Tayside Valuation Joint Board

2021/22 Annual Audit Report

AUDIT SCOTLAND

Prepared for Tayside Valuation Joint Board and the Controller of Audit

30 August 2022

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2 The audited part of the remuneration report, the management commentary and the annual governance statement were all consistent with the financial statements and prepared in accordance with the applicable requirements.

Financial management and sustainability

3 Appropriate budget monitoring and reporting arrangements were in place during 2021/22.

4 The continued impact of the Covid-19 pandemic resulted in savings against some budgets during 2021/22 but these were fully offset by additional expenditure, or reduced income, in other areas. This resulted in the Joint Board reporting a deficit of £0.030 million for the year ended 31 March 2022, which was funded from the general reserve balance.

5 The projected uncommitted general reserve balance for 31 March 2023 is below the level set out in the Joint Board's approved reserves strategy. The longer-term impact of the Covid-19 pandemic, and other increasing cost pressures, is also likely to place additional pressure on the budget of the Joint Board in future years. These factors present a risk to the longer-term financial sustainability of the Joint Board.

Governance and transparency

6 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.

7 The Joint Board reported improved performance in both Non-Domestic Rates and Council Tax processing times during 2021/22, with performance getting back towards pre-pandemic levels.

8 The high levels of unresolved NDR appeals continues to present an operational risk to valuation boards across Scotland, but the Scottish Government has proposed draft legislation to address the volume of outstanding appeals related to the Covid-19 pandemic.

Introduction

Scope of our audit

1. This report summarises the findings from our 2021/22 audit of Tayside Valuation Joint Board (the Joint Board). 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 2021/22 annual accounts, and
- our consideration of the financial management and financial sustainability, and governance arrangements, of the Joint Board.

Continuing impact of Covid-19

2. As highlighted in our Annual Audit Plan, in common with all public bodies, the Joint Board continues to deal with the operational and financial impact of the Covid-19 pandemic. 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.

Adding value through the audit

3. We aim to add value to the Joint Board and help promote improved standards of governance, better management and decision-making and more effective use of resources, by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports and briefing papers, Appendix 2.

Auditor independence

4. Auditors appointed by the Accounts Commission must comply with the Code of Audit Practice 2016 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.

5. 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 2021/22 audit fee of £7,820, 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

6. 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. The Joint Board is also responsible for establishing appropriate and effective arrangements for governance, propriety and regularity.

7. 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.

8. 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 2021/22 Annual Audit Plan, due to the low volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2021/22 audit of the Joint Board.

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

Audit reporting

10. 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.

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

12. 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

External audit appointment for 2022/23 to 2026/27

13. The Accounts Commission is responsible for the appointment of external auditors for local government bodies. External auditors are appointed from either Audit Scotland's Audit Services Group or private firms of accountants. The financial year 2021/22 is the last year of the current audit appointment round.

14. The procurement process for the new round of audit appointments covering 2022/23 to 2026/27 was completed in May 2022 and Audit Scotland has again been appointed as the external auditor for Tayside Valuation Joint Board.

Although Audit Scotland remain the board's external auditors, to maintain the independence and objectivity of the audit team, the engagement lead and other staff working on the audit will be changed for the 2022/23 audit. The outgoing audit team will work with officers and the new audit team to ensure a smooth transition.

15. The new auditors will follow a new Code of Audit Practice which applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

Acknowledgement

16. The audit team would like to thank all current and former Joint Board members, and officers, for their co-operation and assistance over the period of the audit appointment.

Part 1. Audit of 2021/22 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

Tayside Valuation Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2022.

The audited part of the remuneration report, the management commentary and the annual governance statement were all consistent with the financial statements and prepared in accordance with the applicable requirements.

Our audit opinions on the annual accounts are unmodified

17. The annual accounts for the year ended 31 March 2022 were approved by the Joint Board on 29 August 2022. 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, the management commentary and the annual governance statement were all consistent with the financial statements and prepared in accordance with the applicable requirements.

The audit of the 2021/22 annual accounts was completed in line with the original timetable

18. We received the unaudited annual accounts on 20 June 2022 in line with the agreed timetable. The accounts presented for audit were complete but contained a significant number of outdated references and other minor errors that had to be updated and corrected for the audited accounts.

Recommendation 1

Management should undertake a detailed check of the annual accounts to ensure all narrative and figures have been updated to reflect the current year information prior to them being presented for audit.

19. During the course of the audit, 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 2021/22 annual accounts

20. 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 2021/22 annual accounts inspection notice was placed in accordance with the regulations.

21. 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) (a) of the 1973 Act. No objections were raised to the 2021/22 annual accounts.

Our audit approach and testing reflected the calculated materiality levels

22. 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.

23. Our initial assessment of materiality was undertaken during the planning phase of the audit and was based on the gross expenditure reported in the 2020/21 audited annual accounts. These materiality levels were reported in our Annual Audit Plan presented to the Joint Board in June 2022.

24. On receipt of the unaudited 2021/22 annual accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2022, as summarised in Exhibit 1. We concluded that there was no significant impact on the audit approach due to the recalculated materiality levels.

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 2022.	£86,000
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	£64,000

Materiality level	Amount
should be considered. Using our professional judgement, we have set performance materiality at 75% of overall materiality.	
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 significant risks of material misstatement and the other risk areas requiring specific audit focus

25. Exhibit 2 provides our assessment of the significant risks of material misstatement in the annual accounts for the 2021/22 audit. It details the work we undertook to address these risks and our conclusions from this work. These risks influenced our overall audit strategy and the allocation of staff resources to the audit.

Exhibit 2
Identified significant risk of material misstatement in the financial statements

Significant risk of material misstatement	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by the management override of controls As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	• Detailed testing of journal entries, with a focus on significant risk areas, including year-end and post-close down entries. • Detailed testing of accounting estimates, assessing any changes to the methods and underlying assumptions used to prepare these compared to the prior year. • Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. • Focussed testing of accounting accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business, identified through detailed testing of income and expenditure, accruals and cut off transactions.	**Satisfactory** The completion of the assurance procedures did not identify any evidence of management override of controls.

Source: Audit Scotland

26. As part of our assessment of audit risks at the planning stage, we identified another area where we considered there was a risk of material misstatement to the financial statements. The actuarial valuation of the pension liability involves a significant degree of estimation and judgment. We assessed that this subjectivity represented an increased risk of misstatement for the financial statements. While this area required audit focus, based on our assessment of the likelihood and magnitude of the risk, we did not consider it represented a significant risk of material misstatement.

27. We designed audit procedures to address this risk and as part of the financial statements audit we undertook work to:

- agree the pension figures in the 2021/22 annual accounts to the corresponding figures in the actuarial report for the year ended 31 March 2022
- review the work of the actuary, including reviewing the appropriateness of actuarial assumptions.

28. These audit procedures did not identify any matters which we need to bring to your attention.

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

29. 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 board's accounting practices.

30. The significant findings are summarised in Exhibit 3. Our audit also identified other presentation and disclosure issues which were discussed with management. These were all adjusted in the audited annual accounts and none were significant enough to require to be separately reported under ISA 260.

Exhibit 3
Significant findings from the audit in accordance with ISA260

Issue	Resolution
1. Creation of dilapidation provision During 2020/21 management created a provision of £0.070 million for the costs that would be incurred to return Robertson House to its pre-lease condition when the lease expired in 2022. The value of the provision was 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. During 2021/22 the Joint Board extended their lease at Robertson House for a further six years. As part of our audit testing we reviewed the nature and value of the provision to ensure it still satisfied the conditions of IAS37 – Provisions, Contingent Liabilities and Contingent Assets and had been reassessed following the extension of the lease. This identified that no reassessment of the value of the provision had been undertaken following the extension of the lease, to assess whether £0.070 million still represented an accurate estimate of the costs that will be incurred by the Joint Board at the termination of the lease.	Our review of the nature of the provision confirmed that it satisfies the conditions for a provision to be created under IAS37 (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 lease ends We have also accepted that the actual costs that will be incurred to bring the building back to its original state would not be materially different from the current value of the provision. However, management should undertake an assessment of these potential costs during 2022/23 to ensure that the value of the provision is the most accurate estimate of the likely costs based on the information available, as required by IAS37. **Recommendation 2 at Appendix 1**

Issue	Resolution
2. Maintenance of asset register Our testing of asset disposals identified that six of the seven asset disposals reflected in the unaudited 2021/22 annual accounts related to IT equipment that had actually been disposed of in prior years but had not been reflected in the asset register in the year of disposal. Furthermore, it was established that the other asset had not actually been disposed of and was still in use but had been incorrectly removed from the asset register. The value of these errors was below our reporting threshold but due to the nature of these issues we extended our sample testing to establish whether any other non-current assets were included in the asset register that were no longer in operational use, or had been removed from the asset register despite still being in operational use. This identified further issues with non-operational assets that had not been removed from the asset register.	Due to the extent of the issues identified through our testing, we asked management to conduct a high-level review of the full asset register to confirm that there were no other assets disposed of in prior years that had not been removed from the register, or any other operational assets omitted from the register at 31 March 2022, that could have resulted in a material error in the non-current assets balances in the audited accounts. This exercise identified more widespread issues with the maintenance of the asset register over a number of years, but the analysis also confirmed that the impact of correcting these errors on the net book value of the assets at 31 March 2022 (circa £0.014 million) would be immaterial for the 2021/22 annual accounts. Management has agreed to conduct a detailed review of the asset register during 2022/23, and also review its year-end closedown procedures, to ensure the asset register can be updated to accurately reflect the value of all of the Joint Board's operational assets. **Recommendation 3 at Appendix 1**

Source: Audit Scotland

We have no unadjusted errors to report

31. We are required to report to those charged with governance, all unadjusted misstatements, other than those below our reporting threshold, and request that they be corrected. We can confirm that all such monetary errors identified from our audit have been corrected in the financial statements by management, other than the non-current asset balances related to item 2 discussed at Exhibit 3, which we have established are immaterial for the 2021/22 annual accounts.

Good progress was made on prior year recommendations

32. The Joint Board made good progress in addressing our two prior year recommendations to: align the budget setting process with the Joint Board's service priorities and to review the documents published on the Tayside Valuation Joint Board website against the requirements of the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018. We are satisfied that both these recommendations have been actioned and completed.

Part 2. Financial management and sustainability

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.

Main judgements

Appropriate budget monitoring and reporting arrangements were in place during 2021/22.

The continued impact of the Covid-19 pandemic resulted in savings against some budgets during 2021/22 but these were fully offset by additional expenditure, or reduced income, in other areas. This resulted in the Joint Board reporting a deficit of £0.030 million for the year ended 31 March 2022, which was funded from the general reserve balance.

The projected uncommitted general reserve balance at 31 March 2023 is below the level set out in the Joint Board's approved reserves strategy. The longer-term impact of the Covid-19 pandemic, and other increasing cost pressures, is also likely to place additional pressure on the budget of the Joint Board in future years. These factors present a risk to the longer-term financial sustainability of the Joint Board.

Appropriate budget monitoring and reporting arrangements are in place

33. The Joint Board approve the annual budget prior to the start of the financial year and quarterly budget monitoring reports are provided to each board meeting during the year. The budget monitoring reports provide detail on variance against budget and include year-end projections. This allows members to scrutinise the financial performance of the Joint Board and to consider actions to mitigate projected overspends or other developments during the year.

The Joint Board reported a deficit of £0.030 million for the year ended 31 March 2022 which was funded from the general reserve balance

34. In January 2021 the Joint Board approved its provisional budget for 2021/22. This was based on expenditure of £3.594 million and income of £3.568 million, comprising funding contributions of £2.765 million from the constituent councils and other income of £0.803 million. This resulted in a forecast deficit for the year of £0.026 million to be met from the general reserve.

35. During the course of the year a number of minor budget revisions were made resulting in the final budget for the year increasing by £0.094 million to £3.688 million. This extra expenditure was to be funded through additional in-year funding allocations from the Scottish Government in respect of postal vote funding (£0.085 million) and electoral registration income (£0.009 million).

36. The actual outturn for the year was a deficit of £0.030 million, met from the general reserve balance. This resulted in the general reserve balance reducing from £0.102 million at 31 March 2021 to £0.072 million at 31 March 2022.

37. It should be noted that the position reported in the management commentary differs from the deficit on provision of services figure of £0.631 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 continued impact of the Covid-19 pandemic resulted in savings against some budgets during 2021/22 but these were fully offset by additional expenditure, or reduced income, in other areas

38. The deficit of £0.030 million reported for the year ended 31 March 2022 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 4.

Exhibit 4
Summary of significant variances against budget for 2021/22

Area	£m	Main reasons for variance
Underspends		
Property costs	0.051	This was mainly attributable to the lower than budgeted charges for both Robertson House and William Wallace House during 2021/22.
Transport costs	0.036	Reduction in spend as a result of reduced travel due to the ongoing impact of the Covid-19 pandemic.
Overspends		
Supplies and services	0.102	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, and overspends on postage, computer services and IT licenses linked to election activity.
Reduced income from taxation and non-specific grant income	0.040	Mainly attributable to lower than planned Barclay-funded expenditure levels.

Source: Tayside Valuation Joint Board Annual Accounts 2021/22

The Joint Board approved a provisional 2022/23 revenue budget of £3.650 million in January 2022

39. In January 2022, the Joint Board received a report titled ‘Provisional Revenue Budget 2022/23 to 2026/27’. This included the provisional revenue budget for 2022/23 which was based on expenditure of £3.650 million and income of £3.624 million, comprising funding contributions of £2.793 million from the constituent councils (an increase of £0.028 million on 2020/21 levels) and other income of £0.831 million. This results in a forecast deficit for the year of £0.026 million to be met from the general reserve.

The projected uncommitted general reserve balance for 31 March 2023 is below the level set out in the Joint Board’s approved reserves strategy

40. 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.

41. The level of uncommitted general fund reserves (i.e. excluding ring-fenced amount of £0.039 million for Barclay Review Implementation) at 31 March 2022 was £0.072 million. Therefore, after the planned utilisation of £0.026 million from the general reserve in 2022/23, the projected uncommitted general reserve balance at 31 March 2023 will be £0.046 million which is below the level set out in the Joint Board’s approved reserves strategy.

Recommendation 4

Management should consider the projected uncommitted reserves balance at 31 March 2023 when setting the funding contributions from the constituent councils for 2023/24, to ensure it is maintained at a level in line with the approved reserves strategy.

The longer-term impact of the Covid-19 pandemic, and other increasing cost pressures, is likely to place additional pressure on the budget of the Joint Board in future years

42. The financial impact of the Covid-19 pandemic is likely to extend across several years. The budgets of each of the contributing councils will also be under increased pressure due to other increasing cost pressures including staff and energy costs. 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.

43. The ‘Provisional Revenue Budget 2022/23 to 2026/27’ report to the January 2022 Joint Board meeting set out indicative annual revenue budgets for the period from 2023/24 to 2026/27. This provided members with an estimate of future budget requirements based on known increases and assumptions around other costs. This projected that the funding contributions from the constituent councils would have to increase by 7 per cent over the next 5 years, from £2.793

million in 2022/23 to £2.996 million in 2026/27, to meet the additional costs of the Joint Board.

Part 3. Governance and transparency

Governance and transparency are concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Main judgements

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.

The Joint Board reported improved performance in both Non-Domestic Rates and Council Tax processing times during 2021/22, with performance getting back towards pre-pandemic levels.

The high levels of unresolved NDR appeals continues to present an operational risk to valuation boards across Scotland, but the Scottish Government has proposed draft legislation to address the volume of outstanding appeals related to the Covid-19 pandemic.

Tayside Valuation Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making

44. 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.

45. 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.

46. Due to the ongoing impact of Covid-19 pandemic the Joint Board meetings were held remotely via Microsoft Teams throughout 2021/22. However, we have not noted any adverse impact on the level of scrutiny at meetings due to these meetings being held remotely.

The Joint Board conducts its business in an open and transparent manner

47. 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.

48. We are content that the Joint Board conducts its business in an open and transparent manner.

The management commentary in the 2021/22 annual accounts provided a fair, balanced and reasonable analysis of the organisation's financial performance for the year

49. 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 2021/22 annual accounts satisfied these requirements.

The Joint Board reported improved performance in both Non-Domestic Rates and Council Tax processing times during 2021/22, with performance getting back towards pre-pandemic levels

50. The performance information reported in the management commentary within the 2021/22 annual accounts showed improved performance in both NDR processing times, Exhibit 5, and Council Tax processing times, Exhibit 6, during the year, with performance getting back towards pre-pandemic levels.

Exhibit 5
NDR processing performance 2019/20 to 2021/22

Percentage entered or amended on the Valuation Roll within:	2019/20	2020/21	2021/22
Less than 3 months	81.10%	62.90%	77.10%
Less than 6 months	91.80%	83.60%	87.90%
More than 6 months	8.20%	16.40%	12.10%

Source: Tayside Valuation Joint Board Annual Accounts 2019/20 to 2021/22

Exhibit 6
Council tax processing performance 2019/20 to 2021/22

Percentage entered on Valuation List within:	2019/20	2020/21	2021/22
Less than 3 months	96.30%	88.10%	92.50%
Less than 6 months	99.40%	97.40%	97.80%
More than 6 months	0.60%	2.60%	2.20%

Source: Tayside Valuation Joint Board Annual Accounts 2019/20 to 2021/22

Good practice – Electronic canvassing

All canvassers involved in the 2021 annual canvass used a tablet instead of taking paper forms. This saw a favourable reaction from both the canvassers and the public with many long-standing canvassers expressing their preference to use the tablets in future. The benefits noted from using the tablets were the mapping system, which automatically pinpoints the homes to be visited, a reduction in the weight of items to be carried, and real time updates to reflect any changes to the list of outstanding properties to be visited.

The high levels of unresolved NDR appeals continues to present an operational risk to valuation boards across Scotland, but the Scottish Government has proposed draft legislation to address the volume of outstanding appeals related to the Covid-19 pandemic

51. During 2019/20 and 2020/21 the Joint Board received a large volume of NDR revaluation appeals and running roll appeals related to the Covid-19 pandemic and the legally enforced lockdown. These claims are based on the argument that the circumstances created by Covid-19 represented a material change such that rateable values should be reduced.

52. As at 31 March 2022, Tayside Valuation Joint Board had 5,583 appeals outstanding with 5,264 (94 per cent) relating to appeals received during 2019/20 and 2021/22. This position is mirrored at Joint Board's across Scotland.

53. The Scottish Government has proposed draft legislation to prevent matters relating to Covid-19 that arose on or after 2 April 2020 being reflected in the valuation roll in order to reduce the number of outstanding appeals for these years. However, it is not clear whether this legislation will be passed and therefore this situation continues to present an operational risk to the Joint Board as it would not have sufficient resources or organisational capacity to process this level of outstanding appeals locally.

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

54. 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.

55. 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

56. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 a number of reports and briefing papers were published which may be of interest to the Joint Board. These are detailed in Appendix 2.

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. Quality checks on unaudited annual accounts The accounts presented for audit contained a significant number of outdated references and other minor errors that had to be corrected for the audited accounts. **Risk: The annual accounts do not accurately reflect the most up-to-date information and requirements.**	Management should undertake a detailed check of the annual accounts to ensure all narrative and figures have been updated to reflect the current year information prior to them being presented for audit. Paragraph 18.	The 2021/22 accounts preparation was significantly impacted by changes in staffing that are not expected to reoccur next financial year. In addition to existing staff having more experience with the year-end process for financial year 2022/23, staff will commence the preparation of the financial statements earlier, allowing more time for review and quality checks of accounts and ensuring wider resilience in the process. **Responsible officer:** Treasurer **Agreed date:** 31/03/2023
2. Dilapidation provision The value of the dilapidation provision for the costs that will be incurred to return Robertson House to its pre-lease condition when the lease expires was not reassessed following the extension of the lease during 2021/22. **Risk: The value of the provision does not represent an accurate estimate of the actual costs that will be incurred.**	Management should undertake an assessment of the costs to bring the building back to its original state during 2022/23 to ensure that the value of the provision is the most accurate estimate of the likely costs based on the information available, as required by IAS37. Point 1 in Exhibit 3	This provision will be reviewed in 2022/23. TVJB is currently in talks with Angus Council to negotiate area occupied. **Responsible officer:** Assessor **Agreed date:** 31/03/2023

Issue/risk	Recommendation	Agreed management action/timing
3. Maintenance of asset register Our audit identified issues with the maintenance and accuracy of the Joint Board's asset register. **Risk: The non-current asset balances in the annual accounts are misstated.**	Management should conduct a detailed review of the asset register during 2022/23, and also review its year-end closedown procedures, to ensure the asset register can be updated to accurately reflect the value of all of the Joint Board's operational assets. Point 2 in Exhibit 3	The TVJB is committed to having an up to date and accurate fixed asset register. The full fixed asset register is being reviewed and updated with narrative for each asset. Going forward the existing procedure is being reviewed. There will be monthly reviews to ensure any additions and disposals in the month have been updated. This will be reviewed by a member of management. **Responsible officer:** Assessor **Agreed date:** 31/08/2022
4. General fund reserve balance The projected uncommitted general reserve balance at 31 March 2023 is £0.046 million which is below the minimum level of £0.060 million set out in the Joint Board's approved reserves strategy. **Risk: The Joint Board has insufficient reserves to respond to unexpected events.**	Management should consider the projected uncommitted reserves balance at 31 March 2023 when setting the funding contributions from the constituent councils for 2023/24, to ensure it is maintained at a level in line with the approved reserves strategy. Paragraphs 40. and 41.	The level of spend and reserves will be subject to continued monitoring throughout the year, to ensure this is in line with the existing policy. **Responsible officer:** Treasurer **Agreed date:** 31/03/2023

Appendix 2. 2021/22 national performance reports

May

Local government in Scotland Overview 2021

June

Covid 19: Personal protective equipment

July

Community justice: Sustainable alternatives to custody

September

Covid 19: Vaccination programme

January

Planning for skills

Social care briefing

February

NHS in Scotland 2021

March

Local government in Scotland: Financial Overview 20/21

Drug and alcohol: An update

Scotland’s economy: Supporting businesses through the Covid 19 pandemic

Tayside Valuation Joint Board

2021/22 Annual Audit Report

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