REPORT TO: **TAYSIDE VALUATION JOINT BOARD – 24 AUGUST 2015**

REPORT ON: **RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON THE 2014/15 AUDIT.**

REPORT BY: **TREASURER**

REPORT NO: **TVJB 21-2015**

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 2015. 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 2014/2015 was carried out by Mr Andrew Shaw, Director, KPMG LLP. The Joint Board's External Auditors are appointed for a five year period and the financial year 2014/2015 marked the fourth year of KPMG'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 2014/2015, 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 2014/2015, the External Auditor examined a number of areas covering a wide range of the Board's activities. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular, the Board can take encouragement from the following:

- an unqualified audit opinion will be issued on the truth and fairness of the Joint Board's affairs as at 31st March 2015
- the unaudited financial statements were submitted for audit in advance of the statutory requirements and the agreed audit timetable
- good quality supporting documentation was made available in electronic format to support the unaudited financial statements
- there were no audit adjustments required to the unaudited financial statements which impacted on the net assets or the surplus or deficit for the year
- the Board's corporate governance arrangements provide a sound framework for organisational decision-making
- the Board's Best Value and performance management arrangements are generally robust.

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

KPMG - Annual audit report to the members of Tayside Valuation Joint Board and the Controller of Audit - Year ended 31 March 2015 (August 2015).

MARJORY M STEWART
TREASURER **13 AUGUST 2015**

cutting through complexity

Tayside Valuation Joint Board

Annual audit report to the members of Tayside Valuation Joint Board and the Controller of Audit

Audit: year ended 31 March 2015

13 August 2015

Contents

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About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the *Code*").

This report is for the benefit of the Tayside Valuation Joint Board and is made available to Audit Scotland and the Accounts Commission for Scotland (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the circumstances set out in the executive summary: scope and responsibilities.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the beneficiaries) for any purpose or in any context. Any party other than the beneficiaries that obtains access to this report or a copy and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the beneficiaries.

Headlines

Our audit work is undertaken in accordance with Audit Scotland's *Code of Audit Practice* ("the *Code*"). This specifies a number of objectives for the audit.

In accordance with ISA (UK and Ireland) 260: *Communication with those charged with governance,* this report summarises our work in relation to the financial statements for the year ended 31 March 2015.

We wish to record our appreciation of the continued co-operation and assistance extended to us during the course of our work.

Area	Summary observations	Analysis
Strategic overview		
Financial position	For the year ended 31 March 2015 the Joint Board reported a total cost of services of £3.7 million. The outturn represented a £21,000 underspend on the 2014-15 budget approved by the Joint Board.	Page 6-7
Financial statements and accounting		
Audit conclusions	We expect to issue unqualified audit opinions on the 2014-15 financial statements, following their approval by the Joint Board on 24 August 2015. The financial statements, management commentary, directors' report, governance statement and remuneration report were received by the start of audit fieldwork and were supported by high quality working papers.	Page 9
Significant risks and audit focus areas	The areas highlighted below are the specific audit focus areas identified within our audit strategy: ■ management override of controls fraud risk. and other focus areas of: ■ fraudulent revenue recognition; and ■ pension liability. Audit work has been completed to satisfy the requirements of ISA 330 'The auditor's procedures in response to assessed risks', including tests of key financial controls. In respect of each matter, we are content with management's judgements and accounting treatment.	Page 10
Going concern	The Joint Board had net liabilities at 31 March 2015 arising primarily from the net pension liability. The financial statements are prepared on a going concern basis as future requisitions from Constituent Councils are considered sufficient to meet future expenditure. The pension liability does not fall due within one year.	Page 11
Accounting policies	There have been no changes to accounting policies applied by Joint Board in 2014-15. No newly effective accounting standards are expected to have a material impact on the 2015-16 financial statements.	Page 11

Headlines (continued)

Area	Summary observations	Analysis
Financial statements and accounting (cont)		
Governance and narrative reporting		
Governance	Over-arching and supporting corporate governance arrangements remain primarily unchanged and provide a sound framework for organisational decision-making.	Page 14-16
Internal controls	Testing of the design and operation of financial controls over significant risk points was undertaken as part of our testing. Our work concluded that controls relating to financial systems and procedures are designed appropriately and operating effectively.	Page 15
Performance Management		
Performance management	Our work has identified that the Joint Board's performance management arrangements are generally appropriate to its business objectives.	Page 18-19

Scope and responsibilities

Purpose of this report

The Auditor General for Scotland ("the Auditor General") has appointed KPMG LLP as auditor of Tayside Valuation Joint Board ("the Joint Board") under the Public Finance and Accountability (Scotland) Act 2000 ("the Act"). The period of appointment is 2011-12 to 2015-16, inclusive.

Our annual audit report is designed to summarise our opinion and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the Tayside Valuation Joint Board and the Controller of the Audit. The scope and nature of our audit were set out in our audit strategy document which was presented to the Joint Board at the outset of our audit.

The Code sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance.

Accountable officer responsibilities

Audit Scotland's *Code of Audit Practice* ("the Code") sets out the Joint Board's responsibilities in respect:

- preparation of financial statements that show a true and fair view;
- systems of internal control;
- prevention and detection of fraud and irregularities;
- standards of conduct and arrangements for the prevention and detection of bribery and corruption;
- financial position; and
- Best Value.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of International Standard on Auditing (UK and Ireland) ('ISA') 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This annual audit report to members and our presentation to the audit and risk committee, together with previous reports to the Joint Board throughout the year, discharges the requirements of ISA 260.

Strategic overview

Our perspective on key business issues and financial position

Financial position

For the year ended 31 March 2015 the Joint Board reported an outturn which represented a £21,000 underspend on the budget approved for 2014-15 by the Joint Board, primarily as a result of increases in taxation and non specific grant income.

Statement of comprehensive income

For the year ended 31 March 2015 the Joint Board reported a net cost of services of £3,451,000. The budget incorporated the 1% pay award plus an increase in supplies and services costs.

The outturn represents a £21,000 underspend on the budget approved for 2014-15 by the Joint Board, which formed the basis for the requisitions from the three constituent councils. These costs arose primarily in supplies and services costs.

After adjustments to reflect the different accounting basis and funding basis, the outturn for the year was breakeven; resulting in no change to the general fund balance.

Statement of comprehensive income	Revised Budget £'000	2014-15 £'000	(Under)/Over spend £'000
Net cost of services	**3,566**	**3,676**	**110**
Other operating income	(429)	(446)	(17)
Financing & investment expenditure	372	372	-
Taxation & non specific grant income	-	(151)	(151)
deficit before requisitions	**3,509**	**3,451**	(58)
Recognised capital income	(97)	(97)	-
Requisition income	(2,865)	(2,828)	37
deficit on provisions of service	**547**	**526**	**(21)**
IAS 19 adjustments	(569)	(569)	-
Other IFRS Code accounting adjustments	43	43	-
Total deficit for the year	**21**	**-**	**(21)**

Source: Draft 2014-15 financial statements

Financial position (continued)

Over the year to 31 March 2015, the net liability position reduced by £2.32 million to £5.78 million, this is mainly as a result of a decrease in the pension liability.

Balance Sheet

The Joint Board had net liabilities as at 31 March 2015 of £5,778,000 (2013-14: net liabilities of £8,094,000). Although the balance sheet shows a net liability, this is due to the pension liability, which is not due within one year.

Property, Plant & Equipment increased by £65,000, due to additions of £97,000 offset by a depreciation charge of £32,000. Total short term debtors increased due to two unpaid Cabinet Office invoices at the year end, submitted for the Individual Electoral Reform funding.

The cash balance decreased by £83,000 from the prior year, however, the Joint Board's total assets increased by £111,000.

Liabilities

There was a significant decrease in liabilities, which is attributed to the £2,272,000 decrease in net pension liability. Short term creditors remained relatively consistent, with an increase of £67,000 from the prior year.

Reserves

The general fund reserve remained unchanged at £103,000 as at 31 March 2015.

2015-16 budget

In setting the budget for 2015-16, £18,000 was allocated for use in the year to meet the forecast trading deficit. This reduction should remove the need to increase the level of requisitions required from the constituent councils in balancing the budget. The requisition level is forecast to remain at £2,864,701.

Balance Sheet

	2015 £'000	**2014 £'000**
Property, Plant & Equipment	152	87
Long term asset	**152**	**87**
Short term debtors	181	**52**
Cash & cash equivalents	333	416
Current asset	**514**	**468**
Total assets	666	555
Net pension liabilities	(5,891)	(8,163)
Long term liabilities	**(5,891)**	**(8,163)**
Short term creditors	(498)	(431)
Capital contributions receipts in advance	(55)	(55)
Current liabilities	**(553)**	**(486)**
Total liabilities	(6,444)	(8,649)
Net liabilities	**(5,778)**	**(8,094)**

Source: Draft financial statements 2014-15

Financial statements and accounting

Our perspective on the preparation of the financial statements and key accounting judgements made by management

Audit conclusions

We expect to issue an unqualified audit opinion on the financial statements.

The financial statements, including the governance statement, treasurer's report and assessor's report, were made available on a timely basis and were accompanied by high quality working papers.

Audit conclusions

Our audit work is complete following receipt of management's representations and update of subsequent events. Following approval of the financial statements by the Treasurer we expect to issue an unqualified opinion on the truth and fairness of the state Joint Board's affairs as at 31 March 2015, and of Joint Board's deficit for the year then ended. There are no matters identified on which we are required to report by exception.

In gathering the evidence for our opinion we have:

- performed controls testing and substantive procedures to ensure that key risks to the financial statements have been covered;
- we reviewed internal audit reports as issued to the Joint Board to ensure all key risk areas which may be viewed to have an impact on the financial statements have been considered;
- reviewed estimates and accounting judgements made by management and considered these for appropriateness;
- considered the potential effect of fraud on the financial statements through discussions with senior management to gain a better understanding of the work performed in relation to prevention and detection of fraud; and
- Attended the Joint Board meeting to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

- High quality working papers and draft financial statements were provided at the start of the audit fieldwork on 29 June 2015. This included the Assessor's report, remuneration report, Treasurer's report and governance statement.
- Reflective of the long standing working relationship the standard of documentation was good and there was evidence of accountability and ownership of working papers across the finance department.
- There were no significant issues with respect to compliance with the Code. We provided feedback to management on the content of the financial statements, annual report, governance statement and remuneration report and we are pleased to report that these were prepared appropriately.
- There are no significant matters in respect of (i) audit differences; (ii) auditor independence and non-audit fees; and (iii) management representation letter content, as reported in appendix one.
- We consider that management has maintained a robust control environment.

Significant risks and audit focus areas

The significant areas of risk identified in our audit strategy were in respect of:

- **management override of controls fraud risk.**

and other focus areas of:

- **fraudulent revenue recognition; and**
- **pension liability.**

We summarise below the risks of material misstatement as reported within the audit strategy document. We set out the key audit procedures to address those risks and our findings from those procedures, in order that the Joint Board may better understand the process by which we arrived at our audit opinion.

We have no changes to the risk or our approach to addressing the assumed ISA risks of fraud in management override of controls and risks of fraud in revenue recognition. We do not have findings to bring to your attention in relation to these matters. No control overrides were identified.

Audit focus area	Our response	Audit findings
Pension liability The Joint Board accounts for its participation in the Local Government Pension Fund in accordance with IAS 19 Retirement benefits, using a valuation report prepared by actuarial consultants. The Joint Board's actuaries use membership data and a number of assumptions in their calculations based on market conditions at the year end, including a discount rate to derive the anticipated future liabilities back to the year end date and assumptions on future salary increases. IAS 19 requires the discount rate to be set by reference to yields on high quality (i.e. AA) corporate bonds of equivalent term to the liabilities. The determination of the retirement benefit obligation is inherently judgemental and there is a financial statement risk as a result.	Our audit work consisted of: ■ KPMG specialists reviewing the financial assumptions underlying actuarial calculations and comparison to our central benchmarks, the result of which are on page 23; ■ testing the scheme assets and rolled-forward liabilities; ■ testing the level of contributions used by the actuary to those actually paid during the year; and ■ agreeing actuarial reports to financial statement disclosures.	We are satisfied that the pension liability: ■ is correctly stated in the balance sheet as at 31 March 2015; ■ has been accounted for and disclosed correctly in line with IAS19 *Retirement benefits*; and ■ assumptions used in calculating this estimate and managements judgements are appropriate and within the acceptable KPMG range. We set out further information in respect of the pension liability on pages 23 and 24.

Accounting policies

The financial statements have been appropriately prepared on a going concern basis, having due consideration of the Council agreement of Council funding in respect of 2015-16.

Accounting framework and application of accounting policies		
Area	**Summary observations**	**Audit findings**
Accounting policies	The accounting policies of the entity were reviewed as part of the audit to ensure they were in line with the Code and applied consistently.	The accounting policies are in line with the Code of Practice and are applied consistently.
Going concern	The Joint Committee's balance sheet as at 31 March 2015 shows a net liabilities position of £5.778 million, the majority of which relates to employee benefit liabilities of £5.891 million. The financial statements have been prepared on a going concern basis in view of forecast requisition income and the fact that the pension scheme liability does not fall due within one year.	We concur with management's view that the going concern assumption remains appropriate for the reasons noted. We are satisfied that the going concern disclosure remains appropriate.
Financial reporting framework	■ The Joint Board prepared its financial statements in accordance with the Code of Practice which is based upon International Financial Reporting Standards ("IFRS"). ■ There have been no significant changes in financial reporting requirements, and consequently there are no other substantive changes to the Joint Board's accounting policies. We are satisfied that the accounting policies adopted remain appropriate. ■ No newly effective accounting standards are considered likely to have a material impact on the Joint Board's financial statements in the coming year.	We are satisfied that the accounting policies adopted remain appropriate to Tayside Valuation Joint Board.
Annual report, including the assessor's and treasurer's reports	The financial statements form part of the annual report of the Joint Board for the year ended 31 March 2015. We reviewed the contents of the assessor's and treasurer's reports and are content with the proposed reports. The Joint Board did not apply the new management commentary requirements due to the late issue of the guidance and the limited powers of the Joint Board. A Management Commentary will presented in the 2015-16 Annual Accounts which is more consistent with the requirements of the guidance. KPMG concurs with this approach.	We are required to consider the explanatory foreword and governance statement, and provide our opinion on the consistency of it with the financial statements. We are satisfied that the information contained within the assessor's and treasurer's reports, governance statement and remuneration report is consistent with the financial statements.

Accounting policies (continued)

The financial statements have been appropriately prepared on a going concern basis, having due consideration of the agreement of Council funding in respect of 2015-16.

Accounting framework and application of accounting policies (continued)		
Area	**Summary observations**	**Audit findings**
Remuneration report	The remuneration report was included within the draft financial statements and supported by good quality information and working papers.	We are satisfied that the information contained within the remuneration report is consistent with the underlying records and the financial statements.

Governance and narrative reporting

Our overall perspective on the narrative reporting, including the annual governance statement

Update on controls findings from our audit

Corporate governance arrangements

Over-arching and supporting corporate governance arrangements remain primarily unchanged and provide a sound framework for organisational decision-making.

Area	Summary observations	Audit findings
Annual governance statement and governance arrangements	The statement for 2014-15 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on Joint Board's governance framework, operated internal controls, the work of internal audit, internal financial controls and risk management arrangements and analyses the efficiency and effectiveness of these elements of the framework. Overview of main process related to corporate governance including: ■ Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour. The three fundamental principles of corporate governance; openness, integrity and accountability, apply to all bodies. ■ The responsibilities of the Joint Board and its Treasurer for establishing arrangements for ensuring the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements are outlined in the Statement of Responsibilities in the financial statements. ■ The Joint Board operates a local code of corporate governance, drawing on all aspects of its governance arrangements, to consolidate these into a framework which is in line with the principles of the CIPFA / SOLACE publication *Delivering Good Governance in Local Government*. The local code of corporate governance focuses on four key areas of Joint Board activity, namely structures and governance; service delivery arrangements; internal control and risk management; and stakeholder focus. ■ The revenue and capital budgets for the year are approved by the Joint Board, which also receive regular monitoring reports at each meeting throughout the financial year to allow them to exercise and demonstrate stewardship and accountability for the use of their resources. Standing orders, financial regulations and tender procedures are approved, and have been published on the Joint Board's website to demonstrate openness and transparency of arrangements.	We have updated our understanding of the governance framework and documented this though our overall assessment of Joint Board's risk and control environment. We consider the governance framework and annual governance statement to be appropriate for Joint Board and that the governance statement is in accordance with guidance and reflects our understanding of the organisation.

Corporate governance arrangements (continued)

Area	Summary observations	Audit findings
Internal controls	The Joint Board is responsible for designing and implementing appropriate internal control systems to ensure a true and fair view of operations within the financial statements. Our testing, combined with that of internal audit, of the design and operation of financial controls over significant risk points confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively. The findings of our controls testing relate only to those matters identified during our normal audit work, in accordance with the Code, and there may still be weaknesses or risks within the control environment which have not been identified through this work. KPMG's identification of weaknesses, where applicable, does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.	Our work concluded that that controls relating to financial systems and procedures are designed appropriately and operating effectively.
Prevention and detection of fraud	No material fraud or other irregularities were identified during the year. The arrangements include policies and codes of conduct for staff and board members, supported by a fraud prevention policy and response plan.	We consider that the Joint Board has appropriate arrangements to prevent and detect fraud.
Arrangements for maintaining standards of conduct and the prevention and detection of corruption	The Joint Board has arrangements including policies and codes of conduct for staff and board members, supported by a whistleblowing policy. Board members are responsible for setting the 'tone at the top' and are responsible for abiding by the code of conduct and disclosing interests which may be of importance, material or otherwise, to their work at Tayside Valuation Joint Board. The members of the Joint Board are drawn from the three constituent councils, and as such are bound by the respective codes of conduct of those councils. Administration of the financial records of the Joint Board is undertaken by Dundee City Council staff who are subject to that Council's policies on standards of conduct, fraud and corruption.	We consider that Joint Board has appropriate arrangements to prevent and detect inappropriate conduct and corruption.

Corporate governance arrangements (continued)

Area	Summary observations	Audit findings
Internal audit	Internal audit is provided by Henderson Logie, an outsourced internal audit provider and supports management in maintaining sound corporate governance and internal controls through the independent examination and evaluation of control systems and the reporting of any weaknesses to management for action. Audit Scotland's Code of Audit Practice sets out the wider dimension of public sector audit. It requires external auditors to perform an annual assessment of the adequacy of the internal audit function. We considered the activities of internal audit against the requirements of Public Sector Internal Audit Standards ('PSIAS'), focusing our review on the public sector requirements of the attribute and performance standards contained within PSIAS. This included a review of the internal audit charter, reporting lines, independence, objectivity and proficiency and the range of work carried out by internal audit. From this assessment, and considering the requirements of International Standard on Auditing 610 *(Considering the Work of Internal Audit)*, we can apply internal audit's work to inform our procedures, where relevant. The review of internal audit reports and conclusions did not indicate additional risks and there is no impact on our planned substantive testing. Internal audit has completed its agreed plan for the year ended 31 March 2015, and the annual report states that *"in our opinion the Organisation has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during the current and previous financial years".*	We have concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards. Internal audit has concluded that the Joint Board has a framework which supports management of key risks.

Performance management

Our perspective on the performance management arrangements, including follow up work on Audit Scotland reports

Performance management

Our work has identified that Joint Board's Best Value and performance management arrangements are generally robust.

Area	Summary observations	Audit findings
Performance management and best value	Scottish Government guidance on Best Value in public services requires a systematic approach to self-evaluation and continuous improvement. The guidance identifies the themes an organisation needs to focus on in order to deliver the duty of Best Value, but notes that implementation should be appropriate and proportionate to the priorities, operating environment, scale and nature of the body's business. Summary of key areas of performance management processes including: The Joint Board reports on its performance through the Assessor's annual public performance report, which is made available on its website. The Joint Board reported that it exceeded its targets of 75% within three months and 88% within six months for processing new or altered entries onto the non-domestic roll, with actual performance recorded at 83.5% and 92.1% respectively. Performance in respect of the processing new entries in the Council Tax valuation roll was also above target and represented an increase in performance over the prior year. The Assessor also provides the Electoral Registration Service for Perth & Kinross Council and Angus Council. The Scottish Local Government elections were held in May 2012. The Electoral Commission has determined a set of standards against which the Electoral Registration Officers are assessed in the performance of their duties. The Assessor reports that the service provided to both Perth & Kinross Council and Angus Council met or exceeded all these standards in 2014-15.	We consider that Joint Board has appropriate arrangements to effectively manage performance.

Performance management (continued)

Area	Summary observations	Audit findings
Financial capacity in public bodies	Through the process of feedback through Annual Audit Reports, current issues reports and sector meetings, Audit Scotland has identified, that overall reductions in staff numbers in public bodies may be affecting the capacity of back-office functions and specifically finance. Audit Scotland has requested the collation of baseline data across the public sector to inform sector specific overview reports and may inform a follow-up to the joint report on the public sector workforce which was published in November 2013 or support the development of the future performance audit programme. Due to the nature and size of the entity, the responsibility lies with a single accountant and the Proper Officer is responsible for Dundee City Council, and the other subsidiaries. Therefore, there are no concerns over the financial capacity of the Joint Board.	We consider that the Joint Board has appropriate financial capacity to effectively manage the organisation.

Appendices

Mandatory communications

There were no changes to the core financial statement and there are no unadjusted audit differences

Area	Key content	Reference
Adjusted audit differences Adjustments made as a result of our audit	There were no audit adjustments required to the draft financial statements which impacted on the net assets or net operating cost for the year. A small number of minor numerical and presentational adjustments were required to some of the financial statement notes.	-
Unadjusted audit differences Audit differences identified that we do not consider material to our audit opinion	We are required by ISA (UK and Ireland) 260 to communicate all uncorrected misstatements, other than those which are trivial. There are no unadjusted audit differences.	-
Confirmation of Independence Letter issued to the Audit Committee	We have considered and confirmed our independence as auditors and our quality procedures, together with the objectivity of our Audit Director and audit staff.	Appendix two
Schedule of Fees Fees charged by KPMG for non-audit services	No non audit fees have been charged by KPMG.	-
Draft management representation letter Proposed draft of letter to be issued by the Joint Board to KPMG	There are no changes to the standard representations required for our audit from last year.	-
Materiality The materiality applied to audit testing.	We assessed materiality based on our knowledge and understanding of the Joint Board's risk profile and financial statements balances. Materiality was determined at £73,500; approximately 2% of total expenditure, and is broadly consistent with the materiality identified in our audit strategy. We designed our audit procedures to detect errors at a lower level of precision, i.e. £55,000. We report identified errors greater than £3,600 to the Joint Board.	-

Auditor independence

Auditing standards require us to consider and confirm formally our independence and related matters in our dealings with the Joint Board.

We have appropriate procedures and safeguards in place to enable us to make the formal confirmation in our letter included opposite.

Auditor independence

Professional ethical standards require us to provide to you at the conclusion of an audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed. This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence.

We have considered the fees paid to us by the Tayside Valuation Joint Board and its related entities for professional services provided by us during the reporting period. We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Regular communications
- Internal accountability
- Risk management
- Independent reviews

Please inform us if you would like to discuss any of these aspects of our procedures in more detail.

There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the board of directors.

Confirmation of audit independence

We confirm that as of 13 August 2015, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This letter is intended solely for the information of the audit committee and should not be used for any other purpose.

Yours faithfully

KPMG LLP

Defined benefit obligations

In respect of employee benefits, each of the assumptions used to value the Joint Board's net pension deficit are within an acceptable range of KPMG's expectations.

We are of the view that this therefore represents a reasonable and balanced approach, in accordance with the requirements of IAS 19.

We set out below the assumptions in respect of employee benefits.

Defined benefit pension liability		
2015 £'000	2014 £'000	KPMG comment
(5,891)	(8,163)	In line with our established practice and in advance of the audit fieldwork, our actuarial specialists reviewed the approach and methodology of the actuarial assumptions used in the IAS19 pension scheme valuation. Details of key actuarial assumptions are included in the table, along with our commentary.

Assumption	Joint Board	KPMG central	Comment
Discount rate (duration dependent)	3.4%	3.3%	The proposed discount rate is slightly less prudent (lower liability) than KPMG's central rate as at 31 March 2015, but lies within an acceptable range for IAS 19 purposes. The proposed discount rate has been derived from the Merrill Lynch AA Corporate bond yield curve taking into account the Employer's weighted average duration of the liabilities.
CPI inflation	RPI less 0.8% (2.5%)	RPI less 1.0% (2.25%)	The proposed CPI assumption is more prudent (higher liability) than KPMG's central rate as at 31 March 2015, but lies within an acceptable range for IAS 19 purposes. Following the outcome of the ONS consultation on 10 January 2013, KPMG's view is that the differential between RPI and CPI should be higher and closer to 1% and we are seeing most companies adopt an assumption of around 1% for this differential.
Net discount rate (discount rate – CPI)	0.9%	1.05%	The proposed assumption is more prudent (higher liability) than KPMG's central rate as at 31 March 2015. However, the proposed assumption is within an acceptable range of KPMG's central rate and therefore acceptable for IAS 19 purposes.
Salary growth	RPI plus 1.0%	Typically 0%-1.5% above RPI	We note that the gap above RPI has reduced compared to last year, from 1.4% to 1%. Also, salaries are assumed to increase at a lower rate (in line with CPI) up to 31 March 2016, before reverting to the RPI + 1% long-term assumption The proposed assumption is acceptable under IAS 19 provided it is in line with the Directors' best estimate view on future remuneration.

		The overall assumptions applied by management are considered to be reasonably balanced for a scheme with a liability duration of between 20 years. The closing deficit decreased by £2.27 million compared to 2013-14, A reconciliation from opening to closing deficit is included on the next page.

Defined benefit obligations (continued)

The table opposite shows the reconciliation of the movement in the Balance Sheet.

	£'000	Deficit / loss	Surplus / gain	Impact	Commentary
	Opening pension scheme deficit			**8,163**	The opening IAS19 deficit at 31 March 2015 for the Scheme was £8.16 million (consisting of assets of £17.99 million and defined benefit obligation of £26.15 million).
CIES	Service cost			565	The Scheme remains open to accrual. The employer's share of the cost of benefits accruing over the year is £0.565 million.
CIES	Net interest			374	This is the interest on the opening deficit of £49.9 million, adjusted for contributions paid during the period.
Cash	Contributions			370	The Company made cash contributions over the year of £0.37 million, which is broadly in line with contributions made last year, allowing for assumed salary increases.
CIES	Actuarial gain– financial assumptions			144	There was an actuarial gain on the financial assumptions of around £0.14 million. This is the 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. This balance consists of changes in financial assumptions having a negative impact of £3.27 million. In addition, changes in demographic assumptions, and experience gain on the defined benefit obligation had a positive impact of £1.01 million and £2.40 million,
CIES	Actuarial gain – other adjustments			973	There was an actuarial gain of around £0.97 million, as a result of better than expected experience between the 2011 and 2014 triennial valuations in respect of mortality, salary growth, and member movements.
CIES	Return on assets			1,724	The return on Plan assets, excluding interest of £0.83 million, was £1.72 million.
	Closing pension scheme deficit			**5,891**	The closing IAS19 deficit for the Scheme at 31 March 2015 is £5.89 million (consisting of assets of £21.48 million and defined benefit obligation of £27.37 million).

I&E – impacts on surplus /(deficit) within statement of comprehensive net expenditure

Cash – cash-flow impact

OCI – charged through other comprehensive income cutting through complexity

TAYSIDE VALUATION JOINT BOARD

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

AUDITED

AUGUST 2015

TAYSIDE VALUATION JOINT BOARD

ANNUAL ACCOUNTS 2014/2015

CONTENTS

TAYSIDE VALUATION JOINT BOARD

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 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 during 2014/2015 is shown below.

The 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 Board provides the administrative framework within which the Assessor's Service operates. The Board Members provide an essential link between the Assessor, the Councils in the area and the electorate.

At the end of the financial year 2014/2015, the Members and Officials of the Board were:

Representing Dundee City Council
Councillor David Bowes (Spokesperson) Depute Lord Provost Christina Roberts Councillor Jimmy Black Councillor John Alexander Councillor Tom Ferguson Councillor Mohammed Asif
Representing Angus Council
Councillor Jim Houston (Vice-Convener) Provost Helen Oswald Councillor Bill Bowles Councillor Bob Myles
Representing Perth and Kinross Council
Councillor Douglas Pover Councillor Elspeth Maclachlan (Convener) Councillor Alexander J Stewart Councillor Alistair Munro Councillor Willie Wilson
Assessor
Mr Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA
Clerk to the Board
Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council
Treasurer
Mrs Marjory Stewart, FCCA, CPFA, Dundee City Council

TAYSIDE VALUATION JOINT BOARD

CONTACT DETAILS

The Assessor & Depute Assessor can be contacted at:

Tayside Valuation Joint Board Whitehall House 35 Yeaman Shore DUNDEE DD1 4BU Tel: 01382 315602 Fax: 01382 315600	

For properties in Angus Council Area, contact:

The Assistant Assessor Tayside Valuation Joint Board Ravenswood New Road FORFAR DD8 2ZA Tel: 01307 462416 Fax: 01307 468631 Email: angus@tayside-vjb.gov.uk	

For properties in Perth & Kinross Council Area, contact:

The Assistant Assessor 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:

The Assistant Assessor Tayside Valuation Joint Board Whitehall House 35 Yeaman Shore DUNDEE DD1 4BU Tel: 01382 221177 Fax: 01382 315600 Email: dundee@tayside-vjb.gov.uk	

The Valuation 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 - ASSESSOR'S REPORT

INTRODUCTION

This report outlines the various matters addressed by the Board during Financial Year 2014/15. In addition, it gives a background to the service provided by the Assessor and ERO, together with details of specific developments within each of the three core functions undertaken by the Board through the Assessor.

MATTERS CONSIDERED BY THE BOARD

The first Board meeting of the financial year was held on 16 June 2014. At this meeting, the Board approved the Assessor's Report and updated Corporate and Service Plans for 2013 to 2016. The Board noted the contents of the Annual Report on Risk Management and Business Continuity arrangements and three Internal Audits Reports covering: Follow-Up Reviews 2013/14, Payroll & HR/Recruitment/Staff Performance & Development and Corporate Governance & Control Environment. A report was also submitted to update the Board on a number of changes required in connection with the Implementation of Individual Electoral Registration in Scotland. The Board approved a Report detailing the outcome of the tendering process in respect of the Production of Electoral Letters and Forms and a further Report on the introduction of a Childcare Voucher Scheme for Tayside Valuation Joint Board employees.

At a meeting in August the Board approved the Assessor's Report on Annual Public Performance, which provided information in relation to the Assessor's statutory functions and associated details including performance, staffing, budget and customer satisfaction. The Board noted the contents of two Internal Audit Reports covering the Provision of Internal Audit Services for 2013/14 and the Annual Plan for 2014/15. The Assessor's Annual Report on Health & Safety, which indicated that matters continued to be monitored effectively and that no incidents had arisen during the year, was noted. A Report detailing the outcome of a review of the Contract Car Hire Scheme was approved by the Board subject to the inclusion of vehicles utilising alternative methods of fuel such as Liquid Petroleum Gas and electric cars. A report on the Implementation of Inland Revenue Authorised Mileage Rates was also approved together with amendments to the Scheme of Flexible Working Hours.

In November the Board noted the contents of an Internal Audit Report on Non Domestic Rates 2014/15. Two Reports giving updates on Electoral Registration in respect of the Scottish Independence Referendum and Individual Electoral Registration were noted by the Board. The Board also approved a Report in respect of a Policy and Procedure for Dealing with Concerns at Work (Whistle Blowing).

In January 2015 the Provisional Revenue Budget for 2015/2016 and the updated Capital Expenditure Programme for 2015/2016 to 2017/2018 were approved. The Board noted the contents of two Internal Audit Reports covering Risk Management & Business Continuity and Follow-Up Reviews 2014/15.

During the course of the year the Treasurer has kept the Board appraised of the budget position by presenting three-monthly Revenue Monitoring Reports. Internal Audit reports and follow-up reviews on various aspects of service delivery were also presented to the Board throughout the year.

SERVICE PROFILE

The Valuation Joint Board, through the Assessor, undertakes 3 main functions which are set out below:

Non-Domestic Rating

The Assessor is charged with the task of compiling and maintaining the Valuation Roll, which comprises a list of non-domestic properties and their associated rateable values. The Valuation Acts direct that the Assessor is required to:-

1 Compile a Valuation Roll which, subject to prescribed exclusions, must contain the Rateable Value of all non-domestic properties within the Valuation Authority area.

2 Deal with all appeals arising from the publication of the Valuation Roll. These appeals are disposed of in terms of a strict timetable which is set down in statute.

3 Maintain and update the Valuation Roll in accordance with current legislation, reflecting changes of ownership, new properties, demolitions, structural alterations and other matters affecting value.

The Rateable Values assessed in the Valuation Roll are used as the basis for charging Non-domestic Rates. Rates Demand Notices are issued annually and on an ongoing basis by the 3 Constituent Councils' Finance Departments.

Council Tax Banding

In terms of the Local Government Finance Act 1992 the Assessor is required to compile a Council Tax Valuation List which must:-

1 Include an entry for every dwelling within the area of the Valuation Authority.

2 Show against each entry the relevant Valuation Band. There are 8 bands of values ranging from Band A (up to £27,000) to Band H (£212,000 and above).

The Assessor must maintain the Valuation List by adding new dwellings which have come into existence; deleting properties which are no longer appropriate for inclusion in the list; and amending the list in accordance with Regulations. This includes re-banding dwellings which have been improved by alterations and subsequently sold.

Register of Electors

The Assessor provides an electoral registration service for Angus Council and Perth & Kinross Council. Dundee City Council provides its own electoral registration service.

In terms of the relevant legislation the Assessor, in his role as Electoral Registration Officer, has a duty to maintain registers of all persons entitled to vote at elections. This includes maintaining lists of those who wish to be provided with postal or proxy voting facilities.

The Register of Electors is published annually following an annual canvass during which all households are contacted in an effort to confirm details of eligible residents. Contact with households will include the issuing of forms and/or house to house visits.

Legislation allows electors to opt out of appearing in the "Open" version of the Register of Electors, on which there is no restriction on access, sale and supply. The Electoral Registration Officer must therefore prepare two copies of the Register: a full version to which access, sale and supply is restricted, and an "Open" version.

Although published annually, the Register is maintained and updated on a rolling basis, and updates are published monthly, apart from during the canvass period.

2014/2015 DEVELOPMENTS

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 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 Scottish Assessors' 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 13,600 summary valuation records available for Tayside properties, representing approximately 72% of all Tayside records.

The cumulative effect of all changes to entries in the Tayside Valuation Rolls during 2014/15 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
	01/04/2014	31/03/2015	At 01/04/2014	At 31/03/2015	
Angus Council	4,793	4,781	£76,768,772	£77,030,852	+ £262,080
Dundee City Council	5,736	5,683	£188,621,470	£187,593,255	- £1,028,215
Perth & Kinross Council	8,354	8,430	£147,490,880	£148,693,075	+ £1,202,195
Total	18,883	18,894	£412,881,122	£413,317,182	+ £436,060

Performance levels in relation to Valuation Roll maintenance improved over the levels achieved in previous years and exceeded the targets set. Performance is measured in relation to 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 following table. The target was to process 75% within 3 months and 88% within 6 months.

Local Authority Area	No of new and altered entries	Percentage entered of amended within		
		3 months	6 months	more than 6 months
Angus Council	339	87.3%	6.5%	6.2%
Dundee City Council	589	84.4%	8.8%	6.8%
Perth & Kinross Council	777	81.2%	9.4%	9.4%
Total	1,705	83.5%	8.6%	7.9%

During the course of the year, staff have also been involved in dealing with appeals against new or amended entries in the Valuation Roll and appeals lodged on the basis that there has been an "error" or a "material change of circumstances" affecting the value of their property. A summary of appeal progress as at 31 March 2015 is shown below.

	Appeals Received	Appeals Settled	Settled Appeals Rateable Value		Appeals Outstanding	
			Original RV	Settled RV	Appeals	RV
2010 Revaluation	6,017	5,977	£318,309,418	£298,764,425	40	£12,241,250
2010 Running Roll	2,919	2,874	£218,984,040	£217,126,500	45	£10,653,250
2011 Running Roll	3,016	3,000	£231,163,645	£229,865,320	16	£4,805,250
2012 Running Roll	471	464	£57,011,535	£53,860,085	7	£2,242,700
2013 Running Roll	238	229	£31,043,425	£29,551,345	9	£2,558,400
2014 Running Roll	272	40	£1,760,500	£1,584,550	232	£23,647,900

Council Tax Banding

The Valuation List, which comprises approximately 207,000 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 2014/15 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 altered entries	Percentage entered on Valuation List within		
		3 months	6 months	more than 6 months
Angus Council	466	94.8%	4.3%	0.9%
Dundee City Council	227	98.7%	0.4%	0.9%
Perth & Kinross Council	654	96.3%	2.9%	0.8%
Total	1,347	96.2%	3.0%	0.8%

Performance in relation to how quickly new entries were entered on the Valuation List improved from the level reached in the previous year, although the ability to achieve targets relies to some extent on the co-operation of house owners and occupiers in responding to enquiries and allowing access to their properties. The target was to deal with 90% within 3 months and 98% within 6 months.

Register of Electors

Elections and Referenda
A European Parliament Election was held on 22 May 2014 and the Scottish Independence Referendum took place on 18 September 2014. In addition, elections also took place to elect members to Loch Lomond and The Trossachs National Park Authority Board and to Cairngorms National Park Authority Board on 3 July 2014 and 19 March 2015 respectively. Whilst each of these electoral events is worthy of note in its own right, particular note should be made of the Scottish Independence Referendum which reached unprecedented levels of public interest and engagement. All required administrative procedures for the Referendum were successfully dealt with and, in administrative terms, the event passed without incident. However, the very high levels of enquiries,

new registration applications, postal and proxy vote applications severely stretched the resources of the Board and I am grateful to all my staff for their exceptionally hard work over that period.

The Introduction of Individual Electoral Registration and the 2014/15 Canvass
A new system of Individual Electoral Registration was introduced in Scotland on 19 September 2014. The timing of its introduction was delayed beyond that of England and Wales (10 June 2014) because of the Scottish Independence Referendum. In view of the later timing of the introduction, the publication date of the Register of Electors for Scotland was changed from 1 December 2014 to 27 February 2015.

Following the Scottish Independence Referendum on 18 September 2014, the full Electoral Register was passed to the Department for Work and Pensions (DWP) to attempt to successfully data match as many electors as possible in order to passport these electors directly to new system. A total of 187,827 electors (representing 89% of the total electorate) were either matched immediately or following subsequent, additional, local data matching. Another 18,719 electors were then issued with an *Invitation to Register* and encouraged to respond by either returning this form or visit www.gov.uk/register-to-vote where they may register online. All non responders were issued with a reminder and a further household visit, if necessary.

Where an elector or household had not returned a canvass form in 2013, the household was issued with a *Household Enquiry Form* and encouraged to respond. 12,066 forms were issued to households and on return, the elector was either registered under the new system if the elector had also matched DWP records or, if not matched, the elector was issued with an *Invitation to Register.* Reminder letters and household visits were carried out for non responders. Temporary canvassers were employed to visit households which failed to return either the *Household Enquiry Form* or *Invitation to Register* form.

The revised procedures resulted in approximately 5,000 more properties requiring a visit than during the 2013/14 canvass for the 11% of the electorate who had not matched those records held by DWP. Statistics on the total electorate are shown in the following table:-

Local Authority Area	Electorate at 10 March 2014	Electorate at 27 February 2015	Net Change
Angus	90,074	91,115	1,041
Perth & Kinross	115,068	110,539	- 4,529
Total	205,142	201,654	- 3,488

The introduction of Individual Electoral Registration in 2014 required a considerable amount of planning and substantial revisions were required to systems and procedures. New security procedures were also introduced for staff, IT systems and buildings, including identity badges and CCTV and protective coatings for windows of any rooms holding sensitive data. All staff have undergone significant training to ensure a smooth transition to the new electoral registration system.

The first full annual canvass of all households under Individual Electoral Registration will commence in August 2015 and preparations for this are underway. Although legislation has still to be passed it is likely that this canvass will also include 14 and 15 year olds in order that they may be included in the revised Electoral Register when published on 1 December 2015 so that these young electors may vote at Local Government and Scottish Parliamentary Elections from 2016.

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	Total No of Electors "Opting-Out" of Open Register	Opt-outs as %	Total on Open Register
Angus	91,115	17,802	19.5%	73,313
Perth & Kinross	110,539	26,717	24.2%	83,822
Total	201,654	44,519	22.1%	157,135

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 2014/15. The Electoral Commission has yet to complete its analysis of certain categories of the new performance standards which were introduced after Individual Electoral Registration commenced on 19 September 2014.

General

The Management of the 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. Having resolved the vast majority of issues relating to the Revaluation which took place on 1 April 2010, the valuation staff have begun to make preparations for the next General Revaluation which will take place on 1 April 2017.

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 Board in August. Generally, the results indicate a high degree of satisfaction amongst customers.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank the Convener and members of Tayside Valuation Joint Board for their support, assistance and co-operation during the financial year.

I would similarly express my appreciation to the Clerk to the Board Roger Mennie, and the Treasurer Marjory Stewart, for their advice and support during the year. I would extend my grateful thanks also to the members of their respective staffs.

Finally, I would conclude this report by recording my sincere thanks to my own Management Team, Information Technology, Headquarters and Divisional staff for their hard work, dedication and support in providing the Valuation and Electoral service during the past year.

Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA
Assessor and ERO
Tayside Valuation Joint Board
24 August 2015

TAYSIDE VALUATION JOINT BOARD

MANAGEMENT COMMENTARY - TREASURER'S REPORT

Introduction
This report is intended as a commentary on the Joint Board's financial position, as presented within the Annual Accounts for the financial year 2014/2015.

Annual Governance Statement (see page 13)
This statement sets out the framework within which financial control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

Remuneration Report (see page 15)
This report sets out the remuneration and accrued pension benefits of the senior employees of the Board and the remuneration of the Convener and Vice Convener of the Board. Policy and contextual information relating to these areas is also provided.

Statement of Responsibilities for the Annual Accounts (see page 20)
This statement sets out the main financial responsibilities of the Board and the Treasurer.

The Accounting Statements (see pages 21 to 47)
Movement in Reserves Statement:
this statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (ie those that can be applied to fund expenditure) and unusable reserves.

Comprehensive Income and Expenditure Statement:
this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Balance Sheet:
shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board.

Cash Flow Statement:
shows the changes in cash and cash equivalents of the Board during the reporting period.

Notes to the Financial Statements:
are intended to give the reader further information which is not separately detailed in the financial statements.

Revenue Expenditure
The Tayside Valuation Joint Board, at its meeting on 27 January 2014, approved the final 2014/2015 Revenue Budget of £2,864,701 which was then requisitioned from the three Constituent Councils, in line with the following apportionment (based on Councils' 2014/2015 GAE figures for Lands Valuation and Council Tax Valuation):

Angus Council	26.43%	£757,140
Dundee City Council	33.28%	£953,373
Perth & Kinross Council	40.29%	£1,154,188
		£2,864,701

The 2014/2015 Revenue Budget of £2,864,701 was set at the same level as the approved 2013/2014 Revenue Budget. The standstill budget was achieved after utilising £21,000 from General Reserves mainly to compensate for increased staff costs due to an assumed 1% pay award and an increase in property costs partly offset by a reduction in other budget heads.

The Board received quarterly Revenue Monitoring reports during 2014/2015 in order to keep the members fully appraised as to the projected revenue outturn position. At its meeting on 23 August 2004, the Board agreed that the final underspend in any financial year should be returned to the Constituent Councils.

The following table reconciles the Revenue Budget approved by the Board on 27 January 2014 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 22. Actual outturn figures and under/overspends are also shown and are explained in the detailed variance analysis below.

	Approved Budget	Corp & Democratic Core Re-allocation	Depreciation	Capital Contribution Reallocation	Employee Benefits Adjust	IAS 19 Adjusts	Revised Budget	Actual Expend/ (Income)	(Under)/ Over Spend
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Staff Costs	2,556				22	195	2,773	2,777	4
Property Costs	335						335	343	8
Supplies and Services	319	(15)					304	422	118
Transport Costs	57						57	60	3
Third Party Payments	50						50	27	(23)
Depreciation	-		32				32	32	-
Corporate and Democratic Core	-	15					15	15	-
Cost Of Services	**3,317**	**-**	**32**	**-**	**22**	**195**	**3,566**	**3,676**	**110**
Other Operating Income & Expenditure	(429)						(429)	(446)	(17)
Financing & Investment Income & Expenditure	(2)					374	372	372	-
Taxation & Non-Specific Grant Income	-						-	(151)	(151)
(Surplus)/Deficit on Provision of Services before Requisition	**2,886**	**-**	**32**	**-**	**22**	**569**	**3,509**	**3,451**	**(58)**
Recognised Capital Income	**-**			(97)			(97)	(97)	-
Requisition Income	**(2,865)**						(2,865)	(2,828)	37
Total (Surplus) / Deficit	**21**	**-**	**32**	**(97)**	**22**	**569**	**547**	**526**	(21)
IAS 19 Adjustments	-					(569)	(569)	(569)	-
Other IFRS Code Accounting Adjustments	-		(32)	97	(22)	-	43	43	-
Total (Surplus)/Deficit for the year	**21**	**-**	**-**	**-**	**-**	**-**	**21**	**-**	**(21)**

During 2014/2015, an underspend of £37,000 was achieved in relation to Valuation Services. An overspend of £13,000 on Additional Electoral Registration Services has been taken into account in calculating the requisition returned to the Constituent Councils (£24,000) in line with the decision made by the Board on 23 August 2004. The main budget variances are summarised below:

Staff Costs (Overspend £4,000):
Additional costs incurred on Individual Electoral Registration (including additional duties) and the Scottish Referendum were partly compensated for by delays in filling posts. Additional expenditure on Individual Electoral Registration is compensated for by grant income.

Property Costs (Overspend £8,000)
Due mainly to unexpected costs relating to Ravenswood House, Forfar.

Supplies & Services (Overspend £118,000)
Additional printing, IT and postage costs incurred on Individual Electoral Registration (including additional duties) and the Scottish Referendum which were compensated for by additional grant income.

Transport Costs (Overspend £3,000)
Mainly due to additional travel related to higher activity levels.

Third Party Payments (Underspend £23,000)
Due to lower than anticipated legal expenses.

Other Operating Income & Expenditure (Increased Income £17,000)
Due mainly to higher than anticipated sales of registers (£4,000) and recovery of an overspend on Electoral Registration Costs (£13,000).

Taxation & Non-Specific Grant Income (Increased Income £151,000)
This represents the recovery of grant income to cover additional costs under other budget headings for Individual Electoral Registration and the Scottish Referendum

Requisition Income (reduced Income £37,000)
Due to returning £37,000 of Requisition Income to Constituent Councils.

General Reserve
In setting the 2014/2015 Revenue Budget, the Treasurer advised that the minimum level of uncommitted balances that the Board should operate with is £60,000. The sum of £21,000 was taken from the General Reserve and used in the setting of the Board's 2014/2015 Revenue Budget. This ensured no increase in the requisition from Constituent Councils. However, the financial performance of the Joint Board during 2014/15 did not require any sum taken from the General Reserve, which was maintained at March 2014 levels. The General Reserve balance at 31st March 2015 is therefore £102,974

Capital Expenditure
During 2014/2015 the Board incurred £97,290 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three Constituent Councils (£23,000) and the Individual Electoral Registration grant from the Cabinet Office (£74,290).

Borrowing Facilities
The Board does not have the powers to incur any new capital debt directly through borrowing. Accordingly, the Board's capital expenditure requirements are funded either by a contribution from the three Constituent Councils, by Government Grant or directly from the Board's revenue resources (CFCR).

Control of Revenue and Capital Expenditure
The control of both the revenue and capital expenditure of the Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the 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 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 Board had a net pension liability of £5,891,000 as at 31 March 2015. The estimated net Pension Liability at 31 March 2014 was £8,163,000. An increase in the fair value of Fund Assets, partly offset by an increase in the present value of the funded obligation of the scheme has resulted in a decrease in the overall net liability of £2,272,000.

Balance Sheet Net Liabilities
The Board's Balance Sheet as at 31 March 2015 shows Net Liabilities of £5,778,000. The significant factor in the Net Liabilities position is the IAS 19 Pension Liability of £5,891,000. The IAS 19 Pension Liability figure is based on a "snap shot" at 31 March 2015 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. 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 Board's General Reserve or budgetary requirements and the Net Liabilities position shown in the Balance Sheet does not therefore affect the Board's ability to continue as a going concern for the foreseeable future.

Acknowledgements
During the 2014/2015 financial year, the Board's financial position has required continuous scrutiny and strict budgetary control. I would wish to place on record my appreciation of the excellent work carried out by Alastair Kirkwood, Assessor and the staff of the Board in controlling the Board's expenditure and income.

I would also wish to record my appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

Finally, I would conclude the report by thanking all staff who have contributed to the preparation of the Board's 2014/2015 Annual Accounts.

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board
24 August 2015

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 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 Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Board has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. This statement explains how Tayside Valuation Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Board is directed and controlled. It also describes the way it engages with its stakeholders. It enables the 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 six supporting principles of effective corporate governance. These are as follows:

- focusing on the purpose of the Board and on outcomes for the community and creating and implementing a vision for the local area;
- members and officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the Board and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capabilities of members and officers to be effective; and
- engaging with local people and other stakeholders to ensure robust public accountability.

The overall control arrangements include:

- identifying the Board's objectives in the Service Plan.
- monitoring of objectives by the Board and senior officers.
- reporting performance regularly to 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.

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 Annual Accounts.

Review of Effectiveness

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

In addition the Board haas made a self-assessment of their own arrangements. This involved the completion of a 31-point checklist by the Assessor, covering four key governance areas of Service Planning and Performance Management, Internal Control Environment, Budgeting, Accounting and Financial Control and Risk Management and Business Continuity. This indicates that the Board is fully compliant in the four key governance areas covered.

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

The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer.*

Continuous Improvement Agenda

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

In 2013/2014, Internal Audit carried out follow up reports on area's involving Performance Reporting, General ledger, Asset Management, Payroll and HR and Corporate Governance and Control. Of 17 non significant items identified, 15 have been fully implemented. The remaining two items are partially implemented pending legal advice.

During 2014/2015, Internal Audit haas conducted their programme of audits, including reviews of Non Domestic Rates, Risk Management and Business Continuity, Procurement and Creditors/Purchasing and IT Network arrangements. There were no significant issues identifying major internal control weaknesses. In general, procedures operate adequately in the areas selected. A small number of actions have been agreed to further strengthen controls, as follows:-

- Update the Business Continuity Plan and IT Disaster Recovery Plan to reflect recent IER and IT network changes;
- Test the Updated Business Continuity Plan and IT Disaster Recovery Plan once implemented
- Establish a program of regular testing of the Business Continuity Plan and IT Disaster Recovery Plan
- Staff to be reminded of the importance of ensuring that the appropriate checks are undertaken

It is proposed that during 2015/2016 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Board's governance arrangements

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the 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 Boards governance arrangements.

Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
24 August 2015

Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor
Tayside Valuation Joint Board
24 August 2015

TAYSIDE VALUATION JOINT BOARD

REMUNERATION REPORT

INTRODUCTION

The 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 Board and accrued pension benefits of the Senior Employees. The report also provides information on the number of 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 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 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 Board.

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

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 Board:

(i) has responsibility for management of the 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 Board has determined that five employees covering five posts meet the criteria for designation as a Senior Employee in 2014/2015, with all five employees falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

The Regulations also require information to be published on the total number of 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:

Remuneration Bands	No of Employees	No of Employees
	2013/2014	2014/2015
£50,000 - £54,999	3	4
£70,000 - £74,999	1	-
£75,000 - £79,999	1	-
£80,000 - £84,999	-	1
£95,000 - £99,999	-	1
Total	**5**	**6**

ACCRUED PENSION BENEFITS

Pension benefits for Tayside Valuation Joint Board employees are provided through the Local Government Pension Scheme (LGPS) which is a final salary pension scheme. This means that pension benefits are based on the final year's pay and the number years that the person has been a member of the scheme.

The scheme's normal retirement age for Board employees is 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 2014/2015 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are as follows:

2013/2014 Whole Time Pay on Earnings:	Contribution Rate 2013/2014	2014/2015 Whole Time Pay on Earnings:	Contribution Rate 2014/2015
up to and including £19,800	5.5%	up to and including £20,335	5.5%
above £19,800 and up to £24,200	7.25%	above £20,335 and up to £24,853	7.25%
above £24,200 and up to £33,200	8.5%	above £24,853 and up to £34,096	8.5%
above £33,200 and up to £44,200	9.5%	above £34,096 and up to £45,393	9.5%
above £44,200	12%	above £45,393	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 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 3, together with the pension contributions made by the Board.

Exit Packages
There were no exit packages in 2014/2015 (2013/2014 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 2014/2015, the scheme member contribution rate for Senior Employees was in the range of 7.9% to 9.8% of pensionable pay. In 2014/2015, the employer contribution rate was 18.0% of pensionable pay for Senior Employees.

Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
24 August 2015

Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor
Tayside Valuation Joint Board
24 August 2015

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

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses & Benefits-in-Kind	Total Remuneration 2014/2015	Total Remuneration 2013/2014
		£	£	£	£	£
Jim Houston *	Vice-Convener, Tayside Valuation Joint Board				3,100	3,076
Total					**3,100**	**3.076**

Note
* Recharged to the Board by Angus Council in respect of the Vice-Convener .

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Bonuses	Taxable Expenses	Compensation for Loss of Employment	Benefits Other Than in Cash *	Total Remuneration 2014/2015	Total Remuneration 2013/2014
		£	£	£	£	£	£	£
Alastair Kirkwood	Assessor (from 1 July 2013)	99,745	-	-	-	-	99,745	74,068
John Galbraith	Assessor (until 30 June 2013)	-	-	-	-	-	-	24,689
Henry Gray	Depute Assessor	76,981	-	-	-	3,645	80,626	79,808
Donald Allan	Assistant Assessor	52.196	-	-	-	-	52,196	51,680
Roy Christie	Assistant Assessor	52,196	-		-	-	52,196	51,680
Richard Michalski	Assistant Assessor	52,196	-	-	-	-	52,196	51,680
Total		**333,314**	**-**	**-**	**-**	**3,645**	**336,959**	**333,605**

* Lease Car benefit value

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2015	Pension Difference from 31 March 2015	Lump Sum as at 31 March 2015	Lump Sum Difference from 31 March 2015	Pension Contribution 2014/2015	Pension Contribution 2013/2014
		£000	£000	£000	£000	£	£
Alastair Kirkwood	Assessor (from 1 July 2013)	40	2	89	1	17,954	13,332
John Galbraith	Assessor (until 30 June 2013)	-	-	-	-	-	4,444
Henry Gray	Depute Assessor	36	1	84	1	13,857	13,719
Donald Allan	Assistant Assessor	20	1	45	0	9,395	9,302
Roy Christie	Assistant Assessor	22	1	50	0	9,395	9,302
Richard Michalski	Assistant Assessor	16	1	33	0	9,395	9,302
Total		**134**	**6**	**301**	**2**	**59,996**	**59,401**

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.

Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
24 August 2015

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 2015.

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board
24 August 2015

TAYSIDE VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Board, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Reserve Balance before any discretionary transfers to or from earmarked reserves undertaken by the Board.

	General Reserve Balance £000	**Total Usable Reserves £000**	Unusable Reserves £000	**Total Board Reserves £000**
Balance at 31 March 2013	**(103)**	**(103)**	**5,766**	**5,663**
Movement in Reserves during 2013/2014				
(Surplus) or Deficit on Provision of Services	411	**411**	-	**411**
Other Comprehensive Expenditure and Income	-	**-**	2,020	**2,020**
Total Comprehensive Expenditure and Income	**411**	**411**	**2,020**	**2,431**
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 4)	(411)	**(411)**	411	**-**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	**-**	**-**	**2,431**	**2,431**
Transfers to/(from) Earmarked Reserves	-	-	-	-
(Increase)/Decrease in 2013/2014	**-**	**-**	**2,431**	**2,431**
Balance at 31 March 2014 carried forward	**(103)**	**(103)**	**8,197**	**8,094**
Movement in Reserves during 2014/2015				
(Surplus) or Deficit on Provision of Services	526	**526**	-	**526**
Other Comprehensive Expenditure and Income	-	**-**	(2,842)	**(2,842)**
Total Comprehensive Expenditure and Income	**526**	**526**	**(2,842)**	**2,316**
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 4)	(526)	**(526)**	526	**-**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	**-**	**-**	**(2,316)**	**(2,316)**
Transfers to/(from) Earmarked Reserves	-	**-**	-	**-**
(Increase)/Decrease in 2014/2015	**-**	**-**	**(2,316)**	**(2,316)**
Balance at 31 March 2015 carried forward	**(103)**	**(103)**	**5,881**	**5,778**

The notes on pages 25 to 47 form part of these Financial Statements

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.

2013/2014 Gross Expenditure £000	2013/2014 Gross Income £000	2013/2014 Net Expenditure/ (Income) £000		2014/2015 Unaudited Budgeted Net Expenditure/ (Income) £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure/ (Income) £000
			Expenditure				
2,636	-	2,636	Staff Costs	2,773	2,777	-	2,777
336	-	336	Property Costs	335	343	-	343
354	-	354	Supplies and Services	304	422	-	422
58	-	58	Transport Costs	57	60	-	60
88	-	88	Third Party Payments	50	27	-	27
31	-	31	Depreciation	32	32	-	32
15	-	15	Corporate and Democratic Core	15	15	-	15
3,518	**-**	**3,518**	**Cost Of Services**	**3,566**	**3,676**	**-**	**3,676**
-	(436)	(436)	Other Operating Income & Expenditure (note 5)	**(429)**	-	(446)	(446)
265	(2)	263	Financing and Investment Income and Expenditure (note 6)	372	374	(2)	372
-	(46)	(46)	Taxation and Non-Specific Grant Income (notes 7 & 29)	-	-	(151)	(151)
3,783	**(484)**	**3,299**	**(Surplus)/Deficit on Provision of Services before Requisitions**	**3,509**	**4,050**	**(599)**	**3,451**
-	(23)	(23)	Recognised Capital Income (note 8)	(97)	-	(97)	(97)
-	-	-	Use of Reserves	(21)	-	-	-
-	(2,865)	(2,865)	Requisition Income	(2,865)	-	(2,828)	(2,828)
3,783	**(3,372)**	**411**	**(Surplus) or Deficit on Provision of Services**	**526**	**4,050**	**(3,524)**	**526**
2,020	-	2,020	Actuarial (Gains)/Losses on Pension Assets/Liabilities	(2,842)	(2,842)	-	(2,842)
5,803	**(3,372)**	**2,431**	**Total Comprehensive Income and Expenditure**	**(2,316)**	**1,208**	**(3,524)**	**(2,316)**

The notes on pages 25 to 47 form part of the 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 Board. The net liabilities of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category is usable reserves, ie those that the Board may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those that the 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'.

31 March 2014 £000		**Note**	**31 March 2015 £000**
87	Property, Plant & Equipment	22	152
87	**Long Term Assets**		**152**
52	Short Term Debtors	24	181
416	Cash and Cash Equivalents	13	333
468	**Current Assets**		**514**
(431)	Short Term Creditors	25	(498)
(55)	Capital Contributions Receipts in Advance	28	(55)
(486)	**Current Liabilities**		**(553)**
(8,163)	Net Pension Liabilities	18	(5,891)
(8,163)	**Long Term Liabilities**		**(5,891)**
(8,094)	**Net Liabilities**		**(5,778)**
103	Usable reserves	9	103
(8,197)	Unusable Reserves	10	(5,881)
(8,094)	**Total Reserves**		**(5,778)**

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board

The notes on pages 25 to 47 from part of the financial statements

The unaudited accounts were issued on 17 June 2015 and the audited accounts were authorised for issue on the 24 August 2015.

TAYSIDE VALUATION JOINT BOARD

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the 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 Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Board.

2013/2014 £000		2014/2015 £000
411	Net (surplus) or deficit on the provision of services	526
(331)	Adjust net (surplus) or deficit on the provision of services for non cash movements	(540)
80	**Net cash flows from Operating Activities (note 11)**	**(14)**
23	Investing Activities (note 12)	97
103	**Net (increase) or decrease in cash and cash equivalents**	**83**
519	Cash and cash equivalents at the beginning of the reporting period	416
416	**Cash and cash equivalents at the end of the reporting period (note 13)**	**333**

The notes on pages 25 to 47 from part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarises the Board's transactions for the 2014/2015 financial year and its position at the year-end of 31 March 2015. The Board is required to prepare an 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 2014/2015 and the Service Reporting Code of Practice 2014/2015, supported by International Financial Reporting Standards (IFRS). 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 the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Revenue from the provision of services is recognised when the 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 Board.
- Expenses in relation to services received (including those rendered by the 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 there is evidence that debts are unlikely to 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 24), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the 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 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 fixed assets during the year:

- depreciation attributable to the assets used by the Board

The 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 Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Reserve Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits
Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy 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 Board can no longer withdraw the offer of those benefits or when the 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 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 termination benefits related to pensions enhancements 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 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 Board.

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

- The liabilities of the Tayside Pension Fund attributable to the 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 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 (asset), ie net interest expense for the Board – the change during the period in the net defined benefit liability (asset) 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 (asset) at the beginning of the period – taking into account any changes the net defined benefit liability (asset) 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 (asset) – 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 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 appropriations 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 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 reporting period 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 Board when there is reasonable assurance that:

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

Amounts recognised as due to the 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 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 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 of 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 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 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 fixed 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. Deprecation 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 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 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 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 Board if it is virtually certain that reimbursement will be received if the Board settles the obligation.

Contingent Liabilities
A contingent liability arises where an event has taken place that gives the 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 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 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 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 appropriating amounts out of the General Reserve Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated 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 Board. Further information on the Board's reserves is contained in notes 9 and 10.

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 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 Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision.

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

The Annual Accounts contains estimated figures that are based on assumptions made by the 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 Board's Balance Sheet at 31 March 2015 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 a decrease in the pension liability of £514,000.

4 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 Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

2014/2015	**General Reserve Balance £000**	**Movement in Unusable Reserves £000**	**Total 2014/2015 £000**
Adjustments involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of non current assets	(32)	32	-
Capital contributions that have been applied to capital financing	97	(97)	-
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 18)	(939)	939	-
Employer's pensions contributions and direct payments to pensioners payable in the year	369	(369)	-
Adjustment involving the Accumulating Compensated Absences 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	(21)	21	-
Total Adjustments	**(526)**	**526**	**-**

2013/2014	**General Reserve Balance £000**	**Movement in Unusable Reserves £000**	**Total 2013/2014 £000**
Adjustments involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of non current assets	(31)	31	-
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 18)	(767)	767	-
Employer's pensions contributions and direct payments to pensioners payable in the year	366	(366)	-
Adjustment involving the Accumulating Compensated Absences 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	(2)	2	-
Total Adjustments	**(411)**	**411**	**-**

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

2013/2014 £000		**2014/2015 £000**
(427)	Recharge for Electoral Registration (Note 14)	(439)
(9)	Other Income	(7)
(436)	**Total**	**(446)**

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

2013/2014 £000		**2014/2015 £000**
265	Net interest on the net defined benefit liability (asset)	374
(2)	Interest receivable and similar income	(2)
263	**Total**	**372**

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

2013/2014 £000		**2014/2015 £000**
(46)	Government Grants (see note 29)	(151)
(46)	**Total**	**(151)**

8 **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - RECOGNISED CAPITAL INCOME**

2013/2014 £000		**2014/2015 £000**
(23)	Capital Contributions from Constituent Authorities in year	(23)
-	Capital Contributions from UK Cabinet Office	(74)
(23)	**Total**	**(97)**

9 **BALANCE SHEET - USABLE RESERVES**

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

10 BALANCE SHEET - UNUSABLE RESERVES

2013/2014 £000		2014/2015 £000
44	Capital Adjustment Account	109
(8,163)	Pensions Reserve	(5,891)
(78)	Accumulating Compensated Absences Adjustment Account	(99)
(8,197)	**Total Unusable Reserves**	**(5,881)**

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 Board as finance for the costs of acquisition, construction and enhancement.

Note 4 provides details of the source of all the transactions posted to the Account.

2013/2014 £000		2014/2015 £000
52	**Balance at 1 April**	44
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(31)	• Charges for depreciation and impairment of non current assets	(32)
	Capital financing applied in the year:	
23	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	97
44	**Balance at 31 March**	**109**

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 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 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 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.

2013/2014 £000		2014/2015 £000
(5,742)	**Balance at 1 April**	**(8,163)**
(2,020)	Re-measurement of the net defined benefit liability/(asset)	2,842
(767)	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	(939)
366	Employer's pensions contributions and direct payments to pensioners payable in the year	369
(8,163)	**Balance at 31 March**	**(5,891)**

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences 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.

2013/2014 £000			2014/2015 £000
(76)	**Balance at 1 April**		**(78)**
76	Settlement or cancellation of accrual made at the end of the preceding year	78	
(78)	Amounts accrued at the end of the current year	(99)	
(2)	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		(21)
(78)	**Balance at 31 March**		**(99)**

11 **CASH FLOW STATEMENT - OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

2013/2014 £000		2014/2015 £000
(2)	Interest received	(2)
(2)	**Total Operating Activities**	**(2)**

12 **CASH FLOW STATEMENT - INVESTING ACTIVITIES**

2013/2014 £000		2014/2015 £000
23	Purchase of property, plant and equipment, investment property and intangible assets	97
23	**Total Investing Activities**	**97**

13 **CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

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

31 March 2014 £000		31 March 2015 £000
416	Bank current account	333
416	**Total cash and cash equivalents**	**333**

14 **AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS**

The expenditure of the Board is matched to requisition income from the Constituent Councils resulting in a break-even position at the end of the year, and therefore no change in the General Reserve balance. The level of detail provided in the quarterly Revenue Monitoring reports presented to the Board is in line with the detail given in the Comprehensive Income and Expenditure Statement. However, this information is prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year

The summary of the Board's income and expenditure in line with the Revenue Monitoring reports format for the year is as follows:

Divisional Income and Expenditure 2013/2014	**Total £000**
Requisition and other income	**(3,349)**
Total Income	**(3,349)**
Employee expenses	**2,498**
Other service expenses	**851**
Total Expenditure	**3,349**
Net Expenditure	**-**

Divisional Income and Expenditure 2014/2015	**Total £000**
Requisition & other income	**(3,427)**
Total Income	**(3,427)**
Employee expenses	**2,560**
Other service expenses	**867**
Total Expenditure	**3,427**
Net Expenditure	**-**

	2013/2014 £000	**2014/2015 £000**
Total (Surplus) or Deficit for the year	-	-
Amounts in the Comprehensive Income and Expenditure Statement not reported to the Board in the Revenue Monitoring reports (Note 4)	411	526
(Surplus) or Deficit on Provision of Services	**411**	**526**

15 AGENCY SERVICES

Tayside Valuation Joint Board provides a comprehensive electoral registration service on behalf of Angus Council and Perth & Kinross Council.

	2013/2014 £000	**2014/2015 £000**
Expenditure incurred in providing electoral registration services to Angus Council	172	177
Fee payable by Angus Council	172	177
Net surplus arising on the agency arrangement	**-**	**-**
Expenditure incurred in providing electoral registration services to Perth & Kinross Council	255	262
Fee payable by the Perth & Kinross Council	255	262
Net surplus arising on the agency arrangement	**-**	**-**

16 **MEMBERS ALLOWANCES**

The Valuation Joint Board were recharged by Angus Council for the following allowance paid to the Vice-Convener:

	2013/2014 £000	2014/2015 £000
Vice-Convener's Allowance	3	3
Total Members Allowances	**3**	**3**

17 **EXTERNAL AUDIT COSTS**

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

	2013/2014 £000	2014/2015 £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 SCHEMES**

Participation in pension schemes

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 Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in the Local Government Superannuation Scheme (Tayside Pension Fund), which is administered by Dundee City Council and is a Defined Benefits Scheme. In addition the Board has liabilities for discretionary pension payments outside the main scheme. IAS 19 information is provided by Barnett Waddingham LLP, the independent actuaries to the Fund.

Transactions relating to post employment benefits

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions, however, the real cost of retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	Local Government Superannuation Scheme	
	2013/2014	2014/15
	£000	£000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
• service cost	502	565
Financing and Investment Income and Expenditure		
• net interest on the defined liability (asset)	256	367
• administration expenses	9	7
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**767**	**939**
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)	484	1,724
• Actuarial gains and losses arising on changes in demographic assumptions	(617)	1,010
• Actuarial gains and losses arising on changes in financial assumptions	(1,927)	(2,291)
• Other	40	2,399
	(2,020)	**2,842**
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**(1,253)**	**3,781**
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	(767)	(939)
Actual amount charged against the General Reserve Balance for pensions in the year:		
• employers' contributions payable to scheme	366	369

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	Local Government Pension Scheme	
	2013/2014	2014/2015
	£000	£000
Present value of funded obligation	25,895	27,045
Fair value of Scheme assets (bid value)	17,991	21,478
Net liability	**7,904**	**5,567**
Present value of unfunded obligation	259	324
Net liability in balance sheet	**8,163**	**5,891**

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2013/2014	**2014/2015**
	£000	**£000**
Opening balance at 1 April	17,041	17,991
Interest income on assets	777	827
Remeasurement gain/(loss):		
Return on assets less interest	484	1,724
Other Actuarial gains/(losses)	-	973
Administrative expenses	(9)	(7)
Employer contributions	365	369
Contributions by scheme participants	130	131
Benefits paid	(797)	(531)
Closing balance at 31 March	17,991	21,478

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

	Funded liabilities: Local Government Pension Scheme	
	2013/2014	**2014/2015**
	£000	**£000**
Opening balance at 1 April	22,783	26,154
Current service cost	502	565
Interest cost	1,033	1,194
Contributions by scheme participants	130	131
Remeasurement gains & losses:		
- Change in financial assumptions	1,927	3,265
- Change in demographic assumptions	617	(1,010)
Experience loss/(gain) on defined benefit obligation	(41)	(2,399)
Benefits paid	(797)	(531)
Closing balance at 31 March	26,154	27,369

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

	31 March 2014		31 March 2015	
	£000s	**%**	**£000s**	**%**
Equities	12,774	71%	15,210	71%
Gilts	900	5%	1,177	5%
Other Bonds	2,338	13%	2,714	13%
Property	1,619	9%	2,141	10%
Cash	360	2%	236	1%
	17,991	100%	21,478	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 2015.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2013/2014	**2014/2015**
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	21.0	21.2
Women	23.3	23.2
Longevity at 65 for future pensioners (years):		
Men	23.2	23.4
Women	25.6	25.5
Other assumptions:		
Rate of inflation (RPI)	3.7%	3.3%
Rate of inflation (CPI)	2.9%	2.5%
Rate of increase in salaries	5.1%	4.3%
Rate of increase in pensions	2.9%	2.5%
Rate for discounting scheme liabilities	4.6%	3.4%

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 £27.369m and projected service cost of £518,000 at 31st March 2016):

	£000	£000
Adjustment to discount rate:	-0.1%	-0.1%
Present value of total obligation	26,855	27,894
Projected service cost	506	530
Adjustment to long term salary increase:	+0.1%	-0.1%
Present value of total obligation	27,476	27,263
Projected service cost	518	518
Adjustment to pension increases and deferred revaluation:	-0.1%	-0.1%
Present value of total obligation	27,790	26,956
Projected service cost	530	506
Adjusted to mortality age rating assumption	+1 Year	-1 Year
Present value of total obligation	27,355	28,391
Projected service cost	499	537

Impact on the Board's Cash Flows

The total contributions expected to be made to the Local Government Pension Scheme by the Board in the year to 31 March 2016 are £314,000.

The weighted average duration of the defined benefit obligation for scheme members is 23 years in 2015/2016 (2014/2015 – 23 years)

19 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2015 and 24 August 2015 that would have an impact on the 2014/15 financial statements. The latter date is the date on which the accounts were authorised for issue by the Treasurer.

20 RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the 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 Board.

The three Constituent Councils are considered to be related parties of the Valuation Joint Board and during the 2014/2015 financial year, the Board entered into a number of transactions with the Constituent Councils as detailed below:

2013/2014 Charges To £000	2013/2014 Charges From £000		2014/2015 Charges To £000	2014/2015 Charges From £000
		Angus Council		
(757)	-	Valuation Services Requisition	(747)	-
(172)	-	Electoral Services Recharge	(177)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(1)	-	Sundry Recoveries and Sales	(1)	-
-	3	Vice-Convener Recharge	-	3
-	6	Office Cleaning Services	-	6
-	18	Property Rental (Ravenswood)	-	18
(938)	**27**		**(933)**	**27**
		Dundee City Council		
(954)	-	Valuation Services Requisition	(942)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(2)	-	Interest Receivable	(2)	-
-	24	Central Support Services	-	30
(964)	**24**		**(952)**	**30**
		Perth & Kinross Council		
(1,154)	-	Valuation Services Requisition	(1,139)	-
(255)	-	Electoral Services Recharge	(262)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(1)	-	Sundry Recoveries and Sales	(1)	-
(1,418)	**-**		**(1,410)**	**-**

The undernoted balance existed between the Board and its related parties as at 31 March 2015.

31 March 2014 Amounts Due From £000	31 March 2014 Amounts Due To £000		31 March 2015 Amounts Due From £000	31 March 2015 Amounts Due To £000
		Angus Council		
-	63	Valuation Services Requisition	-	10
-	14	Electoral Services Recharge	(6)	-
-	**77**		**(6)**	**10**
		Dundee City Council		
-	-	Valuation Services Requisition	-	12
(2)	**-**	Interest Receivable	**(2)**	**-**
(2)	**-**		**(2)**	**12**
		Perth & Kinross Council		
-	-	Valuation Services Requisition	-	15
-	**-**	Electoral Services Recharge	**(7)**	**-**
-	**-**		**(7)**	**15**

21 LEASES

Board as Lessee

Finance Leases

The Valuation Joint Board held no assets on finance lease during 2014/2015 and accordingly, there were no finance lease rentals paid to lessors during 2014/2015 (2013/2014 None).

Operating Leases

The Valuation Joint Board occupied office premises in Dundee, Perth and Forfar on operating leases during 2014/2015. The total operating lease rentals paid to lessors in 2014/2015 were £162,200 (2013/2014 £162,200).

In addition, Dundee City Council administers a Contract Car Hire Scheme on behalf of the employees of the Joint Board. In the financial year 2014/2015, total operating lease rental payments of £63,276 (2013/2014 £61,717) were made by the Board to the lessor, offset by contributions of £37,858 from employees (2013/2014 £38,110).

In respect of operating leases at 31 March 2015, the Valuation Joint Board is committed to making payments to lessors of £712,344 (at 31 March 2014 - £916,129). This comprises the following elements:

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

	31 March 2014 £000	31 March 2015 £000
Not later than one year	217	196
Later than one year and not later than five years	532	405
Later than five years	167	111
	916	**712**

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

	31 March 2014 £000	31 March 2015 £000
Lease payments	224	225
Employee contributions	(38)	(38)
	186	**187**

22 PROPERTY, PLANT AND EQUIPMENT

Movements on Balances

Movements in 2014/2015:

	Total
	£000
Gross Book Value	
At 1 April 2014	219
Additions	97
Disposals	-
At 31 March 2015	**316**
Accumulated Depreciation and Impairment	
At 1 April 2014	(132)
Depreciation charge	(32)
Written Back on Disposals	-
At 31 March 2015	**(164)**
Net Book Value	
At 31 March 2015	**152**
At 31 March 2014	87

Comparative Movements in 2013/2014:

	Total
	£000
Gross Book Value	
At 1 April 2013	196
Additions	23
Disposals	
At 31 March 2014	**219**
Accumulated Depreciation and Impairment	
At 1 April 2013	(101)
Depreciation charge	(31)
Written Back on Disposals	-
At 31 March 2014	**(132)**

Depreciation
For the calculation of depreciation, all assets have been assigned a useful economic life of 5 years with no residual value assumed.

Capital Commitments

At its meeting on 26th January 2015, the Joint Board approved a new 3 year Capital Programme (2015 - 2018) which reflected the latest phasing of existing projects. The new programme for capital expenditure is as follows:

- 2015/2016 - £23,000
- 2016/2017 - £23,000
- 2017/2018 - £23,000

The programme is to be funded by capital contributions from the three Constituent Councils. None of the proposed expenditure in the 2015-2018 programme was legally committed as at 31 March 2015.

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.

	2013/2014 £000	2014/2015 £000
Capital investment:		
Property, Plant and Equipment	23	97
Sources of finance:		
Contributions from Constituent Councils in year	(23)	(23)
Contributions from Grant – UK Cabinet Office	-	(74)
Closing Capital Financing Requirement	-	-

24 SHORT TERM DEBTORS

	31 March 2014 £000	31 March 2015 £000
Central government bodies	14	36
Local authorities	2	2
Other entities and individuals	36	143
Total	**52**	**181**

25 SHORT TERM CREDITORS

	31 March 2014 £000	31 March 2015 £000
Central government bodies	83	129
Local authorities	178	36
Other entities and individuals	170	333
Total	**431**	**498**

26 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 March 2015 (31 March 2014 None).

27 CONTINGENT ASSETS

No contingent assets existed at 31 March 2015 (31 March 2014 None).

28 CAPITAL CONTRIBUTION INCOME

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

	2013/2014 £000	2014/2015 £000
Capital Contributions from Constituent Councils	23	23
Capital Contributions – UK Cabinet Office	-	74
Total	**23**	**97**

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 2014 £000	31 March 2015 £000
Capital Contributions Receipts in Advance:		
At 1 April	55	55
Capital Contributions received in year		
Constituent Councils	23	23
UK Cabinet Office	-	74
Transfer to Recognised Capital Income	(23)	(97)
At 31 March	**55**	**55**

29 GRANT INCOME

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

	31 March 2014 £000	31 March 2015 £000
Scottish Government – Scottish Referendum Funding	20	28
UK Cabinet Office – Individual Electoral Registration Funding	26	123
Total	**46**	**151**

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 2014 £000	31 March 2015 £000
UK Cabinet Office – Individual Electoral Registration Funding	82	127
Total	**82**	**127**

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

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

We certify that we have audited the financial statements of Tayside Valuation Joint Board for the year ended 31 March 2015 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise Comprehensive Income and Expenditure Statement, Balance Sheet, Cash-Flow Statement and Movement in Reserves Statement and the related notes. 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 2014/15 (the 2014/15 Code).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited Annual Accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2014/15 Code of the state of the affairs of the body as at 31 March 2015 and of the income and expenditure of the body 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 2014/15 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.

Independent auditor's report to the members of Tayside Valuation Joint Board and the Accounts Commission for Scotland (continued)

Opinion on other prescribed matters

In our opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014; and

- The information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or

- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit; or

- the Annual Governance Statement does not comply with Delivering Good Governance in Local Government; or

- there has been a failure to meet a prescribed financial objective.

We have nothing to report in respect of these matters.

Andrew Shaw

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

191 West George Street

Glasgow

G2 2LJ

Date