minimum uncommitted reserves should be maintained at £0.060 million. The level of uncommitted general fund reserves (i.e. excluding ring-fenced amount of £0.039 million for Barclay Review Implementation) at 31 March 2021 was £0.102 million. Therefore, even after the utilisation of £0.026 million from the general reserve in 2021/22, the projected uncommitted general reserve balance of £0.076 million at 31 March 2022 would still be in line with the reserves strategy.

The longer-term impact of the Covid-19 pandemic is likely to place additional pressure on the budget of the Joint Board in future years

35. The financial impact of the Covid-19 pandemic is likely to extend across several years. The budgets of each of the contributing councils will be under increased pressure due to the ongoing costs associated with Covid-19 and the related recovery activity. This may in turn place additional pressure on the budget of Tayside Valuation Joint Board in future years as councils look to deliver additional savings and efficiencies, which may include reducing funding contributions to external bodies.

36. The 'Provisional Revenue Budget 2021/2022 to 2025/26' report to the January Joint Board meeting set out indicative annual revenue budgets for the period from 2022/23 to 2025/26. This provided members with an estimate of future budget requirements based on known increases and assumptions around other costs. However, we accept that the extent to which longer-term income and costs can be accurately predicted at present is limited by the degree of uncertainty around future funding settlements for each of the constituent councils, and the ongoing cost pressures created by the Covid-19 pandemic.

37. Management has also committed to reviewing the budget process to achieve better alignment and integration with service priorities. This type of longer-term financial planning is essential to ensure the Joint Board is prepared for future budget pressures and can make appropriate long-term spending decisions.

Recommendation 1

Management should review the annual budget setting and financial planning processes to achieve better alignment and integration with service priorities.

Tayside Valuation Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making and conducts its business in an open and transparent manner

38. In reviewing the adequacy of the governance and transparency arrangements of an organisation we consider a number of areas, including:

- the structure and conduct of the Joint Board
- the level of openness and transparency, and
- the overall arrangements and standards of conduct, including those for the prevention and detection of fraud, error, bribery and corruption.

39. The Joint Board is comprised of members from Dundee City, Angus, and Perth & Kinross Councils and meets quarterly. From our attendance at Joint Board meetings during the course of the audit appointment we have observed that sufficient time is allowed to discuss the issues on the agendas and members are well prepared and ask appropriate questions.

40. Openness and transparency means that the public have access to understandable, relevant and timely information about how the Joint Board is taking decisions and how it is using resources such as money, people and assets. The Joint Board demonstrates its commitment to transparency in a number of ways:

- members of the public can attend meetings of the Joint Board
- agendas and minutes for the Joint Board meetings and supporting papers are available on the Joint Board's website
- the availability of the annual accounts on the website.

41. In our 2018/19 and 2019/20 Annual Audit Reports we highlighted that board papers and minutes published on the Tayside Valuation Joint Board website had not been kept up-to-date and recommended that these were uploaded as soon as they are available. We are pleased to report that the board papers published on the website have been kept up-to-date during 2020/21. This has allowed members of the public to have timeous access to this information and improved the transparency of the Joint Board's decision making.

Good practice – New website

In February 2020 the Joint Board launched a new website to help users access the information they need about the valuation roll and council tax in Tayside, and electoral registration in the Angus and Perth & Kinross Council areas. From review of the website we found it to be well laid out and intuitive to navigate. We also noted that it provided a wide range of information that would be of use and interest to local residents and other users.

The Joint Board should review its compliance with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018

42. The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 came in to force on 23 September 2018. These require public sector bodies to put appropriate arrangements in place to ensure that information published on their websites is accessible. This means making sure that all content is clearly presented and simple enough so that most people can use it without needing to adapt it. Arrangements should also be in place to support those who do need to adapt things, including those with impaired vision, motor difficulties, cognitive impairments or learning disabilities, and deafness or impaired hearing.

43. Some organisations may not need to fully meet accessibility standards. This is the case if the impact of fully meeting the requirements is too much for an organisation to reasonably cope with. The accessibility regulations call this a 'disproportionate burden'. If an organisation wants to declare that making particular things accessible is a disproportionate burden then it is legally required to carry out an assessment of the burden that making those things accessible would place on the organisation against the benefits of making those things accessible.

Recommendation 2

Management should review the documents published on the new Tayside Valuation Joint Board website against the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 to identify what reasonable changes could be made to improve the accessibility of any information that does not comply with these requirements.

The Covid-19 pandemic has impacted on the governance arrangements since March 2020 but we have concluded that the revised arrangements are appropriate and continue to support good governance and transparency

44. The impact of Covid-19 from March 2020 on the governance arrangements has been set out in the Annual Governance Statement in the annual accounts. The Joint Board's existing Scheme of Delegation was relied upon in order to ensure that officers acted in accordance with the powers which the Joint Board has already delegated. Further interim governance arrangements were put in place including:

- all non-essential Joint Board business deferred to ensure that all members and officers could concentrate on supporting the organisation through the initial period of the pandemic
- all essential Joint Board business not covered by the scheme of delegation was dealt with as urgent matters by the Clerk, in consultation with the Chair and Vice-Chair of the Board.

45. In August 2020 arrangements were put in place to hold Joint Board meetings virtually using Microsoft Teams. This was first used for the meeting on 24 August 2020. Joint Board meetings continue to be held remotely but this situation will be reviewed as Covid-19 restrictions on travel and work placed activity ease.

46. We have concluded that the interim arrangements put in place were appropriate and continue to support good governance and transparency.

The management commentary in the 2020/21 annual accounts provided a fair, balanced and reasonable analysis of the organisation's financial performance for the year

47. In addition to the consistency opinion on the management commentary covered in Part 1 of this report, we also consider the qualitative aspects of the management commentary included in the annual accounts. The purpose of the management commentary is to provide information on the Joint Board, its main objectives and strategies, and the principal risks that it faces. It is required to provide a fair, balanced and reasonable analysis of a body's performance and is essential in helping stakeholders understand the financial statements. We concluded that the management commentary in the 2020/21 annual accounts satisfied these requirements.

The Joint Board has appropriate arrangements in place for the prevention and detection of fraud and error

48. The Joint Board is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, it is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

49. We have reviewed the arrangements in place and concluded that appropriate arrangements are in place for the prevention and detection of fraud, error and irregularities, bribery and corruption. We are not aware of any specific issues that we need to bring to your attention.

National performance audit reports

50. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2020/21 a number of reports were published which may be of interest to the Joint Board. These are detailed in Appendix 3.

Appendix 1. Action plan 2020/21

2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. Financial planning The budget setting process does not fully align with the Joint Board's service priorities. **Risk: There is a risk that resources are not directed towards priority areas and this impacts upon the achievement of those service priorities.**	Management should review the annual budget setting and financial planning processes to achieve better alignment and integration with service priorities. Paragraphs 35. -37.	The joint board's continuous improvement agenda for 2021/22 includes an action to "investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints", which has been carried forward from the previous year. **Responsible officer:** Treasurer **Agreed date:** 30 September 2021
2. Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 The regulations require public sector bodies to put appropriate arrangements in place to ensure that information published on their websites is accessible. **Risk: The information published on the Joint Board's website may not satisfy the requirements of the regulations.**	Management should review the documents published on the Tayside Valuation Joint Board website against the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 to identify what reasonable changes could be made to improve the accessibility of any information that does not comply with these requirements. Paragraphs 42. and 43.	The Assessor will arrange for the board website to be reviewed to ensure it complies with the Regulations. **Responsible officer:** Assessor **Agreed date:** 30 November 2021

Appendix 2. Significant audit risks

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by the management override of controls International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.	• Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business.	• Journal entries were tested, no indications of management override of controls. • Judgements and estimations applied were tested to confirm they were appropriate and reasonable. No significant issues were highlighted with the judgements and estimates applied. • We tested accruals and prepayments and confirmed that income and expenditure was properly accounted for in the financial year. • We reviewed transactions during the year – no issues highlighted of significant transactions outside the course of business.
2. Risk of material misstatement caused by fraud in expenditure As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements. This risk	• Assessment of key financial controls over expenditure. • Detailed testing of transactions focusing on the greater areas of risk.	During the course of the audit we reviewed this risk and concluded that, while it still represented a risk of material misstatement, it did not represent a significant risk of material misstatement (as defined by ISA 315) for the 2020/21 financial statements. As a result, we did not require to undertake any specific targeted audited work to

Audit risk	Assurance procedure	Results and conclusions
may be higher during the Covid-19 pandemic where there is a risk that internal controls and governance may not be fully functioning.		address this risk as our routine testing of expenditure for the final accounts audit was sufficient to provide assurance over the risk. We can confirm that no issues were identified from this testing that could have resulted in a material misstatement in the 2020/21 annual accounts.
3. Risk of material misstatement caused by estimation and judgements There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and pensions. This subjectivity represents an increased risk of misstatement in the financial statements.	• Actuarial valuation to provide pensions figures for the financial statements. • Officer review of actuary information to ensure data and assumptions used are reasonable. • Valuation and impairment review of non-current assets by a professional valuer.	During the course of the audit we reviewed this risk and concluded that, while it still represented a risk of material misstatement, it did not represent a significant risk of material misstatement (as defined by ISA 315) for the 2020/21 financial statements. As a result, we did not require to undertake any specific targeted audited work to address this risk as our routine testing of estimates for the final accounts audit was sufficient to provide assurance over the risk. We can confirm that no issues were identified from this testing that could have resulted in a material misstatement in the 2020/21 annual accounts.

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
4. Financial sustainability The Board approved a provisional revenue budget for 2020/21 to 2024/25 in January 2020. The report set out the provisional revenue budget for 2020/21 and also included indicative revenue budgets. Management has committed to reviewing the budget process to achieve alignment and integration with service priorities. Without such an alignment, the joint board may fail to set realistic targets in its business plans or may be unable to achieve its objectives due to lack of resources.	• Monitor progress of aligning the financial plan with service priorities.	We reviewed the annual budget setting and financial planning processes and recommended that management should review the processes to achieve better alignment and integration with service priorities. (Point 1 in Appendix 1)

Appendix 3. Summary of 2020/21 national performance reports

April

Affordable housing

June

Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway

Local government in Scotland Overview 2020

July

The National Fraud Initiative in Scotland 2018/19

January

Digital progress in local government

Local government in Scotland: Financial overview 2019/20

February

NHS in Scotland 2020

March

Improving outcomes for young people through school education

Tayside Valuation Joint Board

2020/21 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:
www.audit-scotland.gov.uk/accessibility

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