

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 29 AUGUST 2022

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON THE 2021/2022 AUDIT

REPORT BY: TREASURER

REPORT NO: TVJB 17-2022

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 2022. 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 2021/22 was carried out by Mr Richard Smith, Senior Audit Manager, Audit Scotland. This was the sixth and final year of the current external audit appointment.

We have been informed that Audit Scotland have been appointed as external auditors for the next 5 year audit cycle, starting 2022/23. However, it will be subject to a rotation of external audit staff.

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 2021/2022, 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 2021/2022, the External Auditor examined a number of areas covering a wide range of the Joint Board's activities. It is pleasing to note that the auditor's overall findings and conclusions are largely satisfactory. In particular, the Joint Board should note the following:

- an unqualified audit opinion will be issued on the truth and fairness of the Joint Board's affairs as at 31st March 2022
- finance staff provided good support to the audit team which helped ensure the final accounts audit was completed in line with the original timetable
- the Board's corporate governance arrangements provide a sound framework for organisational decision-making
- the Joint Board is open and transparent in the way it conducts business
- The projected uncommitted general reserve balance for 31 March 2023 is below the level set out in the Joint Board's approved reserves strategy. The longer-term impact of the Covid-19 pandemic, and other increasing cost pressures, is also likely to place additional pressure on the budget of the Joint Board in future years. These factors present a risk to the longer-term financial sustainability of the Joint Board

5 **POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6 **CONSULTATIONS**

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

7 **BACKGROUND PAPERS**

None

ROBERT EMMOTT
TREASURER

19 AUGUST 2022