

TAYSIDE VALUATION JOINT BOARD

Dundee City Council
21 City Square
DUNDEE
DD1 3BY

23rd August, 2019

TO: ALL MEMBERS OF TAYSIDE
VALUATION JOINT BOARD

Dear Sir or Madam

I refer to the agenda of business issued in relation to the **TAYSIDE VALUATION JOINT BOARD** to be held on Monday, 26th August, 2019 and now enclose the undernoted item of business which was not received at the time of issue.

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board

9 FINANCIAL REPORTS 2018/2019

(a) EXTERNAL AUDITOR'S REPORT ON 2018/2019 AUDIT – Page 1

(Copy attached).

(b) RESPONSE TO AUDITOR'S ANNUAL REPORT ON THE 2018/2019 AUDIT – Page 31

(Report No TVJB14-2019 by the Treasurer, copy attached).

(c) ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 23019 – Page 33

(Copy attached).

Tayside Valuation Joint Board

2018/19 Proposed Annual Audit Report



 AUDIT SCOTLAND

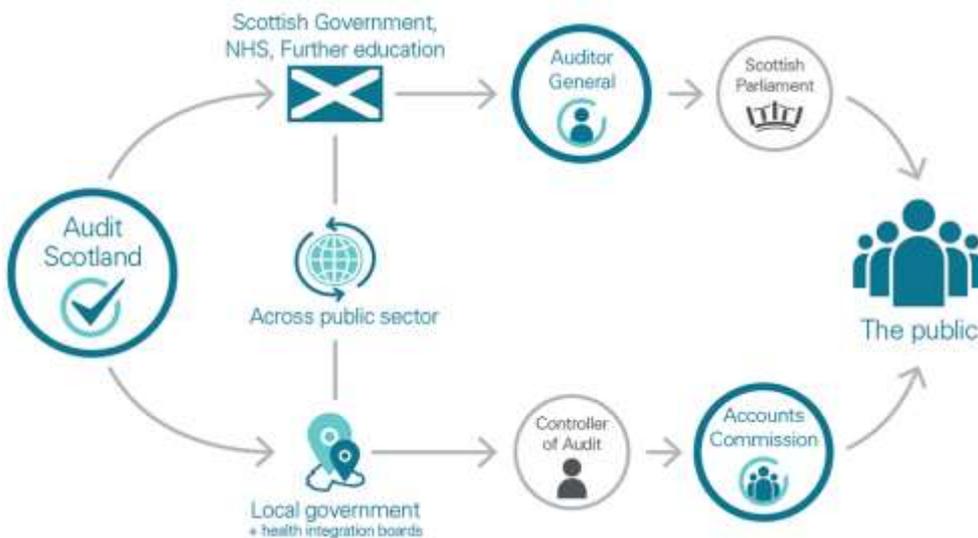
Prepared for the Members of Tayside Valuation Joint Board and the Controller of Audit

26 August 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2018/19 annual accounts

- 1 The Joint Board's financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared;
- 2 The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

Financial sustainability

- 3 The Joint Board's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.

Governance and transparency

- 4 The Joint Board has appropriate governance arrangements in place that support the scrutiny of decisions made.
- 5 The Joint Board generally demonstrates a commitment to transparency in the way it conducts its business, although Joint Board meeting minutes and agendas on the website are not up to date.

Introduction

1. This report summarises the findings arising from the 2018/19 audit of Tayside Valuation Joint Board (the Joint Board).
2. The scope of the audit was set out in our 2018/19 Annual Audit Plan presented to the January 2019 meeting of the Joint Board. This report comprises the findings from:
 - an audit of the annual accounts
 - consideration of the financial sustainability and the governance & transparency arrangements in the Joint Board.
3. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

4. The [Code of Audit Practice 2016](#) (the Code) 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 financial sustainability of the body and its services and the appropriateness of the disclosures in the annual governance statement.
5. As highlighted in our 2018/19 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 2018/19 audit of the Joint Board.

Added value through the audit

6. We 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 that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 4](#)) and good practice guides
- Providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance arrangements and financial sustainability.

7. In so doing, we aim to help the Joint Board promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

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

9. 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.

10. 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](#) and supplementary guidance, and International Standards on Auditing in the UK.

11. As public sector auditors we give independent opinions on the annual accounts. Additionally, for the Joint Board we conclude on:

- the suitability and effectiveness of corporate governance arrangements, and
- the arrangements for securing financial sustainability.

12. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

13. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified 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.

14. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

15. We can confirm that we comply with the Financial Reporting Joint Board's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2018/19 audit fee of £7,280 as set out in our Annual Audit

Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

16. This report is addressed to both the Joint Board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

17. We would like to thank all management and staff for their cooperation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

The Joint Board's financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared.

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

The Joint Board's annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

Audit opinions on the annual accounts

18. The annual accounts for the Joint Board for the year ended 31 March 2019 were approved by the Joint Board on 26 August 2019. We reported, within the independent auditor's report that the;

- financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared
- 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.

19. We have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, the information and explanations we received, or the achievement of prescribed financial objectives.

Submission of the annual report and accounts for audit

20. We received the unaudited annual accounts on 28 June 2019 in line with the audit timetable set out in our 2018/19 Annual Audit Plan.

21. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

Risk of material misstatement

22. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

23. We have no issues to report from our work on the risks of material misstatement highlighted in our 2018/19 Annual Audit Plan.

Materiality

24. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement and involves considering both the amount and nature of the misstatement.

25. We carried out our initial assessment of materiality for the annual accounts during the planning phase of the audit. On receipt of the annual accounts we reviewed our planning materiality calculations. The revised materiality levels are summarised in [Exhibit 2](#).

Exhibit 2 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 2019.	£75,000
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 calculated performance materiality at 75% of planning materiality.	£56,000
Reporting threshold - We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£4,000

Source: Audit Scotland

How we evaluate misstatements

26. All misstatements identified during the audit, which exceeded our reporting threshold, have been amended in the financial statements.

27. We identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

Significant findings from the audit (ISA 260)

28. International Standard on Auditing 260 (UK) requires us to communicate significant findings from the audit to those charged with governance. Two significant findings were identified during our audit and these are summarised in [Exhibit 3](#).

Exhibit 3

Significant findings from the audit of the financial statements

Finding	Resolution
<p>1 International Accounting Standard 19 (IAS 19): Pension liabilities amendment</p> <p>The Joint Board accounts for its share of Tayside Pension Fund in accordance with International Accounting Standard 19 - Employee Benefits (IAS19). An amendment was required to the accounts as a result of a legal judgement which impacted on the estimated value of pension liabilities of UK public sector organisations. The impact of the judgement on the pension liabilities of the Joint Board was to increase the liabilities from £2.657 million to £2.858 million. This increase is offset by an equivalent increase in the pension reserve to £2.858 million. This has been adjusted in the audited accounts.</p> <p>A further legal judgement required that pension schemes must equalize the discriminatory effects of guaranteed minimum pension (GMP). The issue is a long standing one and the many complexities of dealing with it have meant that there is, as yet, no agreed solution to calculating the liabilities of pension schemes. The actuary highlighted that <i>“they do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome”</i>. The Joint Board has therefore adjusted the audited accounts to include an unquantified contingent liability for GMP as a note to the accounts.</p> <p>Further details on these matters are noted at appendix 3.</p>	<p>The audited accounts have been adjusted.</p>
<p>2. Capital expenditure accounted for as revenue expenditure</p> <p>The Joint Board accounted for £0.016 million of IT equipment as revenue expenditure, rather than correctly capitalising the expenditure. This has no impact on the general fund balance as the resultant increased underspend is returned to the constituent authorities as a refund of contributions. There is also no impact on the net assets as the £0.016 million increase in property, plant and equipment is offset by the increase of £0.016 million in the creditors balance for increased refunds of contributions due for lower than anticipated expenditure but not yet paid.</p>	<p>The audited accounts have been adjusted.</p>

Source: Tayside Valuation Joint Board Annual Accounts 2018/19

Follow up of prior year recommendations

29. We made two recommendations in our Annual Audit Report of 2017/18. The Joint Board has made good progress in implementing our prior year audit recommendations. Details of actions taken and any remedial action required are set out in [Appendix 1](#).

Objections

30. The Local Joint Board Accounts (Scotland) Regulations 2014 require a local Joint Board to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the

website throughout the inspection period. The Joint Board complied with the regulations. There were no objections to the accounts.

Part 2

Financial sustainability



Main judgements

The Joint Board's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial performance in 2018/19

31. The Joint Board approved its 2018/19 budget on 22 January 2018. The budget was set at £2.791 million, which was the same level as approved for 2017/18.

32. The 2018/19 budget was to be met by £2.765 million of requisitions from constituent authorities, with the remaining £0.026 million to be met from the Joint Board's general reserve. The financial performance of the Joint Board during 2018/19 was such that no transfer from the general reserve transfer was required.

33. While the Joint Board came in £0.026 million under budget, there are variations in some areas of service, the more significant of which are summarised in [Exhibit 4](#).

Exhibit 4

Summary of significant (under) / overspends against budget

Area	(Under)/over spend	Reason for variance
Staff costs	£(0.061) million	Higher than normal vacancies following the move of offices from Dundee to Forfar.
Property costs	£(0.043) million	Lower costs due to the vacation of offices in Dundee.
Supplies & services	£0.074 million	Additional printing, IT and postage costs incurred on Individual Electoral Registration.
Third party payments	£(0.015) million	Lower than anticipated number of contentious appeals.
Requisition income	£0.017 million	Increased refund of contributions to constituent councils

Source: Tayside Valuation Joint Board 2018/19 Annual Accounts

Financial planning

- 34.** It is important that longer-term financial strategies are in place which link spending to the Joint Board's strategies. Although members only approve the budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on the Joint Board.
- 35.** The Accounts Commission recommended that when future funding is not known, plans should be made for a range of scenarios so that the organisation is prepared for different levels of funding and income.
- 36.** In January 2019, the Joint Board approved a report on its provisional revenue budget 2019/20 to 2023/24. The report set out the provisional revenue budget for 2019/20 and also included indicate revenue budgets for the following four years. This is a positive step toward long term financial planning.
- 37.** The report shows a requirement for constituent authorities over the period, increasing from £2.765 million in 2019/20 (the same as 2018/19) to £2.983 million by 2023/24, an increase of 7.9% over the period.
- 38.** As noted in the Annual Governance Statement, the Joint Board's continuous improvement agenda includes an action to investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints. This is scheduled to be complete by 30 September 2019.

Reserves and savings plans

- 39.** One of the key measures of the financial health of a joint board is the level of usable reserves held. Usable reserves are used to fund the delivery of services and provide a contingency fund to meet unexpected expenditure and a working balance to help cushion the impact of uneven cash flows. The level of usable reserves held by the Joint Board as at 31 March 2019 was £0.102 million (31 March 2018 £0.102 million).
- 40.** The Joint Board reviews the level of its uncommitted reserves when setting the budget each year. The Joint Board's approved reserves strategy specifies that the minimum uncommitted reserves should be £0.060 million. The level of uncommitted general fund reserves as at 31 March 2019 is in line with the approved strategy.
- 41.** We have concluded that the Joint Board's financial position is sustainable in the short–medium term.

Part 3

Governance and transparency



Main Judgements

The Joint Board has appropriate governance arrangements in place that support the scrutiny of decisions made by the Joint Board.

The Joint Board generally demonstrates a commitment to transparency in the way it conducts its business, although Joint Board meeting minutes and agendas on the website are not up to date.

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

Annual Governance Statement

42. Our review of the annual governance statement assessed the assurances which are provided to the Assessor and Electoral Registration Officer regarding the adequacy and effectiveness of the Joint Board's system of internal control which operated in the financial year.

43. The statement highlights areas for improvement including revision of data protection policies following the recent implementation of the General Data Protection Regulations, review of the scheme of delegation and investigating options for ensuring that the Joint Board's medium term financial strategy integrates with service priorities and resource constraints. The statement also summarises internal audit findings and key reports issued in the year, with the overall conclusion in internal audit's annual report noted as being that "the Board operates adequate internal control systems".

44. We concluded that the information in the annual governance statement is consistent with the financial statements and complies with applicable guidance.

Governance arrangements

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

46. Members and management of the Joint Board are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements.

47. Based on our observations and audit work performed during 2018/19, we have concluded that the Joint Board has effective overarching and supporting governance arrangements which provide an appropriate framework for organisational decision-making.

Openness and transparency

48. Openness and transparency means that the general 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.

49. There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny.

50. There is evidence from several sources which generally demonstrate the Joint Board's commitment to transparency. Members of the public can attend meetings of the Joint Board. Minutes of the Joint Board meetings and supporting papers are readily available on the Joint Board's website.

51. However, agendas and minutes on the Joint Board's website are not up to date. As at 14 August 2019, the latest Joint Board meeting minute available on the website is January 2019. An agenda for the June 2019 meeting is on the website but the supporting papers/reports are not attached.

Recommendation 1

Minutes should be published on the Joint Board's website as soon as possible after the meeting. Published agendas should include all reports referred to in the agenda in advance of the meeting date, unless the report is required to be considered in private session.

52. The Joint Board makes its annual accounts available on its website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties facing the Joint Board.

53. Overall, subject to the issue raised at paragraph 51 above, we have concluded that the Joint Board conducts its business in an open and transparent manner.

Internal audit

54. The joint board's internal audit function is carried out by Henderson Loggie. Each year we consider whether we can rely on internal audit work to avoid duplication of effort. When we plan to place reliance on internal audit work we carry out an assessment of the internal audit function to ensure that it is sufficient in terms of documentations standards, reporting procedures and quality, and is performed in accordance with Public Sector Internal Audit Standards (PSIAS).

55. We reviewed the Joint Board's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit. Overall, we concluded that the internal audit service generally operates in accordance with PSIAS and has sound documentation standards and reporting practices in place.

56. In our 2018/19 annual audit plan we highlighted that we planned to place reliance on internal audit's work on Risk Management / Business Continuity Planning and we did not plan to place reliance on the work of internal audit for our financial statements responsibilities.

57. Henderson Loggie assessed the Joint Board's Risk Management / Business Continuity Planning arrangements as 'good' which is the highest of their four assessment ratings.

Standards of conduct for prevention and detection of fraud and error

58. The Joint Board has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, anti-fraud strategy and codes of conduct for members and officers. We assessed these to ensure that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current.

59. We concluded that the Joint Board has appropriate arrangements in place for the prevention and detection of bribery and corruption. We are not aware of any specific issues we require to bring to your attention.

Appendix 1

Action plan 2018/19



No. Issue/risk

Recommendation

Agreed management action/timing

2018/19 recommendations for improvement

<p>1</p> <p>Governance arrangements</p> <p>Agendas and minutes on the Joint Board's website are not up to date. Agenda papers do not include the reports referred to in the agenda.</p> <p>Risk</p> <p>Members of the public do not have timeous access to information to allow them to scrutinise the Joint Board's decision making.</p>	<p>Minutes should be published on the Joint Board's website as soon as possible after the meeting. Published agendas should include all reports referred to in the agenda in advance of the meeting date, unless the report is required to be considered in private session.</p> <p>Paragraph 51</p>	<p>Agreed action: The Assessor will arrange for the agendas and minutes to be updated on the Joint Board website more timeously. The agenda papers will include the reports referred to in the agenda unless there is a substantive reason for their unavailability.</p> <p>Responsible officer: Assessor</p> <p>Action date: 18 November 2019</p>
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Follow up of prior year recommendations

<p>PY1</p> <p>Public Notice of Accounts</p> <p>The Joint Board must give public notice of the right of interested persons to inspect and object to its accounts in accordance with The Local Authority Accounts (Scotland) Regulations 2014. This public notice must be given no later than 17 June immediately following the financial year to which the accounts relate. The public notice was uploaded to the Joint Board's website on 24 June 2017, 6 days after the latest date allowable under the statutory regulations.</p> <p>Risk</p> <p>The Joint Board may be open to legal challenge if it does not comply with regulations.</p>	<p>The Joint Board should ensure the public notice is made available on the website within the timeframe allowable under the 2014 regulations.</p>	<p>Updated response: Action closed – 2018/19 public notice published in line with statutory requirements.</p>
<p>PY2</p> <p>Financial planning</p> <p>The Joint Board's budget for 2018/19 was approved in January 2018 and although the Joint</p>	<p>The Joint Board should develop medium/long term financial plans, linked to its approved corporate plan and service plan and</p>	<p>Updated response: the Joint Board approved a provisional revenue budget for 2019/20 to 2023/24 in January 2019. The report set out the</p>


No. Issue/risk
Recommendation
Agreed management action/timing

Board did reference medium/long term financial planning considerations in its 2018/19 Revenue Budget report, there remains no formal medium to long term planning incorporating scenario planning

Risk

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.

incorporating scenario planning. The impact of EU withdrawal should be covered in the plan.

provisional revenue budget for 2019/20 and also included indicative revenue budgets. The Joint Board is scheduled to investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints by 30 September 2019 (see paragraph 38).

Responsible officer:
Treasurer

Agreed date: 30 September 2019.

Appendix 2

Significant audit risks identified during planning

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. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of management override of controls</p> <p>ISA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statement requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No instances of management override of controls were identified. • All journals and significant transactions tested (including accruals) were found to be appropriate. • Sources of accounting estimates were reviewed and found to be without management bias. • We reviewed transactions for the year. No significant transactions were identified that are outside the normal course of the Joint Board's business.
<p>2 Risk of fraud over expenditure</p> <p>The Code of Audit Practice requires consideration of the risk of fraud over expenditure. The Joint Board incurs significant expenditure which requires audit coverage.</p>	<ul style="list-style-type: none"> • Assessment of adequacy of key financial controls over expenditure. • Detailed testing of transactions focusing on the greater areas of risk. 	<ul style="list-style-type: none"> • No significant issues were found in relation to controls in place across the key financial systems. • From a review of expenditure transactions during the year, no issues were highlighted in relation to the risk of fraud over expenditure.
<p>3 Estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of pensions and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"> • Completion of 'review of the work of an expert' for the actuary. • Focused testing of pension and provisions. 	<ul style="list-style-type: none"> • Estimations and judgements applied were tested to confirm they were appropriate and reasonable. No issues were highlighted with the estimates and judgements applied.
<p>4 Compliance with the Local Authority Accounts (Scotland) Regulations 2014</p>	<ul style="list-style-type: none"> • Review of the board's website to ensure the statutory deadline for the public notice of the accounts is met. 	<ul style="list-style-type: none"> • Public notice published in line with statutory requirements.

Audit risk	Assurance procedure	Results and conclusions
<p>The board must give public notice of the right of interested persons to inspect and object to its accounts no later than 17 June immediately following the financial year to which the accounts relate. For 2018/19, the notice was uploaded to the board's website on 24 June 2018, six days after the latest date allowable under the statutory regulations.</p>		

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

5 Financial sustainability

Our 2017/18 Annual Audit Report highlighted that the board referenced medium to long term financial planning in its budget considerations but did not have a formal medium to long term financial plan in place. This was recognised in the board's continuous improvement agenda.

There is a risk that the board may fail to set realistic targets in its plans or is unable to achieve its objectives due to lack of resources.

- Medium to long-term financial plans are being developed for 2019/20 budget process. These financial plans will link to the corporate and service plans and incorporate scenario planning (including the impact of EU withdrawal). We will monitor progress in implementing the agreed actions.
- We have monitored the financial position and consider the joint board to be financially sustainable in the short to medium term. Further comments on financial planning are covered in appendix 1, item PY2.

Appendix 3

Adjusted pensions liabilities

International accounting standards require all organisations to disclose information on pension liabilities in their financial statements. Tayside Valuation Joint Board is a member of Tayside Pension Fund (TPF), which has assets of £3.89 billion.

Annual valuations of pension fund assets and liabilities are made by the TPF actuary (Barnett Waddingham LLP). The resulting liability is then allocated between the participating members of TPF and these are included as pension disclosures in individual participating members' annual accounts. The calculation of TPF assets and liabilities is complex and dependent on a number of external variables, including projected rates of return on assets, projected rates of price and pay inflation, interest rates and mortality estimates.

Historically, there has been considerable volatility year on year on the valuation of net pension liabilities across the public sector. Small changes in actuarial assumptions can have a significant impact on the calculation of liabilities.

In addition to the "normal" variation in the annual estimate of the Joint Board's pension liability the impact of two distinct pensions issues, affecting the accounts of UK public sector organisations, became apparent during 2019:

- following a judgement handed down by the Supreme Court (the McCloud case) on 28 June 2019, UK public sector organisations were obliged to obtain revised pension liability figures to reflect the Court's judgement on age discrimination on pension scheme transitional protection
- in October 2018 the High Court (England) held that pension schemes must eliminate the discriminatory effects of guaranteed minimum pensions.

The following sections summarise the issues and the actions taken by the Joint Board to reflect the impact in the 2018/19 annual accounts.

Age discrimination on pension scheme transitional protection

In March 2011 the Independent Public Services Pension Commission published a review of Public Sector Pensions, the Hutton Report. It recommended wholesale public sector pension reform in order to place public sector pensions on a more sustainable footing. The Government largely accepted the recommendations of that Report and enacted pension reforms through the Public Service Pensions Act 2013. The main changes were: pensions are now based on career average rather than final salary; retirement ages are now aligned with state pension eligibility age; rates of the annual accrual of pension benefits are changed.

The reforms included transitional protection for scheme members approaching retirement age. In December 2018, the Court of Appeal ruled that the transitional protection provided to some members of the judiciary and fire fighters schemes amounted to unlawful age discrimination. On 28 June this judgement was upheld by the Supreme Court. Although this (McCloud) case related to specific schemes the principle applies to other public sector groups who have seen similar changes to their pension schemes.

As a result, the Joint Board was obliged to reflect the additional liabilities arising from the McCloud decision in the financial statements for 2018/19.

Sex discrimination on guaranteed minimum pension rights

Contracting out of the state earnings related pension scheme (SERPS) became possible in April 1978. This provided for reduced employer and employee National Insurance contributions in return for members receiving a guaranteed minimum pension (GMP) from an occupational pension scheme. GMPs are

discriminatory in various ways. For example, they are payable at 60 for female members and 65 for male members and they built up at different rates, reflecting the earlier payment age for women.

In October 2018 the High Court (England) held that pension schemes must equalize the discriminatory effects of GMPs. The Court's judgement will be applicable across all affected public sector defined benefit pension schemes. An interim method of calculating costs in respect of persons retiring from April 2016 and April 2021 has been agreed. However, the issue is a long standing one and the many complexities of dealing with it have meant that there is, as yet, no agreed solution to calculating the liabilities of pension schemes.

The Tayside Pension Fund actuaries, Barnett Waddingham, advised that no adjustment was required to the pension figures at this time for GMP highlighting:

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA (State Pension Age) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

As a result the Joint Board disclosed an unquantified contingent liability to reflect the potential liability arising from the GMP decision in the financial statements for 2018/19.

Appendix 4

Summary of national performance reports 2018/19

2018/19 Reports

Local government in Scotland: Challenges and performance 2018		Apr	
Councils' use of arm's-length organisations		May	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		Jun	
		Jul	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		Aug	 Major project and procurement lessons
Children and young people's mental health		Sept	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		Oct	
Health and social care integration: update on progress		Nov	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		Mar	 Local government in Scotland: Challenges and performance 2019

Reports of relevance to the Joint Board

[Local government in Scotland: Challenges and performance 2018](#) – April 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019

Tayside Valuation Joint Board

2018/19 Proposed Annual Audit Report

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REPORT TO: TAYSIDE VALUATION JOINT BOARD – 26 AUGUST 2019

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON THE 2018/2019 AUDIT.

REPORT BY: TREASURER

REPORT NO: TVJB 14-2019

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Board's External Auditor on the audit of Tayside Valuation Joint Board for the year ended 31 March 2019. A copy of the External Auditor's report and the Board's Audited Statement of Accounts are included on the agenda as separate items.

2 RECOMMENDATIONS

It is recommended that the Board:-

- i endorses this report as the formal response to the External Auditor's report;
- ii notes that the External Auditor's findings and conclusions are favourable;

3 FINANCIAL IMPLICATIONS

None.

4 MAIN TEXT

Introduction

- 4.1 The external audit of the Board for the financial year 2018/2019 was carried out by Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland. The Joint Board's External Auditors are appointed for a five year period and the financial year 2018/2019 marked the third year of Audit Scotland's appointment.

External Auditor's Report

- 4.2 The External Auditor's report outlines his main responsibilities as auditor and describes the scope of audit work undertaken during 2018/2019, and the issues arising from that work.
- 4.3 In addition to the Members of the Board, the External Auditor's Report is addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the External Auditor's responsibilities and scope of work, his report is by necessity both fulsome and extensive.

A copy of the report is included on the agenda as a separate item. Accordingly, it is not the intention of this report to provide a detailed response or commentary on all of the External Auditor's findings.

Conclusions

4.4 During 2018/2019, the External Auditor examined a number of areas covering a wide range of the Joint Board's activities. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular, the Joint Board should note the following:

- an unqualified audit opinion will be issued on the truth and fairness of the Joint Board's affairs as at 31st March 2019
- the unaudited financial statements were submitted for audit within the statutory requirements and the agreed audit timetable
- good quality supporting documentation was made available in electronic format to support the unaudited financial statements
- the Board's corporate governance arrangements provide a sound framework for organisational decision-making
- the Joint Board is open and transparent in the way it conducts business
- The Joint Boards financial position is sustainable in the short to medium term. However, without medium/long term financial scenario planning, it is difficult to assess whether future demand and reductions to funding to councils, will place a strain on the Joint Board's capacity to deliver services at current levels.

5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues identified.

6 **CONSULTATIONS**

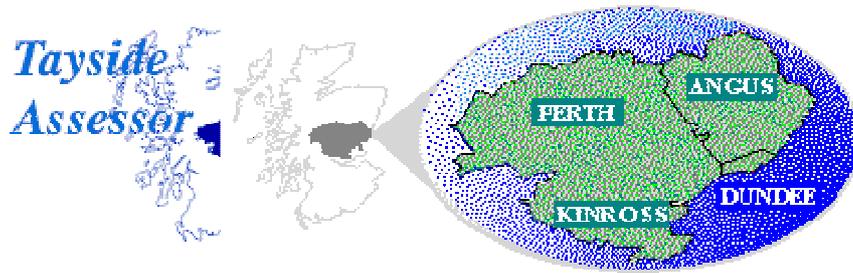
The Assessor and Clerk to the Joint Board have been consulted on the content of this report.

7 **BACKGROUND PAPERS**

None

GREGORY COLGAN
TREASURER

23 AUGUST 2019



TAYSIDE VALUATION JOINT BOARD

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

AUDITED

AUGUST 2019

Tayside Valuation Joint Board

Annual Accounts 2018/2019

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TAYSIDE VALUATION JOINT BOARD

MANAGEMENT COMMENTARY - MEMBERS AND OFFICIALS

Tayside Valuation Joint Board (“the Joint Board”) was established in 1996 as part of the reorganisation of local government. It took over from the Local Authorities in its area certain duties in relation to valuation for rating and council tax. The Joint Board comprises 15 members who are appointed by the three Councils in its area. Dundee City Council nominates 6 members, Perth & Kinross Council 5 and Angus Council 4. The membership of the Board at the end of 2018/2019 is shown below.

The Joint Board appoints the Assessor, whose statutory duty it is to prepare the Valuation Roll and the Council Tax Valuation List. The Assessor also provides the Electoral Registration Service for Perth & Kinross Council and Angus Council. Through its Clerk and Treasurer, the Joint Board provides the administrative framework within which the Assessor’s Service operates. The Joint Board Members provide an essential link between the Assessor, the Councils in the area and the electorate.

At the end of the financial year 2018/2019, the Members and Officials of the Joint Board were:

Representing Dundee City Council	
Bailie Christina Roberts (Vice Convener) Depute Lord Provost Bill Campbell Councillor Alan G Ross Councillor George McIrvine Councillor Margaret Richardson Councillor Philip Scott	
Representing Angus Council	
Councillor Gavin Nicol (Convener) Councillor Richard Moore Councillor Beth Whiteside Councillor Ron Sturrock	
Representing Perth and Kinross Council	
Councillor Angus Forbes (Spokesperson) Councillor Audrey Coates Councillor Lewis Simpson Councillor Sheila McCole Councillor Dave Doogan	
Assessor	
Mr Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA	
Clerk to the Joint Board	
Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council	
Treasurer	
Mr Gregory Colgan, ACMA, CGMA, Dundee City Council	

TAYSIDE VALUATION JOINT BOARD

CONTACT DETAILS

The Assessor can be contacted at:

Tayside Valuation Joint Board
 William Wallace House
 Orchard Loan
 Orchardbank Business Park
 Forfar
 ANGUS DD8 1WH
 Tel: 01307 499910
 Fax: 01307 499950
 Email:- assessor@tayside-vjb.gov.uk



For properties in Angus Council Area, contact:

Tayside Valuation Joint Board
 William Wallace House
 Orchard Loan
 Orchardbank Business Park
 FORFAR DD8 1WH
 Tel: 01307 462416
 Fax: 01307 468631
 Email: angus@tayside-vjb.gov.uk



For properties in Perth & Kinross Council Area, contact:

Tayside Valuation Joint Board
 Robertson House
 Whitefriars Crescent
 PERTH PH2 0LG
 Tel: 01738 630303
 Fax: 01738 639753
 Email: perth@tayside-vjb.gov.uk



For properties in Dundee City Council Area, contact:

Tayside Valuation Joint Board
 William Wallace House
 Orchard Loan
 Orchardbank Business Park
 Forfar
 ANGUS DD8 1WH
 Tel: 01307 499910
 Fax: 01307 499950
 Email: dundee@tayside-vjb.gov.uk



The Valuation Joint Board's website address is: www.tayside-vjb.gov.uk

The Scottish Assessors website address is: www.saa.gov.uk

TAYSIDE VALUATION JOINT BOARD

MANAGEMENT COMMENTARY

INTRODUCTION

We are pleased to present the Annual Accounts for Tayside Valuation Joint Board (“the Joint Board”) for the year ended 31 March 2019. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 (“the Code”). This Management Commentary provides a context for the annual accounts, an analysis of performance during the year and an insight into the priorities and plans for the Joint Board. The principal financial risks and uncertainties facing the Joint Board are identified, together with the potential impact and actions being taken.

The Joint Board was established by the Valuation Joint Boards (Scotland) Order 1995 and came into existence on 1 April 1996. The Joint Board provides a range of valuation and electoral registration services to Angus and Perth & Kinross Councils, and valuation services to Dundee City Council, working in partnership with other Valuation Joint Boards and professional bodies throughout Scotland.

Mission, Vision and Strategic Objectives

The Joint Board’s Corporate Plan 2016-2019 (“the Plan”) was approved in June 2016 and was reviewed and updated in June 2018. The Joint Board’s Mission is to “ensure best value and provide equitable, customer focussed, high quality, professional valuation and electoral services for all its stakeholders”. The Joint Board’s vision is to “provide valuation and electoral services in accordance with statute and in a manner that is exemplary.”

The plan identifies the core Strategic Objectives to help it fulfil the Board’s Mission and Vision, and so ensure:-

- statutory duties are completed fully and on time.
- customer knowledge is improved and ensure attainment of good Community Focus.
- the performance management and planning framework is reviewed to ensure continuous improvement in service delivery.
- effective balance of responsibility and authority.
- Standards of Conduct are adhered to.
- efficiency and quality of service delivery.
- the integrated delivery of efficient government.

Each Strategic Objective is supported by a detailed list of priorities and tasks, against which performance is regularly monitored and reported to the Joint Board.

REVIEW OF OPERATIONAL PERFORMANCE

Non-Domestic Rating

The Assessor has continued to maintain the Valuation Roll during the year, processing new entries, deletions and amendments as required. The Finance Departments of the three constituent authorities are advised of changes weekly, which lead to efficient collection of non-domestic rates income. The Scottish Assessors’ Association’s (SAA) website contains details of Valuation Roll entries on an all Scotland basis, and Tayside data is uploaded weekly to ensure that the most up to date information is widely available.

The SAA website also provides details of valuation calculations of the most common types of commercial properties such as shops, offices and industrial subjects. This enables ratepayers to check the valuations of their property and to compare them with others. There are approximately 11,507 current summary valuation records available for Tayside properties, representing approximately 54.43% of all current Tayside entries.

The cumulative effect of all changes to entries in the Tayside Valuation Rolls during 2018/19 is shown below. The changes reflect additions, deletions and the effect of appeal settlements.

Local Authority Area	Total No of Subjects		Rateable Value		Net Effect
	01/04/2018	31/03/2019	At 01/04/2018	At 31/03/2019	
Angus Council	5,526	5,539	£80,975,046	£80,877,121	-£97,925
Dundee City Council	5,873	5,918	£190,080,900	£193,436,275	+£3,355,375
Perth & Kinross Council	9,727	9,968	£162,534,708	£162,689,783	+£155,075
Total	21,126	21,425	£433,590,654	£437,003,179	+£3,412,525

Performance levels in relation to Valuation Roll maintenance are measured by how quickly new or altered entries are shown on the Roll. The number of new and altered entries in the Valuation Roll and the period between their completion and alteration of the Valuation Roll are detailed in the table below. The target was to process 70% of alterations within 3 months and 88% within 6 months. Performance was above target.

Local Authority Area	No of new and altered entries	Percentage entered or amended within		
		3 months	6 months	One Year
Angus Council	312	78.80%	85.50%	100.00%
Dundee City Council	544	76.70%	92.70%	100.00%
Perth & Kinross Council	675	79.60%	94.30%	100.00%
Total	1,531	78.40%	91.90%	100.00%

General Non-Domestic Rating Revaluation 2017

The Assessor has a statutory duty to carry out a Revaluation of all non-domestic property in the Valuation Area every five years. However, in the context of the general economic recession which took place after 2008, the current Revaluation, which was scheduled for 1 April 2015, was postponed and subsequently came into effect on 1 April 2017. The Assessor was required to revalue each property at a figure which represents the rent at which that property might reasonably be expected to let at the specified date (1 April 2015) and to publish the new Valuation Roll on 1 April 2017.

A key feature of the system of Non- Domestic Rates system is that each proprietor, tenant and occupier may, if they feel aggrieved by the new valuation, lodge a formal appeal. Appeals can be lodged against a "Revaluation" assessment (within certain statutory time limits). Subsequent to each Revaluation, "Running Roll" appeals can be lodged in respect of any new or amended entries in the Valuation Roll, or on the basis that there has been an "error", or that there has been a "material change of circumstances" affecting the value of the property. Details of the relevant mechanisms and time limits for appeals are included with each Valuation Notice and published on-line and in the press.

During the course of the year staff have been heavily engaged in dealing with both Revaluation Appeals and Running Roll Appeals. A summary of appeal progress as at 31 March 2019 is shown below.

	Appeals	Appeals	Settled Appeals RV		Appeals Outstanding	
	Received	Settled	Original RV	Settled RV	Appeals	RV
2010 Revaluation	6,017	6,010	£330,427,668	£308,397,475	7	£123,000
2010 Running Roll	2,920	2,918	£229,545,090	£226,486,800	2	£103,100
2011 Running Roll	3,016	3,015	£235,968,795	£234,404,770	1	£100
2012 Running Roll	470	470	£59,231,235	£55,930,085	0	£0
2013 Running Roll	238	235	£33,473,325	£31,271,145	3	£128,500
2014 Running Roll	313	311	£32,158,300	£29,716,060	3	£368,300
2015 Running Roll	154	153	£12,261,400	£11,337,320	1	£71,400
2016 Running Roll	161	160	£17,366,625	£15,979,330	1	£38,400
2017 Revaluation	6,255	3,493	£73,721,455	£70,147,465	2,762	£257,850,221
2017 Running Roll	611	197	£2,302,500	£1,864,350	414	£32,545,190
2018 Running Roll	238	44	£1,349,160	£1,243,580	194	£30,551,770
2019 Running Roll	8	0	£0	£0	8	£348,690

Council Tax Banding

The Valuation List, which comprises approximately 211,332 entries, was fully maintained during the year by adding new dwellings, deleting dwellings that have been demolished and re-banding dwellings as appropriate following alteration and sale. The list was maintained by way of weekly updates, with Banding Notices issued to Council Tax payers and notification of amendments to the 3 Councils' Finance Departments also transmitted on a weekly basis. Sales information continued to be identified and recorded to assist in the valuation and banding process.

The Council Tax List is also available for public inspection on the Scottish Assessors' website. Data is uploaded to the site on a weekly basis so that information on banding is always up to date. Additionally, an on-line facility is available for the lodging of proposals to amend bands, although the circumstances in which proposals will be valid are restricted by legislation.

The number of new dwellings entered in the Valuation List during 2018/19 and the period taken between their completion and entry on the list is detailed in the following table.

Local Authority Area	No of new and amended entries	Percentage entered on Valuation List within		
		3 months	6 months	One Year
Angus Council	441	61.90%	71.40%	100.00%
Dundee City Council	412	72.80%	90.00%	100.00%
Perth & Kinross Council	779	58.90%	71.00%	100.00%
Total	1,632	63.20%	75.90%	100.00%

Performance in relation to how quickly new entries were entered on the Valuation List was increased from the level reached in the previous year, and exceeded the target set. The target was to deal with 92% within 3 months and 98% within 6 months.

Register of Electors

Elections and Referenda 2018

A Local Government by-election was held in Perth & Kinross Council on 19 April 2018. Elections also took place in Loch Lomond & Trossachs National Park area on 5 July 2018 and in Cairngorms National Park area on 21 March 2019. The required administrative procedures for these elections were successfully dealt with and, in administrative terms, the elections passed without incident.

2018/19 Canvass

The annual canvass of electors commenced in July 2018 and household registration forms were posted to all properties in Angus and Perth & Kinross ahead of publication of the Register on 1 December 2018.

A Household Enquiry Form (HEF) was initially issued to 129,042 households across both local authority areas. The HEF required electors to confirm whether there had been any changes to those electors resident at the property. Households were given the opportunity to respond to the HEF by post, text, email or via a web page. A new registration form (ITR) was issued to any new electors identified on the HEF return unless the elector had already submitted an online application. The canvass of electors included a request for details of young persons for their inclusion in the Electoral Register so that these electors can vote in future elections.

A number of initiatives were undertaken to determine if electors were actually living in the households at which they were previously registered, including comparisons with Council Tax records. Where appropriate electors who had moved from the address were removed from the Register and formal notifications were posted to inform them of this. Where the available information was not clear, formal reviews were undertaken whereby the elector was invited to confirm their residence or seek a hearing, failing which they would be removed from the Register.

The response rate to the initial mailing of HEFs was 60.4%. All non-responders were issued with a reminder and, where no response was still forthcoming, a door-to-door canvass visit was undertaken. Thirty-eight temporary canvassers were employed to visit households which failed to return either the *Household Enquiry*

Form or an *Invitation to Register* form. In total, some 31,667 households who did not respond to the HEF and some 4,174 electors who had failed to return an ITR were visited.

Upon completion of the canvass, the response rate to the HEF was 84.8% in both Angus and Perth & Kinross.

Despite additional efforts to encourage the use of text, email or internet service, HEFs returned by these methods accounted for only 32% of the total of HEF responses – an increase of 1% from the 2017 canvass. Paper forms returned by post or via a canvasser accounted for 66% and 2% related to empty properties. It is likely that the relatively low response using text, email or internet is as a result of the more complicated system on Individual Registration.

The Register of Electors comparison between 1 December 2017 and 1 December 2018 is as follows:-

Local Authority Area	Electorate at 1 December 2017	Electorate at 1 December 2018	Net Change
Angus	89,344	89,092	-252
Perth & Kinross	114,776	114,863	87
Total	204,120	203,955	-165

Dundee City Council administer the electoral canvass themselves.

Since publication of the register on 1 December 2018 initiatives have been undertaken to identify potential new electors including; from house sales information, from valuation staff, from Council Tax records supplied by the local authorities, from school records supplied by local authority and/or private schools, and from other sources.

Pilot canvass schemes took place across United Kingdom in 2017 with a view towards further streamlining the electoral registration processes. The results of these pilot exercises have been published by the Government's Modern Electoral Registration Programme and will result in changes to the way the canvass is undertaken from 2020.

The Open Electoral Register

Electors may opt out of having their name listed in the Open Register on which there is no restriction on access, sale and supply. Statistics in relation to the Full Register and the Open Register are as follows:-

Local Authority Area	Total Electorate on Full Register at 1st December 2018	Total No of Electors "Opting-Out" of Open Register	Opt-outs as %	Total on Open Register
Angus	89,092	35,746	40.10%	53,346
Perth & Kinross	114,863	52,167	45.40%	62,696
Total	203,955	87,913	43.10%	116,042

Dundee City Council manage the Open Electoral Register for Dundee.

Performance Standards

The Electoral Commission has determined a set of standards against which Electoral Registration Officers are assessed in the performance of their duties. It is pleasing to note that the electoral registration service in Angus and Perth & Kinross has met or exceeded all standards that have been scrutinised so far in 2018/19. The Electoral Commission has determined a set of performance standards against which Electoral Registration Officers are assessed in the performance of their duties. It is pleasing to note that the electoral registration service in Angus and in Perth & Kinross has met or exceeded all standards assessed in 2018/19. The Electoral Commission is preparing a new scheme of performance assessment and will publish further details in due course.

General

The Management of the Joint Board has continued to operate with the assistance of various working groups reporting to the Management Team. These groups monitor all matters relating to the core functions, including governance, health and safety and information technology. The membership and remits of the working groups continue to be reviewed as necessary. Senior members of staff have continued to contribute to the work of the Scottish Assessors' Association (SAA) which meets regularly to facilitate a consistent approach in the administration of the Valuation, Council Tax and Electoral Registration services.

In order to gauge the public's perception of the quality of service provided, questionnaires have continued to be issued throughout the year to a random sample of people who have made contact with the department. A full analysis of the survey will be provided to the Joint Board in August 2019. Generally, the results indicate a high degree of satisfaction amongst customers.

Financial Performance

Revenue Expenditure

The Tayside Valuation Joint Board, at its meeting on 22 January 2018, approved the final 2018/19 Revenue Budget of £2,765,068 which was then requisitioned from the three Constituent Councils, in line with the following apportionment (based on Councils' 2017/2018 GAE figures for Lands Valuation and Council Tax Valuation):

Angus Council	26.05%	£720,323
Dundee City Council	32.68%	£903,565
Perth & Kinross Council	41.27%	£1,141,180
		<u>£2,765,068</u>

The 2018/2019 Revenue Budget of £2,765,068 did not change from the approved 2017/2018 Revenue Budget. The budget included a 3% uplift in salaries offset by other establishment changes (£72,000), savings in property costs and review of office accommodation (reduction £71k), changes to other budget headings (net increase £25k), contribution from General Reserve (£26k).

The Joint Board received quarterly Revenue Monitoring reports during 2018/19 in order to keep the members fully appraised as to the projected revenue outturn position. At its meeting on 23 August 2004, the Joint Board agreed that the final underspend in any financial year should be returned to the Constituent Councils.

The following tables reconciles the Revenue Budget approved by the Joint Board on 22nd January 2018 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 31. Table 1 shows the budget virements made to reflect underlying transfers and additional funding within the base revenue budget. Table 2 shows budget adjustments required by 2018/2019 Code of Practice. Actual outturn figures and under/overspends are also shown and are explained in the detailed variance analysis below.

Table 1	2018/2019	Electoral	IER	Office Move		2018/2019
	Approved Budget	Registration	Funding	Additional Costs	Cost Savings	Monitored Budget
	£000	£000	£000	£000	£000	£000
Staff Costs	2,564	(2)	61		(79)	2,544
Property Costs	262			220	(152)	330
Supplies and Services	329	2	52	34	(13)	404
Transport Costs	49	-	7	-	(10)	46
Third Party Payments	50	-	-	-	-	50
Cost of Services	3,254	-	120	254	(254)	3,374
Income						
Other Operating Income & Expenditure	(461)	-	-	-	-	(461)
Financing and Investment Income	(2)	-	-	-	-	(2)
Taxation and Non Specific Other Grant Income	-	-	(120)	-	-	(120)
(Surplus) or deficit on Provision of Services before Requisitions	2,791	-	-	254	(254)	2,791
Recognised Capital Income						
Requisition Income	(2,765)	-	-	-	-	(2,765)
(Surplus)/Deficit for the year on Provision of Services	26	-	-	254	(254)	26

Table 2

	Approved Budget £000	Corp & Democratic Core Re- allocation £000	Depre- ciation £000	Capital Contribution Reallocation £000	Employee Benefits Adjust £000	IAS 19 Adjusts £000	Revised Budget £000	Actual Expend/ (Income) £000	(Under)/ Over Spend £000
Staff Costs	2,544	-	-	-	(20)	508	3,032	2,971	(61)
Property Costs	330	-	-	-	-	-	330	287	(43)
Supplies and Services	404	(16)	-	-	-	-	388	462	74
Transport Costs	46	-	-	-	-	-	46	55	9
Third Party Payments	50	-	-	-	-	-	50	35	(15)
Depreciation	-	-	38	-	-	-	38	38	-
Corporate & Democratic Core	-	16	-	-	-	-	16	16	-
Cost Of Services	3,374	-	38	-	(20)	508	3,900	3,864	(36)
Other Operating Income & Expenditure	(461)	-	-	-	-	-	(461)	(466)	(5)
Financing & Investment Income & Expenditure	(2)	-	-	-	-	69	67	64	(3)
Taxation & Non-Specific Grant Income	(120)	-	-	-	-	-	(120)	(119)	1
Deficit on Provision of Services before Requisition	2,791	-	38	-	(20)	577	3,386	3,343	(43)
Recognised Capital Income	-	-	-	(88)	-	-	(88)	(88)	-
Requisition Income	(2,765)	-	-	-	-	-	(2,765)	(2,748)	17
Total Deficit	26	-	38	(88)	(20)	577	533	507	(26)
IAS 19 Adjustments	-	-	-	-	-	(577)	(577)	(577)	-
Other IFRS Code	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	(38)	88	20	-	70	70	-
Total Deficit for the year	26	-	-	-	-	-	26	-	(26)

The outturn on Expenditure and Funding Analysis (page 20) indicates that no allocation requires to be taken from the General Reserve.

During 2018/19, an underspend of £26,000 on the Revenue Budget was experienced in relation to Valuation Services. The main budget variances are summarised below:

Staff Costs (Underspend £61,000):

This net underspend represents a higher than normal level of vacancies, after the period of the move of the Headquarters and Dundee divisions to William Wallace House in Forfar.

Property Costs (Underspend £43,000)

Due mainly to lower than anticipated costs relating to the vacating of Whitehall House in Dundee..

Supplies & Services (Overspend £74,000)

Higher than anticipated costs on printing, IT and postage incurred on Individual Electoral Registration.

Third Party Payments (Underspend £15,000)

Legal expenses were lower than anticipated due to a lower than expected number of contentious appeals.

Other Income and Expenditure (Increased Income £5,000)

Due to recovery of specific expenditure on electoral registration from constituent councils, together with higher than budgeted interest on revenue balances.

Requisition Income (Under achieved Income £17,000)

Due to refund of requisition income to constituent councils for lower than anticipated expenditure.

General Reserve

In setting the 2018/19 Revenue Budget, the Treasurer advised that the minimum level of uncommitted balances that the Joint Board should operate with is £60,000. The sum of £26,000 was taken from the General Reserve and used in the setting of the Joint Board's 2018/19 Revenue Budget. This ensured no increase in the requisition from Constituent Councils. The financial performance of the Joint Board during 2018/19 meant that no allocation from general Reserve was required. The General Reserve balance at 31st March 2019 therefore remains at £102,062.

Capital Expenditure

During 2018/19 the Joint Board incurred £88,509 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three constituent councils.

Borrowing Facilities

The Joint Board does not have the powers to incur any new capital debt directly through borrowing. Accordingly, the Joint Board's capital expenditure requirements in 2018/2019 are funded by a contribution from the three Constituent Councils.

Control of Revenue and Capital Expenditure

The control of both the revenue and capital expenditure of the Joint Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Joint Board's financial objectives are achieved and that financial resources are fully utilised. The following Annual Accounts reflects the fact that this has been carried out satisfactorily in the course of the financial year.

Pension Liability (IAS 19)

Under International Accounting Standard 19 (Employee Benefits), the Joint Board is required to include figures in the Annual Accounts relating to the assets, liabilities, income and expenditure related to the pension scheme for its employees. It has been estimated that the Joint Board had a net pension liability of £2,858,000 as at 31 March 2019. The estimated net Pension Liability at 31 March 2018 was £2,415,000. The overall change was due to a decrease in the liabilities arising from changes to the financial and demographic assumptions.

Balance Sheet Net Liabilities

The Joint Board's Balance Sheet as at 31 March 2019 shows Net Liabilities of £2,711,000. The significant factor in the Net Liabilities position is the IAS 19 Pension Liability of £2,858,000. The IAS 19 Pension Liability figure is based on a "snap shot" at 31 March 2019 and the calculation is particularly sensitive to the vagaries of the stock market. The IAS 19 Pension Liability is a notional figure and does not require to be funded in the short term. Throughout the normal course of events, any projected net liability on the Tayside Pension Fund is recouped by increased employer's contributions. The IAS 19 Pension Liability does not impact on the Joint Board's General Reserve or budgetary requirements and the Net Liabilities position shown in the Balance Sheet does not therefore affect the Joint Board's ability to continue as a going concern for the foreseeable future.

Service Changes and Future Developments

There were no changes to the statutory functions undertaken by the Joint Board during the financial year. The Joint Board continues to refine its staffing structure and use of resources to help ensure that it continues to meet ambitious targets while also dealing with legislative reform issues and managing budget constraints.

The Assessor is working with the SSA and Scottish Government on plans to implement the recommendations from the Barclay Review. Additional funding has been allocated from the Scottish Government in 2019/2020 to support the ongoing development. The Assessor and his team have reviewed the staff structure and an amended structure was approved by the Joint Board at the meeting on 24 June 2019. The Joint Board is also planning to review the Non Domestic Rates system.

Principle Risks and Uncertainties

The Joint Board maintains, manages and regularly reports on Business Continuity and Risk Management arrangements. Internal Audit assessed the Joint Board's procedures in this area as good with no weaknesses identified.

Individual Electoral Registration utilises significant resources and generates a funding gap which is currently met by the UK Cabinet Office. The UK Cabinet Office has agreed to fund approved expenditure for the lifetime of the UK Parliament. They have indicated however, that more stringent approval of expenditure will be applied in the future which will increase the financial burden on the Joint Board in the future.

Continuing uncertainty regarding the Brexit process and the impact of potential future elections or referenda holds significant implications for the workload of staff and resources within the Joint Board.

The Joint Board recognises the impact of continuing forecast pressures on the constituent authorities and as a consequence it continues to seek to generate efficiencies and utilise limited reserves wherever possible. This strategy, together with prudent management of resources during a period of strong performance and

significant operational challenges has allowed the Joint Board to set a 2019/2020 budget at a reduced or standstill level for the fourth consecutive year.

The Assessor and Electoral Registration Officer will look to introduce further efficiency savings in future, although with a significant number of statutory duties to be met, continual reduction of resources could have an adverse impact on performance measures and service delivery.

Conclusion

Sound financial management and effective risk management have enabled the Joint Board to successfully manage its financial affairs during financial year 2018/2019. However, significant risks surrounding future uncertainties continue to affect the plans for the Joint Board to effectively manage budgetary pressures.

Despite significant challenges, operational performance continues to remain at a high level and effective management of a committed staff will continue to ensure that the Joint Board is able to meet its objectives.

We wish to acknowledge the significant efforts and exceptional hard work of all staff in facing up to the challenges encountered and contributing to the Joint Board's successful operational performance, the staff whose financial stewardship has contributed to the Joint Board's financial position at 31st March 2019 and everyone involved in the preparation of the annual accounts.

Gregory Colgan
B.Acc(Hons), ACMA, CGMA
Treasurer
Tayside Valuation Joint Board
26th August 2019

Alastair Kirkwood
BSc, MRICS (Dip Rating), IRRV
(Hons), AEA
Assessor and Electoral
Registration Officer
Tayside Valuation Joint Board
26th August 2019

Councillor Gavin Nicol
Convener
Tayside Valuation Joint Board
26th August 2019

TAYSIDE VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Tayside Valuation Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Joint Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Board approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/ Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tayside Valuation Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Joint Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Board is directed and controlled. It also describes the way it engages with its stakeholders. It enables the Joint Board to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The framework reflects the arrangements in place to meet the seven supporting principles of effective corporate governance. These are as follows:

- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- ensuring openness and comprehensive stakeholder engagement;
- defining outcomes in terms of sustainable economic, social, and environmental benefits;
- determining the interventions necessary to optimise the achievement of intended outcomes;
- developing the entity's capacity, including the capability of its leadership and the individuals within it;
- managing risks and performance through robust internal control and strong public financial management; and
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The overall control arrangements include:

- identifying the Joint Board's objectives in the Service Plan.
- monitoring of objectives by the Joint Board and senior officers.
- reporting performance regularly to Joint Board meetings.
- clearly defined Standing Orders, Financial Regulations, Tender Procedures and Delegation of Powers.
- approved anti-fraud and corruption strategies including "whistle-blowing" arrangements.
- setting targets to measure financial and service performance.
- formal revenue and capital budgetary control systems and procedures.
- the assurances provided by Internal Audit through their independent review work of the Joint Board's internal control systems.

Additionally, in order to support Chief Financial Officers in the fulfilment of their duties and to ensure that local authority organisations have access to effective financial advice of the highest level, CIPFA's *Role of the Chief*

Financial Officer has introduced a "comply or explain" requirement in the Annual Accounts. The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

Review of Effectiveness

Members and officers of the Joint Board are committed to the concept of sound governance and the effective delivery of Joint Board services and take into account comments made by internal and external auditors.

In addition the Joint Board have made a self-assessment of their own arrangements. This involved the completion of a 94-point checklist, by the Assessor, covering seven supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government (2016)*. This indicated a high level of compliance.

The Joint Board's Internal Audit Service provider conforms to the Public Sector Internal Audit Standards (PSIAS), and reports to the Joint Board. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

Continuous Improvement Agenda

The self-assessment checklist completed by the Assessor as part of the Joint Board's assurance gathering process highlights that the Joint Board is fully compliant in the seven key governance areas covered.

The Joint Board's progress against the Continuous Improvement Agenda items for 2018/2019 are detailed in Table 1. One item has been completed and the others have been carried forward to be actioned in 2019/2020.

Improvements 2018/2019	Principle	Code Reference	Responsible Officer(s)	Target Completion Date	Actual Completion Date	Progress Updates
1 Revise Data Protection Policy in light of introduction of GDPR Regulations	3	2.2, 4.1,4.2	Assessor	30/09/2019	31/03/2019	Source: Annual Governance Statement Checklist
2 Review the Scheme of Delegation of Powers	3	2.2, 4.1	Treasurer, Assessor	30/09/2019	Ongoing	Source: Annual Governance Statement Checklist
3 Investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints.	4	2.8,3.1,3.2,3.3,3.4,	Treasurer	30/09/2019	Ongoing	Carried forward from 2017/18

The Principles and References included in the above table refer to the Local Code of Corporate Governance.

During 2018/2019, Internal Audit have conducted audits in the areas of Risk Management/Business Continuity Planning, Council Tax, Maintenance of the Accuracy of the Electoral Register and Follow up Reviews. No significant weaknesses were identified. In the follow up reviews, the only outstanding item that is currently capable of being progressed relates to the Review of the Scheme of Delegation which is planned for completion in 2019. Overall, the level of assurance was concluded to be good and the systems and procedures implemented meet their control objectives. The Internal Auditor's Annual Report 2018/2019 concludes that, in the opinion of the Internal Auditor, the Joint Board operates adequate and effective control procedures, as defined in the Audit Needs Assessment.

It is proposed that during 2019/2020 steps are taken to address the items identified in the Continuous Improvement Agenda (see Table 2) to further enhance the Joint Boards governing arrangements.

Table 2: Improvements 2019/2020	Principle	Code Reference	Responsible Officer(s)	Target Completion Date	Progress Updates
1 Review the Scheme of Delegation of Powers	3	2.2, 4.1	Treasurer, Assessor	30/09/2019	Source: Annual Governance Statement Checklist
2 Investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints.	4	2.8,3.1,3.2,3.3,3.4,	Treasurer	30/09/2019	Progress carried forward from 2018/19
3 Review NDR Systems taking cognisance of barclay Review Recommendations	2	2.5	Assessor	31/03/2022	Source: Annual Governance Checklist
4 Review Staffing Structure taking cognisance of NDR changes	1	1.2	Assessor	31/12/2019	Source: Annual Governance Checklist

The Principles and References included in the above table refer to the Local Code of Corporate Governance.

The annual review demonstrates sufficient evidence that the Codes principles of delivering good governance in local government operated effectively and the Joint Board complies with the Local Code of Corporate Governance in all significant respects. Future actions will be taken as necessary to maintain and further enhance the Joint Board's governance arrangements.

Councillor Gavin Nicol
Convener
Tayside Valuation Joint Board
26th August 2019

Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor and ERO
Tayside Valuation Joint Board
26th August 2019

TAYSIDE VALUATION JOINT BOARD

REMUNERATION REPORT

INTRODUCTION

The Joint Board is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration of the Convener, Vice Convener and Senior Employees of the Joint Board and accrued pension benefits of the Senior Employees. The report also provides information on the number of Joint Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations. The Joint Board's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. Tables 1, 2 and 3 are subject to audit, and the remainder of the report is subject to review.

REMUNERATION ARRANGEMENTS

Convener and Vice Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (Scottish Statutory Instrument No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Convener or Vice Convener of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice Convener is a member. The Council is also required to pay pension contributions arising from the Convener or Vice Convener being a member of the Local Government Pension Scheme.

The Joint Board has an arrangement with each Council who remunerates the Chair and Vice-Chair to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Joint Board.

The remuneration details for the Convener and Vice Convener of Tayside Valuation Joint Board are set out in Table 1.

TABLE 1 – REMUNERATION OF COUNCILLOR WHO IS CONVENER OF TAYSIDE VALUATION JOINT BOARD

Councillor Name	Responsibility	Salary, Fees & Allowances £	Total Remuneration 2018/2019 £	Total Remuneration 2017/2018 £
Gavin Nicol (25th June 2018 to 31st March 2019)	Convener, Tayside Valuation Joint Board	4,200	4,200	-
Christina Roberts (1st April 2018 to 31st March 2019)	Vice-Convener, Tayside Valuation Joint Board	1,475	1,475	1,059
Elsbeth Mclachlan (1st April 2017 to 4th May 2017)	Convener, Tayside Valuation Joint Board	-	-	461
David Cheape (26th June 2017 to 8th February 2018)	Convener, Tayside Valuation Joint Board	-	-	4,065
Jim Houston (1st April 2017 to 4th May 2017)	Vice-Convener, Tayside Valuation Joint Board	-	-	263
Total		5,675	5,675	4,789

Convener and Vice Convener roles were not occupied from 4th May 2017 to 26th June 2017 as previous occupants did not stand for re-election in May 2017. There was no Convener in place following Councillor David Cheape's deselection as a Councillor by Angus Council in February 2018, until Councillor Gavin Nicol was appointed in June 2018.

Senior Employees

The salaries of Senior Employees take account of the duties and responsibilities of their posts. Senior Employees are entitled to participate in Dundee City Council's Contract Car Hire Scheme, subject to meeting certain criteria. Dundee City Council's Policy & Resources Committee is responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Joint Board:

- (i) has responsibility for management of the Joint Board to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Joint Board has determined that four employees covering four posts meet the criteria for designation as a Senior Employee in 2018/2019. The remuneration details for the Senior Employees of the Joint Board are set out in Table 2.

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances £	Total Remuneration 2018/2019 £	Total Remuneration 2017/2018 £
Alastair Kirkwood	Assessor	104,876	104,876	103,275
Henry Gray	Depute Assessor (retired 31st May 2017)	-	-	13,284
Donald Allan	Assistant Assessor	69,363	69,363	64,855
Roy Christie	Assistant Assessor	69,363	69,363	64,855
Richard Michalski	Assistant Assessor (retired 28th February 2019)	59,348	60,200	61,136
Total		302,950	303,802	307,405

The Regulations also require information to be published on the total number of Joint Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table:

TABLE 3 - REMUNERATION BANDS

Remuneration Bands	No of Employees	
	2017/2018	2018/2019
£50,000 - £54,999	1	
£60,000 - £64,999	3	1
£65,000 - £69,999	-	3
£100,000 -£104,999	1	1
Total	5	5

ACCRUED PENSION BENEFITS

Pension benefits for Tayside Valuation Joint Board employees are provided through the Local Government Pension Scheme (LGPS) which is a career average related earnings (CARE) pension scheme. This means that pension benefits are based on the career average revalued pay and the number years that the person has been a member of the scheme. The scheme's normal retirement age for Joint Board employees is based on the state retirement age (but with a minimum of age 65).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The members' contribution rates for 2018/2019 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are set out in Table 4.

TABLE 4 - TEIRS AND CONTRIBUTION RATES

2017/2018 Whole Time Pay on Earnings:	Contribution Rate 2017/2018	2018/2019 Whole Time Pay on Earnings:	Contribution Rate 2018/2019
up to and including £20,700	5.50%	up to and including £21,300	5.50%
above £20,700 and up to £25,300	7.25%	above £21,300 and up to £26,100	7.25%
above £25,300 and up to £34,700	8.50%	above £26,100 and up to £35,700	8.50%
above £34,700 and up to £46,300	9.50%	above £35,700 and up to £47,600	9.50%
above £46,300	12%	above £47,600	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Convener and Vice Convener

There were no pension contributions made by the Joint Board in respect of the Convener and Vice Convener of Tayside Valuation Joint Board.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 5, together with the pension contributions made by the Joint Board.

TABLE 5 - ACCRUED PENSION BENEFITS FOR SENIOR EMPLOYEES

Employee Name	Post Title	Pension as at 31 March 2019 £000	Pension Difference from 31 March 2018 £000	Lump Sum as at 31 March 2018 £000	Lump Sum Difference from 31 March £000	Pension Cont. 2018/19 £	Pension Cont. 2017/2018 £
Alastair Kirkwood	Assessor	50	3	94	1	17,829	17,557
Henry Gray	Depute Assessor (retired 31st May 2017)	n/a	n/a	n/a	n/a	n/a	2,258
Donald Allan	Assistant Assessor	32	3	60	4	11,792	11,025
Roy Christie	Assistant Assessor	34	3	66	4	11,792	11,025
Richard Michalski	Assistant Assessor (retired 28th February 2019)	24	2	39	1	10,089	10,393
Total		140	11	259	10	51,502	52,258

Exit Packages

There were no exit packages in 2018/2019 (2017/2018 Nil).

Assumptions and Contextual Information

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2018/2019, the scheme member contribution rate for Senior Employees was in the range of 7.9% to 9.8% (2017/2018 7.9% to 9.8%) of

pensionable pay. In 2018/2019, the employer contribution rate was 17.0% (2017/2018 17.0%) of pensionable pay for Senior Employees.

Councillor Gavin Nicol
Convener
Tayside Valuation Joint Board
26th August 2018

Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor and Electoral Registration Officer
Tayside Valuation Joint Board
26th August 2019

TAYSIDE VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Joint Board's responsibilities

The Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 26th August 2019.

Councillor Gavin Nicol
Convener
Tayside Valuation Joint Board
26th August 2019

The Responsibilities of the Treasurer

The Treasurer is responsible for the preparation of the Joint Board's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice).

In preparing this annual accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Board at the accounting date and of its income and expenditure for the year ended 31 March 2019.

Gregory Colgan B.Acc (Hons), ACMA, CGMA
Treasurer
Tayside Valuation Joint Board
24th June 2019

TAYSIDE VALUATION JOINT BOARD
EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Joint Board (i.e. income from Constituent Councils and government grants) for the year has been used in providing services in comparison with those resources consumed or earned by the Joint Board in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/2018			2018/2019			
Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
£000	£000	£000	EXPENDITURE	£000	£000	£000
2,517	338	2,855	Staff Costs	2,483	488	2,971
317	-	317	Property Costs	287	-	287
486	-	486	Supplies and Services	462	-	462
50	-	50	Transport Costs	55	-	55
24	-	24	Third Party Payments	35	-	35
-	38	38	Depreciation	-	38	38
15	-	15	Corporate and Democratic Core	16	-	16
3,409	376	3,785	Cost Of Services	3,338	526	3,864
(3,408)	197	(3,211)	Other Income & Expenditure	(3,338)	(19)	(3,357)
1	573	574	Deficit on Provision of Services before Requisitions	-	507	507
103			Opening General Reserve Balance	102		
(1)			Less Deficit on General Reserve	-		
102			Closing General Reserve Balance at 31 March	102		

NOTES TO THE EXPENDITURE FUNDING ANALYSIS

2017/2018				2018/2019				
Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjust - ments (Note B)	Other Differences (Note C)	Total Adjustments		Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjust - ments (Note B)	Other Differences (Note C)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
-	343	(5)	338	Staff Costs	-	508	(20)	488
38	-	-	38	Depreciation	38	-	-	38
38	343	(5)	376	Cost of Services	38	508	(20)	526
(23)	220	-	197	Other Income and Expenditure from the Expenditure and Funding Analysis	(88)	69	-	(19)
15	563	(5)	573	Difference between the General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	(50)	577	(20)	507

Note A – Adjustments for Capital Purposes adds in Depreciation and Capital Grants.

Note B – Net change for the removal of pension contributions and the addition of IAS Employee Benefits pension related expenditure and income.

Note C – Other differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable and receivable to be recognised under statute.

TAYSIDE VALUATION JOINT BOARD

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The Joint Board receives requisition income from Constituent Councils to cover expenditure; this may be different from the accounting cost.

2017/2018			2018/2019			
Gross Expenditure	Gross Income	Net Expenditure / (Income)	Unaudited Budgeted Net Expenditure / (Income)	Gross Expenditure	Gross Income	Net Expenditure / (Income)
£000	£000	£000	£000	£000	£000	£000
Expenditure						
2,855	-	2,855	3,032	2,971	-	2,971
317	-	317	330	287	-	287
486	-	486	388	462	-	462
50	-	50	46	55	-	55
24	-	24	50	35	-	35
38	-	38	38	38	-	38
15	-	15	16	16	-	16
3,785	-	3,785	3,900	3,864	-	3,864
-	(494)	(494)	(461)	0	(466)	(466)
220	(2)	218	67	69	(5)	64
-	(147)	(147)	(120)	0	(119)	(119)
4,005	(643)	3,362	3,386	3,933	(590)	3,343
-	(23)	(23)	(88)	-	(88)	(88)
-	(2,765)	(2,765)	(2,765)	-	(2,748)	(2,748)
4,005	(3,431)	574	533	3,933	(3,426)	507
-	(5,864)	(5,864)	(134)	-	(134)	(134)
4,005	(9,295)	(5,290)	399	3,933	(3,560)	373

The notes on pages 25 to 44 form part of the financial statements

TAYSIDE VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start of the year to the end on the different reserves held by the Joint Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. This statement shows how the movements in year of the Joint Board's reserves are broken down between gains and losses in accordance with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to requisitions for the year.

	General Reserve Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2017 carried forward	103	103	(7,731)	(7,628)
<u>Movement in Reserves during 2017/2018</u>				
Total Comprehensive Expenditure and Income	(574)	(574)	5,864	5,290
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	573	573	(573)	-
(Increase)/Decrease in 2017/2018	(1)	(1)	5,291	5,290
Balance at 31 March 2018 carried forward	102	102	(2,440)	(2,338)
<u>Movement in Reserves during 2018/2019</u>				
Total Comprehensive Expenditure and Income	(507)	(507)	134	(373)
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	507	507	(507)	-
(Increase)/Decrease in 2018/2019	-	-	(373)	(373)
Balance at 31 March 2019 carried forward	102	102	(2,813)	(2,711)

The notes on pages 25 to 44 form part of these Financial Statements

TAYSIDE VALUATION JOINT BOARD

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Board. The net liabilities of the Joint Board (assets less liabilities) are matched by the reserves held by the Joint Board. Reserves are reported in two categories. The first category is usable reserves, ie those that the Joint Board may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is unusable reserves that the Joint Board is not able to use to provide services. This category includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31st March 2018 £000	Note	31st March 2019 £000
103 Property, Plant & Equipment	22	150
103 Long Term Assets		150
39 Short Term Debtors	24	40
445 Cash and Cash Equivalents	14	468
484 Current Assets		508
(455) Short Term Creditors	25	(445)
(55) Capital Contributions Receipts in Advance	28	(66)
(510) Current Liabilities		(511)
(2,415) Net Pension Liabilities	18	(2,858)
(2,415) Long Term Liabilities		(2,858)
(2,338) Net Liabilities		(2,711)
102 Usable reserves	10	102
(2,440) Unusable Reserves	11	(2,813)
(2,338) Total Reserves		(2,711)

Gregory Colgan ACMA, CGMA
Treasurer
Tayside Valuation Joint Board
24th June 2019

The unaudited financial statements were issued on the 14th June 2019 and the audited financial statements were authorised for issue on the 26th August 2019.

The notes on pages 25 to 44 form part of the financial statements

TAYSIDE VALUATION JOINT BOARD

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Board during the reporting period. The statement shows how the Joint Board generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Board are funded by way of requisitions from Constituent Authorities. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Board's future service delivery.

2017/2018		2018/2019
£000		£000
574	Net (surplus) or deficit on the provision of services	507
(551)	Adjust net (surplus) or deficit on the provision of services for non cash movements	(618)
23	Net cash flows from Operating Activities (note 12)	(111)
23	Investing Activities (note 13)	88
46	Net (increase) or decrease in cash and cash equivalents	(23)
491	Cash and cash equivalents at the beginning of the reporting period	445
445	Cash and cash equivalents at the end of the reporting period (note 14)	468

The notes on pages 25 to 44 form part of the financial statements

TAYSIDE VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarises the Joint Board's transactions for the 2018/2019 financial year and its position at the year-end of 31 March 2019. The Board is required to prepare Annual Accounts by the The Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 and the Service Reporting Code of Practice 2018/2019, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounts have been prepared on a going concern basis. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

B Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Revenue from the provision of services is recognised when the Joint Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Board.
- Expenses in relation to services received (including those rendered by the Joint Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. In the Cash Flow Statement (page 23), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Joint Board's cash management.

D Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E Charges to Revenue for Non-Current Assets

Tayside Valuation Joint Board accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the Joint Board

The Joint Board is not required to raise requisition income to cover depreciation. Depreciation is therefore reversed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

F Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (eg cars) for current employees, are recognised as an expense in the year in which employees render service to the Joint Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year, being the period in which the employee takes the benefit. The accrual is made at the wage and salary rates applicable in the following accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits, and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Joint Board can no longer withdraw the offer of those benefits or when the Joint Board recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Joint Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Joint Board are members of the Local Government Pension Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Joint Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Tayside Pension Fund attributable to the Joint Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.

The assets of the Tayside Pension Fund attributable to the Joint Board are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to staff costs
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - net interest on the defined benefit liability, ie net interest expense for the Joint Board – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period – taking into account any changes the net defined benefit liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on scheme assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Tayside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Reserve balance to be charged with the amount payable by the Joint Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Joint Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

H Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and contributions are recognised as due to the Joint Board when there is reasonable assurance that:

- the Joint Board will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Joint Board are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where contributions are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant or contribution has yet to be used to finance capital expenditure, it is posted to the Capital Contributions Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Contributions Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

I Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Joint Board as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease together with an equivalent deferred liability for the obligation to pay the lessor. Where applicable, any initial direct costs of the Joint Board are added to the carrying amount of the asset. Any premiums paid on entry into a lease are applied to writing down the lease liability.

Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the relevant accounting policies applied generally to such assets eg depreciation, revaluation and impairment review.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

J Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Joint Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets are then carried in the Balance Sheet at fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. The carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement. Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and

Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Amounts received for disposals are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Joint Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against requisition income, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Reserve Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation for computer equipment is calculated on the straight line basis over 5 years.

K Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Joint Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Joint Board may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Joint Board becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the Joint Board if it is virtually certain that reimbursement will be received if the Joint Board settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Joint Board a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Board. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Joint Board a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Board. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

L Reserves

Reserves are created by transferring amounts out of the General Reserve Balance When expenditure to

be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against requisition income for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and these reserves do not represent usable resources for the Joint Board. Further information on the Joint Board's reserves is contained in notes 10 and 11.

M VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Joint Board has had to make certain judgements about future events. The key judgement made in the Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Joint Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Joint Board might be impaired as a result of a need to reduce levels of service provision or affect the underlying assumption of the Joint Board's going concern basis.

The Joint Board's Balance Sheet as at 31st March 2019 shows a net liability of £2.711m (at 31st March 2018 £2.338m). The significant factor in this is the IAS 19 Pensions Liability of £2.858m (31st March 2017 £2.415m), which is based on a "snapshot" at 31st March 2019 and is particularly sensitive to vagaries of the equities market and to the discount rate applied to determine the present value of future liabilities. The IAS 19 Pension Liability is a notional figure and does not require to be funded in the short term. Any projected liability on the Tayside Pension Fund is recouped by increased employer's contributions. The IAS 19 Pension Liability does not impact on the Joint Board's General Fund or budget requirements and does not affect the underlying assumption of the Joint Board's Going Concern status.

3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET BEEN ADOPTED.

There are no accounting standards which have been issued in the 2019/2020 Code of Practice on Local Authority Accounting in the United Kingdom but are not yet adopted that would have a significant impact on the annual accounts.

4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Board about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The key item in the Joint Board's Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in an increase in the pension liability of £669,000.

5 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME & EXPENDITURE

2017/2018		2018/2019
£000		£000
(440)	Recharge for Electoral Registration (Note 20)	(452)
(54)	Other Income	(14)
(494)	Total	(466)

6 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2017/2018		2018/2019
£000		£000
220	Net interest on the net defined benefit liability	69
(2)	Interest receivable and similar income	(5)
218	Total	64

7 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – TAXATION AND NON-SPECIFIC GRANT INCOME

2017/2018		2018/2019
£000		£000
(147)	Government Grants (see note 29)	(119)
(147)	Total	(119)

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - RECOGNISED CAPITAL INCOME

2017/2018		2018/2019
£000		£000
(23)	Capital Contributions from Constituent Authorities in year	(88)
(23)	Total	(88)

9 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Board to meet future capital and revenue expenditure.

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total £000
2018/2019			
Adjustments involving the Capital Adjustment Account:			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(38)	38	-
Capital contributions that have been applied to capital financing	88	(88)	-
Adjustments involving the Pensions Reserve:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 11)	(713)	713	-
Employer's pensions contributions and direct payments to pensioners payable in the year	337	(337)	-
Adjustment involving the Employee Statutory Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	20	(20)	-
Total Adjustments	(306)	306	-
2017/2018			
Adjustments involving the Capital Adjustment Account:			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(38)	38	-
Capital contributions that have been applied to capital financing	23	(23)	-
Adjustments involving the Pensions Reserve:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 11)	(906)	906	-
Employer's pensions contributions and direct payments to pensioners payable in the year	343	(343)	-
Adjustment involving the Employee Statutory Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5	(5)	-
Total Adjustments	(573)	573	-

10 BALANCE SHEET - USABLE RESERVES

Movements in the Joint Board's usable reserves are detailed in the Movement in Reserves Statement on page 21.

11 BALANCE SHEET - UNUSABLE RESERVES

2017/2018 £000		2018/2019 £000
64	Capital Adjustment Account	114
(2,415)	Pensions Reserve	(2,858)
(89)	Employee Statutory Adjustment Account	(69)
(2,440)	Total Unusable Reserves	(2,813)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Joint Board as finance for the costs of acquisition, construction and enhancement.

Note 9 provides details of the source of all the transactions posted to the Account.

2017/2018 £000		2018/2019 £000
79	Balance at 1 April	64
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(38)	Charges for depreciation and impairment of non current assets	(38)
41	Capital financing applied in the year:	26
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	88
23		88
64	Balance at 31 March	114

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Board makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2017/2018 £000		2018/2019 £000
(7,716)	Balance at 1 April	(2,415)
5,864	Re-measurement of the net defined benefit liability/(asset)	134
	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(914)
(906)		(914)
343	Employer's pensions contributions and direct payments to pensioners payable in the year	337
(2,415)	Balance at 31 March	(2,858)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for annual and other forms of leave earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2017/2018 £000		2018/2019 £000
(94)	Balance at 1 April	(89)
94	Settlement or cancellation of accrual made at the end of the preceding	89
<u>(89)</u>	Amounts accrued at the end of the current year	<u>(69)</u>
	Amount by which officer remuneration charged to the Comprehensive	
	Income and Expenditure Statement on an accruals basis is different	
5	from remuneration chargeable in the year in accordance with statutory	
<u>5</u>	requirements	<u>20</u>
(89)	Balance at 31 March	(69)

12 CASH FLOW STATEMENT - OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2017/2018 £000		2018/2019 £000
<u>(2)</u>	Interest received	<u>(5)</u>
(2)	Total Operating Activities	(5)

13 CASH FLOW STATEMENT - INVESTING ACTIVITIES

2017/2018 £000		2018/2019 £000
<u>23</u>	Purchase of property, plant and equipment	<u>88</u>
23	Total Investing Activities	88

14 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31st March 2018 £000		31st March 2019 £000
<u>445</u>	Bank current account	<u>468</u>
445	Total cash and cash equivalents	468

15 **AGENCY SERVICES**

Tayside Valuation Joint Board provides a comprehensive electoral registration service on behalf of Angus Council and Perth & Kinross Council. This is provided by Dundee City Council in Dundee.

	2017/2018 £000	2018/2019 £000
Expenditure incurred in providing electoral registration services to Angus Council	222	182
Fee payable by Angus Council	(222)	(182)
Net surplus arising on the agency arrangement	-	-
Expenditure incurred in providing electoral registration services to Perth & Kinross Council	319	270
Fee payable by the Perth & Kinross Council	(319)	(270)
Net surplus arising on the agency arrangement	-	-

16 **MEMBERS' ALLOWANCES**

The Tayside Valuation Joint Board were recharged by Angus and Dundee City Councils for the following allowances paid to the Convener and Vice-Convener:

	2017/2018 £000	2018/2019 £000
Convener and Vice-Convener Allowances	6	6
Total Members Allowances	6	6

17 **EXTERNAL AUDIT COSTS**

The Joint Board has incurred the following costs in relation to the audit of the Annual Accounts.

	2017/2018 £000	2018/2019 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	7	7
Total	7	7

18 **DEFINED BENEFIT PENSION SCHEME****Participation in pension scheme**

As part of the terms and conditions of employment of its officers, Tayside Valuation Joint Board makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Joint Board participates in the Local Government Pension Scheme (Tayside Pension Fund), which is administered by Dundee City Council and is a funded defined benefit statutory scheme, meaning that the Joint Board and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The scheme currently provides benefits based on career average revalued salary and length of service on retirement.

The Joint Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit arrangement and liabilities are recognised when awards

are made. There is no investment assets built up to meet the pensions liabilities for discretionary awards, and cash has to be generated to meet actual pension payments as they eventually fall. IAS 19 information is provided by Barnett Waddingham LLP, the independent actuaries to the Fund.

The principal risks to the Joint Board of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Transactions relating to post employment benefits

The Joint Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against requisition funding is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Local Government Superannuation Scheme	Local Government Superannuation Scheme	
	2017/2018	2018/2019
Comprehensive Income and Expenditure Statement	£000	£000
Cost of Services:		
• current service cost	686	845
Financing and Investment Income and Expenditure		
• net interest on the defined liability	212	57
• administration expenses	8	12
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	906	914
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined liability comprising:		
• Return on plan assets (excluding the amount included in the net interest expense)	690	583
• Actuarial gains and losses arising on changes in financial assumptions	1,541	(1,435)
• Other	3,633	986
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	6,770	1,048
Movement in Reserves Statement		
• reversal of net changes made to the Surplus or Deficit for Provision of Services for post employment benefits in accordance with the Code	(906)	(914)
Actual amount charged against the General Reserve Balance for pensions in the year:		
• employer's contributions payable to scheme	343	337

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Joint Board's obligation in respect of its defined benefit scheme is as follows:

Pensions Assets and Liabilities Recognised in the Balance Sheet

Local Government Pension Scheme	Local Government Pension Scheme	
	2017/2018	2018/2019
	£000	£000
Present value of funded obligation	29,598	31,037
Fair value of Scheme assets (bid value)	(27,476)	(28,459)
Net liability	2,122	2,578
Present value of unfunded obligation	293	280
Net liability in balance sheet	2,415	2,858

Reconciliation of fair value of the scheme assets:

Local Government Pension Scheme	2017/2018	2018/2019
	£000	£000
Opening balance at 1 April	25,782	27,476
Interest income on assets	716	697
Return on assets less interest	690	583
Other Actuarial Gains/(Losses)	684	-
Administrative expenses	(8)	(12)
Employer contributions	343	337
Contributions by scheme participants	155	133
Benefits paid	(886)	(755)
Closing balance at 31 March	27,476	28,459

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Funded Liabilities: Local Government Pension Scheme	Funded liabilities: Local Government Pension	
	2017/2018	2018/2019
	£000	£000
Opening balance at 1 April	33,498	29,891
Current service cost	686	644
Interest cost	928	754
Contributions by scheme participants	155	133
<i>Remeasurement gains & losses:</i>		
- Change in financial assumptions	(857)	1,435
- Change in demographic assumptions	(1,808)	(986)
Experience loss/(gain) on defined benefit obligation	(1,825)	-
Past Service Cost including Curtailments	-	201
Benefits paid	(886)	(755)
Closing balance at 31 March	29,891	31,317

The estimated asset allocation of the Local Government Pension Scheme's assets relating to the Joint Board consist of the following categories, by proportion of the total assets held:

	31st March 2018		31st March 2019	
	£000	%	£000	%
Equities	18,990	69%	19,658	69%
Gilts	1,457	5%	407	1%
Other Bonds	3,181	12%	4,270	15%
Property	3,238	12%	3,553	13%
Cash	607	2%	503	2%
Alternatives	3	0%	68	0%
	27,476	100%	28,459	100%

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Tayside Pension Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, based on the latest triennial actuarial valuation as at 31 March 2017.

The significant assumptions used by the actuary have been:

	2017/2018	2018/2019
<i>Mortality assumptions:</i>		
Longevity at 65 for current pensioners (years):		
Men	20.3	19.6
Women	22.2	21.6
Longevity at 65 for future pensioners (years):		
Men	22.1	21.3
Women	24.1	23.4
<i>Other assumptions:</i>		
Rate of inflation (RPI)	3.30%	3.40%
Rate of inflation (CPI)	2.30%	2.40%
Rate of increase in salaries	3.30%	3.40%
Rate of increase in pensions	2.30%	2.40%
Rate for discounting scheme liabilities	2.55%	2.40%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation in the Scheme, (based on projected value of total obligation of £31.317m and projected service cost of £685,000 at 31st March 2019).

	£000	£000
Adjustment to discount rate:	+0.1%	-0.1%
Present value of total obligation	30,721	31,925
Projected service cost	669	700
Adjustment to long term salary increase:	+0.1%	-0.1%
Present value of total obligation	31,413	31,221
Projected service cost	685	684
Adjustment to pension increases and deferred revaluation:	+0.1%	-0.1%
Revaluation		
Present value of total obligation	31,828	30,816
Projected service cost	700	670
Adjusted to mortality age rating assumption	+1 Year	-1 Year
Present value of total obligation	32,436	30,237
Projected service cost	708	602

Impact on the Joint Board's Cash Flows

The total contributions expected to be made to the Local Government Pension Scheme by the Joint Board in the year to 31 March 2020 are £343,000.

The weighted average duration of the defined benefit obligation for scheme members is 23 years in 2018/2019 (2017/2018 – 23 years).

19 **EVENTS AFTER THE BALANCE SHEET DATE**

There were no events that occurred between 1 April 2019 and 26th August 2019 that would have an impact on the 2018/2019 financial statements. The latter date is the date on which the annual accounts were authorised for issue by the Treasurer.

20 **RELATED PARTIES**

The Joint Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Joint Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Board.

The three Constituent Councils are considered to be related parties of the Valuation Joint Board and during the 2017/2018 financial year, the Joint Board entered into a number of transactions with the Constituent Councils as detailed below:

2017/2018			2018/2019	
Charges To	Charges From		Charges To	Charges From
£000	£000		£000	£000
Angus Council				
(724)	-	Valuation Services Requisition	(716)	-
(176)	-	Electoral Services Recharge	(182)	-
(8)	-	Contribution to Capital Expenditure	(32)	-
(47)	-	Sundry Recoveries and Sales	(47)	-
-	4	Vice-Convenor Recharge	-	4
-	5	Office Cleaning Services	-	5
-	23	Property Rental (Ravenswood)	-	84
-	-	Non Domestic Rates	-	21
-	17	Recharged Expenditure	-	-
(955)	49		(977)	114
Dundee City Council				
(903)	-	Valuation Services Requisition	(898)	-
(8)	-	Contribution to Capital Expenditure	(33)	-
(3)	-	Interest Receivable	(5)	-
-	40	Central Support Services	-	38
-	42	Non Domestic Rates	-	6
-	18	Recharged Expenditure	-	-
(914)	100		(936)	44
Perth & Kinross Council				
(1,137)	-	Valuation Services Requisition	(1,134)	-
(263)	-	Electoral Services Recharge	(270)	-
(8)	-	Contribution to Capital Expenditure	(33)	-
(56)	-	Sundry Recoveries and Sales	-	-
-	24	Non Domestic Rates	-	24
-	33	Recharged Expenditure	-	33
(1,464)	57		(1,437)	57

The undernoted balance existed between the Joint Board and its related parties as at 31 March 2019.

31 March 2018			31 March 2019	
Amounts	Amounts		Amounts	Amounts
Due From	Due To		Due From	Due To
£000	£000		£000	£000
Angus Council				
-	83	Valuation Services Requisition	-	4
-	-	Recharged Expenditure	-	15
-	83		-	19
Dundee City Council				
-	-	Valuation Services Requisition	-	5
2	-	Interest Receivable	(5)	-
-	-	Recharged Expenditure	-	14
(2)	-		(5)	19
Perth & Kinross Council				
-	-	Valuation Services Requisition	-	8
-	26	Recharged Expenditure	-	-
-	26		-	8

21 LEASES

Board as Lessee

Finance Leases

The Valuation Joint Board held no assets on finance lease during 2018/2019 and accordingly, there were no finance lease rentals paid to lessors during 2018/2019 (2017/2018 None).

Operating Leases

The Valuation Joint Board occupied office premises in Perth and Forfar on operating leases during 2018/2019. The total operating lease rentals paid to lessors in 2018/2019 were £115,367 (2017/2018 £156,200).

In addition, Dundee City Council administers a Contract Car Hire Scheme on behalf of the employees of the Joint Board. In the financial year 2018/2019, total operating lease rental payments of £13,719 (2017/2018 £26,578) were made by the Joint Board to the lessor, offset by contributions of £4,880 from employees (2017/2018 £20,358).

In respect of operating leases at 31 March 2019, the Valuation Joint Board is committed to making payments to lessors of £670,483 (at 31 March 2018 - £492,550). This comprises the following elements:

The future minimum lease payments due under non-cancellable leases in future years are

	31 March 2018	31 March 2019
	£000	£000
Not later than one year	113	109
Later than one year and not later than five years	367	311
Later than five years	13	250
	493	670

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	31 March 2018	31 March 2019
	£000	£000
Lease payments	156	129
Employee contributions	(20)	(5)
	<u>136</u>	<u>124</u>

22 PROPERTY, PLANT AND EQUIPMENT

Movements in Value of Information Technology Equipment during 2018/2019

Gross Book Value	£000
At 1 April 2018	282
Additions	88
Disposals	(39)
At 31 March 2019	<u>331</u>
Accumulated Depreciation and Impairment	
At 1 April 2018	(179)
Depreciation charge	(38)
Written Back on Disposals	36
At 31 March 2019	<u>(181)</u>
Net Book Value	
At 31 March 2019	<u>150</u>
At 31 March 2018	<u>103</u>

Depreciation

For the calculation of depreciation, all assets have been assigned a useful economic life of 5 years with no residual value assumed. All assets are Information Technology equipment.

Capital Commitments

At its meeting on 21st January 2019, the Joint Board approved a new 3 year Capital Programme (2019 - 2022) which reflected the latest phasing of existing projects. The new programme for capital expenditure is as follows:

- 2019/2020 - £23,000
- 2020/2021 - £23,000
- 2021/2022 - £23,000

The programme is to be funded by capital contributions from the three Constituent Councils. None of the proposed expenditure in the 2019-2022 programme was legally committed as at 31 March 2019.

23 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2017/2018	2018/2019
	£000	£000
Capital investment:		
Property, Plant and Equipment	23	88
Sources of finance:		
Contributions from Constituent Councils in year	(23)	(88)
Closing Capital Financing Requirement	<u>-</u>	<u>-</u>

24 **SHORT TERM DEBTORS**

	31 March 2018	31 March 2019
	£000	£000
Central government bodies	19	33
Local authorities	2	-
Other entities and individuals	18	7
Total	39	40

25 **SHORT TERM CREDITORS**

	31 March 2018	31 March 2019
	£000	£000
Central government bodies	3	3
Local authorities	124	47
Other entities and individuals	328	395
Total	455	445

26 **CONTINGENT LIABILITIES**

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

On 22 January 2018, the Government published the outcome to its Indexation and Equalisation of GMP in Public Service Pension Schemes Consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. However, this liability cannot be quantified at this stage.

(There were no contingent liabilities reported in the year to 31 March 2018)

27 **CONTINGENT ASSETS**

No contingent assets existed at 31 March 2019 (31 March 2018 None).

28 **CAPITAL CONTRIBUTION INCOME**

The Authority credited the following contributions to the Comprehensive Income and Expenditure Statement:

	2017/2018 £000	2018/2019 £000
Capital Contributions from Constituent Councils	23	88
Total	23	88

The Authority has received contributions in previous years that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the Constituent Councils should they not be required to fund the capital programme. The movements in the year are as follows:

	31 March 2018 £000	31 March 2019 £000
Capital Contributions Receipts in Advance:		
At 1 April	55	55
Capital Contributions received in year		
Constituent Councils	23	99
UK Cabinet Office	-	-
Transfer to Recognised Capital Income	(23)	(88)
At 31 March	55	66

29 GRANT INCOME

The Joint Board credited the following grants to the Comprehensive Income and Expenditure statement:

	31 March 2018 £000	31 March 2019 £000
UK Cabinet Office – Individual Electoral Registration Funding	147	119
Total	147	119

A proportion of the funding received from the UK Cabinet Office for Individual Electoral Registration has yet to be recognised as income and the balance at the year end is as follows:

	31 March 2018 £000	31 March 2019 £000
UK Cabinet Office – Individual Electoral Registration Funding	109	105
Total	109	105

This balance is included in Short Term Creditors in the Balance Sheet.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Tayside Valuation Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tayside Valuation Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Tayside Valuation Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is three years. I am independent of the Tayside Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tayside Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Tayside Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Treasurer and Tayside Valuation Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tayside Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Tayside Valuation Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Bruce Crosbie FCCA
Senior Audit Manager
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

26 August 2019

**Tayside Valuation Joint Board
Audit of annual accounts 2018/19****20 August 2019****Independent auditor's report**

1. Our work on the 2018/19 annual accounts is now substantially complete. Subject to the receipt of revised annual accounts for final review, we anticipate being able to issue unqualified independent auditor's opinions in the independent auditor's report following approval of the annual accounts by the Joint Board on 26 August 2019. The proposed independent auditor's report is attached at appendix A.

Annual audit report

2. We also present for your consideration our proposed Annual Audit Report on the 2018/19 audit. International Standard on Auditing (ISA) 260 (Communication with those charged with governance) requires auditors to report specific matters arising from the audit of the annual accounts to those charged with governance, in sufficient time to enable appropriate action. Within the proposed Annual Audit Report, the section headed "Significant findings" sets out the key issues we consider merit your attention.
3. The Annual Audit Report will be issued in its final form after the annual accounts have been approved for issue and the independent auditor's report has been signed.

Unadjusted misstatements

4. We are required to report to those charged with governance, all unadjusted misstatements, other than those of a trivial nature, and request that they be corrected. There are no unadjusted misstatements to report.

Fraud, subsequent events and compliance with laws and regulations

5. In presenting this report to the Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from management

6. International Standard on Auditing 580 (Management representations) requires auditors to obtain representations on certain matters from management. Accordingly, as part of the audit completion process, we seek written assurances from the Treasurer, as the "proper officer" appointed by virtue of section 95 of the Local Government (Scotland) Act 1973, on aspects of the annual accounts.

7. A draft letter of representation is attached at **appendix B**; this should be reviewed for accuracy and any proposed amendments discussed with us. Once satisfied, the letter should be signed and returned by the Treasurer along with the with the signed annual accounts.

Concluding remarks

8. I take this opportunity to record my thanks for the patient and courteous assistance extended to the audit team. Staff provided good support to the audit team which helped to ensure that the audit process ran smoothly.

Bruce Crosbie
Senior Audit Manager
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Tayside Valuation Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tayside Valuation Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Tayside Valuation Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is three years. I am independent of the Tayside Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tayside Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Tayside Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Treasurer and Tayside Valuation Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tayside Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Tayside Valuation Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Bruce Crosbie FCCA
Senior Audit Manager
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

26 August 2019

APPENDIX B: Letter of representation

Bruce Crosbie FCCA
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

Dear Bruce

Tayside Valuation Joint Board Annual Accounts 2018/19

1. This representation letter is provided in connection with your audit of the Annual Accounts of Tayside Valuation Joint Board for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Joint Board, the following representations given to you in connection with your audit of Tayside Valuation Joint Board for the year ended 31 March 2019.

Financial reporting framework

3. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (2018/19 accounting code) the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
4. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and of the Tayside Valuation Joint Board for the year ended 31 March 2019.

Legality of financial transactions

5. The financial transactions of Tayside Valuation Joint Board are in accordance with the relevant legislation and regulations governing its activities. All known or possible non-compliance with laws and regulations whose effects should be considered when preparing annual accounts have been disclosed to you, together with any actual or contingent consequences which may arise.

Accounting policies and estimates

6. All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the financial statements. The appropriateness of these policies has been reviewed, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
7. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

Going concern basis of accounting

8. I have assessed Tayside Valuation Joint Board's ability to carry on as a going concern and concluded that it is appropriate to prepare the financial statements on a going concern basis.

Related party transactions

9. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of international accounting standard 24.

Assets

10. I carried out an assessment at 31 March 2019 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
11. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
12. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements..

Liabilities

13. All liabilities have been provided for in the balance sheet, including the liabilities for all purchases to which title has passed prior to 31 March 2019.

Carrying value of assets and liabilities

14. The assets and liabilities have been recognised, measured, presented and disclosed in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. There are no plans or intentions that are likely to affect the carrying value or classification of the assets and liabilities in the financial statements.

Provisions and contingent liabilities

15. I have considered the need for provisions and/or contingent liabilities in the financial statements and concluded that there are no material liabilities which have resulted or may be expected to result, by legal action or otherwise, from events which had occurred by 31 March 2019 and of which Joint Board could reasonably be expected to be aware.

Accruals

16. I have assessed the method of calculating accruals and consider it appropriate and confirm that a firm obligation to make the expenditure exists.

Remuneration Report

17. The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2011 and Scottish Government finance circular 8/2011 and includes all specified remuneration for relevant council officers and all elected members. No exit packages were granted to any staff member during the year to 31 March 2019.

Corporate governance

18. I acknowledge, as the officer with responsibility for the proper administration of the Joint Board's financial affairs, my responsibility for the systems of internal control. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.
19. The corporate governance arrangements have been reviewed and the disclosures have been made in the annual accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2019, which require disclosure.

General

20. I acknowledge my responsibility and that of Tayside Valuation Joint Board for the annual accounts. All of the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the Tayside Valuation Joint Board have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.
21. Disclosure has been made in the financial statements of all matters necessary to give a true and fair view of the financial position of Tayside Valuation Joint Board as at 31 March 2019 and the income and expenditure for the year then ended.
22. The information given in the narrative reports supporting the financial statements, including the management commentary, annual governance statement and remuneration report, presents a balanced picture of Tayside Valuation Joint Board and is consistent with the financial statements.
23. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I confirm that there are no allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.
24. I am unaware of any uncorrected misstatements.

Events subsequent to the date of the Balance Sheet

25. There have been no material events since the date of the balance sheet which would require the revision of the figures in the financial statements or notes thereto.
26. Since the date of the balance sheet no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should be brought to your notice.

Yours sincerely

Greg Colgan

Treasurer to the Tayside Valuation Joint Board