

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 20 NOVEMBER 2023

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON THE 2022/2023 AUDIT.

REPORT BY: TREASURER

REPORT NO: TVJB28-2023

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 2023. 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;
- iii instructs Treasurer to arrange the Audited Annual Accounts noted above to be signed and then returned to the external auditor;
- iv instructs the Treasurer thereafter to arrange for the above Annual Accounts, to be published on the Tayside Joint Valuation Boards website.

3 FINANCIAL IMPLICATIONS

None.

4 MAIN TEXT

Introduction

4.1 The external audit of the Board for the financial year 2022/23 was carried out by Mr Richard Smith, Senior Audit Manager, Audit Scotland. The Joint Board's External Auditors are appointed for a five year period and the financial year 2022/2023 marked the first year of Audit Scotland's current 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 2022/2023, 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.

4.4 Audit Adjustments

Through the audit process, four technical adjustments to the figures in TVJB's financial statements were identified. Further details are provided in Annual Audit Report Exhibit 3 on page 9 (items 1 to 4). The main adjustment related to the IAS19 pension position as at 31 March 2023 in light of differing interpretations of IFRIC14 (*IAS19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*).

4.5 Summary of key figures

The TVJB's 2022/23 Audited Annual Accounts show a net underspend against budget of £0.021m. This resulted in the general reserve balance increasing from £0.111 million at 31 March 2022 to £0.132m at 31 March 2023. However, the uncommitted general reserve is only £0.021m which is below the minimum uncommitted reserve in the Valuation Board strategy of £0.060m.

4.6 Action Plan

The external auditor has made three recommendations arising from the 2022/23 TVJB audit. These recommendations have been considered carefully by the Treasurer and Assessor and completed action plan, incorporating the "agreed management action / timing", is included at Appendix 1 to the external auditor's report.

4.7 Conclusions

During 2022/2023, the External Auditor examined a number of areas covering a wide range of the Joint Board's activities. In particular, the Joint Board should note that the Board's financial statements give a true and fair view of its financial position for 2022/23 and appropriate arrangements are in place to secure Best Value, and measure efficiency and effectiveness of operations.

5 **POLICY IMPLICATIONS**

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

6 **CONSULTATIONS**

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

7 **BACKGROUND PAPERS**

None